

Mongolia

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Data Collection Survey on Sustainable Tourism Development in Mongolia

Final report

October, 2021

Japan International Cooperation Agency (JICA)

Kinki Nippon Tourist Corporate Business Co., Ltd.

The TOA Institution

QUNIE Corporation

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—Impressions of the team leader of the survey in submitting the report—

Takenori Shimizu (Former Japanese Ambassador Extraordinary and Plenipotentiary to Mongolia)

1. JICA's cooperation in the tourism sector

This survey is a full-scale survey on the tourism after the submission of “The Master Plan on National Tourism Development in Mongolia” in 1999. Many concrete proposals were made in the survey in 1999. Unfortunately, many recommendations have not yet been implemented due to repeated structural reforms within the Mongolian government, which have resulted in a steady shift in the tourism sector and the failure to resolve the issue of securing fundamental financial resources. However, the concept of this survey is still used today as a textbook entity for the development of Mongolian tourism. After that, the Mongolia Tourism Issues were briefly mentioned in the “Data Collection Survey on the Regional Comprehensive Development in Mongolia” submitted in 2016, but it was the first time in more than 20 years to conduct a detailed survey focusing on the theme of tourism. The fact that the term “sustainability” was added to the survey theme seems to tell the story of the development of the tourism concept during this period.

2. Significance of Japan's Assistance to Mongolia and Tourism since Democratization

Since the democratization of Mongolia realized in 1990, the Japanese government has supported Mongolia's development in all fields, including infrastructure development, human resources development (especially education support), and financial support. In recent years, Japan's assistance to Mongolia has spread throughout the Mongolia community, including infrastructure-related projects such as the new Ulaanbaatar International Airport, Medical University Education Hospital and the construction of schools, and several grant aid projects to support study abroad in Japan, as well as yen loans recently to overcome economic difficulties caused by the spread of COVID-19. The Mongolian government placed tourism as one of the three pillars of economic growth. It is presumed that the risks and limitations of relying solely on the export of robust mineral resources were recognized. In Mongolia, where tourism is highly beneficial to the people due to its spaciousness, and where the poverty rate is high, it was natural flow that was regarded as a priority industry. Unfortunately, the spread of COVID-19 has made Mongolia the world's most foreign in-band-losing country, but it is now an important time to prepare for Post-COVID.

The year 2022 marks the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia. Looking at the exchange of visits between the two countries, there is an imbalance between Japan and Mongolia. That is approximately 25,000 people visit Mongolia from Japan, while approximately 30,000 people visit Japan from Mongolia. Mongolia has many tourism resources that inspire Japanese people, but they are not yet fully recognized. There are also many points that need to be improved in the system for accepting foreign nationals. Hopefully, we hope that this report will contribute to the sustainable development of Mongolia's tourism, and that the number of Japanese tourists visiting Mongolia, a friend of Mongolia, will increase as much as possible.

3. Impact on COVID-19 surveys

This survey had to be terminated without being able to carry out the field survey by the influence of the extension of the COVID-19. Since the attractiveness and issues of tourist spots can be clearly expressed only by stepping into the local area, it was extremely regrettable that we could not enter Mongolia. Fortunately, however, I had visited the survey areas in 2019 in recent years, with the exception of the Dornogovi area. In addition, we were lucky enough to have sincere cooperation from Mongolian experts familiar with the survey areas, and I was just able to compile the report in this way. I would like to take this opportunity to express my gratitude to all those involved.

4. Reaffirmed Importance of tourism in Mongolia after the Post-COVID

(1) Mongolia is the best region for deepening our thoughts on the fundamental themes of human beings, such as the origin of the earth, the birth of life, and the fate of humankind. I was once again keenly reminded of a country overflowing with “extraordinary nature” that shakes my view of life, such as “a history of a long time that has continued since the time of the dinosaurs,” “an ancient ocean and great grasslands spreading over an altitude of more than 1,000 meters above sea level,” “stars filling a 360-degree endless sky,” “a nomadic culture represented by horse-headed violin (morin khuur) and ger,” which is woven by ethnic groups that conquered the world. In particular, I am convinced that Mongolia's appeal will be reappraised as it gives us the opportunity to explore the past and future of human beings, ways of living as human beings, and the very existence of human beings, rather than just tourism based on consumption-oriented values, as mankind seeks out a new social image in the Post-COVID or With COVID era.

(2) The key words for Mongolian tourism are: dinosaurs, nature, ancient history, and nomadic culture, but they are tourist spots that can become the presence of oases for people living in urban areas. Mongolia's journey, which touches on the origins of the earth, is also suitable for the younger generation. It is believed that Mongolia is a place where young generations can experience the wonders of the earth by being freed from urban buildings, seeing the majestic excavation sites of dinosaur fossils, challenging horses and sheep milk streamers, looking up for the stars filling the sky, and seeing the flowers of alpine plants that endlessly continue on the grasslands. Isn't Mongolia a country where children around the world can easily come into contact with such gifts from the earth? Mongolia is eligible to become a “Global Village for Children of the World.” The dinosaur museum proposed this time also incorporates such thoughts.

5. Significance of Tourism Development in Mongolia

Mongolia's National Vision 2050 emphasizes “national values,” or ethnic pride, as a top priority for national goals. Tourism offers the people an opportunity to reaffirm their pride, and foreign tourists will reevaluate Mongolia's appeal by coming into contact with the magnificent nature and nomadic culture of Mongolia. With a population of only 3.4 million between great powers of Russia and China, Mongolia can expand its borders worldwide by opening windows to the world in the form of tourism, which is also significant in achieving what Vision 2050 aims to achieve. In 2019, the tourism sector grew to account for 7.2% of GDP. Mongolia's economy has an economic structure that relies on mining resources for 83.69% of its exports (2019). A strong desire to transform such economic structures is felt from the tourism that the Government of Mongolia has placed as one of the three pillars of its national development. The mining resources will end over time. However, tourism resources are sustainable if they are conserved and protected appropriately. That is why the tourism industry in Mongolia is important.

6. Issues of Tourism in Mongolia

(1) In recent years, the Mongolian government has been actively working on the development of tourism-related infrastructure. However, under the current circumstances, the area where safe and secure travel for foreign tourists is ensured is limited. In Mongolia, the conditions for public employees to continue the stable service have not been secured due to political circumstances. Even for tourism, there is no government agency that deals with tourism independently, and tourism has long existed as a part of other ministries and agencies. The number of staff is very small. If it has been decided that tourism should be placed on the three pillars of economic development, then it is believed to be absolutely necessary to have a system commensurate with that. This is the reason why preparations for the revision of laws and regulations on tourism are currently under way, and they will hopefully be realized in a direction that will contribute to the development of the tourism industry.

(2) Although there are many tourism resources, information on them has not necessarily reached Japan and other countries. To give one example, the first living Buddha called Zanabazar in the 17th century was a famous Buddhist sculptor and left numerous wonderful metal carvings of Buddha. Some people may be interested to hear that a work, which is as large as 30 centimeters in size and is not preserved so well, has been awarded for over 500 million yen in French auctions. There is not a single piece of Zanabazar's work on the website of the Zanabazar Museum of Art. I think it would be good to disseminate more information

about what ethnic groups can be proud of worldwide. It doesn't just mean attracting tourists, but it is necessary to promote Mongolia's pride to the world.

(3) Mongolian citizens' interest in tourism has not declined at all under the COVID-19 due to the expansion of pavement roads and heightened interest in the historical sites of the country's famous sites, and it is expected that this will continue to expand rapidly in the future, but it is difficult to say that the system on the side of the tourist attraction has been in place. It has been proven in Lake Khuvsgul that there is a high risk of threats to sustainable tourism development, such as the state of conservation and protection of protected areas and the problems of restrooms, parking lots, and camps. There is also concern that tourists who are expected to grow after COVID-19 will lose their vulnerable tourism resources if they do not respond promptly not only for tourists but also from the perspective of protecting valuable ethnic resources.

(4) In conducting surveys and making recommendations on sustainable tourism development in Mongolia, we took into consideration the maximum extent of consistency with the policies of the Government of Mongolia. In addition, we made utmost efforts to ensure that Japan's future policies be never duplicated with the planned policies of international organizations including ADB and donor countries, with which the Mongolian Government is in negotiation. It should be clearly stated that the target areas and themes of the project have been narrowed down in this way. It is hoped that this report will make some contributions to the sustainable development of Mongolia's tourism.

Map



Source: Google Map

All over Mongolia



Source: Prepared by the survey team

Survey areas

Data Collection Survey on Sustainable Tourism Development in Mongolia

Final Report

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Table of abbreviations and acronyms

Abbreviations and acronyms	Official name
ADB	Asian Development Bank
C/P	Counterpart
DMO	Destination Management Organization
EU	European Union
EIB	European Investment Bank
F/S	Feasibility Study
GDP	Gross Domestic Product
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information and Communication Technology
IFC	International Finance Corporation
IMF	International Monetary Fund
ITM	International Travel Mart
JICA	Japan International Cooperation Agency
KFAED	Kuwait Fund for Arab Economic Development
KfW	Kreditanstalt für Wiederaufbau
KTO	Korea Tourism Cooperation
MIAT	Mongolian Airlines
MICE	Meeting, Incentive Travel, Convention, Exhibition/Event
MNET	Ministry of Nature, Environment and Tourism
MNT	Mongol Tugrik
MOU	Memorandum of Understanding
M/P	Master Plan
NGO	Non-governmental Organization
NPO	Nonprofit Organization
OECD	Organisation for Economic Co-operation and Development
PPP	Public Private Partnership
SWOT	Strength, Weakness, Opportunity, Threat
TIKA	Turkish Cooperation and Coordination Agency
VAT	Value Added Tax
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	The World Tourism Organization of the United Nations
UB	Ulaanbaatar
USD	United States Dollar

The currency conversion rate in this report is calculated at the following exchange rates.

1 Mongolia Tugrik (MNT) = 0.041930 yen

1 US dollar (USD) = 109.862 yen (JICA monthly exchange rate in September 2021)

Chapter 1

Survey Overview

Chapter 1 Survey Overview

1.1 Background of the Survey

While Mongolia has the potential to develop tourism using its unique nomadic culture and abundant natural resources, the effective use of tourism resources, the formulation and implementation of marketing strategies, and the development of infrastructure (transportation, accommodation facilities, service facilities, etc.) have become issues for promoting the development of the tourism sector.

The Government of Mongolia regards the development of the tourism sector as one of its top priorities to revitalize active local economies in policy instruments such as the Vision 2050 Long-Term Development Policy, the Three-Pillar Development Policy, the Tourism Development National Program, and the National Tourism Development Policy 2019-2026 (State Policy on Tourism Development), but these priorities are not clear. While the tourism sector is an important part of the Mongolian government document, the Mongolia Tourism Development Index is 3.5 overall and 93 out of 140 countries according to the World Economic Forum Travel Competition Ranking 2019. Surveys conducted by JICA in relation to the tourism sector have shown that Mongolia's vast land area, rich nature and unique cultures have potential as tourism resources, but their contributions to economic growth are limited due to the infrastructure issues and lack of full utilization of tourism resources. The tourism industry accounts for only 3.3% of total GDP (US\$427.0 mil in 2019). On the other hand, according to an IMF survey and analysis, tourism is regarded as a comparatively superior industry in industrial diversification, and the development of the tourism sector is expected to contribute to macroeconomic stability.

Under these circumstances, the government will collect detailed information on the current situation of the tourism sector mainly targeting the Gobi region and the area around Kharkhorin City, which possess abundant tourism resources and are expected to further develop as tourist destinations in Mongolia, and will consider proposals for JICA's cooperation in the area. As Mongolia aims to develop tourism based on nomadic culture and history, and as Mongolia's vision is to realize environmentally friendly and community-based sustainable tourism development, this survey will consider proposals for future JICA cooperation based on these visions. With regard to Umnugovi aimag (province), which is abundant in tourist resources in the Gobi region and is approximately 550 kilometers away from Ulaanbaatar where the main gateway from foreign countries to Mongolia is located and approximately half of the population of Mongolia lives, as well as Dornogovi aimag, which is approximately 450 kilometers away from Ulaanbaatar, Japan is considering simultaneous tourism development with Mandalgovi City, Choir City, and other cities that are transit points during land travel, so that Japan will also consider cooperation to further enhance the added value of tourism to the Gobi region.

1.2 Survey Overview

1.2.1 Purpose of survey

This survey proposes a route-specific tourism development policy (draft) to be surveyed based on the master plan and related survey results formulated by JICA in the past regarding tourism development in the surveyed areas, as well as the current status and progress of the tourism sector in Mongolia, basic data on tourism, support needs, and cooperative trends of other donor agencies. The main objective of this project is to propose future JICA cooperation programs based on the route-specific tourism development policy (draft) in order to promote the tourism sector and related industries.

1.2.2 Survey areas

The following four routes will be surveyed. Information will be gathered on the routes starting from the capital city of Ulaanbaatar, and specific tourism development policies (draft) and JICA cooperation programs will be reviewed.

- A) Umnugovi route (from Ulaanbaatar City to Mandalgovi City in Dundgovi aimag to the vicinity of Dalanzadgad City in Umnugovi aimag)

- B) Dornogovi route (from Ulaanbaatar City to Choir City in Govisumber aimag to Sainshand City in Dornogovi aimag to the vicinity of Zamiin-Uud City)
- C) Kharkhorin route (from Ulaanbaatar City to Kharkhorin City in Uvurkhangai aimag to the vicinity of Tsetserleg City in Arkhangai aimag)
- D) Outskirts of Ulaanbaatar City (Zuunmod City in Tuv aimag, New Zuunmod City, Terej)

1.3 Survey team and the survey process

1.3.1 Composition of the survey team

The composition of the survey team members is as shown in the table below.

Table 1-1: Composition of Survey Team Members

Field of Expertise	Name	Department
Team leader/Tourism Development Plan	Takenori Shimizu	Kinki Nippon Tourist Co., Ltd. Corporate Business
Promotion of tourism business development/Marketing	Jun Hirabayashi	QUNIE Corporation
Community development	Gantumur Damba	The TOA Institution (Mongolia Tourism Association)
Tourism infrastructure	Tsutomu Takebe	The TOA Institution
Tourism Statistics and Analysis ①	Kosuke Tomoshige	QUNIE Corporation
Tourism Statistics and Analysis ②	Airi Hiyama	QUNIE Corporation
Environmental and Social Considerations	Hiba Deba	QUNIE Corporation
Travel Product Development	Yoshimasa Obu	Kinki Nippon Tourist Co., Ltd. Corporate Business
Tourism Development Plan ②	Usukhbayar Ganbat	The TOA Institution

1.3.2 Survey schedule

Figure 1-1 shows the survey schedule.

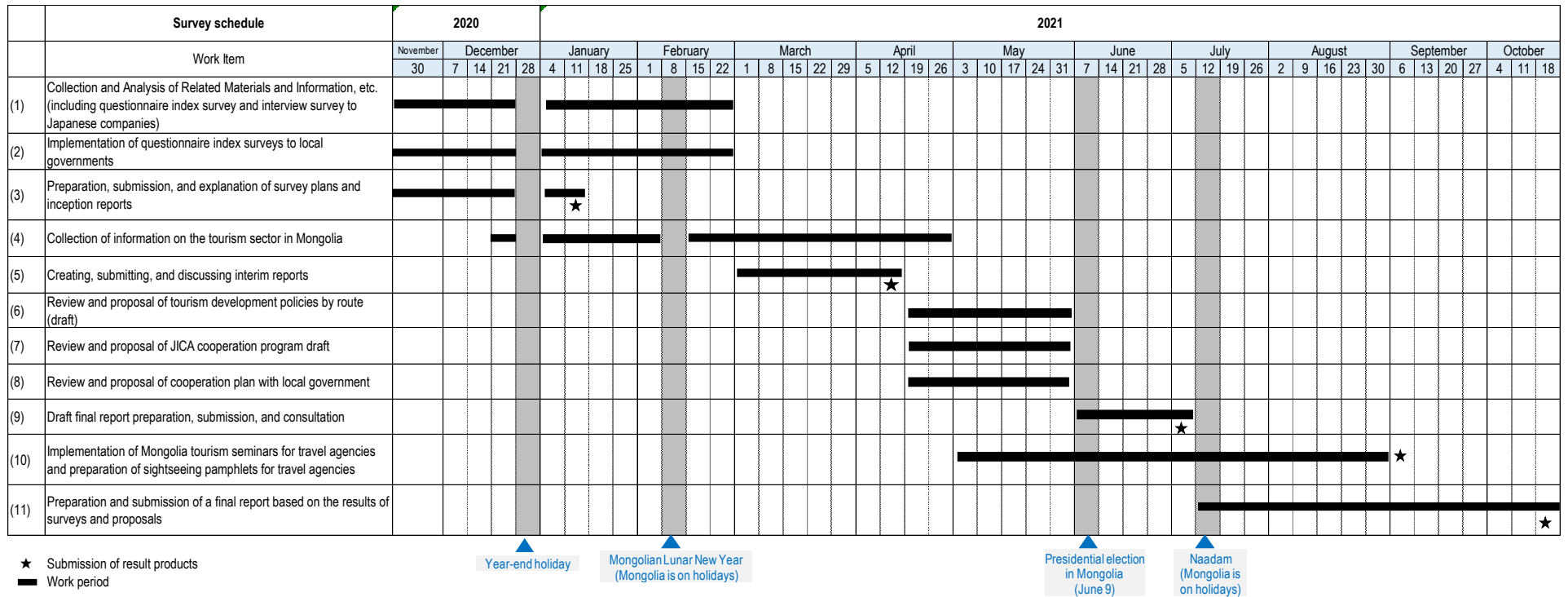


Figure 1-1: Survey schedule

Chapter 2

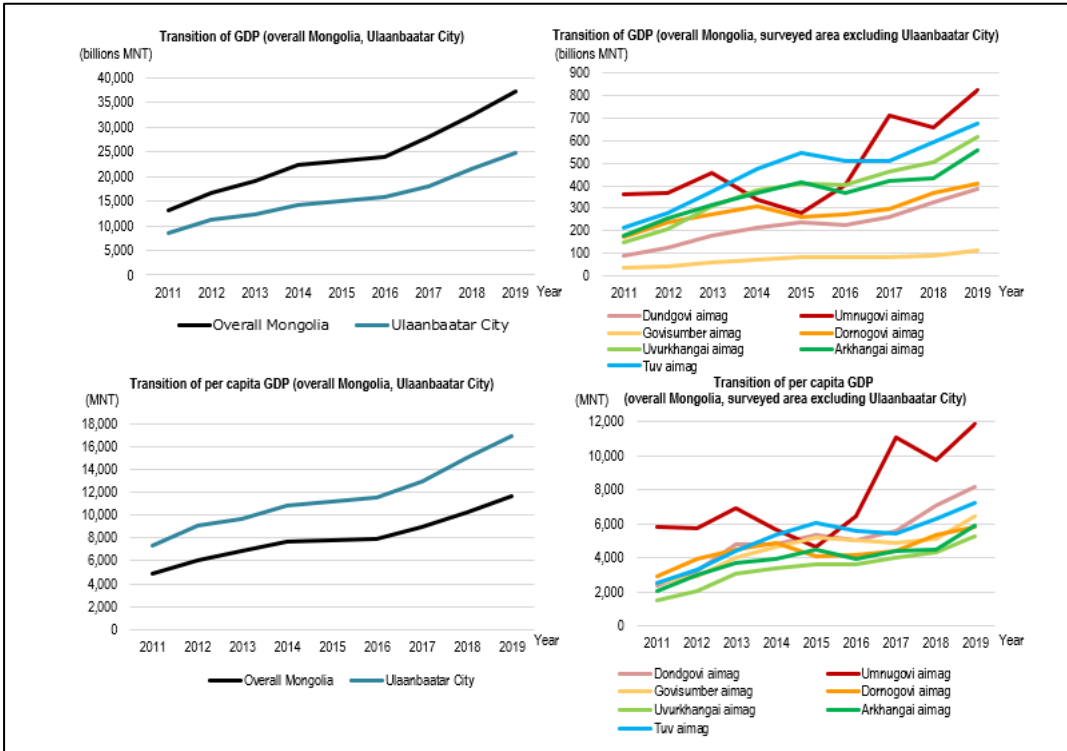
Basic Information on the Tourism Sector, Understanding of the Current Situation, and Analysis of Issues

Chapter 2 Basic Information on the Tourism Sector, Understanding of the Current Situation, and Analysis of Issues

2.1 Economic situation in Mongolia

Mongolia is the world's second lowest-population density country (2018: The World Bank) with a population of approximately 3.3 million (2019: National Statistical Office of Mongolia) on the land of approximately 1,564,100 km² (approximately four times larger than Japan), and has borders with two countries, China and Russia. The GDP in 2019 is approximately 37,281,000,000,000 MNT (approximately 14 billion USD (2019: World Bank)), and the GDP per capita is about 1,168,000 MNT (about 4,340 USD (2019: The World Bank)). The capital city of Ulaanbaatar accounts for approximately 65% of GDP.

The Mongolian economy highly depends on mineral resource price and Chinese economy, that is, mineral resources (mineral products) account for approximately 80 percent of the export amount, and the export destined to China accounts for 90 percent. Since around 2011, foreign direct investment in the Oyu-Tolgoi mine has contributed to the development of the Mongolian economy, achieving a double-digit real GDP growth rate for three consecutive years since 2011. However, the GDP growth rate slowed due to the subsequent slump in foreign direct investment, the fall in mineral resource prices that began in 2012, and the stagnation of the Chinese economy. Both commodity prices and foreign direct investment have recovered since 2017.



Source: Compiled by the survey team from the public information of the National Statistical Office of Mongolia

Figure 2-1: GDP and GDP per capita (all over Mongolia and the surveyed areas)

For the breakdown of GDP by industry in 2019, Service (48%) is ranked 1st, Industry (41%), 2nd, and Agriculture (11%), 3rd. Looking more closely at the breakdown of GDP by region and sector, the mining sector is ranked 1st throughout Mongolia, and the trade and hotel and restaurant sector, accounting for approximately 37% of the service sector, is ranked 2nd. However, it is estimated that trade and hotel and restaurant sectors are strongly influenced by Ulaanbaatar City. Except for Umnugovi aimag (province), where the Oyu-Tolgoi Mines are located, the major industries in the other surveyed areas are livestock farming.

Table 2-1: Top 3 areas of GDP ratio (all over Mongolia and surveyed areas)

Region name	1st place		2nd place		3rd place	
	Field name	Percentage	Field name	Percentage	Field name	Percentage
Whole of Mongolia	Mining	24%	Trade, hotels and restaurants	18%	Financial and other business activities	13%
Dundgovi aimag	Livestock	57%	Manufacturing	18%	Other services	13%
Umnugovi aimag	Mining	24%	Livestock	17%	Construction	17%
Govisumber aimag	Livestock	20%	Other services	19%	Mining	17%
Dornogovi aimag	Livestock	31%	Other services	21%	Financial and other business activities	13%
Uvurkhangai aimag	Livestock	42%	Manufacturing	19%	Other services	16%
Arkhangai aimag	Livestock	57%	Manufacturing	17%	Other services	13%
Ulaanbaatar City	Trade, hotels and restaurants	24%	Mining	23%	Financial and other business activities	16%
Tuv aimag	Livestock	38%	Other services	13%	Mining	13%

Source: Compiled by the survey team from the public information of the National Statistical Office of Mongolia

2.2 Policies and high-level plans

The constitutional amendment in November 2019 stipulates “development policy is sustainable” (Article 25, Paragraph 1, Item 7). Based on this amendment, the National Development Policy Planning Law enacted in November 2015 was amended, and the Revised Development Policy, Planning and Supervision Law was enacted on May 7, 2020. Following this law, the policy document approved by the Mongolian State Ikh Khural (National Assembly) in May 2020 is the “Vision 2050” Long-Term Development Policy of Mongolia. As of March 2021, it is the highest long-term development policy for tourism development. In the “Revised Development Policy, Planning and Administration Law”, policy documents such as the “Development Plan (Program)”, the “Mongolia’s Five-Year Development Guidelines for 2021-2025”, and the “Government Action Plan (Program)” are to be formulated under the “Long-Term Development Policy”.

With “Vision 2050” formulated, the Sustainable Development Policy 2030 was invalidated, assuming that the development goals of the “Sustainable Development Policy 2030 (SDV2030)” were described as evolutionarily in Phase 1 of Vision 2050. The medium-and long-term development policy and plan documents prior to the enactment of the “Revised Development Policy, Planning and Management Law” is expected to be revised by June 2022 in accordance with Vision 2050.

(1) “Vision 2050” Long-term Development Policy of Mongolia

Vision 2050 is a long-term development policy that draws up a national vision for the next 30 years based on the achievements of the past 30 years. Policies are divided into 9 major areas: 1) national values, 2) human development, 3) quality of life and middle class, 4) economy, 5) good governance, 6) green development, 7) secure and safe society, 8) regional development, and 9) Ulaanbaatar City and satellite city. Tourism is mentioned in 8) regional development, and 9) regional development classifies Mongolia into 6 regions and sets targets for each region. The main feature is that the target achievement period is set every 10 years, and specific projects to be implemented in each prefecture are clearly stated together with the budget. With regard to local development, the national policy is visible to local residents.

Table 2-2: “Vision 2050” Long-Term Development Policy of Mongolia - 8) Regional Development Overview (aimags surveyed this time are written in red)

Six-area classification	Target aimags and Ulaanbaatar City (Names in red: Target areas in this survey)	Stage of achieving targets and basic policies for activities		
		Phase 1 (2020 - 2030)	Phase 2 (2031-2040)	Phase 3 (2041 - 2050)
Economic axis, industry, tourism and green development areas of East Mongolia	Khentii, Dornod, and Sukhbaatar aimags	Form a basic network for infrastructure development, and develop agriculture, processing industry, and tourism.	Develop irrigated agriculture and intensive livestock industry.	Develop industrialization and innovation mainly by growth centers.
Responsible mining, high technology-based industries, services, paleontology and tourism areas	Govisumber, Dornogovi, Dundgovi, and Umnugovi aimags	Complete construction of a railway running east to west, a logistics center, and a checkpoint in the Govi region, and develop an earth-friendly, transparent and responsible mining industry.	Increase savings of funds to promote regional development and promote development of priority economic sectors.	Develop the nanobiotechnology industry.
Natural resources, tourism and green development areas	Govi-Altai, Bayankhongor, and Uvurkhangai aimags	Establish a vertical and transverse infrastructure axis for the Altai region, support the nomadic industry, and build a high-value-added network for the processing of raw materials.	Develop leisure and hot spring recreation tourism in both Japan and overseas.	Develop integrated cultural and recreational tourism facilities.
Economic axis, Altaic culture, natural resources, and green development areas of West Mongolia	Khovd, Bayan-Ulgii, and Uvs aimags	Improve the infrastructure for roads throughout Japan running from east to west, complete the construction of checkpoints, preserve the ecosystem, and develop comprehensive industrial facilities for manufacturing of organic products, agriculture and pasture.	Develop the aimags into international eco-tourism areas utilizing Altai's history, culture, tradition, and natural characteristics.	Develop the aimags into model areas for sustainable development utilizing the ecosystems and characteristics of the Altai Mountains and Inol-Dean Hotgol.
Intensive agricultural industries, tourism and green development areas of the Khangai region	Selenge, Darkhan-Uul, Orkhon, Bulgan, Arkhangai, Khuvsgul and Zavkhan aimags	Construct a new capital in the basin from the Orkhon River to the Tamir River, build a vertical axis linking Khangai and the southern part of Govi, and promote industries that meet international standards and the service industries.	Develop communications infrastructure by connecting power systems in each region and constructing a comprehensive system.	The number of inbound tourists who are interested in nomadic culture and the heritage of the Mongolian people will increase.
International Science and Technology Center, transportation hubs, high-tech industry, and service areas	Tuv aimag, and Ulaanbaatar City	Develop rapidly growing satellite cities that are based on settlement structure with appropriate population by industry, service, logistics, food, or agricultural sector.	Match the standards of social services to residents by the administration with the level of international standards.	Develop the aimags into international trade and business hubs that incorporate competitive chemistry and cutting-edge technologies, and innovation based on smart systems.

Source: Prepared by the survey team from JICA-received materials

(2) Mongolia’s Five-Year Development Guidelines for 2021-2025

“Promote Mongolia-specific tourism and enhance competitiveness in the international tourism market as the third priority economic area in Chapter 4 “Economy” in Development Guidelines 2021-2025.” The tourism is mentioned as above. In addition, tourism is mentioned second after infrastructure development in Chapter 8 “Regional and Rural Development.” The followings have been specified as specific targets and are described in the Investment Program (PIP), an attached document: project name, project budget, financial plan, financial resources, and supervision, and others that are scheduled to be implemented.

1. Improvement of tourism products, services, quality, and planning to enhance competitiveness and increase the number of tourists to 1 million
2. Establishment of the Chinggis Khaan Complex to promote historical tourism by protecting historical sites that appear in the secret history of Mongolia, and by implementing international promotion and infrastructure development in stages
3. Sustainable tourism development projects will be implemented in Khuvsgul aimag, Khentii aimag, Arkhangai aimag, Bayan-Ulgii aimag, Uvs aimag, Khovd aimag, and Zavkhan aimag, contributing to the increase in revenues from local residents and businesses.

(3) Action plan of the government of Mongolia 2020-2024

The plan was approved by the resolution of the Mongolian State Ikh Khural in 2020. This was created by the new administration (which the prime minister continued), which won the 2020 State Ikh Khural election, based on the Mongolian National Security Philosophy, the “Vision 2050” Long-term Development Policy of Mongolia, and the pledges of the People's Party that participated in the 2020 general election. In the section on “National Pride, Cultural Heritage” in the “Human Development Policy” in Chapter 2, the construction of a museum and history museum of Emperor Chinggis Khaan and aristocrats, a national library, a national grand theater of arts, and a national archaeology, paleontology, and folklore museum are set as targets. In Chapter 3, “Economic Policies,” the section on “Tourism” was established in addition to mining, heavy industry, food, agriculture, pasture and light industry, and specific policy issues are listed in order to develop

sustainable tourism based on nature, history, and cultural heritage. Approximately the same content as described above in the Mongolia's Five-Year Development Guidelines for 2021-2025, but more concrete matters are described below.

- Under the framework of the National Policy on Tourism Development, “Sustainable Tourism Development Project 1” will be implemented in Khentii aimag and Khuvsgul aimag, and “Sustainable Tourism Development Project 2” will be implemented in Arkhangai aimag, Uvurkhangai aimag, Bayan-Ulgii aimag, Uvs aimag, and Khovd aimag to encourage the participation of local residents and businesses.
- To complete the “Emperor Chinggis Khaan Complex” project comprehensively within the framework of developing historical tourism to implement the protection of historical sites appearing in Mongolia's secret history as well as the international promotions and infrastructure development in stages.
- Based on the Manzushir Historic Site, the construction of the International Complex of Cultural and Religious Tourism will begin.
- To improve competitiveness by improving tourism products, services, quality, and standards so that the number of citizens and tourist reaches 1 million.
- New creative and brand products that meet the characteristics of the Mongolian nomadic culture are produced to promote tourism.
- A tourism infrastructure is developed to construct service complexes along rest areas and automobile roads in Bayan-Ulgii aimag, Uvs aimag, Khovd aimag, Arkhangai aimag, Uvurkhangai aimag, Bayankhongor aimag, Umnugovi aimag, Dornod aimag, and Zavkhan aimag. Tourism is developed in the Gobi area.
- Tourism is supported around the border to increase the number of tourists.
- Within the framework of the “E-Mongolia” project, introduction of technological advances in the tourism field is carried out to expand external public relations.
- A tourism training center is built to train talented people.

(4) Three-Pillars Development Policy

It was approved in February 2018 by the resolution of the State Ikh Khural. With goals aiming to strengthen the administrative system between 2018 and 2020 and to improve economic competitiveness and the living standard of the people through unified policies, the policy directions were provided to accelerate economic development based on the three pillars of policies: food, agro-pastoral light industry, mining and heavy industry and commerce, tourism and infrastructure. In the tourism area, goals were set to “improve tourism infrastructure and competitiveness at the regional level and to develop tourism based on specific interests by obtaining the participation of citizens based on regional characteristics.” Basically, implementation has been completed by 2020. In the interview survey from the Ministry of Nature, Environment and Tourism, the following results were achieved in the field of tourism.

- The government's long-term policy document “Vision 2050” stipulates that attention should be paid to the development of unique tourism products and services based on geographic characteristics, nature, history, cultural heritage, and nomadic life on a regional basis.
- Service businesses, such as tour operators, tourist camps, and hotels that provide services to foreign tourists, were included in the scope of export and small and medium-sized enterprises support measures.
- Projects introducing products and services that raise the value of Mongolian people and evaluate Mongolia in the world were regularly implemented by allocating 30% of the annual budget.
- In cooperation with neighboring countries, the ministers in charge of tourism from Mongolia, China and Russia are holding meetings and exchanging opinions by creating joint travel products and tourism routes.
- The foundation of sustainable and responsible tourism development in specially protected areas was improved, and brand books and accommodation guidelines for travel were prepared.
- The regions were to be differentiated and developed as follows: eastern region for historical tourism, central region for natural tourism, western region for tribal and adventure tourism, and Gobi region for paleontology and Gobi Desert tourism.

- The construction of temporary accommodations and service complexes along the road to the main sightseeing spots is supported, and such facilities are increasing in number year by year.
- Construction work of the historical sightseeing facilities that express the history of Chinggis Khaan in six soums (counties) of Khentii aimag and the history of 13th century was started in the framework of constructing a sightseeing park of international level and large sightseeing facilities in sightseeing development areas.
- A feasibility study (F/S) is being carried out in the framework of the sustainable tourism development project to conduct construction projects in Uvs aimag, Khovd aimag and Khuvsgul aimag (Implemented by ADB).
- On behalf of Mongolia, tourist companies publicize the annual International Tourism Exposition in a unified manner.
- The government and the private sector jointly participated in human resources development for supporting the establishment of vocational training centers to train people engaged in tourism services from a policy aspect, and supported ability improvement training for tourist operators who work in rural areas. Similar individual training will be held regularly in the future.

(5) National Policies for Tourism Development 2019-2026

It was adopted in August 2019. After the government conducted a self-analysis based on objective data on the actual state of tourism in Mongolia, it stipulated that “Mongolia will become an international center of nomadic culture and historical tourism.” The government's mission is stipulated to be “developing environmentally friendly and community-based sustainable tourism and increasing Mongolia's competitiveness in the international tourism market.” The government also clearly stipulates issues to be addressed, including the development of the legal environment and infrastructure for tourism, active promotion for foreign tourists, improvement of the quality of sanitation and services, human resources development, and development of e-tourism. The period of implementation is divided into the first phase (2019-2022) and the second phase (2023-2026). The first phase is the period for strengthening the development of the tourism sector, and the second phase is the period for ensuring the growth of the tourism industry. Specifically, the program stipulates 77 goals, including amendments of the Tourism Law, etc., low-interest loans to support tourism enterprises, the establishment of a tourism fund to promote tourism, the introduction of electronic visas, the construction of casinos and racehorses, the internationalization of local airports, and the establishment of road networks and signs. However, there are no statements regarding the financial resources for implementing these goals.

(6) National Tourism Development Plan

It was approved in August 2015 by the resolution of the Mongolian State Ikh Khural. In Article 10 of the former National Development Policy Planning Law enacted in November, 2015, the National Plan was defined as a “detailed plan of activities and projects to realize the objectives and targets described in the National Policy (State Policy) and the government action plan.” It was also defined “to revise the basic objectives and content of the previously approved national program.” However, it was not revised, but converged in the content of the above-mentioned National Tourism Development Policy 2019-2026. The “Revised Development Policy, Planning, and Supervision Law” enacted on May 7, 2020, changes the term “national plan” to “plan with development goals.” Under the law, a new plan is scheduled to be formulated by June 2022 in accordance with Vision 2050 formulated after the enactment of the “Revised Development Policy, Planning, and Supervision Law.”

(7) Tourism Development Area Project and Tourism Zone Project of the National Land Management Comprehensive Plan (ULTF)

The basic objectives of the “National Land Management Comprehensive Plan” are to enhance the effectiveness of land use and conservation in accordance with comprehensive information, surveys, analyses, and other assessments of land use suitability based on social and economic information on land resources; to develop land management and land registries that are legally, economically, efficiently, and ecologically balanced by allocating land equally and fairly to the demands of citizens and society; to promote the rational use of land resources and the diverse development of industrial sectors in an appropriate manner; and to create

basic grounds for supporting land management policy in the implementation of the “Sustainable Development Policy 2030”.

Component parts of the “National Land Management Comprehensive Plan” include the national tourism development trend, formulation of the whole plan for dividing sightseeing areas, and specification of the priority issues. This plan has a feature of identifying the locations on the map in the national tourism development through consideration on the topography of nature and land and the present development trend. The implementation of the plan requires the participation and investment of many ministries and private sector cooperation. In cooperation with the Ministry of Nature, Environment and Tourism, Japan supports tourism policies and plans and implements operations such as allocation of land and acquisition of land for special needs.

(8) Support for tourism-related sectors (cashmere, wool, leather, meat, livestock, dairy products, foods, biotechnology, etc.) within the National Industrial Plan

The industrial sector supports high-level technology, highly productive and competitive exports through cooperation between industry, government, and academia, develops import substitute industries and services, and ensures economic security. The purpose of the National Industrial Plan is to create advanced technology, sophisticated technology, competitive production and services, developing industrial fields as the highest priority areas for ensuring sustainable development in Mongolia.

The Small and Medium-sized Enterprise and Service Support Law was enacted at the State Ikh Khural in June 2019 under the planned framework. Some progress has also been made in improving the legal and institutional environment with the approval of policy documents such as the “Small and Medium-sized Enterprise Support Program,” “Priority Policy for Supporting Small and Medium-sized Enterprises,” “Cooperative Development Social Level Program,” and “Consumer Services Industry Support Program.” Among the measures to implement the “Goals for identifying regional industrial development priorities and for comprehensively and systematically developing industrial clusters, special zones, and industrial technology parks, including infrastructure development,” the development of industrial clusters and the establishment of raw material supply systems have been implemented, but the construction of light industrial technology parks has lagged behind due to unresolved financial resource issues. Efforts need to be strengthened to build transport and logistics networks. Under the framework of “Targets for developing human resources to respond to the demand of industrial human resources and creating a stable working environment,” the process of formulating and approving “Specialized Employee Programs” is taking a long time.

2.3 JICA Projects Achievements in the Tourism Field

From March 1998 to July 1999, the Mongolian National Tourism Development Planning Survey was conducted as a development survey. This survey covers the whole country, but the most focused area was the Kharkhorin region. Overall, it predicted the programs and expenses necessary for tourism development in Mongolia, and also presented a proposal that the basic financial resources would be low-interest loans and the funds for repayment could be repaid by lending up to 6.9% of the consumption tax to tourists' accommodation charges. This is the first comprehensive survey on tourism development in Mongolia, and the action plan with a target year of 2005 and the priority tourism development project with a target year of 2015 were formulated after consultation with the Ministry of Infrastructure Development, which was in charge of tourism issues at that time.

This comprehensive tourism development survey report is evaluated to have played a bible role for those who study tourism in Mongolia. On the other hand, since the report was prepared in the midst of unstable post-democratic socio-economic conditions, it was influenced by many difficulties such as financial problems, human resource problems, and changes in the government offices in charge of tourism, and there are many themes that have yet to be achieved. However, unachieved projects have been achieved to a considerable extent in recent years, and the issues that have not yet been achieved are still fully recognized as issues at present. In this regard, the Report on the Comprehensive Survey on Tourism Development is an important document to guide Mongolia's tourism development.

The main reason why many of the priority programs were not achieved is that the procedures within the government were not undertaken. However, it is assumed that there were many reasons for that, such as the

turmoil in the transition from socialism to market economy, the instability of the political situation due to repeated changes in the government, difficulty in securing funds, and lack of understanding of tourism. In this sense, it would be a correct evaluation that the project was premature. However, there is no doubt that this was the first document to demonstrate the direction to be pursued in tourism development.

The Master Plan for tourism development by model region has been developed in three areas: Ulaanbaatar, Kharkhorin, and Umnugovi. In addition, 42 priority projects have been proposed nationwide. This paper summarizes the implementation status in four regions of Ulaanbaatar, Dornogovi, Umnugovi, and Kharkhorin in this research object, referring to the opinions of tourist experts.

Table 2-3: Regional Master Plan Implementation Status (Ulaanbaatar, Kharkhorin, and Umnugovi)

JICA Proposals in 1999	Implementation status
Ulaanbaatar	
Tourist trail (development of tourism courses in the city)	It has not been implemented in the form of a tourism course development.
Tourist street	Not implemented
Bird Park (Wild Bird Observation Facility)	Not implemented
Horse Park (Horse Riding Facility and Horse Museum)	Not implemented
Handcraft Center	Not implemented
Development of the Bogd Khaan Palace Museum (as a center for city tourism)	Partial implementation. It was renovated by China, but there is a problem from the viewpoint of preservation of cultural properties.
Mongolian Cultural Park	Nomadic Mongolia (private) was established.
Planning of ecotourism	Implemented under the initiative of the private sector
Human resource development for guide instructors	Started education for tourism personnel at many universities and vocational training centers
Improvement of access roads to Terelj, etc.	Complete
Road signs, tourism signs, and lighting equipment for the above roads	Partially implemented
Kharkhorin	
Construction of Erdene Zuu monastery and its surroundings	Construction of the surrounding area is completed.
Implementation of visitor center	Implemented
Maintenance of Old Turkic inscriptions and Kharkhorin Road	Completed with the support of the Turkish government
Improvement of Kharkhorin Airport	Future agenda (as planned by the government)
Improving access roads to tourism centers	Partial pavement completed
Road signs on access roads	Partially implemented
Umnugovi	
Improvement of the Yoliin Am Valley Museum	Implemented
Implementation of a tourist base for circular tours	Partially implemented by private companies
Rest facilities in major tourist sites	Partially implemented
Construction of roads and road signs between the capital of the aimag and Sevrei	Paving completed
Improvement of Ger Camp Private Airport	Making the airport into an international airport is under government planning
Construction of a new commuter airport in the western area of Umnugovi	Not implemented

Source: Prepared by the survey team

Table 2-4: Implementation Status of Priority Project Program

Implementation Plan List of Priority Project Program			
A Program			
1 Government Organization Enhancement Program			
Program		Implementation status	Opinions of Experts (outside)
A-1	Smooth operation by the Tourism Agency	Transition of Tourism Department	The Tourism Agency was established within the Ministry of Infrastructure Development in 1998, but it has undergone a change since then and is now the Tourism Policy Coordination Department under the Ministry of Nature, Environment and Tourism. As a result, it is difficult to determine whether it leads to enhance the tourism sector. It is necessary to discuss whether tourism which has multi-faceted elements of infrastructure, environment, and economy should be governed by a department under a particular ministry. The Tourism Law stipulates the establishment of the National Tourism Council. In recent years, several attempts have been made to elect members of the National Tourism Council, but no meetings have been convened.
A-2	Tourism Administration Enhancement by the Ministry of Infrastructure Development and the Tourism Agency	Incomplete implementation	As mentioned above, the main authority for tourism has been changed, and the Tourism Agency doesn't exist. A "specialized council" was established under the Minister of Nature, Environment and Tourism, and three to four meetings were held with the participation of representatives of the ministries and various NGOs. The council is aimed at securing the Public-Private Partnerships, but it has room for improvement in the selection of organizations, the number of convocations, and the way of making decisions.
A-3	Local Tourism Administration Enhancement	Differs in each aimag. Improved in Umnugovi, Dornogovi, Dornod.	Each aimag proposes to establish tourism agencies or tourism departments. The Nature, Environment and Tourism Department have been established in each aimag, and at least one tourism officer has been assigned. On the other hand, tourism is largely subject to the Governor's discretion, and the legal environment for program implementation is very weak. There is no formal organizational structure for implementation or coercion. Although all Provincial governors include tourism in their pledges, many of them have not been implemented.
2 Human resource development program			
A-4	Sophistication of tourism personnel education	Incomplete	The opening of faculties and courses in tourism at universities and technical colleges is a step forward, but there is room for improvement in the quality of education, and it does not always meet the needs of foreign tourists. Trainings provided by the government is significant as training for the unemployed, but it is necessary to verify whether or not those have led to actual employment. It is even more meaningful if the content leads to improve skills of people who currently work.
A-5	Training and education of park managers	Progress has been made.	At the time of 1999, there was no training for park rangers, but currently there are various training courses for park managers and others. Park managers belong to each park management organization, and the trainings for them and others are implemented from time to time in a few park management organizations such as Hustai, Khongor Sand Dunes in Umnugovi aimag and Terej near Ulaanbaatar. However, it is expected that the expertise will be further enhanced.
3 Development of institutions program			
A-6	Development of	Have not been	The Tourism Law, which is the basic law in the tourism

	tourism investment incentives	implemented	sector, has not been revised at all since 2000. As a result, there are no legislation in place relating to investments derived from tourism and land use. The preferential system for investment in the tourism field has not been introduced. Though concepts such as off-season tourism and ecotourism have been issued, there are no financial incentives and investment incentives associated with investment.
A-7	Land Development Regulation Measures for Tourism Development	Have not been implemented	The program has not been implemented from the viewpoint of tourism development. The biggest problem is that there are no land development regulations at all for tourist camps and guesthouse lodges. in the Bogd Mountain special protection district in Ulaanbaatar, the Terelj National Park, the east-west coasts of Lake Khuvsgul, and some tourist destinations in Umnugovi aimag and Kharkhorin City in Uvurkhangai aimag. It is indispensable to improve land development control measures further in the future. At present, there is no guideline on the land use for tourism, and there are problems such as acquisition of land more than the purpose, destruction of animal living environment by the fence laying, environmental pollution, and it is necessary to set the standard and norm for the land use of tourism.
A-8	Tourism-related licensing system	Have not been implemented	There is no license system for professional instructors, interpreters, guides, and others.
A-9	Safety Standards	Have not been implemented	It is urgent to prepare information on hospitals and escorting means in case of emergency, to prepare evacuation information, and to assign fire-safety officers.
4 Development programs			
A-10	Mongolian Cultural Properties Conservation Program	Incomplete implementation	Several programs have been implemented to protect tangible and intangible cultural properties, but there are not enough businesses related to tourist exhibitions of cultural properties and the preservation of cultural properties by tourist agents. There are many sites to pay attention from the viewpoint of the preservation of cultural properties such as Amarbayasgalant Monastery and Choijin Lama Temple.
A-11	Explanatory Facility Development Program for the Kharkhorin Ruins	Incomplete implementation	Development of explanatory boards, approach roads, observation plazas, parking lots have been proposed, and some have already implemented. Though there are many surveys and research by academic research institutes, it is insufficient to utilize them in the tourism field.
A-12	International Air Services Improvement Program	Incomplete implementation	Reasonable airfares and alliances with foreign carriers have been proposed, but MIAT fares remain high. The monopoly of MIAT has been partially resolved, and the government aims to liberalize air services. However, Improvements in competitiveness such as service quality, pricing, and cooperation with tourist package tours have been delayed.
A-13	Domestic Air Transport Services Improvement Program	Have not been implemented	The government considers the internationalization of airports in several aimags, but its financial resources and routes are unknown.
A-14	Railway Tourism Enhancement	Incomplete implementation	The development around the Ulaan-Uul Station has been proposed. A holiday sanatorium was established in Burdene Bulag. The Railways are a joint venture between Mongolia and Russia. Several service standards have been established and attempts have been made to improve tourism services, but they are insufficient.
A-15	Program to support nomadic people's participation in the	Incomplete implementation	It was proposed that tourism revenues be returned to local residents. However, although there are some results in souvenirs and Ger camps, it is desirable to establish clear

	tourism industry		<p>policies and measures to promote nomadic people's participation in the tourism industry under the governmental leadership. Cooperation between the Ministry of Nature, Environment and Tourism, the Ministry of Culture, and local governments are required.</p> <p>Private organizations are active in nomadic people's participation in the tourism industry. The Ministry of Nature, Environment and Tourism proposed the philosophy of "community-based tourism" for a period of time, but it is unclear how it will be implemented in the future.</p>
A-16	Referral materials for archaeological remains and wildlife	Have not been implemented	A map was made to introduce plant resources, temples, wild animals, but no materials were made in cooperation with tourists by tourism type, such as cultural tourism, natural tourism, adventure tourism. There are cases that some companies make for their own use.
A-17	Program to Introduce Methods of Ecotourism in Mongolia	Have not been implemented	Several companies implementing ecotourism collect information independently and prepare materials. The ecotourism information database has not been developed as the Ministry of Nature, Environment and Tourism.
A-18	Comprehensive Environmental Management Plan Creation Program	Incomplete implementation	As for environmental management, the Ministry of Nature, Environment and Tourism has reported the effects of pasture management, environment, and mining sectors, but it is not for tourism.
A-19	Foreign tourism market development program	Incomplete implementation	The Ministry of Nature, Environment and Tourism and the Tourism Association jointly participate in tourism expositions in 14-15 countries in total, but the image setting, concept and target market are unclear, and market development is insufficient. Public relations in Mongolia are required in an export promotion framework together with the Ministry of Foreign Affairs, the Ulaanbaatar city Tourism Department and the National Development Agency. There is not a single public reliable site that delivers the basic home propaganda, especially appeals the attractions of tourism in Mongolia.
A-20	UB City Hotel Maintenance Guidelines	The number has been achieved	The goal of doubling accommodation capacity at maximum by 2015 has been achieved. In the future, certification standards and service standards for new hotels will be required for the internationalization of the tourism industry.
A-21	Ger Camp Maintenance Guidelines	Implemented	The expansion of the number of facilities in rural areas has been achieved. However, concerns about overcrowding of facilities outside Ulaanbaatar have not been taken into account. In order to learn from the lessons learned from Terelj, development guidelines by region are required in the future.
A-22	Development Program for UB City Bus Guidebook	Implemented	Have realized in a digital format called UB bus app. Since 2014, with the cooperation of advertising agency JC Decuax, the bus stops in the capital have been renewed and a route map has been created. Whenever a new route is added, the information is updated.
A-23	Development of common tourism tickets	Implemented	Have introduced the integrated ticket system by bus (bass card) and e-tickets led by the private sector. Since 2016, the Ulaanbaatar city Tourism Department has been working with the Transportation Department of the Capital city and the Smart UB to digitize bus tickets and provide card services. The museum tickets have not been digitized yet, but prior reservations by telephone is now available.

B Tourism-related public sector projects			
1 Cultural Tourism Enhancement Project			
B-1	Renovation of the Bogd Khaan Palace Museum	Incomplete implementation	No project has been undertaken to completely renovate the Bogd Khaan Palace Museum as a cultural heritage, but the exterior of the museum (including painting and roof replacement) has been repaired.
B-2	Construction of the Mongolian Culture Museum	Have not been implemented	—
B-3	Improvement of Erdene Zuu	Incomplete implementation	Infrastructure development in and out of Erdene Zuu, such as tourist streets and sidewalk roads, in progress.
B-4	Development of Kharkhorin Visitor Center	Have not been implemented	Although modern hotels have been built, there are no services such as tourist information centers.
2 UB Gateway Development Projects			
B-5	Development of UB city tourism trails	Incomplete implementation	<p>Tourist agents take the initiative in setting up courses visiting Gandan Monastery, Sukhbaatar Square, Zaisan Monument and others. The Ulaanbaatar city Tourism Department has attempted to operate buses on specific routes from 2017 to 2019, but it has not been fully implemented for economic reasons.</p> <p>The Ulaanbaatar city Tourism Department has been developing hiking trails in four mountains around the capital since 2016. In 2016, 3.5km between Zaisan and Baruun Shireet Road on Mt. Bogd, in 2017, 2.6km of Hiking Trail 1 on Mt. Chingeltei, in 2018, 13.8km of Mt. Bogd, and 7.8km out of 13.8km between Tuul Khoroo -Tsetsee-gun Road were developed.</p> <p>The Department has established four to five tourist information centers in most visited tourist destinations in Ulaanbaatar, providing information to more than 41,000 domestic and foreign tourists from 2016 to 2020.</p>
B-6	Development of UB City Tourist Roads	Have not been implemented	<p>The “Night Street” was held between 2016 and 2018, but stopped two years later.</p> <p>The Ulaanbaatar city Tourism Department established the Tourism and Craft Trade Center along the tourism street from the west side of the government building to the Bumbugur Shopping Center from 2010 to 2012, but later closed. Free Internet services were provided on tourist streets and trash boxes and benches were installed between 2013 and 2014.</p>
B-7	Installation of Hand-craft Center	Incomplete implementation	No souvenirs or handicraft centers have been established, but an attempt was made to establish a private-sector-led center. In 2016-2017, the tourist information center supported the sale of handcrafted products by the disabled. The sale of handcrafted products have been promoted during tourist events.
3 Nature-oriented tourism enhancement projects			
B-8	Installation of a Terelj visitor center	Have not been implemented	—
B-9	Installation of Gobi Visitor Center	Incomplete implementation	A new museum, a reception center in Bayanzag, and an information center were established by the initiative of the aimag and the local community.
B-10	Installation of Wild Bird Observation Facilities	Have not been implemented	—
4 Other Projects			
B-11	Maintenance of Kharkhorin Tourism	Partial implementation	Though the maintenance has been done, the quality is insufficient for the tourism industry.

	Road		The Ministry of Road and Transport Development implemented a 47 km paved road between Kharkhorin and Khushuu Tsaidam with the assistance of the Turkish government. The Khar balgas Road leading to it has not yet been constructed. The road from Ulaanbaatar via Lun to Dashinchilen-the Orkhon Bridge in Bulgan aimag is connected to Khar balgas-Kharbukh river Bridge by a paved road.
B-12	Installation of Traffic and Tourism Signs on the national roads between UB-Kharkhorin	Implemented	The Ministry of Road and Transport Development has carried out maintenance and sign overhauling of the road between Kharkhorin and Ulaanbaatar every year. The 106 km between Ulaanbaatar and Lun, 215 km between Erdenesant and Arvaikheer, and 77 km between Elsen Tasarkhai and Kharkhorin were repaired with the national budget and foreign assistance. On the other hand, transportation and tourism signs are not adequately implemented.
B-13	Improvement of facilities in major hot spring areas	Incomplete implementation	There are a few private hot springs such as Baatarvan, Khujirt, Shargaljuut, and Avarga Toson, but overall, facility improvement is inadequate.
B-14	Two-step Loan for the Promotion of Private Tourism	Not confirmed	The two-step loan by the Japanese government to the Mongolian government has been realized, but it is unclear whether tourism-related companies could take advantage of it.
C Tourism-related Private Sector Projects			
C-1	Construction of a Rest Area for the UB-Kharkhorin National Road	Implemented by the private sector	Private companies established the “Urikhan 2” rest area in Lun in 2020.
C-2	Improvement of Facilities of Ger Camp	Incomplete implementation	Private companies have independently been improving their facilities. Fixed type Ger facilities have been developed and popularized in the past five years. Thanks to this, problems such as infrastructure, hot water, toilet of Ger camp in winter have been solved.
C-3	Improvement of facilities at a civilian airport of Umnugovi	Incomplete implementation	The airport was opened in 2007 with 2,200 meters by 40 meters. The runway pavement was renovated in 2020, but was not extended. The tourist information center at the airport did not function due to a shortage of human resources. The government has pledged to make it an international airport.
C-4	Promotion of sports tourism	Incomplete implementation	Attempts such as adventure tourism and skydiving are being led by the private sector, but they are insufficient.
C-5	Development of horseback riding park	Have not been implemented	Though an attempt was made to improve a legal system to establish a horseback riding park, it has not been realized.

Source: Prepared by the survey team

2.4 Relevant organizations

The main organizations involved in tourism development in Mongolia are as follows.

Table 2-5: Relevant Organizations for Tourism Development

	Organization name	Main role
Government agency	Ministry of Nature, Environment and Tourism	The Ministry shall draft, implement and coordinate laws, policies and programs on environment, green development and tourism in line with the sustainable development in Mongolia. Creation of tourism databases and information service, etc.
	Ministry of Road and Transport Development	The Ministry shall draft, implement and coordinate laws and policies concerning roads and the transportation of land, sea and air.
	National Development Agency	The Ministry shall formulate a comprehensive national development policy. The Ministry shall associate tourism sector policies with other sector policies within the framework of strategic goals to coordinate inter-sectoral cooperation.
	Ministry of Finance	The Ministry is in charge of administration related to finance, accounting, procurement policy, national treasury, investment, loans, and aid funds.
	Ministry of Culture	The Ministry shall draft, implement and coordinate culturally relevant laws and policies.
	Agency for Land Administration and Management, Geodesy and Cartography	The Administration shall plan land-use and tourism courses in tourism areas based on national land management plans to encourage the conservation and appropriate use of the land in the future.
	Consular Department, Ministry of Foreign Affairs	The Department shall draft a plan for simplifying visa issuance for foreigners entering Mongolia and cooperate with relevant agencies to improve the legal environment. The Department shall issue visas for diplomacy and official duties through its diplomatic missions abroad and provide information to the diplomatic missions in Mongolia.
	Ulaanbaatar city Tourism Department	The Department shall Implement the action plan of the government and the mayor of Ulaanbaatar (the governor of the capital) and the economic and social targets of the capital. The Department shall organize national tourism development policies and legislation implementation at the capital level. The Department shall implement policies and coordination aimed at developing tourism in the capital, and enhancing the capacity of receiving foreign and domestic tourists, as well as tourism products and services.
	Mongolian Tourism Organization	The Mongolian Tourism Organization is an independent state-owned enterprise under MNET. The Organization is engaged in a wide range of activities, including cooperative activities in Mongolia and overseas, implementation of multilateral projects and programs, public relations activities in Mongolia and overseas to increase the number of inbound tourists, implementation of service standards, certification and ratings, training courses and tourism-related education, and sponsorship of MICE events.
Private organizations	Mongolian Tourism Association	The Association shall protect the rights and interests of members as the largest tourism industry organization in Mongolia. The Association shall promote Mongolian public relations activities abroad. The Association shall increase the number of tourists visiting Mongolia, improve the quality of services in the sector, train professionals, and cooperate fully with member organizations and relevant authorities to develop the Mongolian tourism sector.
	Mongolian hotels association	The association has a role in influencing the development policies of the Mongolian hospitality industry, proposing a favorable legal environment for entrepreneurial support, and protecting the rights and interests of member organizations.

Organization name	Main role
Mongolian Professional Tour Guide Association	The Association shall cultivate guides, who are responsible for the important parts of human resources in the tourism sector, enhance their professional skills, and protect the rights and interests as a specialist.
Mongolian Sports Travel Federation	The Federation was established as the “Mongolian Sports Travel Federation” in 1993 and changed its name to the “Mongolian Adventure Sports Travel Federation” in 2001. It emphasizes tourism which values environmental conservation and restoration. In 2016, the Federation returned to its original name and reorganized it.
Mongolian National Chamber of Commerce and Industry	It is an organization in which many companies operating in Mongolia join and protect and express their common interests and concerns.
Tourism council under Mongolian National Chamber of Commerce and Industry	Established in 2004. The council aims at proposing policy recommendations on the business environment in the tourism sector and making the effective system for the public-private partnership. The council shall hold meetings and seminars on the business environment and issues in the tourism sector, encourage member companies to participate.

Source: Prepared by the survey team

(1) Government-affiliated organization

1) Ministry of Nature, Environment and Tourism

The Ministry is the central government office that is stipulated by the Mongolian Tourism Law to formulate and implement Mongolian tourism policies. The capacity is 121 persons, and it consists of 8 departments. The number of staff members of the Department of Tourism Policy Coordination which supervises tourism is 7-8 persons. The Tourism Policy Coordination Department shall improve the legal environment of tourism, prepare and coordinate the implementation of policies, projects and programs, create tourism databases and provide information for users. Several governmental implementing agencies, including the “Mongolian Tourism Organization” and the “Environmental Protection Fund”, are also engaged in activities under the jurisdiction of the Ministry.

2) Mongolian Tourism Organization

One of the implementing agencies of the Ministry of Nature, Environment and Tourism established in 2017. 18 employees work in a wide range of activities, including public relations activities in Mongolia and overseas (market identification and marketing), specialized training plans for human resource development, data collection and analysis of surveys and statistics in the tourism field, project preparation and implementation in Mongolia and overseas, expansion and support of public-private cooperation, implementation of service standards, certification and ratings, and event sponsorship. In relation to the new Ulaanbaatar International Airport opened in July 2021, preparations are underway to establish the “Tourist Information Center” to invite tourists visiting Mongolia to provide information. Although the center's website has an English-language tab, it does not function and the content of Mongolian has not been updated, the center's Facebook (Facebook) publicizes the trends of the government (minister) regarding tourism from time to time.

3) Ministry of Road and Transport Development

The Ministry formulates and implements strategic plans and policies in the areas of road and the transportation of land, sea and air, manages road transportation, raises funds, and implements foreign cooperation projects. The Ministry has a long-term vision to make Mongolia a transportation and logistics center connecting Asia and Europe, and aims to build a transportation and logistics network based on a smart system for transportation that achieves economic growth. Roads with smart systems will be able to maintain and manage roads independently and sustainably by securing a road construction fund through electronic toll collection. In addition, the Ministry shall contribute to tourism development by developing sustainable and safe transportation services that are friendly to the natural environment, work on aviation liberalization, and increase the number of flights and routes by introducing the principle of competition to improve the utilization rate of regional airports.

4) National Development Agency

The Agency shall identify economic priorities and areas, coordinates development policies with population distribution and local development policies, appropriately plan public investment and public-private cooperation policies, and improve national economic capacity. A project has been formulated to develop a platform for development planning, implementation, supervision, and monitoring based on the Geospatial Information Big Database. The Agency plans to collect a variety of tourism information along with location information within the framework of the project. The platform will integrate tourism statistics.

5) Ministry of Culture

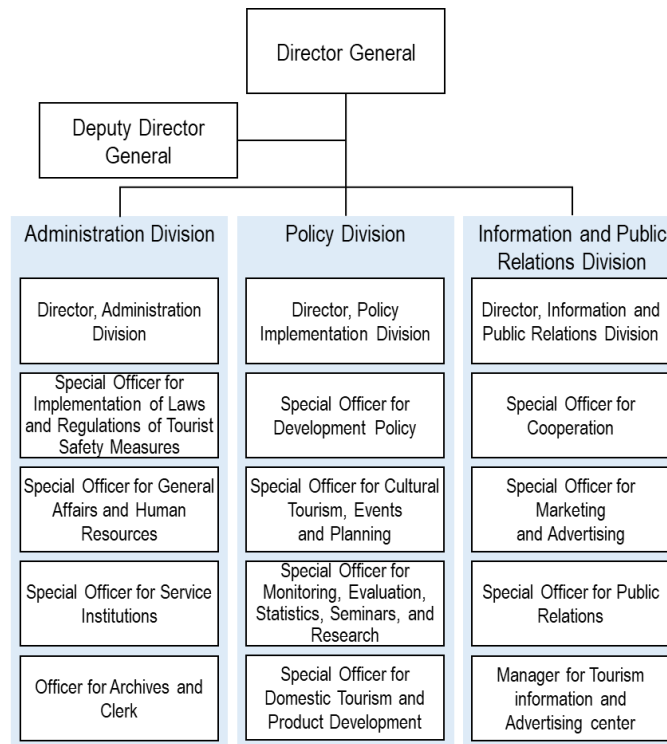
The Ministry shall conduct business aimed at developing conditions for the provision of high-quality cultural and artistic services with the aim of raising public awareness, protecting, preserving and disseminating historical and cultural heritages, and developing national culture and arts that combines tradition and innovation. The Ministry has the Department of Cultural Heritage, the Department of Performing Arts and Works, and coordinates activities among other ministries and agencies in the implementation of policies in the cultural field reflected in the government's priority policies and the government's action plans.

6) Tourism Administration in each aimag

Except for Ulaanbaatar, the tourism administration of each aimag is implemented with a very small number of people.

Table 2-6: System of Tourism Administration in each aimag (excluding Ulaanbaatar)

Target Area	Organization Name and Person in Charge (Number of Persons)
Dundgovi aimag	• Department of Nature, Environment and Tourism (1 person)
Umnugovi aimag	• Tourism Policy Officer, Investment and Development Policy Division (1 person in charge of tourism) • Department of Nature, Environment and Tourism (2 people)
Govisumber aimag	• Investment and Development Policy and Planning Division (Conducted environmental and tourism-related service, 1 person in charge of tourism) • Department of Nature, Environment and Tourism (1 expert)
Dornogovi aimag	• Investment, Development Policy and Planning Division (1 person in charge of tourism) • Department of Nature, Environment and Tourism (19 employees under the direct control of the division above, and 1 person in charge of tourism)
Uvurkhangai aimag	• Department of Nature, Environment and Tourism (1 person in charge of tourism) • Orkhon Valley National Park Administration (1 person in charge of tourism) http://uvurkhangai-baigaliorchin.com/
Arkhangai aimag	• Department of Nature, Environment and Tourism (1 person in charge of tourism) https://baigal.ar.gov.mn/ • Tourist Information Center of Arkhangai aimag (local public facility)
Tuv aimag	• Department of Nature, Environment and Tourism (1 person)



Source: Prepared by the survey team from the Ulaanbaatar city Tourism Department website

Figure 2-2: Organizational chart of the Ulaanbaatar city Tourism Department (22 people in total)

(2) Private organizations

1) Mongolian Tourism Association

Mongolian Tourism Association is an NGO established in 1992 on the initiative of people working in the tourism industry. Its mission is to protect the interests and rights of its members and to act as a bridge between member organizations and relevant government agencies in order to develop the Mongolian tourism sector as an economic priority. The main activities of the Mongolian Tourism Association are as follows.

- Participating in industrial policy-making in collaboration with government agencies to create a legislative environment and a fair business competition environment
- Regularly providing industry-related laws, government policies, and strategic information to members through media and other information channels
- Meetings, workshops, and interviews with business operators in the industry
- Providing members with information on international tourism projects and local tourism
- Providing training to improve the skills of human resources in the industry, holding seminars, lectures, and discussions to improve the quality of products and services, and distributing related materials
- Advertising the businesses of Mongolia, the Mongolia Tourism Association, and member companies in Mongolia and overseas
- Linking member companies and supporting information exchange and collaboration

Regarding operating funds, the Association has not received subsidies from governmental agencies, and the breakdown of revenue is 500,000 MNT per year for membership fees, 250,000 MNT per year for Ger camp membership fees, 100,000 MNT for new application fees, and 50,000 MNT for renewal fees for the issuance of travel company industry certification fees.

2) Mongolian Professional Tour Guides Association ¹

The Mongolian Professional Tour Guides Association is operated in cooperation with other related governmental organizations and non-governmental organizations while providing support, advice, study meetings, lecture sessions, and courses for members to improve their professional knowledge and skills. Recently, the Association implements the above activities in cooperation with MNET, the Mongolian Tourism Association, the Ulaanbaatar city Tourism Department, the Mongolian National Museum, and the GIZ. Instructors from the association actively participate in an industrial human resource development training program conducted annually by the Ministry of Nature, Environment and Tourism.

With official permission to implement the Tour Guide Skills Training Program issued by the World Federation of Tourist Guide Associations in Mongolia, the Association holds seminars three times a year and 90 guides have graduated from the program. The Association earns a small amount of income from part of the cost of this program.

The Association helps introduce Mongolia to the world by developing highly skilled guides, ensures that tour guides are recognized as independent professions, and works to encourage the jurisdictional agencies to resolve social challenges facing tour guides (such as non-subscription to social insurance).

3) Mongolian hotels association

The association was established on May 14, 1997 in Ulaanbaatar. As of 2021, there are 82 full-time member companies and about 100 supporting member companies. There are also about 300 hotels that participate in training and surveys sponsored by the association. The association has branches in 21 aimags nationwide. The goal is to improve the competitiveness of the customer service sector, train highly specialized personnel, protect the rights and interests of member organizations, and raise hotel services in Mongolia to international standards. The main activities of the Mongolian hotels association are as follows.

- Holding international conferences, seminars, and exhibitions (HoReCa (Hotel, restaurant, catering) expo sponsored by the Mayor of Ulaanbaatar and the Ulaanbaatar city Tourism Department have been regularly held since 2016)
- Participation in Hotel Ranking Committee, Technical Committee on Service Standards, and Working Group on Legal Amendments
- Provision of business consulting services to small and medium-sized hotels
- Evaluation of hotel service quality
- On-the-job training for service employees
- Entrustment of various training programs by governmental agencies or international organizations
- Joint training with relevant organizations

4) Mongolian Sports Association

The Association is a non-governmental organization established with the aim of developing outdoor sports-related travel. The Association was established in 1993 as the “Mongolian Sports Travel Association” and was renamed the “Mongolian Adventure Sports Travel Association” in 2001, but was renamed again to its founding name in November 2016. The Association proposes outdoor sports tourism (long-distance walking, bicycles, horses, camels, canoes, etc.) that emphasizes health maintenance, environmental protection, and revitalization mainly for domestic tourists, and plans and implements related training and competitions. The Association also has its own Outdoor Sports Skills Examination and Grade Qualification System to improve the skills of its members. Members are not tourism businesses but citizens' groups such as walking clubs, and it has branches nationwide at the aimag level (excluding the three aimags). More than 20 clubs are members in Ulaanbaatar.

5) Tourism Division of Mongolian National Chamber of Commerce and Industry

Founded in 2004, its main activities are policy support related to the business environment of the tourism

¹ <https://www.mptga.org/>

sector, creation of effective systems for cooperation between the government and private companies, and support for the participation of tourism subcommittee member companies in projects and events held by the Mongolian National Chamber of Commerce and Industry. In addition, the Division holds conferences and seminars on the business environment and issues in the tourism sector, and plans to create an integrated database for the tourism sector.

2.5 Legal system

(1) Immigration Control Law

1) Legal content

Existing laws and regulations regarding immigration control are the “Legal Status Law for Foreign Nationals” enacted in July 2010 (revised in December 2020, scheduled to be enforced in June 2021), the “Law of Dispatch of Labor to Foreign Countries or Recruitment of Foreign Labor and Specialists” enacted in April 2001, the “Mongolian Visa Issuance Regulations”, which is a government ordinance stipulating the visa issuance procedure enacted in 2018, and the “Rules for foreigners staying in Mongolia and their registration”, which is a government ordinance enacted in 2018 that stipulates the registration, deletion and residence permit of foreigners.

2) Issues

The issues of the “Legal Status Law for Foreign Nationals” is shown in the table below. The country may not be able to centrally manage immigrants and may not be able to accurately grasp the number of tourists.

Table 2-7: Issues of the “Legal Status Law for Foreign Nationals”

Article Section Item	Contents of provisions	Issues
Article 16 Section 1	The following authorities issue visas: Item 1 The National Central Administrative Organization with jurisdiction over foreign affairs Item 2 The National Administrative Organization with Jurisdiction over the Issue of Foreign Nationals Item 3 Embassies located abroad from Mongolia	According to the Immigration Bureau, “The Ministry of Foreign Affairs, the Immigration Bureau, and the Embassy have the authority to issue visas, but their roles and authority are duplicated. In addition, there is a problem in that the database for managing visas issued by the Ministry of Foreign Affairs differs from the database for managing visas issued by the Immigration Bureau, and the system for managing immigrants is not unified.”

Source: Prepared by the survey team based on the “Foreign Legal Status Law” and hearing survey

3) Legal revision

The “Legal Status Law for Foreign Nationals” was revised in December 2020 and is scheduled to be enforced in June 2021. According to the Immigration Bureau, “The main purpose of the revision is to introduce electronic visas and to add provisions concerning the establishment of visa centers. By introducing electronic visas and establishing visa centers in each country, and unifying contact points, we intend to reduce brokerage fees for visa applications and reduce the burden on tourists in terms of procedures and costs.”

According to the Immigration Bureau, “The main operation of the visa center is to inspect visa application documents, and the embassy is authorized to issue visas abroad. In addition, the government is required to establish rules on which countries to establish visa centers and which private entities to grant permits, but the current condition is that there is no such rules.”

According to the Immigration Bureau, in conjunction with the amendment of the “Legal Status Law for Foreign Nationals,” the “Regulations on the Issuance of Mongolian Visas” and the “Regulations on the Stay and Registration of Foreign Nationals in Mongolia” are scheduled to be revised, and the Ministry of Justice and Internal Affairs currently checking the amendment.

(2) Tourism Law

1) Legal content

The existing law on tourism is the “Tourism Law” enacted in May, 2000. According to the provision of the law, the “Civil Code”, the “Land Law”, the “Nature Reserve Law”, the “Protected Area Law”, and other laws and regulations stipulated in these laws are also stipulated as tourism-related laws in addition to the “Tourism Law”. The law stipulates the scope of activities of tourism enterprises and tourism service agencies, the rights and obligations of tourist guides, and the authority of administrative agencies related to tourism.

The law defines “tourism enterprises” as profit corporations that provide tourism products, advertising, trading and package tours, and “tourism service agencies” as companies that provide hotels, tourist camps, restaurants, resorts, transportation, communications, entertainment and other services.

Article 16 of the law stipulates that the central administrative organization (Ministry of Nature, Environment, and Tourism) in charge of tourism shall formulate and execute tourism development plans, coordinate activities of tourism enterprises, and conduct activities of public relations in Mongolia and abroad concerning tourism. It also stipulates that the central administrative organization has the authority to decide the ranking criteria for tourism companies, hotels and tourist camps, provide business permits for tourist camps, hotels and resorts, etc., conduct statistics, surveys and analyses, and construct tourism databases.

With regard to the ranking of hotels, the National Center for Standardized Measurement established the “Quality of Service and Basic Requirements for Customers” in 2008 to rank them independently in Mongolia. This basic requirement implements a five-point evaluation standard consisting of 15 major items, including location, facility environment, website, service content, safety, environmental consideration, consideration to residents, society, and human rights, ease of work for employees, and services for children. The “Tourism Law” defines hotels with three or more ratings as luxury hotels. Likewise, as for tourist camps, in 2009, the law formulated the “Basic Requirements for Resorts, Tourist Camps and Ger Camps” to rank them independently in Mongolia.

2) Issues

The issues and discrepancies between the provisions of the law and other laws are shown in the table below.

Table 2-8: Issues of the “Tourism Law” and discrepancies with other laws

Article Section Item	Contents of provisions (“”: As is stipulated)	Issues and discrepancies with other laws
Article 8 Section 1 Item 3	“According to the determined rules, submit surveys on tourists who have received services in the year to the central administrative organization that manages the tourism sector. “	Article 8 is a provision on the “authority” of tourism enterprises, but the content of provision in this item is not “authority” but should be stipulated as “cooperation matters”. According to the tourism-related organizations, the fact is “the bureaus in charge of the central administrative organization that conducts surveys on tourists have not been clarified, and the content of surveys has not been stipulated.”
Article 10 Section 3	“Tourism service agencies are prohibited from engaging in the activities stipulated in Article 4 Section 1 of this Law. “	Article 4, Section 1 stipulates the activities of tourism companies (tourism products, planning of services, organization, advertising, sales, holding tours, etc.). Some tourism-related organizations have said that “tourism companies mainly operate in urban centers, but the seed information is concentrated in tourism service agencies located in each tourism area. Considering this condition, it would lead to create better tourism products based on the seed information on the sites if we don’t separate tourism companies from tourism service agencies.” In Japan, the “Travel Agency Act” has institutionalized a travel company for restricted region. Because of this, tourism-related organizations, inns, hotels, and other entities that couldn’t plan or implement planned tourism can now plan and sell landing-type travel commodities (travel products made in areas where tourists are accepted).
Article 11 Section 1	“National support for the export industry and tax relief measures also include hotel services provided	At a meeting held on February 25, 2021 between the prime minister and the tourism industry (hereinafter referred to as

Article Section Item	Contents of provisions (““: As is stipulated)	Issues and discrepancies with other laws
	to tourist companies or foreign tourists in the tourism industry. “	the prime minister's morning meeting) ² , the Mongolian Hotel Association pointed out that there was a discrepancy between this section and the provisions of the “Value Added Tax Law”. The “Value Added Tax” Law stipulates that hotel services are not tax exempt. In hearings with tourism-related organizations, the discrepancy was pointed out as well.
Article 15	It stipulates that a tourism committee should be established as an advisory committee under the central administrative organization (Ministry of Nature, Environment and Tourism) in charge of the tourism sector and the prime minister. The Committee is responsible for consulting and proposing to the prime minister on policy formulation and implementation.	According to tourism-related organizations, the fact is “there are no rules on the work of the advisory committee, and the advisory board has never been held since the advisory committee was established.”
Article 16 Section 1 Item 13	“The central administrative organization in charge of the tourism sector determines the number of tourists accepting into the tourism area.”	This is the authority granted to the central administrative organization (Ministry of Nature, Environment and Tourism) in charge of the tourism field in order to determine the number of people to be accepted in consideration of environmental capacity. However, according to tourism-related organizations, the fact is “the number of people accepted is not set in consideration of capacity.”

Source: Prepared by the survey team based on the “Tourism Law”, hearing surveys, and discussions at the Prime Minister's Morning Meeting held on February 25, 2021.

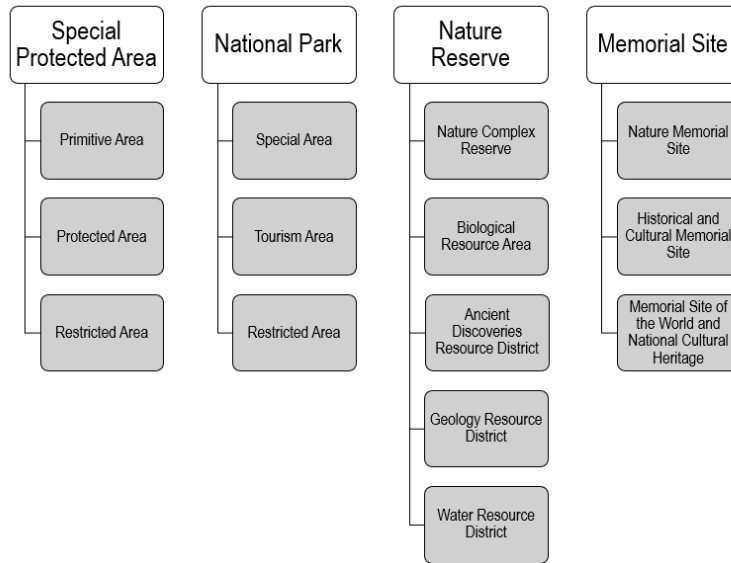
As mentioned above, the “Tourism Law” has been pointed out as inconsistent and problematic. According to tourism-related organizations, the fact is “a draft has not been prepared and the schedule for amending the law is undecided.”

(3) Protected Area Law

1) Legal content

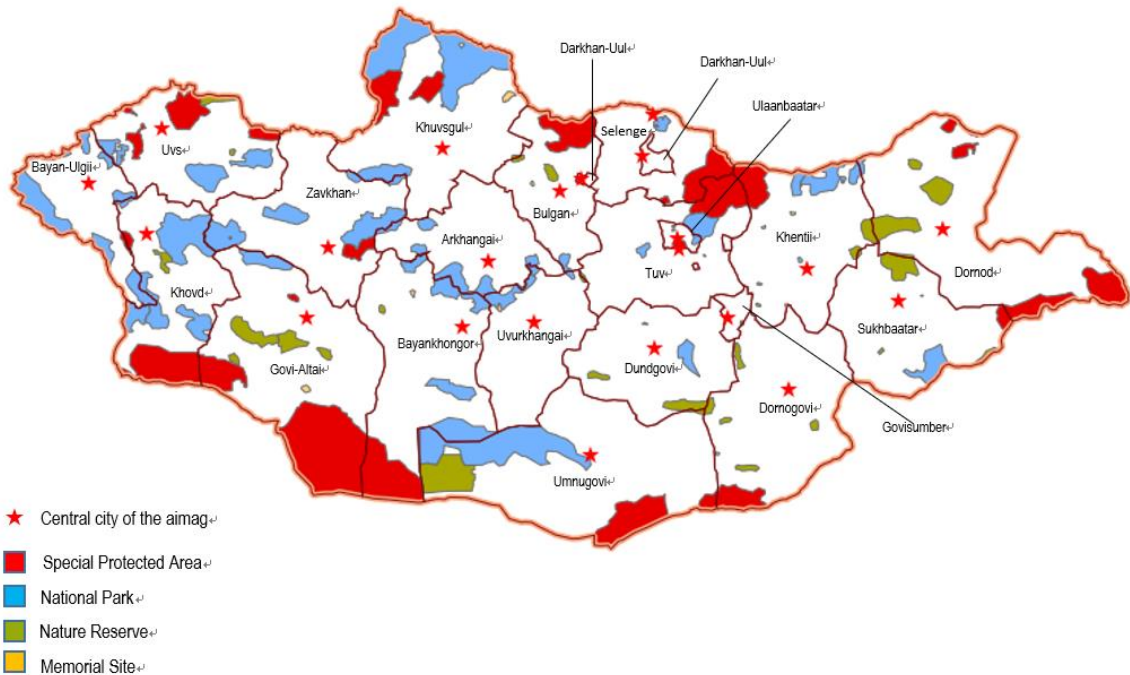
The “Protected Area Law” enacted in November 1994 stipulates the classification of protected areas, rules for each classification, authority of state agencies over protected areas and land use. As shown in the figure below, protected areas are classified into four categories: “Special Protected Area, “National Park,” “Nature Reserves,” and “Memorial Site.” The four categories are specified in more detail. In the routes to be surveyed, a total of 30 places (3 special protected areas, 9 national parks, 13 nature reserves, 5 memorial sites) are established as protected areas.

² A round-table conference held under the initiative of the Prime Minister, gathering representatives of the tourism industry. There is no particular legal status.



Source: Prepared by the survey team based on the “Protected Area Law”

Figure 2-3: Classification of Protected Area

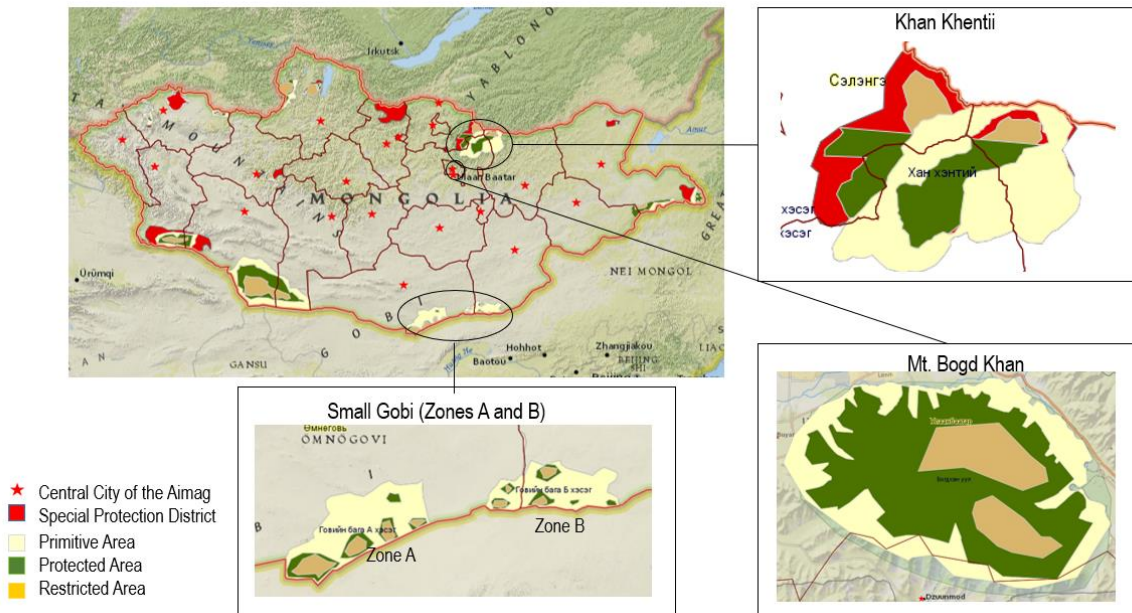


Source: Prepared by the survey team based on the protected area database³ by the Protected Area Management Agency of the Ministry of Nature, Environment and Tourism

Figure 2-4: Classification Map of Protected Areas

Article 7 stipulates that special protected areas are “the areas that are consciously protected by the State for the purpose of maintaining a balance in the natural environment, taking into account the natural landscape that can represent the characteristics and landscapes of natural areas and the scientific significance.” As shown in the figure below, three special protected areas have been established on the routes to be surveyed.

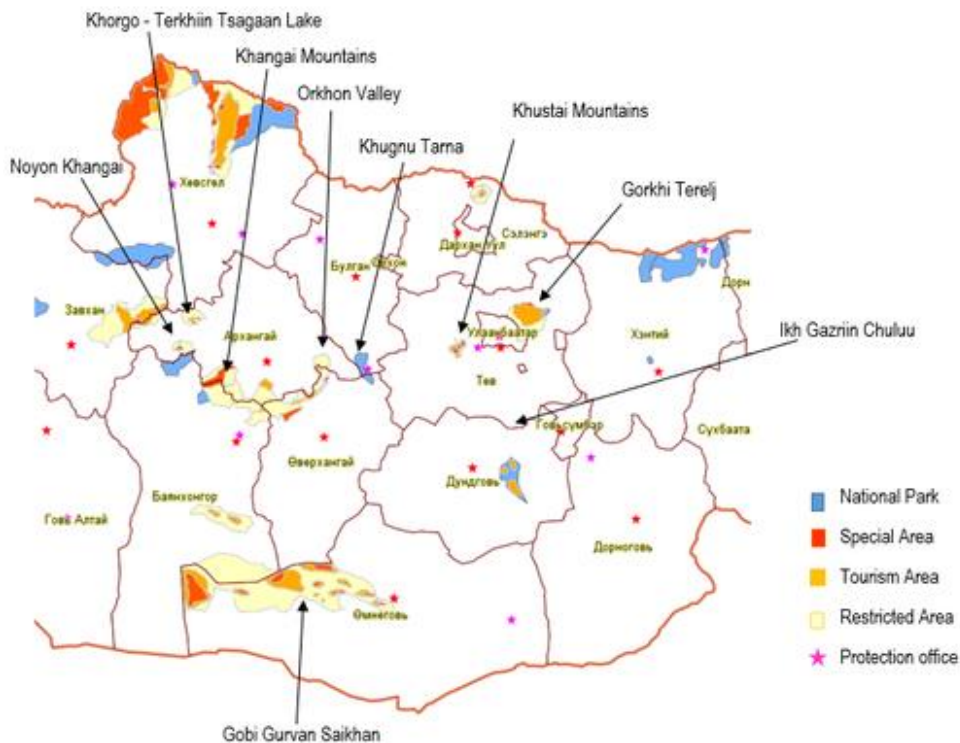
³ <https://www.eic.mn/spa/gis.php> (Reference February 16, 2021)



Source: Prepared by the survey team based on the protected area database⁴ by the Protected Area Management Agency of the Ministry of Nature, Environment and Tourism

Figure 2-5: Map of Special Protected Areas (Routes to be surveyed)

Article 13 of the Law stipulates that the National Park is “the state-protected areas that relatively preserve the natural landscapes and are important for the education of history, culture, science and ecology.” As shown in the figure below, 9 national parks have been established on the routes to be surveyed.



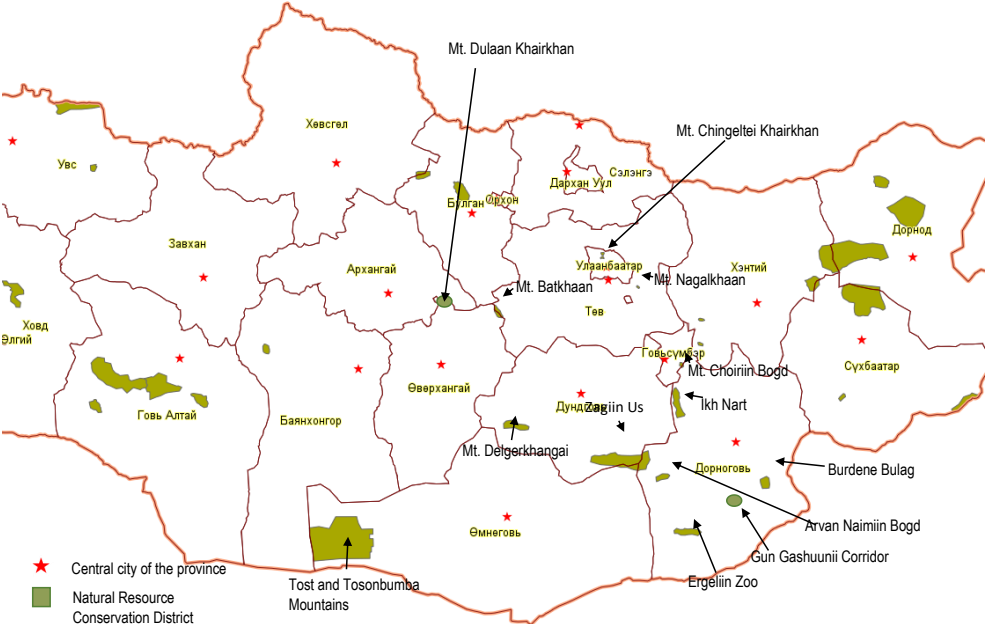
Source: Prepared by the survey team based on the protected area database⁵ by the Protected Area Management Agency of the Ministry of Nature, Environment and Tourism

Figure 2-6: National Park Map (Routes to be surveyed.)

⁴ <https://eic.mn/spa/> (Reference February 16, 2021)

⁵ <https://eic.mn/spa/> (Reference February 16, 2021)

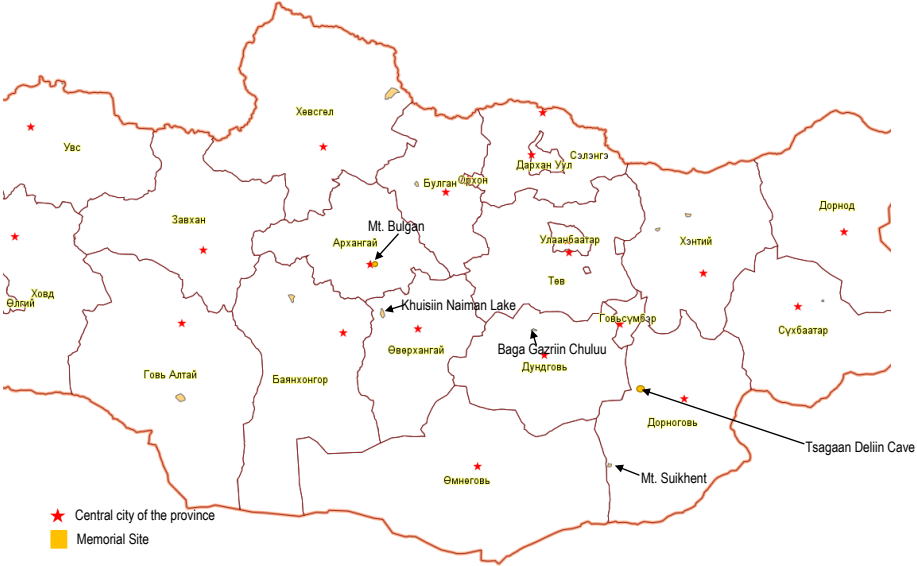
Article 19 of the Law stipulates that nature reserves are “the areas that are consciously protected by the state for the purpose of preserving natural conditions and the protection or restoration of resources.” As shown in the figure below, 13 nature reserves have been designated as the routes to be surveyed.



Source: Prepared by the survey team based on the protected area database⁶ by the Protected Area Management Agency of the Ministry of Nature, Environment and Tourism

Figure 2-7: Map of Nature reserves (Routes to be surveyed)

Article 22 of the Law stipulates that memorial areas are “the areas that are protected by the state for the purpose of keeping special landscapes, histories, and cultural sites of nature on an ongoing basis.” As shown in the figure below, 5 memorial sites have been established as the routes to be surveyed.



Source: Prepared by the survey team based on the protected area database⁷ by the Protected Area Management Agency of the Ministry of Nature, Environment and Tourism

Figure 2-8: Map of Memorial Site (Routes to be surveyed)

⁶ <https://eic.mn/spa/> (Reference February 16, 2021)

⁷ <https://eic.mn/spa/> (Reference February 16, 2021)

2) Issues

Issues covered by the provisions of the Law are as shown in the following table.

Table 2-9: Issues of the “Protected Area Law”

Article Section Item	Contents of provisions (“ : As is stipulated)	Issues
Article 11 Section 1 Item 6	“Tourism shall take place on the paths and routes determined in accordance with the relevant regulations.”	There are rules on the lands that can be toured, the roads that can be used, and the means of transportation in restricted areas. However, according to the former protection office director of the special protected areas, the fact is “there is no supervision as to whether or not the rules are observed, and tourists are freely moving within the areas, accommodating, and causing garbage problems.”
Article 30 Section 1 Item 6	“We shall provide information signs for approved tourism routes, construct housing or parking lots where appropriate, decide where to conduct education and event activities, manage health and hygiene matters or conduct these in co-operation with the private sector.”	As for the operations of the protection office, the establishment of guidance signs for tourism routes is stipulated. According to tourism-related organizations, however, the fact is “the maintenance and management of signs is not properly implemented, and the signs are deteriorated so much that they cannot be seen by rain and wind, and the contamination is conspicuous. These things have adversely affected the landscapes.”

Source: Prepared by the survey team based on the “Protected Area Law”, the “Investment Law” and hearing surveys.

The entrance fee when entering a protected area is 3,000 MNT for a foreign national and 10% of that for a Mongolian. The “Tax Law” stipulates that entrance fees shall be paid to the nation as national taxes, and it is a tax system that is not returned to protection offices in the protected areas. In addition, the former director of the protection office of the special protected area points out that the low admission fee should be improved.

3) Legal revision

As for the “Protected Area Law”, a draft of full revision has been published on the website of the Ministry of Nature, Environment and Tourism since 2016.⁸ According to the Ministry of Nature, Environment and Tourism, there is information that “the proposal will be made to the State Ikh Khural in spring 2021,” and the complete revision is awaited. Major revisions based on the draft currently posted on the Ministry of Nature, Environment and Tourism website are shown in the table below.

Table 2-10: Major Revisions to the Full Amendment Draft of the “Protected Area Law”

Existing law	Full Amendment Draft
Article 33 Section 2 stipulates that “foreign legal entities, international organizations, foreign nationals, stateless persons, and foreign corporations are prohibited from using land in protected areas.”	“In protected areas, the use of land by foreigners, stateless persons, and foreign legal entities is prohibited,” and foreign corporations are not prohibited from using land. Foreign legal entities are legal entities established in countries other than Mongolia, and differ from foreign corporations stipulated in the “Investment Law”.
Article 11, Section 1, Item 6 allows people to engage in tourism activities in restricted areas of special protected areas, but not in sacred or protected areas. For this reason, only restricted areas have established tourism routes (rules on tourist land, available roads, and means of transport).	According to the former director of the protection office of the special protected area, “Since tourists are currently traveling to and from areas other than the restricted areas of the special protected areas, the revised draft aims to set and manage tourism routes, and allows to conduct tourism activities in the protected areas of the special protected areas.”
Article 6, Section 2, Items from 1 to 4 stipulate as follows with regard to the procurement of funds for the protection of protected areas. Item 1: National and local budget investment Item 2: Sales from tourism and other services	The types of funding sources will be diversified as follows. National and local budgets Entrance Fees and Operating Fees in Protected Areas

⁸ <http://www.mne.mn/wp-content/uploads/2017/07/10.pdf> (Reference March 15, 2021)

Existing law	Full Amendment Draft
Item.3: Donations by citizens and corporations Item 4: Compensation for Damages by Persons Who Have Violated Laws and Regulations Related to Protected Areas	Amount of compensation for damages incurred on the natural environment and resources in protected areas Donations by foreign countries, international organizations, foreign nationals, citizens, and corporations Funding by citizens and corporations for work expenditures as equivalent protection of biodiversity in protected areas Fees for ecosystem services in protected areas Other income not violating laws and regulations

Source: Prepared by the survey team based on the “Protected Area Law”, the “Law of Environmental Areas in Protected Areas”, the complete revision draft, and hearing surveys.

(4) Nature Reserve Law

1) Legal content

“The Nature Reserve Law”, enacted in March 1995, stipulates the basic policies and principles of the state concerning the protection of the natural environment, means of ownership, use, and recovery of natural resources, natural environment assessment, research and auditing, national authority concerning the protection of the natural environment, and the obligations of enterprises.

Article 6, Section 1, stipulates that “except for resources owned by the Mongolian people, land, underground, forests, water, animals, plants and other natural resources are national property and cannot be used without the permission of the state organization owning jurisdiction over them.” The state organization concerned refers to the Ministry of Nature, Environment and Tourism for most natural resources, but refers to the Ministry of Mining when mining mineral resources. Article 6, Section 2 stipulates that “unless otherwise provided by law, Mongolian citizens, corporations, foreign nationals, and foreign corporations may use natural resources based on contracts and business licenses after paying appropriate fees and taxes.” Foreign nationals and foreign corporations may use natural resources based on this. However, Article 33, Section 2 of the “Protected Area Law” stipulates that foreign legal entities, international organizations, foreign nationals, stateless persons, and foreign corporations are prohibited from using land in protected areas. They are not allowed to use for protected areas.

2) Issues

Issues covered by the provisions of the Law are as shown in the following table.

Table 2-11: Issues of the Nature Reserve Law

Article Section Item	Contents of provisions (““ : As is stipulated)	Issues
Article 31 Section 1 Item 6	“Corporations register their ecological passports in accordance with procedures determined by the central administrative organizations.”	According to experts from the Ministry of Nature, Environment and Tourism, “the registration of ecological passports has been implemented to measure the degree of environmental considerations for companies and to promote companies that are evaluated as being environmentally friendly based on the evaluation.” However, according to environment-related organizations, the fact is that “ no registration has been made at all.”
Whole law	Whole law	An NPO related to environmental protection said, “Because the law is not complied with, problems such as garbage and destruction of the natural environment occur. It is not a matter of law revision, but it is necessary to build a system that can manage and supervise in accordance with the law in Mongolia, which has a large national territory. “

Source: Prepared by the survey team based on “the Nature Reserve Law” and hearing surveys.

3) Legal revision

According to experts from the Ministry of Justice and Internal Affairs, “although the Nature Reserve Law is to be revised in line with the 2019 constitutional revision (the revised portion is for preventing the destruction

of nature by mining), the revised draft has not yet arrived at the Ministry of Justice and Internal Affairs.”

(5) Law for the Protection of Cultural Properties

1) Legal content

The Law for the Protection of Cultural Properties, which was fully amended in May 2014, stipulates the classification and ranking of cultural heritage, the authority, registration, research, occupation, use and ownership of national and local governments, protection systems, restoration, public relations and management of cultural heritage.

2) Issues

The issues stipulated in the same ordinance are as shown in the table below.

Table 2-12: Issues of the “Law for the Protection of Cultural Properties”

Article Section Item	Contents of provisions (“ : As is stipulated)	Issues
Article 37 Section 3	Article 37 stipulates a system for the protection of cultural heritage, and Section 3 stipulates that “The system follows the principles of protecting the areas without changing the natural landscapes and integrity of the cultural heritages. The system can protect national and local museums with the approval of the Minister of Cabinet, who has jurisdiction over cultural issues, for the purpose of enhancing the state of conservation and protection.” Incidentally, integrity means that when a cultural heritage is composed of multiple heritage sites, they are collectively protected.	According to experts from the Ministry of Culture, “Article 37, Section 3 is not complied with, and problems such as construction being implemented in the vicinity of cultural heritage have occurred because the boundaries of protection targets have not been set.”
Article 41	It is stipulated that funds for the protection of cultural heritage will be procured from national budgets, local budgets, donations by Mongolian citizens or foreign nationals and international organizations, corporations, and other sources of funds.	According to experts from the Ministry of Culture, “there are few other sources of funding, and they are covered by national budgets, local budgets, and donations.”
Article 42 Section 1	“The State Ikh Khural shall determine the boundaries by deciding whether to protect the natural landscape and the fundamental specialties of the cultural value of the cultural heritage memorial sites. “	According to experts from the Ministry of Culture, “Article 42, Section 1 is not complied with, and problems such as construction being implemented in the vicinity of cultural heritage memorial sites have occurred because the boundaries of protection targets have not been set.”
Article 42 Section 7	“A protection office shall be established to manage the protection of cultural heritage memorial sites.” (The cultural heritage memorial site is defined in Article 3, Section 1, Item 6 as “A cultural environment or region where tangible and intangible heritage is closely related to the natural environment and traditional life.”)	According to experts from the Ministry of Culture, the only places where protection offices have been established are the “Orkhon Valley Cultural Landscape”, which is a World Cultural Heritage Site, the “Petroglyphic Complexes of the Mongolian Altai” and the “Great Burkhan Khaldun Mountain and its surrounding sacred landscape”. There are no specific protection offices in the cultural heritage memorial sites other than the three above, and the protection offices in the neighboring protected areas currently manage the sites.

Article Section Item	Contents of provisions (““ : As is stipulated)	Issues
Article 45 Section 2	“A contractual custodian shall be appointed for a historical and cultural memorial site designated as a protected area by the governor of a soum (county) or district. “	According to experts from the Ministry of Culture, there is “no custodian appointed for most historical and cultural memorial sites.”

Source: the survey team based on the “Law for the Protection of Cultural Properties” and hearing surveys

3) Legal revision

According to experts from the Ministry of Culture, “there is no plan to amend the law and no draft amendment has been prepared.”

(6) Land Law

The Land Law, which was completely revised in June 2002, stipulates for the authority of the state and local governments concerning land, the financing of land management, and the possession, occupancy, and use of land. In this law, three forms of land-related rights are allowed: ownership, occupancy, and use. Differences by form are shown in the table below.

Table 2-13: Differences in Land Rights by Form

Form	Differences by Form
Ownership of Land	Land ownership includes 3 rights: “right of freehold, “right of use,” and “ right of disposal.” It is a general provision of the Mongolian Constitution that all the lands in Mongolia is for the state, but with the only exception, it is permitted that the state can distribute the lands to the people of Mongolia for private ownership. However, citizens are prohibited from transferring their own plots of land to foreign citizens.
Land Occupancy	Land Occupancy is the right of possessors who have legal control in accordance with certain conditions of land occupancy agreements entered into with the State in accordance with the purpose of use and are granted only to Mongolian nationals and domestic capital firms and organizations. The following rights are allowed in accordance with the Land Law. Land may be occupied for 60 years (which may be extended). All or part of the land under occupancy may be leased. Land ownership certificates can be transferred and pledged to other Mongolian citizens, corporations and organizations.
Use of Land	Land use right is the right to exploit the beneficial properties of land under contracts with landowners (state or Mongolian citizens) or owners of land occupancy right and have the following characteristics. The legislature shall have power by lease or interest arrangements to determine the use of land by any foreign countries, foreign legal entities or international entities. The Government shall determine the boundaries of the land and the procedures for the use of the land. Foreign citizens and stateless persons residing in Mongolia for more than 183 days may, by local government decision, hold the land use right for normal domestic use through land auctions.

Source: Prepared by the survey team based on “Mongolia Investment Guide”⁹ by JICA

Foreign and international organizations, foreign legal entities, foreign corporations, foreign nationals, and stateless persons are permitted to “use” land only under contracts for certain purposes, periods, and conditions. Article 6 Section 3 of the Law stipulates that “foreign and international organizations, foreign legal entities, foreign corporations, foreign nationals, and stateless persons may become land users through contracts for certain purposes, periods, and conditions.” Article 44 Section 7 also stipulates that “a foreign national or stateless person must obtain a certificate from the authority with jurisdiction over the foreign issue before applying for the use of the land.”

(7) Civil Code

⁹ https://www.jica.go.jp/priv_partner/case/field/ku57pq00002azzsv-att/invest_mongol_01.pdf (Reference March 13, 2021)

Section 4 of the “Civil Code” enacted in January 2002 stipulates tourism contracts, defects, termination of contracts, compensation for damages, limitation of liability of tourism organizers, right to cancel contracts between tourism organizers and tourists. The definition of the tourism organizer is not stipulated.

(8) Landscape ordinance

The “Landscape Ordinance” has not been established. In 2011, Otgontenger University hosted an international symposium on the theme of “Environmental and Regional Landscape Protection” with the participation of researchers from the Ministry of Nature, Environment and Tourism, the Landscape Census Agency, the National Institute for Legal Studies, and universities in Mongolia and Japan. Participants commented that it is necessary to set standards for landscapes as tourism development progresses, because there is a problem that landscapes deteriorate due to low attention and lack of consideration. ¹⁰ In addition, experts from the Ministry of Culture have voiced that “there are problems such as corporate advertisements being set up around cultural heritage sites due to the lack of enactment of landscape ordinances.”

(9) Investment Law

1) Legal content

The “Investment Law”, enacted in October 2013, stipulates the rights and obligations of investors, the authority of national institutions for investment, investment support, and stabilization of the investment environment.

Article 3, Section 1, Item 5 stipulates that “a foreign corporation is an entity established under the laws and regulations of Mongolia in which at least 25% of the total number of shares issued by a corporation is owned by foreign investors and the amount of investment of each foreign investor is at least 100,000 USD (or equivalent in MNT).”

Article 13 Section 1 stipulates that “by issuing a stabilization certificate, the tax rate and tax amount paid by the corporation implementing the investment project will be stabilized.” This guarantees to investors (individuals and corporations) that tax rates and amounts at the time of issuance of certificates will apply over time if the prescribed requirements are met. Article 13 Section 4 also states that “If the tax, rate or tax amount stipulated in Article 14 Section 1 of the Tax Law is reduced within the period of validity of the stabilization certificate, such reduction shall apply to the person who holds the stabilization certificate. In the event of an increase, the amendment shall not apply.” It guarantees that investors will not be affected by legislative changes under unfavorable conditions. The taxes, rates and amounts referred to in Article 14 Section 1 are “corporation income tax”, “customs duty”, “value-added tax” and “mineral resource use tax”. Article 16, Section 2, Item 2 stipulates that the period for issuing stabilization certificates for industries other than mining production, heavy industry and infrastructure. Stabilization certificates for 5 to 15 years will be issued depending on the amount of investment.

2) Issues

Issues covered by the provisions of the Law are as shown in the following table.

Table 2-14: Issues of the “Investment Law”

Article Section Item	Contents of provisions	Issues
Article 3 Section 1 Item 5	Foreign corporations are entities established under the laws of Mongolia, in which at least 25% of the total number of shares issued by a corporation is owned by foreign investors and each foreign investor has an investment of at least 100,000 USD (or equivalent in MNT).	According to an expert from the National Development Agency, “There is a strict requirement that each investor invests at least 100,000 USD (or equivalent in MNT), which is a factor in reducing foreign investment.” Furthermore, he said, “This requirement is based on investment from mining enterprises and is not set in consideration of investment from other industries. we would like to consider amending the law to review the requirements.” However, since the National Development Agency does not have the authority to submit a draft bill, it is unclear whether the revision intended by the National Development Agency will be made even if the law is revised.

Reference March 14, 2021¹¹ The Official Website of the National Legal Institute under the Ministry of Justice and Internal Affairs: <https://www.legalinfo.mn/law/details/212> (Reference March 18, 2021)

Source: Prepared by the survey Team based on the “Investment Law” and hearing surveys

The “Foreign Investment Law” has been abolished in conjunction with the enactment of the “Investment Law”.¹¹

(10) Corporate Law

1) Legal content

The “Corporate Law”, which was fully amended in October 2011, stipulates the types of companies (stock companies, limited liability companies), incorporation of companies, articles of incorporation, general meetings of shareholders, board of directors, etc.

2) Issues

According to a full-time professor at the National University of Mongolia, “There are no regulations or issues related to tourism companies.”

(11) Small and Medium-sized Enterprise Support Law

1) Legal content

“Small and Medium-sized Enterprise Support Law”, which was completely revised in June 2019, stipulates for the definition of Small and Medium-sized Enterprise (hereinafter referred to as SME), the content of support from the state to SMEs, SME funds, the rights and obligations of SMEs, and the authority of the state and local governments to SMEs. SMEs can be divided into “micro enterprises”, “small enterprises” and “middle enterprises” according to their requirements. The requirements for each category are shown in the table below.

Table 2-15: Requirements for each category of SMEs

Classification	Article Section Item	Contents of provisions
Micro enterprise	Article 5 Section 1 Item 1	A business entity with up to 300 million MNT in annual sales, with up to 10 employees and operating in the industrial, commercial and service sectors
Small-sized enterprise	Article 5 Section 1 Item 2	A business with a minimum of 10 and a maximum of 50 employees and a minimum of 300 million and a maximum of 1 billion MNT per year, which operates in the industrial, commercial or service sectors
Middle-sized enterprise	Article 5 Section 1 Item 3	A business entity with a minimum of 50 employees and a maximum of 200 employees and operating in the industrial, commercial and service sectors, with annual sales of at least 1 billion and a maximum of 2.5 billion MNT

Source: “Small and Medium-sized Enterprise Support Law”

Article 11 of the Law stipulates the “SME Development Fund” to raise funds required for SME support. The following table shows the terms and conditions of each loan (soft loan) provided by the fund.

Table 2-16: Terms of Lending per SME Development Fund

Classification	Article Section Item	Contents of provisions
Micro enterprise	Article 11 Section 6 Item 1	Up to 300 million MNT for micro enterprises depending on annual sales
Small-sized enterprise	Article 11 Section 6 Item 2	Up to 1 billion MNT for small enterprises, depending on annual sales
Middle-sized enterprise	Article 11 Section 6 Item 3	To a maximum of 2.5 billion MNT for middle-sized enterprises according to annual sales

Source: “Small and Medium-sized Enterprise Support Law”

2) Issues

According to experts from the Ministry of Justice and Internal Affairs, the “Small and Medium-sized Enterprise Support Law” has just been completely revised, and “no issues exist.” On the other hand, at the Prime Minister’s morning conference held on February 25, 2021, representatives of the Mongolia Tourism

¹¹ The Official Website of the National Legal Institute under the Ministry of Justice and Internal Affairs: <https://www.legalinfo.mn/law/details/212> (Reference March 18, 2021)

Association and tourist camps expressed their request for easing conditions because there were many travel companies that could not satisfy the lending conditions for soft loans, such as “taxpayers of value-added tax without delinquency of social insurance premiums and taxes, without other borrowings.” In response, the Minister of Finance responded, “The condition that there is no delinquency of social insurance premiums and tax payment is judged based on the situation as of 2019, which is before the influence of the COVID-19.” Regarding the value-added tax, while the tax payment obligation is imposed only on enterprises with annual sales of 1 billion MNT or more, many of the travel companies are micro-sized and smaller than SME, and the Minister stated that he would “consult with the parties concerned.”

(12) Labor Law

The “Labor Law” enacted in May 1999 cites the following reasons for employers to terminate their labor contracts.

Table 2-17: Reasons for the Employer to Terminate the Labor Contract

Article Section Item	Contents of provisions
Article 40 Section 1 Item 1	Reduced workforce by reorganizing and shrinking companies
Article 40 Section 1 Item 2	Problems with respect to the expertise, ability and health of employees were identified.
Article 40 Section 1 Item 3	Employee reaches 60 years of age and is entitled to pension benefits
Article 40 Section 1 Item 4	The employee has repeatedly committed an act subject to disciplinary action or has committed a serious violation of a labor contract that would directly suspend labor relations.
Article 40 Section 1 Item 5	It has been determined that an employee in charge of money and property has committed a violation or fraud that would damage the employer’s reputation.
Article 40 Section 1 Item 6	He or she has been assigned to another occupation by election or business trip.
Article 40 Section 1 Item 7	The grounds stipulated in the contract have arisen.

Source: “Labor Law”

Due to the strong seasonality of tourism, many employees engage in side jobs to obtain stable income throughout the year. Under the current law, there are no laws or ordinances concerning the side business of an enterprise, and employees shall comply with the internal regulations of each enterprise. According to the Trade Association Labor Union, “The Law is scheduled to be revised this year, and the draft bill includes the following provisions: “When concluding more than one labor contract, the employer must approve it if it is a contract with an enterprise in a competitive field.”

2.6 Human Resource Development

Human resources in the tourism industry are mainly provided by educational institutions in Ulaanbaatar, whereas in the aimags, some vocational training centers are located in each region to train cooks, waiters/waitresses, and guides. The most urgent issue is that the new students enrolled has not yet reached the maximum number due to unstable employment caused by seasonal factors. On the other hand, in areas where there is a lot of mining, such as Umnugovi, people often find employment in mining-related companies rather than in tourism. Therefore, tourism-related companies are striving to secure human resources by signing part-time contracts with university students during their summer vacation before they graduate, and the companies pay for their employees’ winter social insurance.

The MNET (Ministry of Nature, Environment and Tourism) organized the “Hospitality Service Specialty Training” across Mongolia for two consecutive years in 2019-2020, with the aim of improving tourism services and promoting the participation of local residents. The number of participants in the surveyed areas totaled 9,829, including 545 in Dundgovi, 795 in Umnugovi, 258 in Govisumber, 545 in Dornogovi, 192 in Arkhangai, 531 in Uvurkhangai, and 6,963 in Ulaanbaatar, who took the course and obtained certificates.

Experts with many years of experience in the field of tourism and professors from the National University of Mongolia direct each course, and they issue the certificates. Many of the students were interested in tourism, but they now desired to start their own business or operate a Ger House rather than work in an existing tourist camp. According to an interview with “Gaikhamshigt Gobi”, NGO that conducted training in the Gobi region, the biggest obstacle to starting a private business in Mongolia is that land in Mongolia is state-owned. Since

special permission from each municipality is required for its use, start-ups have difficulty in acquiring land around tourist destinations.

The efforts by government agencies and private organizations to cultivate human resources in the tourism industry are as follows:

(1) Government-agency

1) Ministry of Nature, Environment and Tourism

Human resources in the tourism industry are mainly trained at universities and vocational training centers, the former operated and managed by the Ministry of Education and Science and the latter by Ministry of Labour and Social Protection. The MNET has regularly held nationwide training sessions on occupations related to customer service, such as managers, tour guides, cooks, waiters/waitresses, bartenders, and drivers. Starting in 2019, Mongolian government has focused on developing tourism infrastructure and improving the service quality with the aim of boosting the tourism industry to a new level of growth. Regarding the improvement of service quality, 10-12 specialized training plans on customer service have been designed.

Nine vocational training courses in hospitality services for waiters/waitresses, bartenders, baristas, housekeepers, ger attendants, cooks, drivers, porters, and doorkeepers were held in Ulaanbaatar and 21 aimags from 2019 to 2020. More than 10,000 people across Mongolia have taken the course for free and received certificates.

In addition, the MNET has been working with KTO (Korea Tourism Organization) on the Construction of a Mongolian Tourism Education Center and Strengthening Workforce Capabilities Project. In response to the global pandemic of the COVID-19, information has been provided on the rules and standards that tourism agents must comply with. A webinar was held for tourism agents on the topic of “New Tourism Trends and Transition to Digitalization” to learn from international experiences for entering the recovery phase, as well as planning and marketing future initiatives after overcoming infectious disease risks, with over 100 participants.



Source: Department of Nature, Environment and Tourism, Dornogovi aimag

Figure 2-9: Learning at seminars

2) Mongolian Tourism Organization

The Mongolian Tourism Organization has invited external specialists to conduct training on procurement of goods, projects and services depending on national and local budgets, which organized by the MNET and other related organizations, as well as on its own. In 2020, the translated Mongolian version of “New Standards and Rules to be Followed by Tourism Industries in the Post-Pandemic” was published by an

international organization. Free copies will be distributed to businesses in the tourism industry. Moreover, commissioned by the MNET, a total of seven training sessions for professional staff from 21 aimags will be held during 2021, and the Center has been discussing that one training session should be on the new standards and rules that will be addressed in the tourism industry in the post-pandemic.

According to the survey results conducted by the Mongolian Tourism Organization on travel agencies in 2019, low skills of service professional have been pointed as a problem. This is because there is a lack of professional training and experience, although such training is of paramount importance in improving the quality of tourism services, and little practice is provided for local residents.

Hearing from the Center, the challenge for human resource cultivation in the tourism industry is to stabilize employment. The global epidemic of infectious diseases has had a major impact on the tourism industry and is one of the reasons why stable employment cannot be secured. This may make it difficult to secure a stable supply of professional. Some participants also expressed the need to develop standards and rules that are implementable and appropriate for Mongolia, as well as regular training to train staff working in the tourism industry, especially in service-related jobs.

(2) Educational institutions (universities, vocational training center)

1) Universities

The Ministry of Education and Science operates and manages higher education in Mongolia, and statistics show that as of 2019, there are 95 higher education institutions in Mongolia. Of the 30 universities (including private ones) training professionals in tourism, the Survey team conducted a questionnaire survey of 22 universities, including 9 national universities and 13 private universities (period: January 28 to February 9, 2021). The following Table 2-18. is an outline of universities surveyed and features of their curriculum. As for the features of curriculum at universities, 11 universities offer foreign language classes, and 6 universities organize internship programs in China, South Korea, Japan, and some in the United States. Since 2018, three universities have newly established courses specializing in tourism or tourism-related departments. However, the faculty of Tourism and Land Management (Tourism Management major) at Mongolian National University had no enrollment. As of 2021, there are 78 teachers, 1,475 current students, and 5,023 graduates.

Table 2-18: Outline of universities surveyed and features of their curriculum

No.	School names and characteristics of the curricula	Name of faculty / department	Major fields of study	No. of teachers specialized in tourism and customer services	No. of students	No. of graduates
1	<p>National University of Mongolia</p> <ul style="list-style-type: none"> • Educational personnel with doctorates acquired in respective countries • Teachers with the ability to teach using a variety of teaching methods • Ministries and agencies, NGOs, and international organizations in the tourism sector • Many years of experience of the cooperation with the private sector • Cooperation with the Erasmus Mundus Program • Teachers who work as visiting teachers and researchers outside the country • Comfortable educational environment • Libraries that meet the international standards • Internationally recognized universities • The pioneer in bachelor-level education in tourism • Liberal arts program • Satisfactory contents of classes 	<p>School of Science, Department of Natural Science Department of Geography</p>	<p>Tourism management, tourism studies, cultural tourism</p>	4	60	660
2	<p>Mongolian University of Life Sciences</p> <ul style="list-style-type: none"> • The School of Economics & Business provides more guidance on natural scenic spots because from a perspective of nature tourism. Since research facilities related to animal husbandry have particularly been well developed in the field of agriculture and stock raising, the School of Economics & Business mainly provide courses related to natural tourism and eco-tourism based on the nomadic culture of Mongolia. • The School of Agroecology introduced an educational curriculum specialized in tourism marketing for the first time in Mongolia. 	<p>School of Economics & Business Department of Marketing</p>	<p>Tourism marketing</p>	5	48	Since this educational institution has newly been established, there are no graduates.
		<p>School of Agroecology Department of Ecology</p>	<p>Tourism Education Course</p>	8	59	675
3	<p>Mongolian National University of Education</p> <ul style="list-style-type: none"> • Students in the Tourism Manager's curriculum can choose foreign languages in elective subjects outside specialized classes, and can study in many classes. They can also participate in 6-~12-month internships in countries such as China, Japan, and South Korea. 	<p>School of Physical Education</p>	<p>Tourism (sports tourism)</p>	2	41	95
4	<p>Mongolian University of Science and Technology</p> <ul style="list-style-type: none"> • This university provides tourism management classes as a major subject and a one-year internship in Japan. 	<p>School of Business Administration and Humanities</p>	<p>Tourism management</p>	4	79	—
5	<p>University of Commerce and Production</p>	<p>Faculty of Commerce and Marketing</p>	<p>Tourism manager, tourism, customer service specialists</p>	2	—	—

6	College of Culture and Arts • The college trains specialists in tourism rooted in cultural tourism and culture based on ethnic heritages and culture.	Faculty of Culture Research and Education Team of Professors	<ul style="list-style-type: none"> • Cultural research and education • Studies of the Museum of Cultural Heritage • Cultural studies - Socio-culture • Cultural studies - Studies of folk crafts 	2	31	—
		Tourism	<ul style="list-style-type: none"> • Cultural tourism • Tourism -Foreign languages • Customer services 		Since this educational institution has newly been established in 2020, there are no entrants.	Since this educational institution has newly been established, there are no graduates.
7	Soyol-Erdem (Cultural Education) College • In addition to eco-tourism, this college has incorporated Chinese and Japanese languages as elective subjects.	Faculty of Tourism	Tourism management	2	7	180
8	Mongolian National University • This university offers highly specialized education in the fields of tourism by preference. The university revised its curriculum so that students can participate in internships and study Japanese language continuously for four years in the "tourism" curriculum.	School of Tourism and Land Management	Tourism management	6	No enrollment	500
			Tourism		97	Since this educational institution has newly been established in 2018, there are no graduates.
			Customer services		14	152
			Air services		69	Since this educational institution has newly been established in 2018, there are no graduates.
9	International University of Ulaanbaatar • Students major in tourism management and Korean language.	Department of Business Administration	Tourism management	3	79	—
10	University of the Humanities • Tourism education programs incorporate foreign languages and geography.	Department of Business Administration	Tourism management	2	125	1000
11	Otgontenger University • The Airport Service Course is the first educational program that provides cabin attendant training in Mongolia. The Tourism Education Course offers onerous internships in Japan. In the European Union's Erasmus + Project, students studying in the airport services curriculum participate in workplace internships provided by MIAT, Hunnu air, the Civil Aviation Authority of Mongolia, and other organizations. The university has provided a 2+2 program jointly with Korean schools.	School of Economic and Business Administration	Tourism management	4	25	—
			Air services		120	—
12	Global Leadership University • With classes given in English, the university is under a business partnership with an American university.	Department of Business Administration	Tourism management	2	—	45

13	Etugen University · This university provides medical tourism-related education.	Faculty of National Administration and Business Management	Tourism and recreation area management	2	5	
14	Mongolia International University (MIU) · Classes of international tourism are given in English.	Hotel & tourism management	-	5	—	—
15	Gazartin University · This is the first university specialized in tourism in Mongolia.	Tourism management	-	4	80	1050
16	Idell University · This university is under license in business programs of the London-based ABE (Advancing Business Education) and the Accreditation Council for Business Schools and Programs (ACBSP) in the United States. The university has provided programs for student exchanges with the Republic of Korea and the United States of America, and for internships in Japan.	Faculty of Business Administration	Tourism and customer service management	3	260	—
17	Ikh Zasag International University · Twenty-three percent of the curricula are practical training and skills practices intended to acquire skills, 10% are content development, and 32% are adventure tours, all of which are provided as special classes. The rest are foreign language classes.	Faculty of Engineering	Natural tourism, foreign languages, tourism, hotels, restaurant management	7	132	—
18	Khangai University	Department of Business Management & Information Technology	Tourism management	3	22	100
19	City University of Mongolia	Department of Tourism	1. Tourism 2. Customer services 3. Airport services	2	80	350
20	Khovd University · This university develops managers with the ability to work in all fields of tourism services. · Students can choose a foreign language course and learn the language (English, Russian, Japanese, or Korean) deeply. · They will acquire the skills for a guide at the same time. · Students can acquire deep knowledge and skills in natural tourism as well.	Faculty of Social Humanities Department of Business	Tourism management	1	10	136
21	Darkhan University · Students major in tourism and foreign languages.	Department of Humanities	Tourism (English, Japanese)	4	—	—
22	Dornod University · Classes are mainly provided in Chinese.	Department of Social Humanities	Tourism, Chinese interpretation	1	32	80
Total				78	1,475	5,023

Source: Prepared by the survey team according to survey results

2) Vocational training centers

In Mongolia, vocational training centers are under the jurisdiction of the Ministry of Labor and Social Protection, as they are vocational education institutions aiming at the acquisition of vocational skills. Training sessions are classified into two types: programs for middle/high school graduates and programs for working adults. The former covers 1.5 to 3 years of education, while the latter focuses on short-term training of a few months. As of 2019, there are 86 approved vocational training centers, 15 of which are training professionals in the tourism and hospitality. The Survey team conducted a questionnaire survey of the following 10 vocational training centers that are currently active (period: January 28 to February 9, 2021). Training programs in the tourism department of vocational training centers have a big feature. For example, by gathering opinions from partner companies such as tour operators, hotels, and tourist camps through questionnaires and other means, creating programs, opening classes, and conducting specialized education. Local respondents said that many classes on local tourism are created based on local employment demands and employer needs, so vocational training centers often send their graduates to work for partner companies cooperating with them. As of 2021, there are 34 teachers in 10 vocational training centers, and the current students total 371. Since the start of the training of tourism professionals, a total of 4,225 students have graduated.

Table 2-19: Outline of vocational training centers surveyed and features of their training programs

No.	Name of vocational training center and characteristics of the curriculum	Name of department	Major fields of study	No. of teachers specialized in tourism and customer services	No. of students	No. of graduates
1	Gurvan Tamir Vocational Training Center	No department	Hotel & tourist camp customer service staff (1 year)	2	75	58
2	Universal Technical College • Since this college is under the jurisdiction of the Inner Mongolia Ethnic University, many teachers are from the university. The number of enrollees is increasing by 20% every year.	-	Tourist guide	2	40	20
3	Tourism Skill Vocational Training Center • Educational contents are based on skills. The center is affiliated to New juulchin Corporation.	Department of Tourism and Customer Services	Specialists in tourism and customer services	5	77	295
4	Industrial Craft Engineering College • Training courses based on skills are prepared and adopted. The college mainly develops employees in the hotel and service fields.	Department of Information Technology and Tourism	Hotel & tourist camp customer service staff (1 year)	3	55	441
			Aircraft cabin attendants (2 years)		8	37
5	Institute of Technology-affiliated College • This college prepares training courses that enable managers, restaurant employees, hotel and restaurant customer service staff, who are key personnel in the customer service industry, to acquire knowledge, skills, and proper attitudes to meet the needs of employers.	Department of Food and Bioengineering	Hotel & tourist camp customer service staff	13	38	2345
6	Arkhangai aimag Vocational Training Center • This center incorporates many more classes related to regions and local tourism.	Department of Agriculture and Construction, Services	Tourist guide	2	18	-
7	Uvurkhangai aimag College of Technology • This college has sufficient training base for students, and provides all students with practical training opportunities. It increase the opportunities for skill training, and deal with students individually.	Computer & Economic Team	Hotel & tourist camp customer service staff (1 year)	2	24	20
8	Dundgovi aimag Vocational Training Center • The center was developed on the basis of local employment demand and employer needs, and provides on-the-job training. Sales and cooking are mainly trained in the on-the-job training.	Department of Industry and Services	Hotel & tourist camp customer service staff	1	-	9
9	Khangai Vocational Training Center • Through tourism guide education, this center aims to establish the basis of specialist personnel in this specific field.	Specialized departments	Tour guide	3	24	1000
			Hotel & tourist camp customer service staff (1 year)			
10	Khuvsgul aimag Vocational Training Center • This center has incorporated information regarding locally specific tourism routes. It also reflects opinions of partner companies in the tourism sector. As it is located in a tourist area, it mainly develops tourist camp workers and engages in human resource development in the service fields.	Industrial and Service Professor Unit	Tour guide	1	12	-
Total				34	371	4,225

Source: Prepared by the survey team according to survey results

According to the questionnaire to universities and vocational training centers, the results of the common items on the problems faced are as follows:

- In fact, there is a lack of public understanding that human resources engaged in the tourism industry are professionals; therefore, tourism-related companies tend to hire low-paid non-specialists. For this reason, employment opportunities for trained personnel in tourism are limited.
- Lack of understanding and popularity of tourism among students and the general public. Moreover, students are generally not interested in learning about tourism and hospitality.
- In addition to specialized subjects in tourism, foreign language education is provided, but due to insufficient knowledge of faculty members and the educational environment, non-specialized personnel who can speak foreign languages are often employed in the field.
- Lack of equipment for practical training, necessary textbooks and manuals.

In relation to these issues, the necessary support includes: (1) improvement of educational environment, such as the establishment of internationally recognized schools specializing in tourism; (2) joint implementation of practical training at workplaces; and (3) training to improve teachers' abilities.

(3) Private organizations

1) Mongolian Tourism Association

During normal circumstances, training courses for beginners to advanced are offered for tour operators, company owners, managers, tour guides, drivers, and cooks, as well as for professional tour planners. Training on legal, contractual, social insurance and other topics are also provided to help companies expand their business and share experiences. However, in 2020, due to the global epidemic of COVID-19, no training has been held at all. Training on law, social insurance, and taxation has been planned and conducted online since 2021.

Future plans include cooperating with international organizations to conduct regular step-by-step trainings on experience exchange, legal knowledge acquisition, and other topics such as project planning and contract law to improve human resource potentials. The Mongolia Tourism Association believes that training should be conducted regularly and in stages, and that follow-up assessments of the participants are also essential.

2) Mongolian Professional Tour Guides Association

Since its establishment in 2003, the Association has held skill improvement and general knowledge training for tour escorts and tour guides three times a year. This training is aimed at acquiring the professional skills and techniques essential for these two occupations. The Association works with the Mongolian Academy of Sciences for general knowledge training, and also obtained external cooperation for medical first aid and legal training. Teaching methods and training styles have been updated and refined. Moreover, it organizes training for local guides and field training on the principles of eco-friendly and sustainable tourism.

Future plans will further enhance the existing plan to meet the new standards and rules established because of the COVID-19 infection. Training will be planned based on the experiences of other countries and will include (1) training on infection control for tour escorts, tour guides and tourism service workers, and (2) 12 hours of training on adaptation to new standards and rules, with the support of donor agencies and government bodies. In March 2021, in cooperation with the Museum of Natural History (Central Museum of Mongolian Dinosaurs), a two- to three-day training program combining theory and practice was conducted for tour escorts and tour guides.

The three goals of the project are: (1) to increase the training frequency, develop standards for professional qualifications for tour escorts and tour guides, and formulate and implement rules for issuing qualifications; (2) to recognize tour escorts and tour guides as seasonal occupations and allow them to join social insurance; and (3) to create an environment where tour escorts and tour guides enjoy stable careers in the field. There has also been a request for training on service standards for tour drivers (because they are the closest colleagues of the tour escorts and tour guides, and teammates who must cooperate), but so far, there are no plans.

Those who have graduated from universities with a major in tourism are not always foreign-language

speakers, and those who speak foreign languages have little knowledge of tourism and no management skills. Therefore, the Association commented that it would be desirable to include training on new tourism trends (sustainable tourism, digital tourism, etc.) in the implementation plan for current staff rather than cultivating talent in a new major program.

3) Mongolian Hotels Association

The Mongolian Hotel Association provides professional qualifications for hotel housekeepers, receptionists, Ger attendants, tour chefs (who accompany tourists to prepare food), doorkeepers, and porters, and has obtained a special permit from the Ministry of Labor and Social Protection to conduct professional training. From September 2020 to February 2021, in cooperation with the European Bank for Reconstruction and Development, sector managers in charge of human resources were invited to participate in the training of international experts in a total of six modules. The Association offers step-by-step online training for local hotel service managers.

Future plans include training for cooks, waiters/waitresses, Ger attendants, local guides, and waitstaff, all of which are in short supply and in high demand. In addition, future plans include providing 14 to 21 days of vocational training for in-demand occupations in accordance with the policy of fostering professionals based on the job training demand among the unemployed.

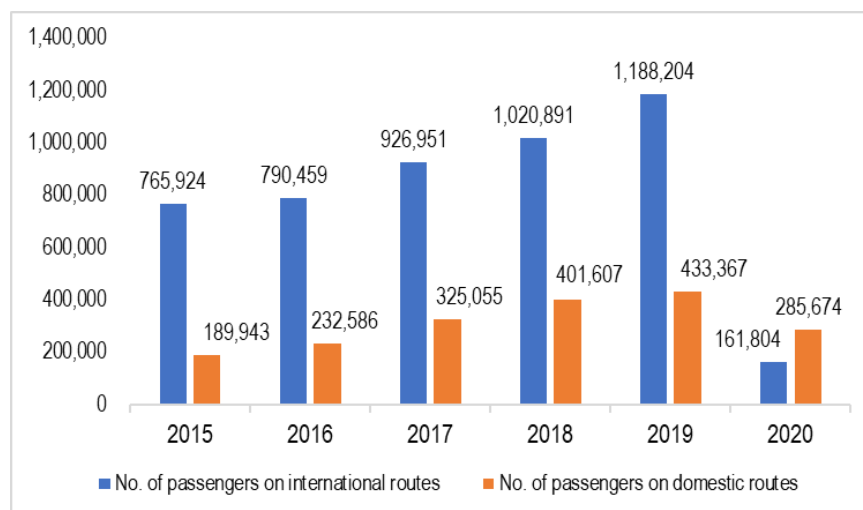
4) Tourism Education and Development Society of Mongolia

Short-term skill up training for teachers and researchers has been conducted on behalf of the MNET. As of 2021, no training has been provided yet. The society has been gathering information and conducting the research necessary to create a textbook for tourism and hospitality-related human resource cultivation and transmitting the tourism-related information online.

2.7 Transportation and traffic-related infrastructure

(1) Airport and aviation

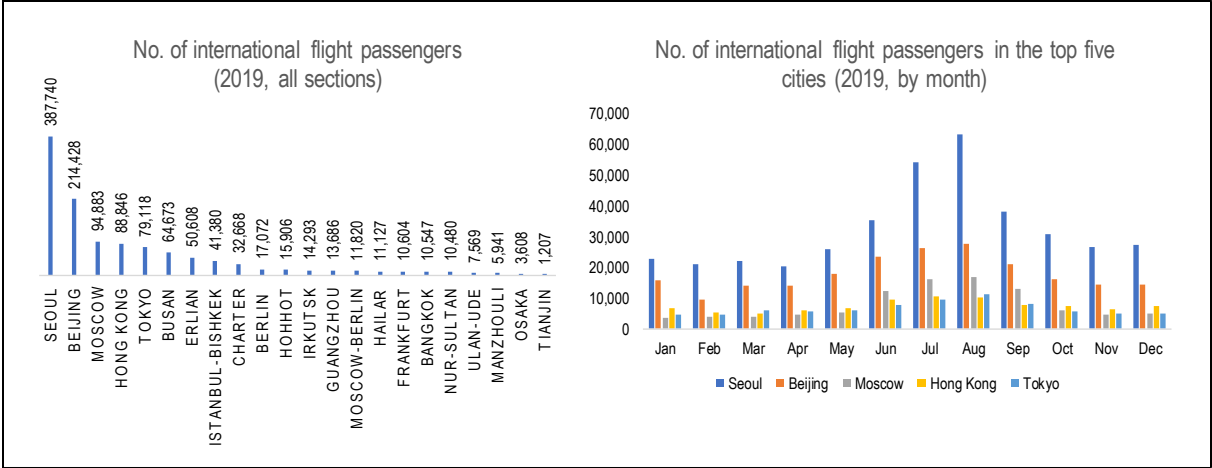
The only international airport in Mongolia used as a gateway to foreign countries was Buyant-Ukhaa International Airport, located about 15 km from the center of the capital Ulaanbaatar, until the opening of the new airport in July 2021. Its capacity per hour was 1,000 passengers at the time. In 2019, the annual number of passengers on planes nationwide, including flights to and from Buyant-Ukhaa International Airport, was 1,621,571 (1,188,204 international and 433,367 domestic: National Statistical Office of Mongolia in 2019), an increase of 14% over the previous year. The number of annual flights nationwide was 18,109 (10,142 international and 7,967 domestic: Civil Aviation Authority Statistics in 2019), an increase of 19% and 25% respectively over the previous year. With the exception of 2020, where the spread of the COVID-19 infection was highly influenced, the number of passengers on planes has been increasing in both international and domestic flights in recent years.



Source: Prepared by the survey team from information disclosed by the National Statistical Office of Mongolia

Figure 2-10: Number of passengers on planes from 2015 to 2020 (by domestic and international routes)

In 2020, the Mongolian government undertook measures such as closing the border due to the spread of COVID-19 infection, resulting in a drastic downturn in domestic and international flights as well as the number of tourists. Below shows the number of passengers on international flights in 2019, by foreign city. In 2019, regular flights were operated with 21 countries, with Ulaanbaatar-Seoul flights having the highest number of passengers, followed by Beijing, Moscow and Hong Kong, with Tokyo in fifth place. Mongolia’s air passenger numbers are largely related to the tourism industry, especially in the summer seasons of June to August, which shows a large percentage of the total number of tourists.



Source: Prepared by the survey team from information disclosed by the National Statistical Office of Mongolia

Figure 2-11: Number of international flights (2019)

As mentioned above, due to the impact of COVID-19 infection, flights in Mongolia are currently closed except for charter flights to some foreign cities, making it difficult to collect detailed information on flights at this time. Below are the departure and arrival zones and airlines for 2019, as well as ticket prices, flight frequencies and travel times.

Table 2-20: Information on international flights to and from Buyant-Ukhaa International Airport, Ulaanbaatar (as of 2019)

	Overseas city names	Transit airport locations in the case of indirect flights	Frequency		Summer price	Winter price	Remarks
			Summer (March 31 ~ October 26)	Winter (October 27 ~ March 28)	Unit: MNT (average round trip)		
1	Seoul (Korean Air)	Direct flight	3 times a week	3 times a week	996,800	870,000	
	Seoul (MIAT)	Direct flight	7 to 11 times a week	6 times a week	1,112,100	854,700	
	Seoul (Asiana Airlines)	Direct flight	3 times a week	3 times a week	870,300	870,300	
2	Beijing (Air China)	Direct flight	7 times a week	7 times a week	646,900	646,900	
	Beijing (MIAT)	Direct flight	7 to 10 times a week	7 times a week	775,500	805,200	
3	Moscow (Aeroflot)	Direct flight	3 times a week	5 times a week	1,570,400	1,570,400	
	Moscow (MIAT)	Direct flight	4 times a week (Tue, Wed, Fri, and Sun)	Twice a week	1,744,700	1,800,500	The Thursday and Sunday lines (summer) are for regular flights, and the Tuesday and Friday lines are for extraordinary flights (limited to the period from July to August).
4	Hong Kong (EZnis)	Direct flight	Twice a week	Twice a week	1,100,000	828,000	
	Hong Kong (MIAT)	Direct flight	7 times a week	Twice a week	974,900	1,210,700	
5	Tokyo (MIAT)	Direct flight	5 to 7 times a week	5 times a week (Mon, Tue, Fri, Sat, and Sun)	1,651,600	712,900	The Monday, Wednesday, and Friday lines are for regular flights, and the Tuesday, Thursday, Saturday, and Sunday lines are for extraordinary flights (there is a possibility of changes in schedule and service periods, etc.)
6	Busan (Air Busan)	Direct flight	Once a week	Once a week	768,000	768,000	
	Busan (MIAT)	Direct flight	Twice a week	Twice a week	1,070,300	686,000	
7	Eriian (Hunnu Air)	Direct flight	Twice a week	Twice a week	400,000	400,000	
8	Istanbul-Bishkek (Turkish Airlines)	Bishkek	3 times a week	3 times a week	1,900,000	1,892,300	
9	Berlin (MIAT)	Direct flight	Three times a week (Thu, Fri, and Sun)	Twice a week	2,316,300	2,379,500	
10	Hohhot (Air China)	Direct flight	Twice a week	Twice a week	560,700	671,300	
	Hohhot (Aero Mongolia)	Direct flight	3 times a week (Mon, Wed, and Fri)	3 times a week (Mon, Wed, and Fri)	705,000	705,000	
11	Irkutsk (Asiana Airlines)	Direct flight	Twice a week (Tue and Sat)	Twice a week	518,440	552,840	
	Irkutsk (Aero Mongolia)	Direct flight	4 times a week (Mon, Wed, Fri, and Sun)	3 times a week (Mon, Wed, and Fri)	425,000	425,000	
12	Guangzhou (MIAT)	Direct flight	Twice a week	Twice a week	1,002,500	1,002,500	
13	Moscow-Berlin (MIAT)	Moscow	Three times a week (Thu, Fri, and Sun)	Twice a week	2,316,300	2,379,500	The Thursday and Sunday lines (summer) are for regular flights (via Moscow) and the Friday lines are for extraordinary flights (direct flights: Limited to the period from July to August).
14	Hailar (Hunnu Air)	Direct flight	3 times a week	Twice a week	400,000	400,000	
15	Frankfurt (MIAT)	Direct flight	Three times a week (Tue, Wed, and Sat)	Twice a week	2,245,000	2,150,000	
16	Bangkok (MIAT)	Direct flight	Twice a week (Wed and Sat)	Twice a week	1,690,000	1,690,000	
17	Nur-Sultan (Scat Airlines)	Direct flight	Twice a week	Twice a week	1,235,100	1,235,100	
18	Ulan-Ude (Aero Mongolia)	Direct flight	Twice a week	Twice a week	300,000	300,000	
	Ulan-Ude (Hunnu Air)	Direct flight	Twice a week	Twice a week	290,000	256,900	
19	Manzhouli (Hunnu Air)	Ulan Ude	3 times a week	Twice a week	325,000	295,000	
20	Osaka (Korean Air)	Direct flight	Twice a week	—	1,646,500	—	
	Osaka (MIAT)	Direct flight	Twice a week	—	1,588,900	—	The Wednesday and Sunday lines (limited to the period from July to August).
21	Tianjin	Direct flight	3 times a week (Mon, Wed, and Fri)	3 times a week (Mon, Wed, and Fri)	530,000	530,000	

Source: Prepared by the survey team based on Internet information

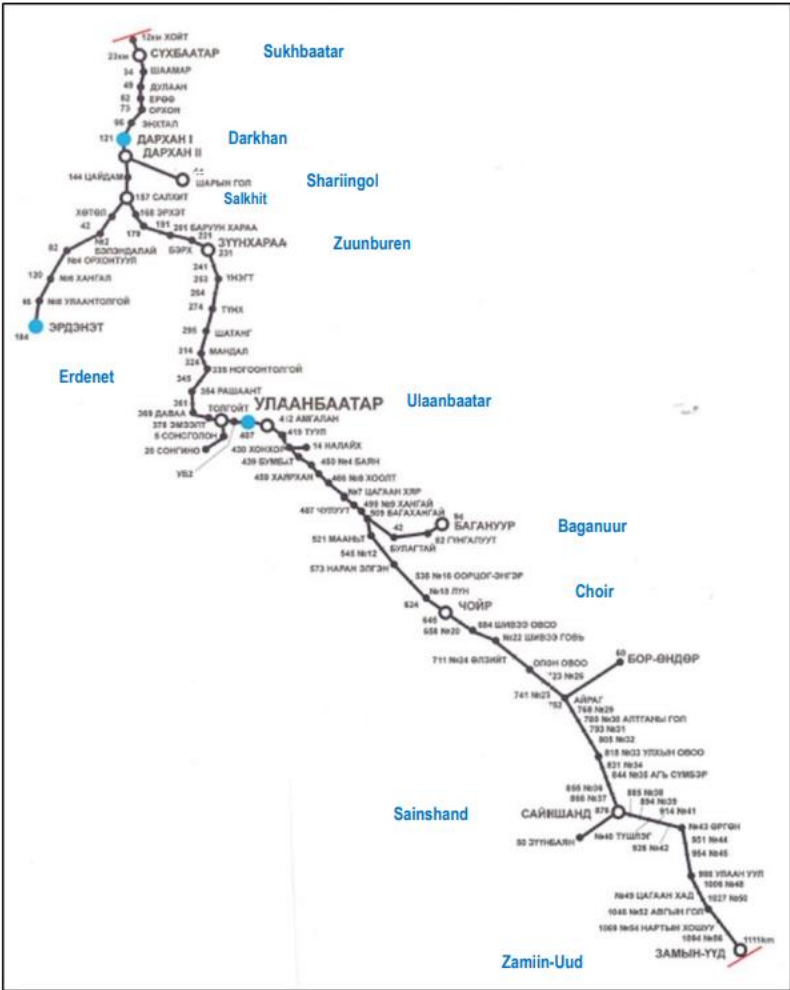
In Mongolia, a new international airport construction project began in 2013 with a yen loan from JICA, and the new airport was built in Sergelen (Tuv) about 50 km west of the capital Ulaanbaatar. Although the opening of the new Ulaanbaatar International Airport (Chinggis Khaan International Airport) had been delayed for various reasons, the groundbreaking ceremony was held on July 4, 2021. After the airport opening, all domestic and international flights have been transferred to the new Ulaanbaatar International Airport, and the current Buyant-Ukhaa International Airport will be used as a training and education facility. The new Ulaanbaatar International Airport has one passenger terminal and one cargo terminal. Like the Buyant-Ukhaa International Airport, it has one runway, but the new airport allows arrivals and departures from both sides of

the runway. Thanks to the new environment, it will become a busy airport, and the number of available passengers is expected to reach three million a one year. As for the operation of the new Ulaanbaatar International Airport, the human resource cultivation and operation and maintenance capacity improvement projects have been carried out by JICA, and the airport will be jointly operated by Mongolian and Japanese companies. As such, Japanese know-how can be incorporated into the operation of Mongolian airports and the quality of services has been improved and is expected to play an important role in future tourism development.

Regarding the key future plans for airway development, the first priority is to stabilize the operation of the new Ulaanbaatar International Airport, which has been opened. There are also plans to turn some regional airports into 4C-level airports (The International Civil Aviation Organization “ICAO” defines 4C as an airport code with a runway length of at least 1,800 meters and a wingspan of at least 24 meters but less than 36 meters) by 2024, and to repair or reconstruct the facilities and runways of regional airports. Currently, the New Ulaanbaatar International Airport is the only airport for international flights. By 2040, however, “Vision 2050” Long Term Development Policy of Mongolia plans to turn existing airports in the six aimags of Dornod, Uvs, Bayankhongor, Khovd, Umnugovi, and Khuvsgul, as well as Zavkhan and Uvurkhangai, into international airports to enhance their capacity to accommodate passengers and cargo.

(2) Railroad

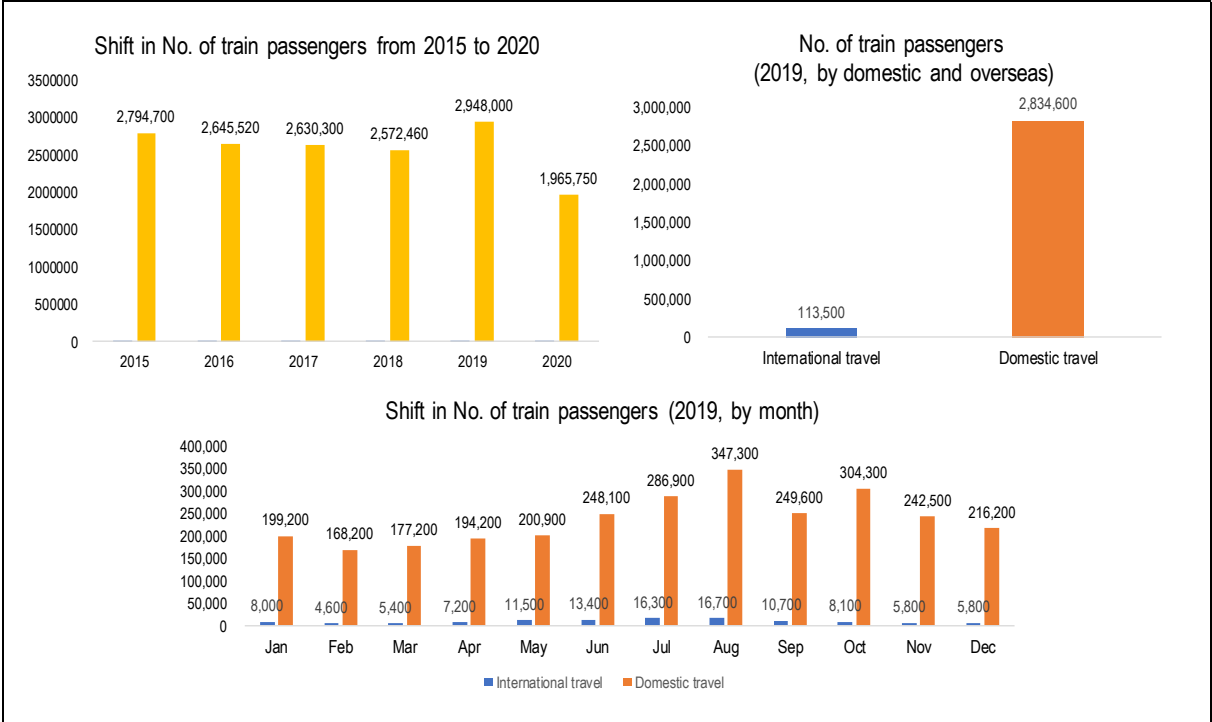
State and private companies are involved in the Mongolian railroad industry, but most of the business is carried out by the “Ulaanbaatar Railway” (state-owned and private companies), which accounts for more than 90% of all Mongolian Railroad lines. The length of the Mongolian Railroad track is 1,815 km, with a total of 63 stations in five sections from the northern to the southern borders.



Source: Reprinted from Landbridge LLC website (with translations of major station names by the Survey team) https://www.landbridge.mn/Default.aspx?page=136&news_id=1113

Figure 2-12: Railroad route

As of 2019, the number of passengers on the railroad was 2,948,100 (National Statistical Office of Mongolia in 2019), an increase of 14.6% over the previous year, but a decrease of 16.2% compared to 2010. In recent years, with the development of road traffic infrastructure, the number of rail passengers has continued to decline due to factors such as the increasing number of private car owners, in addition to the improved safety and comfort of public bus services in Mongolia. The growth in the number of users in 2019 was likely due to the use of trains in some areas where roads were not available because of the inter-regional road construction. Furthermore, 113,500 (3.85%) of the total number of rail passengers used international flights, while 2,834,600 (96.15%) used domestic flights.



Source: Prepared by the survey team based on 2019 data from National Statistical Office of Mongolia

Figure 2-13: Number of train passengers

The international train schedule is as follows: Sightseeing in the great cities of Beijing-Ulaanbaatar and Moscow-Ulaanbaatar is possible, as well as rail tour travel where tourists can relax and enjoy the Mongolian wilderness from the train window, and the international train is comfortable with a cafeteria on board.

Table 2-21: International train schedule

Route	Frequency
Moscow → Ulaanbaatar → Beijing, Beijing → Ulaanbaatar → Moscow	Once a week
Moscow → Ulaanbaatar, Ulaanbaatar → Moscow	Twice a week
Irkutsk → Ulaanbaatar, Ulaanbaatar → Irkutsk	Daily
Ulaanbaatar, → Erenkhot, Erenkhot → Ulaanbaatar	4 times a week
Ulaanbaatar → Beijing, Beijing → Ulaanbaatar	Once a week

Among the railroad improvement plans, the following are typical ones that are under implementation and are planned for the future. Most of the railroad construction and improvement plans are mainly for economic development such as mining and transportation of coal between Russia and China, and less for tourism development.

Table 2-22: Major plans in the railroad industry

Plan summary	Implementing agency	Implementation period
Bogdkhan railroading (135.8 km) (Running south of Ulaanbaatar City, mainly for transportation and logistics purposes)	Mongolian government	Scheduled to be completed in 2024

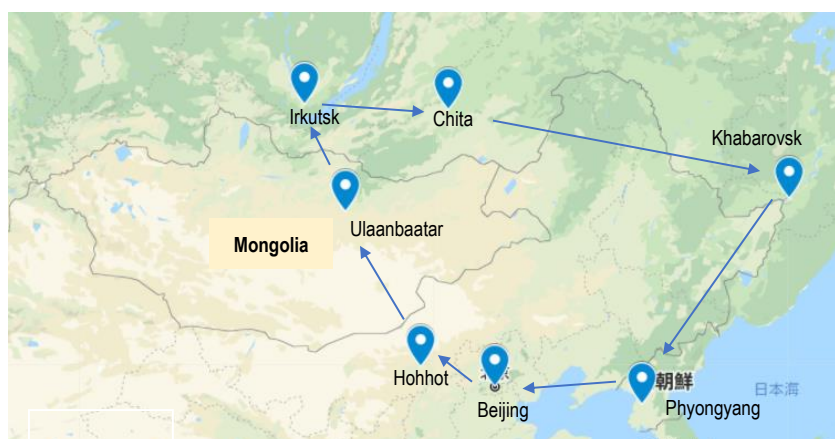
Plan summary	Implementing agency	Implementation period
F/S (Feasibility Study) implementation of a 1,270 km railroad running north-south in the west of Mongolia (related to coal excavated in Tuvan People's Republic)	Mongolian government	Scheduled to be completed in 2024
Railroading of 416.1 km between Tavan Tolgoi and Zuunbayan (related to the Tavan Tolgoi coal mine in Umnugovi Aimag)	Mongolian government	Completed in 2021
Railroading of 258.4 km between Tavan Tolgoi and Gashuunsukhait (related to the Tavan Tolgoi coal mine in Umnugovi Aimag)	Mongolian government	Scheduled to be completed in 2022
Railroading for a total of 846 km in the eastern part of Mongolia, from Sainshand, Dornogovi Aimag to Baruun-Urt, Baruun-Urt to Khuut to Choibalsan, and Khuut to Bichigt section	Mongolian government	Scheduled to be completed in 2024

Source: Prepared by the survey team

As for rail tourism, the Tea Road International Tourism Union was established in 2016 among Russia, China, and Mongolia, and the three countries agreed to cooperate in the development and expansion of new products aimed at promoting tourism through sightseeing by train. In this cooperation, the governments of each country will support the state-owned and private companies in their respective countries in terms of policies and other factors, and will strive to create an environment for their activities. Mongolia is targeting to welcome more than 1 million tourists, mainly from China, between July and September as Tea Road Train tourists. After the establishment of the Tea Road International Tourism Union, the first trip by Tea Road tourist train was conducted in July 2018 with about 400 passengers.¹²

The mission of Tee Road Tourist Train Tours is to develop and deploy international and advanced train tours to contribute not only to tourism development, but also to regional promotional activities and economic growth through sightseeing. The Tea Road Tourist Train, organized by Mongolia Quest, routes through Russia, China, Mongolia and North Korea as a transit route. The distance to be traveled is about 7,700 km, and it will take 18 to 20 days to journey the following routes.¹³

In Mongolia, Ulaanbaatar is reached via a railroad line that runs from Dornogovi aimag, which is adjacent to China, to Govisumber aimag. The train goes further north from Ulaanbaatar to Irkutsk, Russia.



Source: Prepared by the survey team using Google Maps

Figure 2-14: Tea Road (sample route)

(3) Road

The total extension of road network in Mongolia is 111,900 km (National Statistical Office of Mongolia in 2019). Of which, 14,918 km are international or national roads, 96,125.3 km are regional roads, 872.7 km are mining-related roads, and 870 km are roads within Ulaanbaatar. Of all the roads nationwide, 9,800 km

¹² <https://montsame.mn/jp/read/96582> (March 15, 2021)

¹³ <https://www.ubn.mn/p/7187> (March 15, 2021)

are paved and the remaining are unpaved.

There are several border checkpoints (for passengers and cargo) at the borders between Russia and China throughout Mongolia. Of these, the gateway through which tourists generally move and pass is Altanbulag soum, Selenge aimag (about 346 km from Ulaanbaatar) for Russia, and Zamin-Uud soum, Dornogovi aimag (about 650 km from Ulaanbaatar) for China.

The Mongolian government has been putting a lot of effort into road improvement projects, and in 2020, the construction of a paved road connecting the capital Ulaanbaatar with 21 provincial capitals in Mongolia was completed, which has become key significant to the lives of local residents and the business environment. And for both domestic and international tourists, there are many advantages such as more comfortable journeys, shorter travel time, and high contribution to tourism development. In particular, one of the main reasons why domestic travel has become so popular in recent years is the improvement of roads. Paved roads have been constructed all the way from Ulaanbaatar City to the route surveyed: Dalanzadgad, Umnugovi aimag, Sainshand, Dornogovi aimag, Kharkhorin, Uvurkhangai aimag, Zuunmod, Tuv aimag and Terelj area.

Yet, while the main roads to the various prefectures have begun to be developed, most of the roads from the main roads to the various tourist spots are unpaved. This is why tourists face the hardship of traveling long distances to their destinations, as well as the difficulty of getting their car tires stuck due to rain in the summer and snow in the winter. Traveling long distances by car in winter poses safety risks such as icy and slippery roads and car breakdowns in the extreme cold. Furthermore, in rural areas, traffic signs are not well maintained, and map apps for smartphones and other devices are not widely available, so tourists may get lost. Local drivers who know the roads in the area are essential, especially on non-main roads.

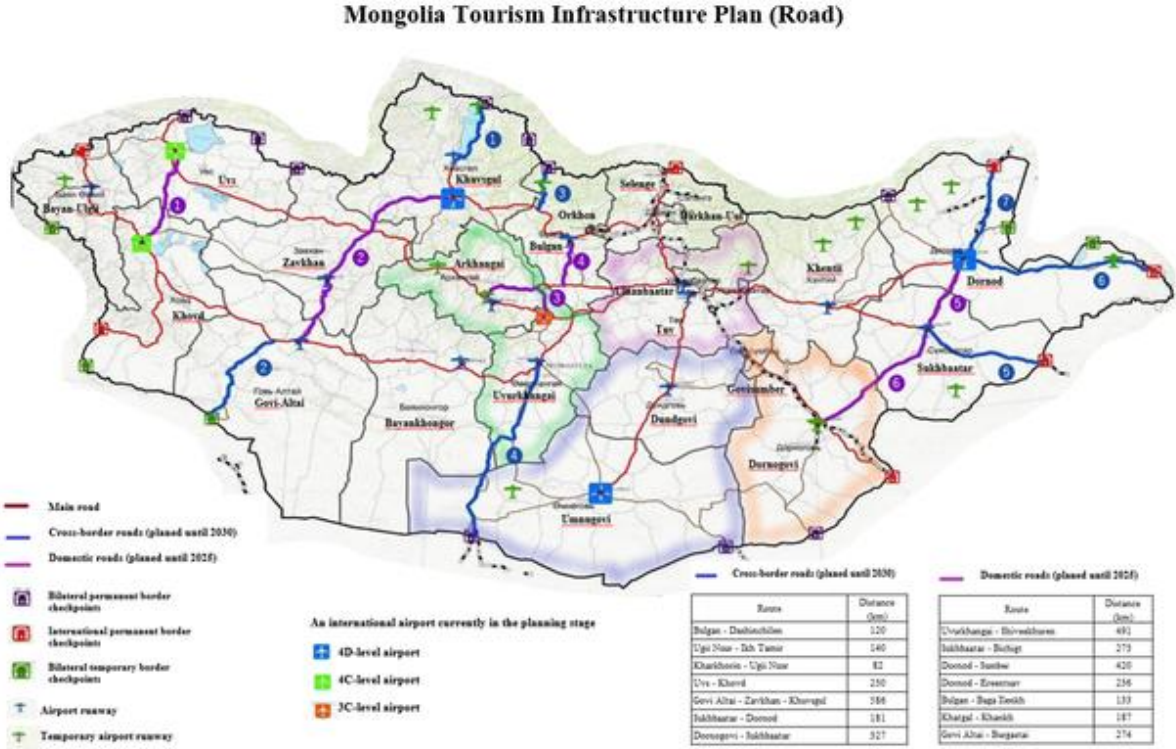


Source: <https://mn.maps-mongolia.com/>

Figure 2-15: Road Map in Mongolia

In terms of domestic travel by means of transportation, excluding trips within Ulaanbaatar in 2019, car and bus travel by road was the most common, with 2,834,600 people traveling by rail, 14,717,700 by road, and 433,400 by air (National Statistical Office of Mongolia in 2019). Most domestic travel, especially for tourism purposes, is by car or bus, except in Khuvsgul aimag. These reasons include the limited plane and train sections, the high price of domestic airfare, and the problem of securing tickets during the tourist season when air flights are scarce. This is also because journeying to the destination while enjoying the scenery of the transit point has become a popular and attractive experience of traveling in Mongolia.

As for large-scale projects implemented in the road sector in recent years, in addition to the above-mentioned road improvement projects connecting 21 prefectures with the capital Ulaanbaatar, pavement expansion projects for international, intercity, and regional road networks are still underway in various regions. In addition, Mongolia’s first expressway built in Tuv aimag (32.2 km of six-lane road with two layers of 10 cm pavement thickness), connecting the New Ulaanbaatar International Airport with downtown Ulaanbaatar, was financed by a loan from China. Expressway is now under preparation for road signs to be ready for use by the fourth quarter of 2021.



Source: Prepared by the survey team based on the MNET report (February 25, 2021) with translations of major aimags names by the Survey team

Figure 2-16: Mongolian road development plan

(4) Public toilet

The Mongolian government has started a project in 2016 to install public toilets in places with scenic, historical, and cultural heritage frequented by tourists as the planned national project. Public toilets were installed in 2019 at Lake Khuvsgul, Lake Uvs, Elsen Tasarkhai (sand dunes), Orkhon Valley, Gorkhi-Terelj National Park, and Bogd Khaan Mountain. In addition, campsites with parking lots and washrooms were set up at 13 scenic spots, including Lake Khyargas, Lake Ugii, Lake Khar-Uvs, and Lake Buir. Ongoing with national budget and other funding during 2020-2024.

(5) Service areas (temporary breaks and restroom facilities) and campsites along main roads

Under the framework of the “Mongolian Government Action Plan 2020-2024,” the MNET and the Ministry of Road and Transport Development set targets for the construction of campsites with parking lots and washrooms in tourist areas with natural, historical and cultural heritages for tourists, as well as service complexes along major tourist roads. The two ministries are currently working on defining standards, preparing F/S, conducting locational surveys, and in some cases, construction projects are underway. The following table shows the plans for the construction of Campsites and Service Complexes planned and implemented by the Mongolian government.

Table 2-23: Outline of Campsites and Service complexes currently planned and under implementation

	Campsites		Service complexes
Outline	Plans to select 100 locations in the areas most visited by tourists and to build campsites (In addition to standardized information boards, each facility will have gazebos, tents, parking lots, bio-toilets or small washrooms)		Plan to establish service complexes (roadside stations) of A, B, and C categories ¹⁴ (levels) along roads leading to major tourist destinations
Implementation period	2020-2024		2021-2025
Financial resources	National budget: 8 billion MNT (80 locations)	Other financial resources for international projects, etc. (20 locations)	Financial resources
Location	80 major tourist destinations	20 major tourist destinations	Location

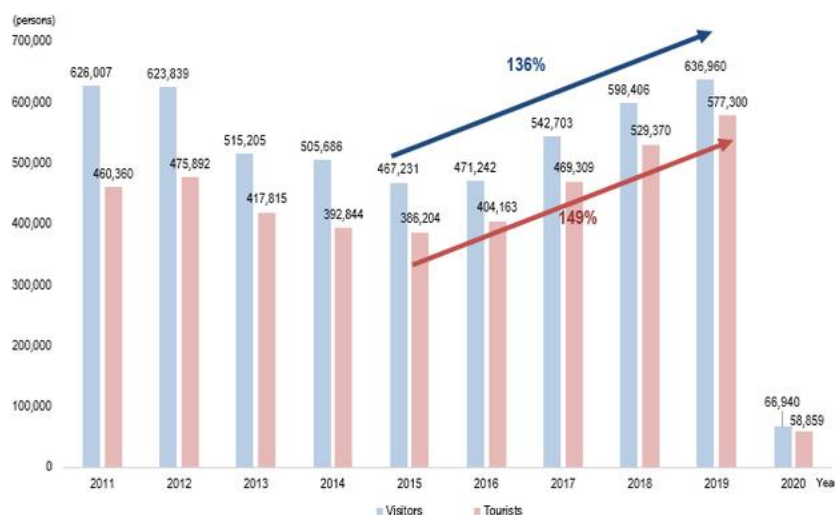
Source: Prepared by the survey team based on the Prime Minister’s Report of the MNET (February 25, 2021)

As mentioned above, campsites have started to be established especially in tourist destinations that are visited by many domestic tourists, such as Lake Naiman in Uvurkhangai aimag, Zavkhan Dayan Khaikhan in Zavkhan aimag, and Lake Khyargas in Uvs aimag. As for the complexes, the MNET and the Ministry of Road and Transport Development, in cooperation with JICA Project “Project for Formulation of National Comprehensive Development Plan of Mongolia,” have conducted location surveys and finally proposed 31 candidate sites. With the cooperation of the Mongolian National Chamber of Commerce and Industry, the two ministries are planning to promote the construction and operation of the project, which will be managed by private companies.

2.8 Tourist trends

(1) Foreign visitors

Both the number of foreigners visiting Mongolia and the number of tourists among them ¹⁵ had been on the rise from 2015 until 2019. However, the 2020 numbers dropped to about one-tenth of those in 2019 due to the pandemic.



Source: Prepared by the survey team from information disclosed by the National Statistical Office of Mongolia

Figure 2-17: Number of foreign visitors to Mongolia (of which, number of tourists)

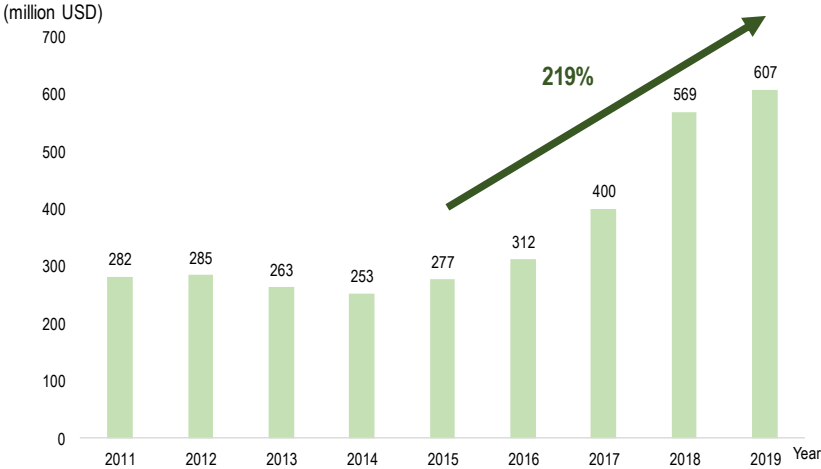
According to information disclosed by the National Statistical Office of Mongolia, the tourism revenue had also gone north steadily from 2015 to 2019, and the increasing rate was higher than the growth rate in the

¹⁴ A-level complexes will be built along national roads with more than 10,000 cars per day, B-level complexes along national roads with 5,000 to 10,000 cars per day, and C-level complexes along national roads with less than 5,000 cars per day.

¹⁵ The definition of “Tourist” follows.

A tourist refers a person who travels to and stays in places outside his usual environment for not more than 183 days for purposes other than employment.

number of foreign visitors and tourists to Mongolia. However, at the Prime Minister’s meeting held on February 25, 2021, the Mongolian Tourism Association pointed out that “Various different figures have been provided, so it’s time to unify them to grasp the current situation correctly” regarding the tourism revenue.

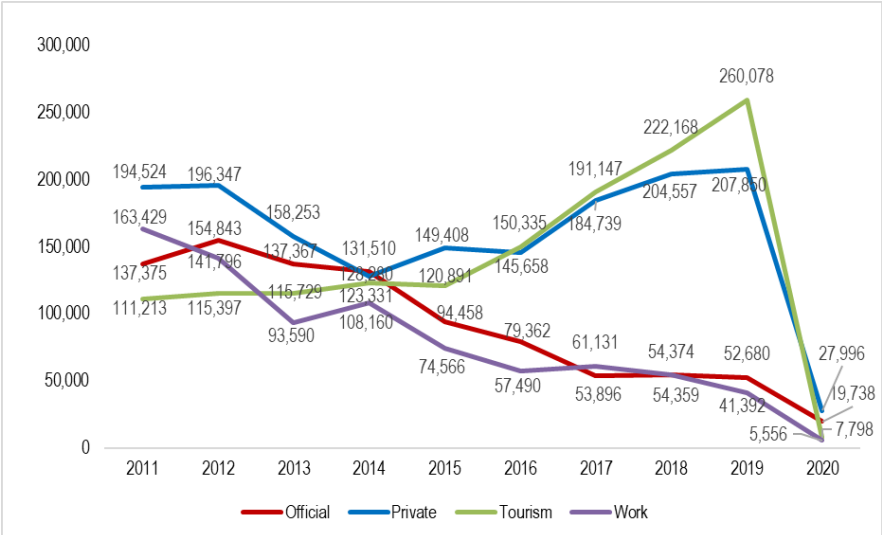


Source: Prepared by the survey team from the MNET (2011-2018) and Prime Minister’s Morning Meeting, February 25, 2021 (2019).

Figure 2-18: Mongolian tourism revenue

A breakdown of the number of foreign visitors to Mongolia by purpose (top four) shows that foreign visitors to Mongolia for Tourism also trended upwards steadily from 2015 to 2019. In 2016, Tourism purpose overtook Private reason as the number one, and from then until 2019, Tourism purpose had the highest rate of increase in the number of arrivals, confirming the growing demand for sightseeing in Mongolia. Regarding the growing number of foreign visitors to Mongolia for Tourism purposes from 2015 to 2019, the number of people visiting Mongolia from all areas has consistently increased when looking at the nationality of foreigners entering Mongolia by region based on information disclosed by the National Statistics Office of Mongolia with the exception of the African region from 2018 to 2019.

Not only for Tourism purpose, but also for other reasons such as private, work, and official purposes, a certain number of people enter Mongolia on weekends or during jobs to enjoy sightseeing, thus increasing overall number of arrivals has been positive impact on the tourism industry.

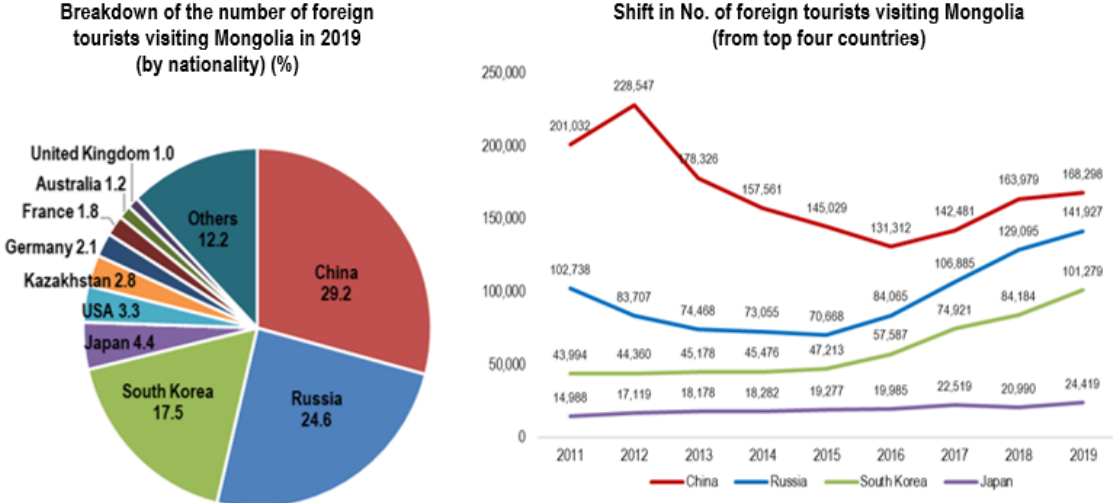


Source: Prepared by the survey team from information disclosed by the National Statistical Office of Mongolia. The remaining items are Transit, Study, Permanent residence, and Other.

Figure 2-19: Number of foreign visitors to Mongolia by visit purpose (Top 4)

Looking at the number of visitors to Mongolia in 2019 by nationality, China accounted for about 30% and Russia for about 25%, with the two major countries bordering Mongolia accounting for more than 50% of the total. Including South Korea, which has the third highest percentage, three countries have more than 70%.

When tourists come only from certain countries, Mongolia’s tourism industry may face increased risk of major impact due to the economic situation of the country affected. Also, since tourists are concentrated in the vacation periods of the relevant countries, it is necessary to diversify tourists’ countries of origin. Top 10 countries by number of visitors to Mongolia, growth rate from 2015 to 2019: 1st South Korea (about 215%), 2nd Russia (about 201%), 3rd Australia (about 146%), 4th Germany (about 138%), 5th France (about 132%), 6th USA (about 131%), 7th Japan (about 127%), 8th China (about 116%), 9th Kazakhstan (about 113%), and 10th UK (about 97%). From 2012 to 2019, the top 10 countries unchanged, despite some upped and downed in the rankings. The top four countries, in particular, had always been China, Russia, South Korea, and Japan (ranked by number of tourists).



Source: Prepared by the survey team from information disclosed by the National Statistical Office of Mongolia

Figure 2-20: Breakdown of foreign visitors to Mongolia in 2019 (by nationality) and number of visitors (top 4 countries)

With the number of foreign visitors to Mongolia accounting for less than 1% of the outbound market in each country, including South Korea, there is potentially room for each country to develop its own market. Although the number of foreign visitors to Mongolia from South Korea is increasing at a high rate, South Korea has always had a high growth rate in the outbound market. The country with the biggest increase in the number of visitors to Mongolia over and above the market growth rate is Russia, and the country with the largest per capita travel spending is Australia. Japan has fewer foreign visitors to Mongolia than China, Russia, and South Korea, but compared to other countries, the outbound market is relatively small, and its growth rate is not very high. On the other hand, following Russia and South Korea, which are closer to Mongolia, visitors to Mongolia account for 0.11% of the outbound market, just like China.

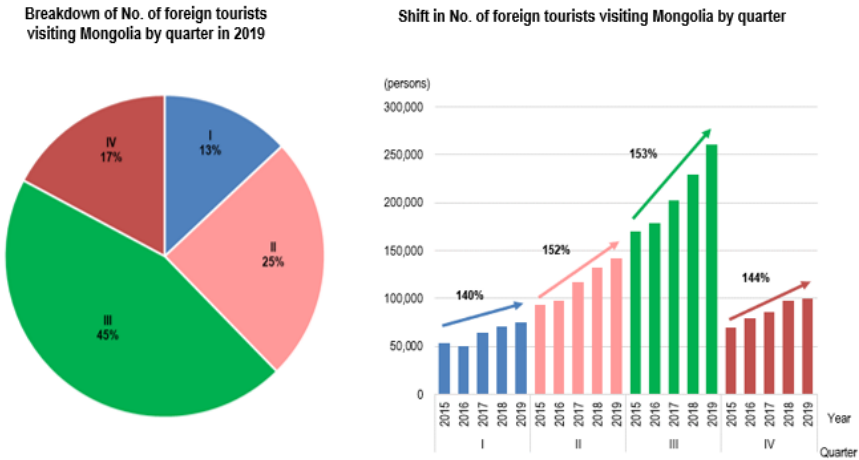
Table 2-24: Information on outbound in each country & Foreign visitors to Mongolia

Country name	Ratio of foreign tourists visiting Mongolia in the total number of outbound travelers in 2018	Outbound tourists			Foreign tourists visiting Mongolia	
		No. of outbound tourists in 2018 (million)	Rate of increase in the number of tourists from 2015 to 2018	Expenditure per departure(USD)	No. of outbound travelers in 2018	Rate of increase in the number of tourists from 2015 to 2018
China	0.11%	149.7	128%	1,850	163,979	113%
Russia	0.31%	42.0	122%	820	129,095	183%
South Korea	0.29%	28.7	149%	1,223	84,184	178%
Japan	0.11%	19.0	117%	1,070	20,990	109%
U.S.A.	0.02%	92.6	125%	1,360	17,838	124%
Germany	0.01%	108.5	130%	880	10,819	120%
France	0.03%	30.5	115%	1,600	9,773	122%
Australia	0.07%	11.4	116%	3,240	7,495	156%

Source: Prepared by the survey team based on UNWTO’s International tourist departures for outbound information and the National Statistical Office of Mongolia’s public information for foreign visitors to Mongolia.

The seasonality of foreign tourists is very strong, with the second quarter (April-June) and third quarter (July-September) accounting for 70% of the total number of visitors in 2019, and the cold winter months of the first quarter (January-March) and fourth quarter (October-December) accounting for 30%. Data from 2015

to 2019, when the growth rate in the number of visitors for tourism purposes is high, shows an increasing trend in the number of people in all quarters. Among them, the growth rate is particularly high in the second and third quarters, and visits for tourism purposes are particularly concentrated in these six months.

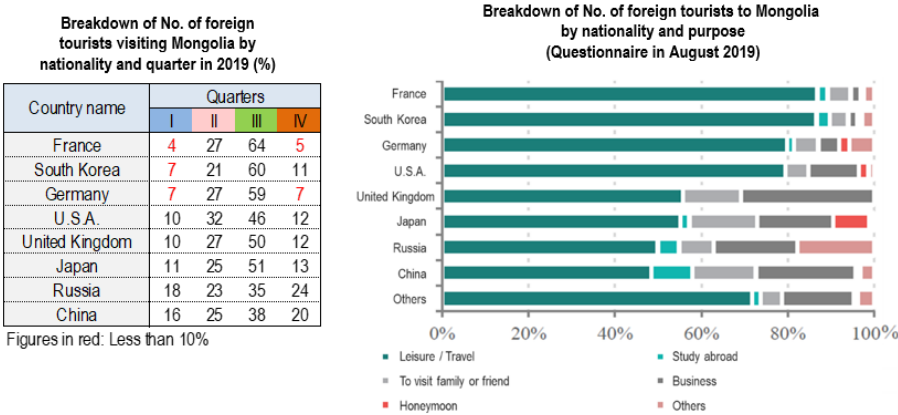


Source: Prepared by the survey team from information disclosed by the National Statistical Office of Mongolia

Figure 2-21: Breakdown of foreign visitors to Mongolia by quarter in 2019 and number of visitors

Looking at seasonality by nationality, French, South Koreans, and Germans, who have a high percentage of visitors for Leisure/Travel purposes but a low percentage for Business/Work purposes, show strong seasonality. On the other hand, Russian and Chinese, who have a low percentage of visitors for Leisure/Travel, are less seasonal. Obviously, the Mongolian tourism industry needs to increase the number of visitors during the harsh winter months to have a stable year-round revenue stream. As a lower hurdle initiative, approaching people who are already staying in Mongolia during the severe winter season for purposes other than tourism, such as business and study abroad, is also expected to be effective.

Among China, Russia, and South Korea, which were identified in Figure 2-20 as having high rates of growth in the number of visitors to Mongolia in recent years, South Korea has a particularly high percentage of visitors for Leisure/Travel purposes. This was thought to be due to the impact of new Air Busan and Asiana Airlines flights in 2016 and 2019, respectively, on the increase in the number of tourists.



Source: Prepared by the survey team based on information disclosed by the National Statistical Office of Mongolia for the quarterly breakdown and Tourism Sample Survey - 2019¹⁶ for the breakdown by purpose (Bank of Mongolia, Mongolian Tourism Organization)

Figure 2-22: Breakdown of foreign visitors to Mongolia by nationality (by quarter and purpose)

¹⁶Two types of sample surveys were conducted in August 2019. The first survey was conducted on 1,543 foreign tourists, 90% of whom were staying at Chinggis Khaan International Airport and the remaining 10% at tourist camps and hotels (valid responses: 1,436). The second survey was conducted among 41 travel agencies (valid responses: 34).

According to the Tourism Sample Survey - 2019 (Bank of Mongolia, Mongolian Tourism Organization) (hereinafter “Tourism Sample Survey 2019”), the average stays of tourists were 42% for 7 nights or less, 34% for 7-14 days, 19% for 14-30 days, and 5% for more than 30 days. Among them, visitors from the United States, Germany, France and the U.K. stayed for more than 7 nights. In this sample interview, the specific number of days spent by nationality was not included. Therefore, the average number of travel days by nationality was checked based on the results of several questionnaires published by various organizations, although the latest year is slightly older than 2017. Tourists from South Korea, Japan, and South Asia have shorter stays, and European tourists have also shown a trend toward shortening their stays.

Table 2-25 : Trends in average travel days by nationality

Types of questionnaires	Implementation period	No. of responses (people)	Nationality	Average No. of travel days (days)			
				Questionnaire in 2004	Questionnaire in 2012	Questionnaire in 2015	Questionnaire in 2017
2004	80 days from July 1, 2004 to September 20, 2004	3,017	U.S.A, Canada	—	—	—	13
			U.S.A	13.6	18.5	15.7	—
2012	70 days from June 17, 2012 to August 25, 2012	3,542	Australia, New Zealand	—	—	—	11
			Australia	15.4	17.5	15.4	—
2015	27 days from July 9, 2015 to August 3, 2015	2,041 (Chinggis Khaan International Airport)	Korea	8.1	9	9	6
			China	8.5	13.6	11	16
2017	Third quarter in 2017	1,350 (Chinggis Khaan International Airport: 1,016 Altanbulag border checkpoint: 256 Zamin-Uud border checkpoint: 78)	Germany	18.3	18.7	16.7	12
			England	18.6	19.4	15	10
			Russia	—	—	—	11
			France	19	19.6	14	12
			Japan	7.1	6.4	6.9	7
			South Asia	—	—	—	8
			Other European countries	16	16.9	14.5	12
			Others	12	19.9	14	19

Source: Prepared by the survey team based on Survey on satisfaction of foreign visitors to Ulaanbaatar City 2015 (Ulaanbaatar city Tourism Department, Sustainable Tourism Development Center) 2004, 2012, 2015 Questionnaires & Survey on expenditure of foreign visitors to Mongolia (Bank of Mongolia) 2017 Questionnaire.

One of the features of travel to Mongolia is the high proportion of packaged tours used. According to the Tourism Sample Survey 2019, when asked whether they planned their trip themselves or through a travel agency, about 60% of the total respondents planned their trip through a travel agency, and even when they arranged their trip themselves, 53% of them said that they received services from a Mongolian travel agency (e.g. one day tour). As a comparative example, more than 62% of foreign visitors to Japan from all other countries except Vietnam (most countries are above 80%) come to Japan by individual arrangement (Consumption Trend Survey for Foreigners Visiting Japan 2019, Japan Tourism Agency), which is in contrast to Mongolia. Three reasons for this are presumed: difficult information gathering, tough personal travel, and elderly tourists.

- Difficult information gathering

In the Tourism Sample Survey 2019, among the pre-visit challenges, tourists cited the following as the most serious in order of severity: Inability to gather information in their own language, Expensive airfare, Lack of information, and Difficulty obtaining visas. Also, in a questionnaire survey conducted by the Survey team to Japanese travel agencies, the most frequently cited “Challenges in Creating Travel Products for Mongolia” was Difficulty in gathering information. Since even travel agencies have difficulty gathering information on Mongolia, obviously individual tourists will face problems in collecting all the information and planning their own itineraries.

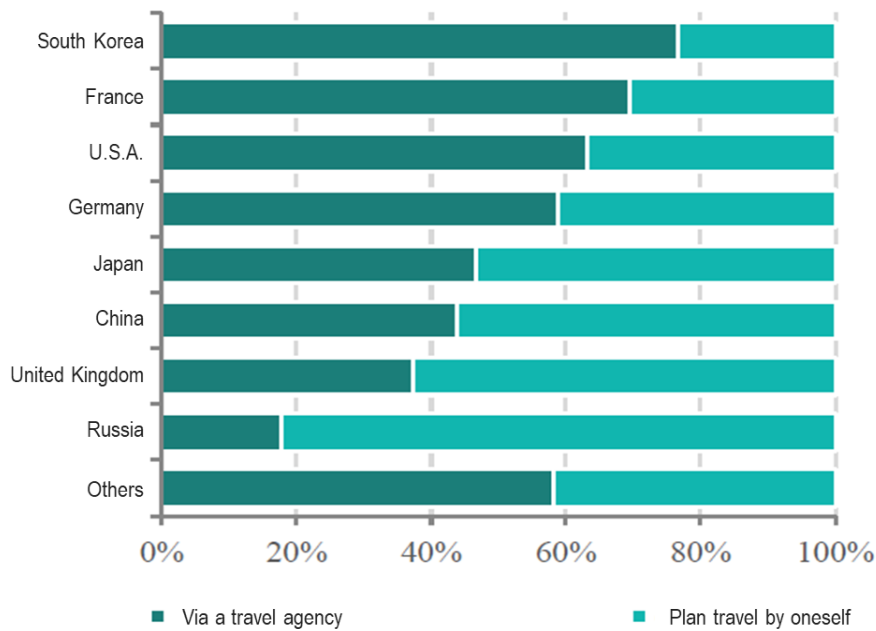
- Difficult personal travel

Mongolia is a tourist destination, but the English-language signage is inadequate and many of the tourist staff cannot speak English. Therefore, tourists find it difficult to arrange accommodation and transportation. In addition, travel budgets are high for individuals, and as mentioned above, it is difficult to gather information in advance, making it a difficult country for individual tourists to visit and enjoy on a whim.

- Elderly tourists

Of the respondents to the Tourism Sample Survey 2019, more than half were over 40 years old, and one in three of those were tourists over 55 years old. In a survey of Mongolian tourism-related companies conducted by the Survey team¹⁷, it was stated that “70% of tourists coming to Mongolia from Asian countries are over 55 years old.” Given that a higher percentage of the elderly group tends to ask travel agencies than the younger group, the share of packaged tours is considered to be higher.

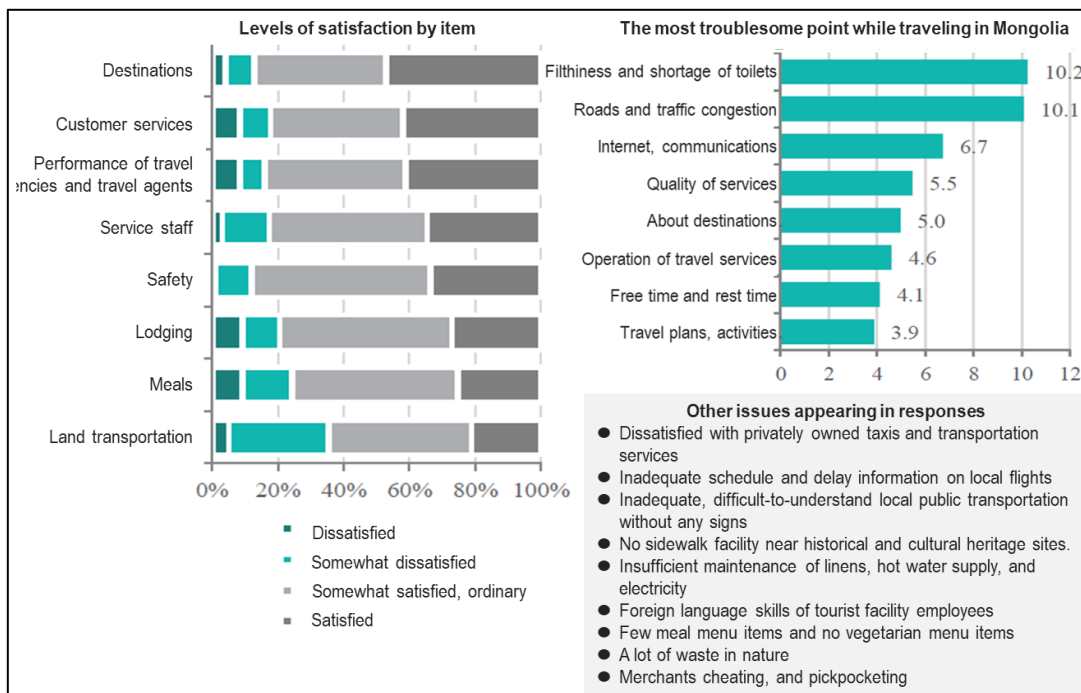
¹⁷Conducted for 38 travel agencies, 10 hotels, and 6 souvenir sales managers



Source: Prepared by the survey team from Tourism Sample Survey 2019

Figure 2-23: Results of the Tourism Sample Survey 2019, “Planning a trip by yourself or through a travel agency?”

As for satisfaction with travel to Mongolia, the Tourism Sample Survey 2019 shows that 38% of tourists are satisfied, 56% are somewhat satisfied/fairly satisfied, 5% are somewhat dissatisfied, and 1% are dissatisfied, which is a relatively high level of satisfaction. The reason for lower satisfaction was toilets, regardless of country, age, or gender. There is a wide range of other problems that need to be undertaken. Internet and communication problems are regarded differently depending on the travel purpose and tourist characteristics, and are more important by tourists under 40 years old. Western Europeans, in contrast, prefer to see nature as it is, and are satisfied with unspoiled nature, even if the Internet and communication conditions are poor. Regarding places to eat and drink, other questionnaires pointed out the lack of nightclubs, short opening hours, cafes, and restaurants serving international cuisine other than Mongolian.



Source: Prepared by the survey team from Tourism Sample Survey 2019

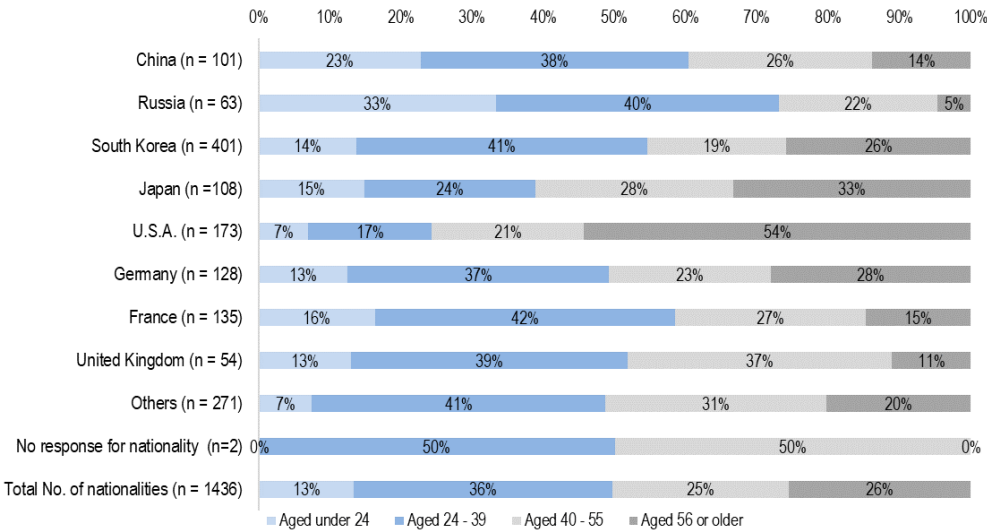
Figure 2-24: Satisfaction with travel to Mongolia and challenges during the visit

The Tourism Sample Survey 2019 also states that tourists who travel with a good guide are relatively more satisfied, another factor that influences satisfaction. According to the questionnaire, 60% of those surveyed answered about the guide. Across all categories of experience, knowledge, foreign language proficiency, and professionalism, about 50% of the respondents were satisfied, about 40% were somewhat satisfied/fairly satisfied, and about 10% were somewhat dissatisfied. With regard to guides, the results of the survey conducted by the Survey team on tourism-related associations indicated that most of the complaints were about guides, drivers, and cooks, and that there were complaints about a wide range of service-related issues such as stores, entertainment, food, and guesthouses. However, according to the survey conducted by the Survey team for Japanese travel agencies, the overall evaluation of the guides was good although opinions were raised about the difference in the level of some guides. Moreover, some respondents expressed that “Japanese speaking guides have fewer complaints than in other countries” and “human resources and hospitality for Japanese customers are fine.” Further research is required to determine which language guides and which regions (varying information requirements) are of higher quality/need improvement.

[Detailed analysis of the Tourism Sample Survey 2019 (reference information)]

There is reference information, albeit a small sample size. The Survey team has organized the results of the detailed analysis conducted based on the raw data of the Tourism Sample Survey 2019 to help build a more concrete picture of the characteristics of foreign visitors to Mongolia. The whereabouts of the raw data used in the final report were unknown as a result of checking with the relevant organizations. For this reason, the raw data that seemed to be closest to the data used in the final report was used after repeated confirmation with all parties involved.

When looking at the age group of visitors to Mongolia by nationality, visitors from the United States and Japan are particularly elderly, with more than half of the United States visitors being over 56 years old. Excluding these two countries, the number of visitors aged 24-39 is the largest.

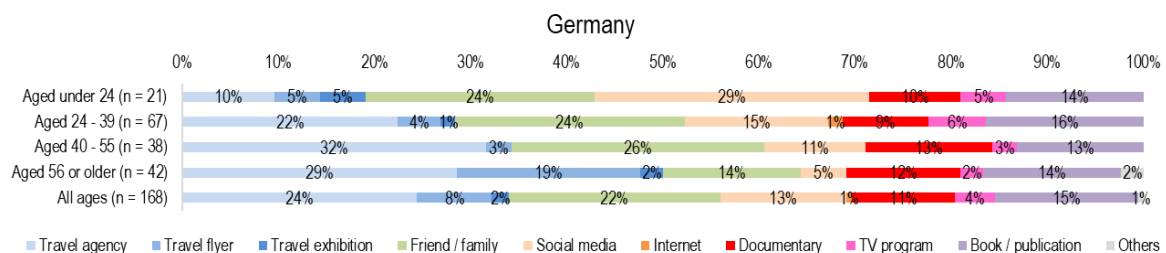
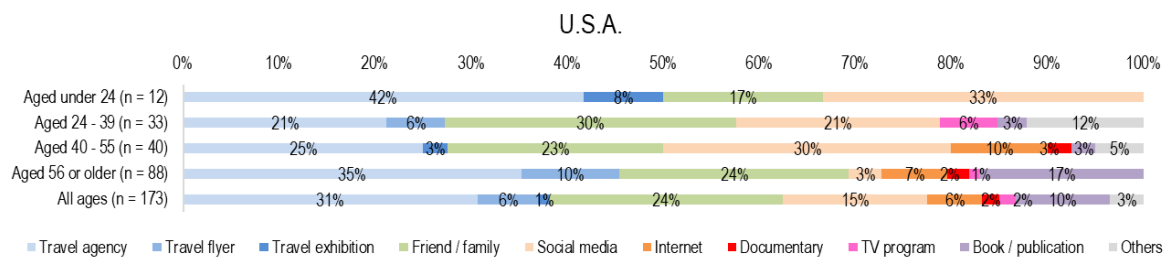
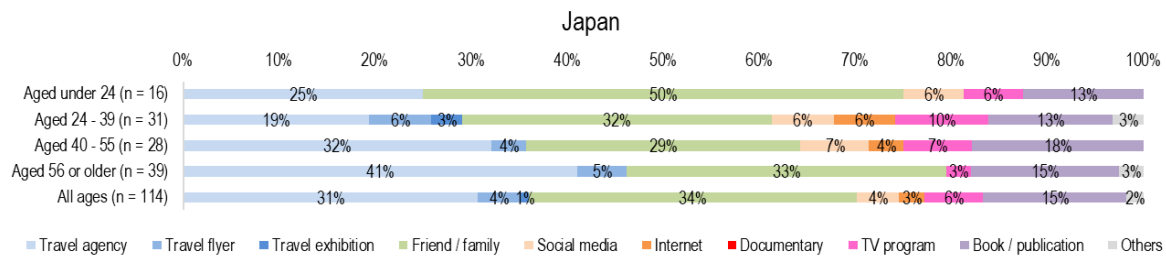
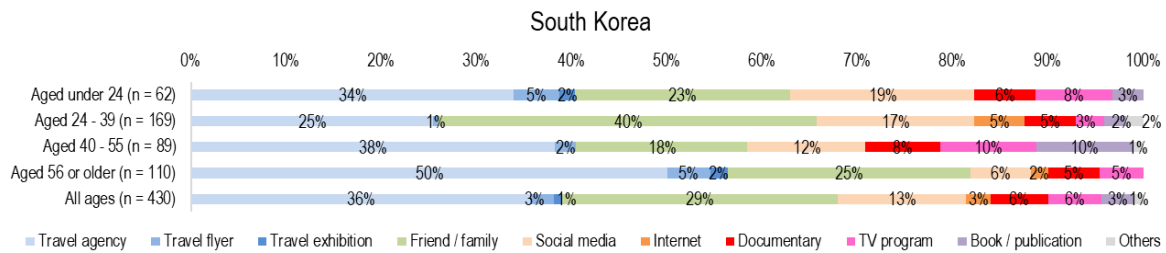
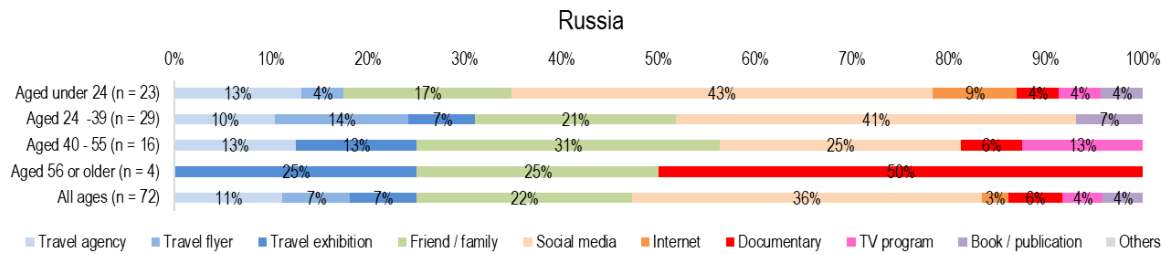
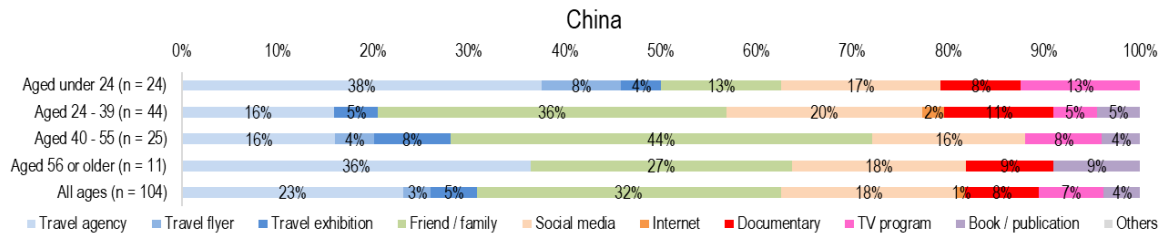


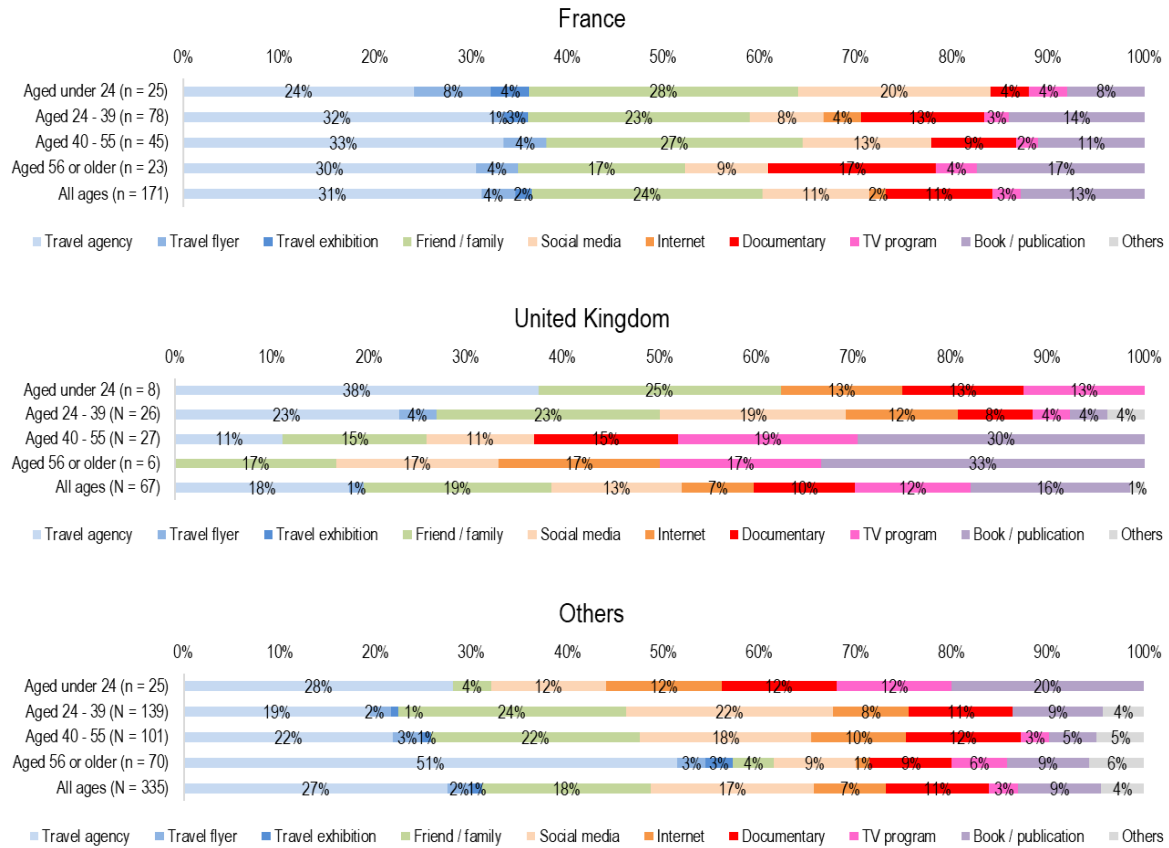
Source: Prepared by the survey team from Tourism Sample Survey 2019 (raw data)

Figure 2-25: Age group of visitors to Mongolia by nationality¹⁸

Next, the following figure shows the information sources that were most helpful in gathering information before traveling to Mongolia by nationality and age. South Korean, Japanese, American, and French tourists of all ages referred to information from travel agencies. Social media and the Internet have a high percentage of visitors from China and Russia, which are neighboring countries with large numbers of tourists and a wealth of information, as well as from the United States and the U.K., which are English-speaking countries with relatively rich web information compared to other languages. With regard to social media/Internet, the percentages vary by age group in the four countries. Even in countries other than these, there is variation by age group, with younger age groups having a higher percentage of use. Only Japanese tourists of all ages named social media and the Internet as information sources at a very low rate.

¹⁸24 years old is included in both “under 24” and “24 - 39.” However, since the options in the questionnaire were “up to 24” and “24 - 39,” they were translated directly into Japanese.

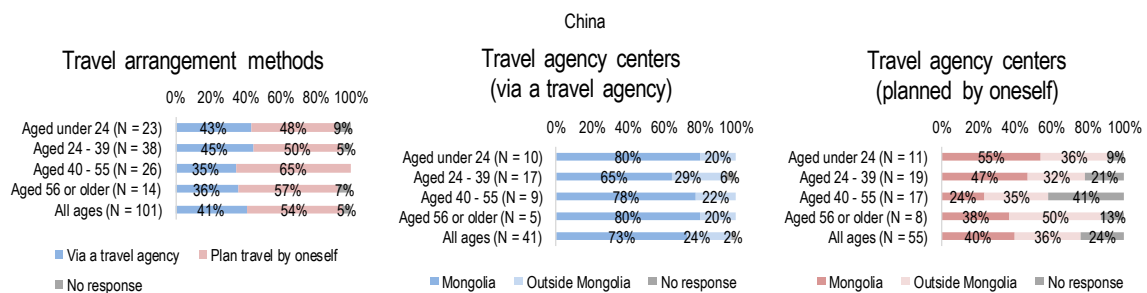




Source: Prepared by the survey team from Tourism Sample Survey 2019 (raw data)

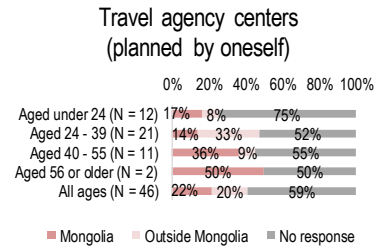
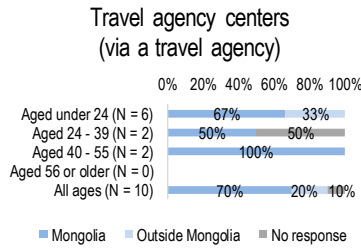
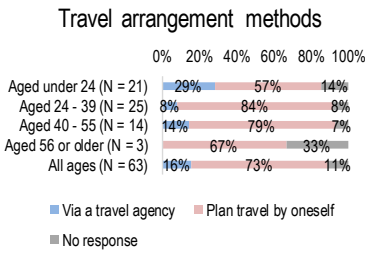
Figure 2-26: Most useful information sources by nationality and age group (multiple responses possible)¹⁹

All age groups of South Koreans and French, as well as Japanese, Americans and Germans over 40 years old, have a high percentage of travel arrangements through travel agencies. In addition, the older the age group, the more Japanese, Americans, Germans, and French who make travel arrangements through travel agencies based outside of Mongolia. Most of them have travel agency offices in their home countries. As shown in Figure 2-25 more than 60% of the visitors from Japan and the United States (61% in Japan and 75% in the United States) are over 40 years old, which is a high age group. Therefore, in these two countries in particular, travel agencies play a major role in introducing visitors to Mongolia.

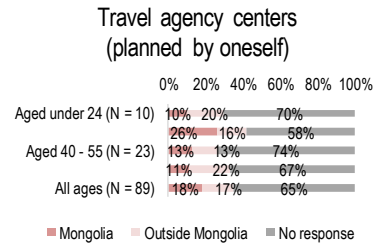
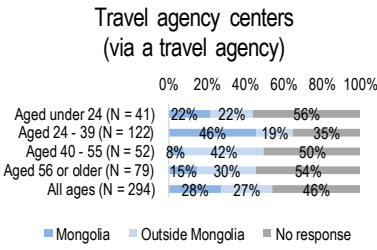
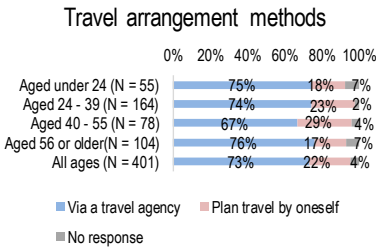


¹⁹24 years old is included in both “under 24” and “24 - 39.” However, since the options in the questionnaire were “up to 24” and “24 - 39,” they were translated directly into Japanese.

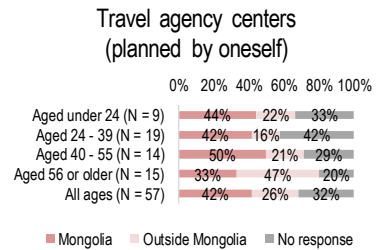
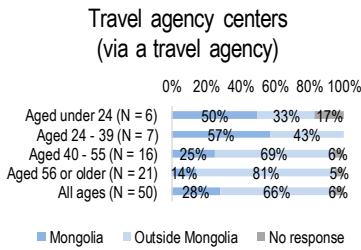
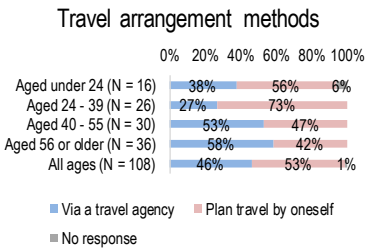
Russia



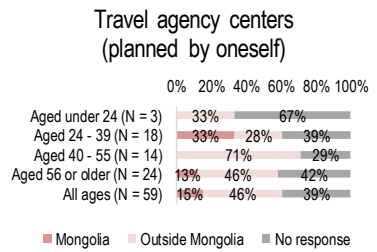
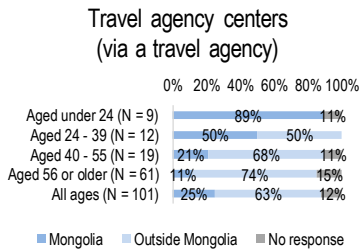
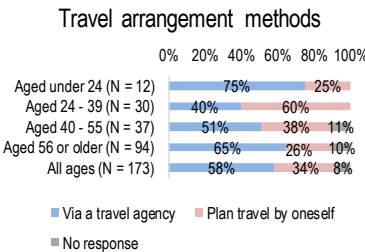
South Korea



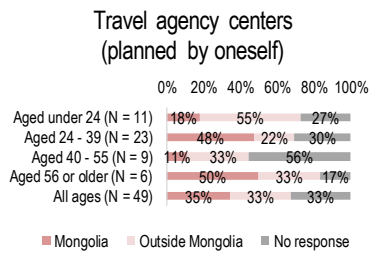
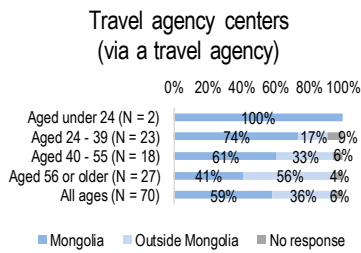
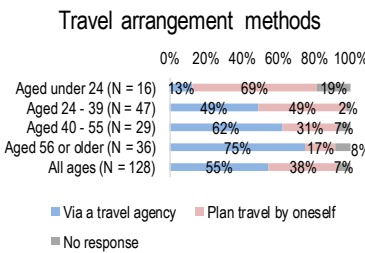
Japan



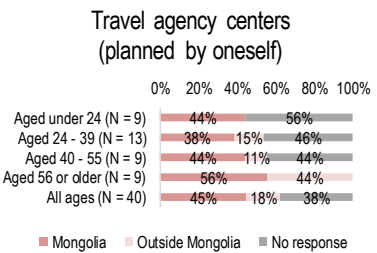
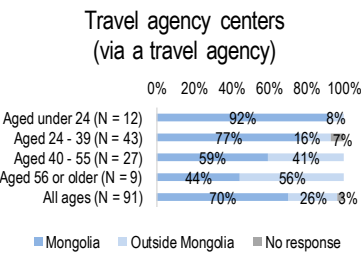
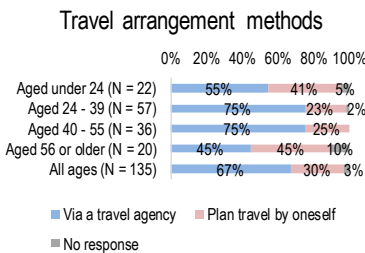
U.S.A.

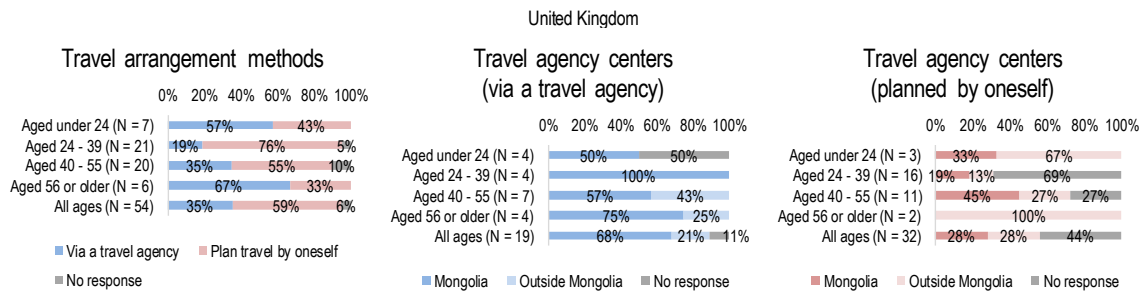


Germany



France

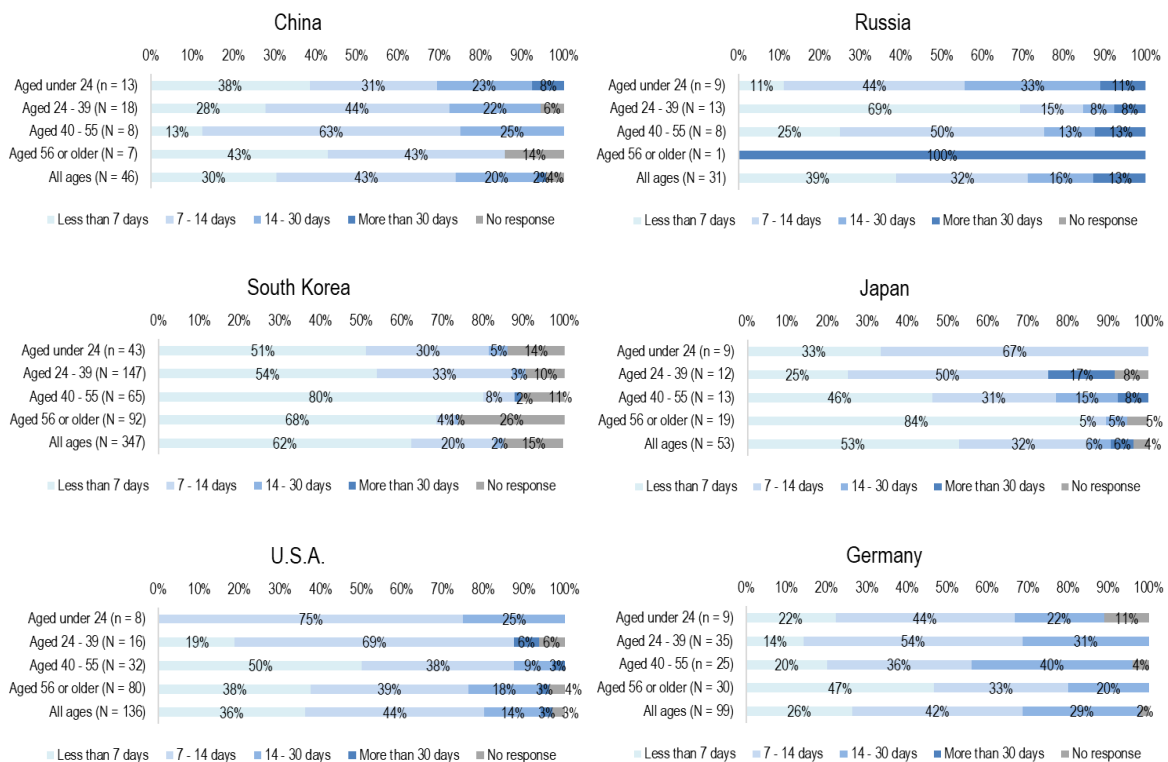




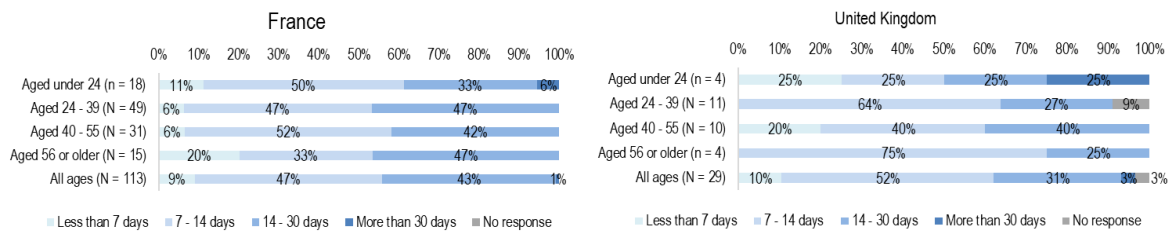
Source: Prepared by the survey team from Tourism Sample Survey 2019 (raw data)

Figure 2-27: How to arrange travel by nationality and age group & Locations of travel agencies (or private arrangements)²⁰

Looking at the length of stay by nationality and age group of tourists visiting Mongolia for tourism purposes, more than 50% of South Koreans of all ages stayed for a short period of time (7 days or less). As for South Koreans, Japanese, and Germans, the post-retirement age group (including those aged 56 and over), which has the most time to spare, also has the highest percentage of visitors staying for seven days or less. Compared to other age groups in the three countries, the length of stay for those aged 56 and above is particularly short, so it can be inferred that there are reasons why this age group is unable to stay longer. Since this is an age group that can potentially stay for a long time, detailed surveys would be useful. Visitors from France and the UK cover all age groups. Visitors from Germany have a low percentage of short-term stays of 7 days or less in all age groups under 55. French in particular, regardless of age group, have a high percentage of visitors who stay for more than 14 days.



²⁰24 years old is "under 24," and "24 - 39" is a direct translation of "up to 24" and "24 - 39" into Japanese.



Source: Prepared by the survey team from Tourism Sample Survey 2019 (raw data)

Figure 2-28: Number of days spent by nationality and age group (for sightseeing)²¹

(2) Domestic tourist trends

There are no official statistics on domestic tourists in Mongolia. However, according to the World Travel & Tourism Council's Mongolia 2020 Annual Research (Key Highlights), the ratio of tourism spending by domestic and foreign visitors is reported to be 31% vs. 69% (reference: Japan has the exact opposite structure, 81% vs. 19%).

In response to the COVID-19 pandemic, travel agencies that had not previously offered domestic travel products proposed new products for domestic tourists, but few people asked it. Mongolians have a strong tendency to set their own destinations and check how to get there. For example, in the spring of 2020, 95% of respondents answered "No" to a survey conducted by professors at the Faculty of Tourism of the National University of Mongolia asking, "Do you travel with a travel agency?" The Mongolian style of domestic tourism is to travel by vehicle. Meals are loaded in the car, and no eating at restaurants on the trip. This is one of the reasons why domestic spending on tourism is so small.

2.9 Tourism-related industries

(1) Travel agencies and tour guides

Prior to the outbreak worldwide COVID-19, travel companies employed 11,000 people, and in 2019, about 570 travel companies generated revenues of 240 million US dollars, which accounts for 40% of the total tourism revenues. However, revenue fell 98% in 2020, as many of them operated their business for inbound customers. According to the 2020 Ministry of Nature, Environment and Tourism's COVID-19 Impact Survey, 85 companies went bankrupt and 49% of employers were laid off. In response to this situation, the Ministry of Nature, Environment and Tourism and the Mongolian Tourism Association conducted a survey to assess the current status of travel agencies, and cited requests for relaxation of conditions for low-interest loans, exemptions from social insurance premiums, and economic support.²²

Travel agencies had been structured to use loans since before the influence of COVID-19 due to the influence of tourism seasonality. Travel companies consume about 60% of their summer revenues to secure full-time employees in winter, autumn, and spring, and for ordinary and unscheduled expenses, so the amount of remaining profits is small. According to the Tourism Sample Survey 2019, only 19% of all travel company employees were regular employees who were covered by social insurance, while the rest were contract employees. According to a tourism-related associations' questionnaire survey conducted by the survey team, 52% of all travel agencies and 70% of tourist camps receive loans from financial institutions in spring of the following year after summer income, waiting for the next summer, the tourism season. This structure makes it particularly difficult to employ tour guides throughout the year. 84% of the guides work as guide interpreters in summer, and hold a separate job concurrently with their primary business or work for part-time jobs without any guide jobs, or become unemployed from autumn to winter, while making preparations for tourism because travel reservations start to be made from spring.²³

In addition to the seasonal issue, the issues listed below were cited by travel agencies in the Tourism Sample

²¹24 years old was translated into Japanese as it is because the options were "up to 24" and "24 - 39." Both "7 - 14 days" and "14 - 30 days" are direct translations of the questionnaire options "up to 7," "7 - 14," and "14 - 30."

²² Prime Minister's Morning Conference (Mongolian Tourism Association, February 25, 2021)

²³ Results of a questionnaire survey for the Mongolian Tourism Association, the Mongolian Tour Guide Association, the Sustainable Tourism Development Center, and the Tourism Education and Development Center

Survey 2019, and the respondents answered as the top priority efforts in the future: improvement of the legal environment and training of human resources who are to be engaged in the tourism industry. Regarding the promotion to foreign countries, there is a response that even if they want to participate in international tourism exhibitions, participation is restricted due to difficulties from the cost and budget aspect, and because there are few opportunities to acquire the right to participate., lack of information regarding traveling in Mongolia, are pointed out by both tourists and Japanese travel agencies (Reference: 2.8). In the questionnaire survey conducted by the survey team for travel agencies in Japan, there were many comments saying, “the amount of attractive promotional content (images, videos) is small” and “lack of information that can be presented by travel agencies (compared to other countries),” as problems in the sales of travel products related to traveling in Mongolia, and “invitation for travel agencies” and “provision of the latest materials and information (general travel information including the details of sight-seeing areas, and travel distance, etc.)” as measures expected for the Mongolian government. Since it is very difficult for travel agencies in Mongolia, many of which are small companies, to effectively promote Mongolia to other countries while competing with many countries, they need to share roles and collaborate with the government and municipalities, as well as each organization.

Table 2-26: Challenges for travel agencies and the tourism industry

No	Details of the challenges
1	Improvement of the legal environment (the revision of the Tourism Law in particular)
2	Improvement of the whole nation’s English language skills and improvement of skills of human resources, such as expertise
3	Promotions to foreign countries
4	Increase in the number of international air flight services and decrease in prices
5	Improvement of infrastructure (waste management, and road network improvement, etc.)
6	Improvement of standards, implementation of rating, and supervision of commercial facilities that engage in travel business other than travel agencies (Services in service-providing facilities have not met standards.)
7	There is no definite schedule of events or entertainment, or such schedules are ambiguous.

Source: Prepared by the survey team from the Mongolia Tourism Sample Survey 2019

(2) Lodging facilities and eating and drinking

The accommodation and restaurant business industries are relatively low-wage industries. In the interviews with the Mongolian Tourism Association, interviewees pointed out the reasons for the fact that as about 70% of services for tourists are imported products, labor costs tend to be relatively reduced due to high import taxes. This is because, as in the cases with travel agencies and tour guides, these industries have many part-time workers unable to hold full-time employees due to seasonal influences. Also, because the domestic self-sufficiency rate of vegetables and fruits used in restaurants is low, many of them are forced to rely on imported products. Furthermore, because domestic industries are immature, hotels procure foreign products for their furniture and fixtures, such as beds. In addition, in the hotel industry, hotels are required to install fixtures that are not absolutely necessary as part of their accreditation criteria, such as the arrangement of televisions and large and splendid storage spaces for clothing, as required as a standard for hotel accreditation, which has generated unnecessary investments.

(3) Tourist camp

In 2019, 450 tourist camps nationwide (total number of beds: approx. 20,000), with approximately 10,350 employees, sold approximately 90 billion MNT. Of these, the amount of money that tourist camps purchased foodstuffs from local nomadic pastoralists and local corporations was 22.5 billion MNT. There are too many tourist camps in recent years, and in special reserves, the rules to maintain a certain distance between tourist camps have not been observed, mainly in Khuvsgul aimag, Gorkhi-Terelj National Park, and Kharkhorin, Uvurkhangai aimag. ²⁴

(4) Hotels

Until 2019, there were 460 hotels in Mongolia, but some changed their business from hotel business to office

²⁴ Prime Minister's Morning Conference (Mongolia Voyage, Khuvsgul Eco Tour, February 25, 2021)

and leasing business, so the number of hotels decreased to 430. While revenue reduced significantly in 2020, costs have increased due to hygiene measures for the COVID-19. With the hotel industry also affected by seasonal influences, although hotels do normal work in the summer, they also provide training in other seasons.²⁵

Table 2-27: Various types of information about the hotel

Items	2019	2020 (in comparison with 2019)
No. of hotels	460	430 (-30)
No. of employees	37,484	16,860 (-46%)
No. of guests	913,000	45,650 (-95%)
Revenue	297.8 billion MNT	131.4 billion MNT (-166.4 billion MNT)
Expenses	302.5 billion MNT	225.4 billion MNT (- 77.1 billion MNT)
Revenue - Expenses	-4.6 billion MNT	-94 billion MNT (decreased by 89.4 billion MNT)

Source: Prepared by the survey team from the Prime Minister's Morning Conference (Mongolian Hotels Association, February 25, 2021)

As a result of the survey by the survey team²⁶, there are eight 5-star hotels in Mongolia, but all are located in Ulaanbaatar City. Of the 23 four-star hotels, 22, excluding Ikh Khorum Hotel in Uvurkhangai aimag, are located in Ulaanbaatar City. According to a questionnaire survey conducted for Japanese travel agencies, respondents pointed out that there are few accommodation facilities outside Ulaanbaatar have only a few installations and that the number of accommodation facilities for the wealthy is small. To attract the wealthy population, which consumes a large amount of money, to rural areas, it is necessary to develop lodging destinations.

(5) MICE²⁷

MICE facilities in Mongolia are mostly located in the city of Ulaanbaatar, and MICE tourists stay in hotels near the venue and go on sightseeing tours mainly around the city of Ulaanbaatar. Many of the recent international conferences are held at Shangri-La Hotel, Ulaanbaatar in summer, when there are many tourists, but the Mongolian Hotels Association has asked the government to avoid holding a MICE during summer, which is the peak business period.²⁸

According to the iHOTEL LLC MICE reservation staff, Mongolia is chosen to hold a MICE because Mongolia is a new and unusual place to host international conferences, and because the distance from the airport to the center of Ulaanbaatar City, one of the major host cities of MICE, is close, it allows participants to go on a sightseeing tour to grasslands and nature without taking time after the end of the event.

²⁵ Prime Minister's Morning Conference (Mongolian Hotels Association, February 25, 2021)

²⁶ The results were confirmed through the official website of the Mongolian Hotels Association, websites and Facebook pages of hotels, and telephone interviews, etc. As of February 22, 2021.

²⁷ MICE: Meeting, Incentive Travel, Convention, Exhibition/Event

²⁸ Prime Minister's Morning Conference on February 25, 2021.

Table 2-28: List of recent international conferences and major MICE facilities

Conference name	No. of participants (people)	Venue	No	MICE施設名	最大会場の収容可能人数 (人)
ABU Asia-Pacific Robot Contest (Aug. 23 - 27, 2019)	300	・Buyan-Ukhaa Sport Complex	1	Buyan-Ukhaa Sport Complex	5045
4th Asia-Pacific Community-based Inclusive Development Conference 2019 (Jul. 2 - 3, 2019)	600+	・SHANGRI-LA HOTEL Ulaanbaatar	2	SHANGRI-LA HOTEL Ulaanbaatar	1200
			3	Crocus Event Center	1200
GLOBAL WOMEN'S TRADE SUMMIT (Sep. 6 - 8, 2018)	300	・The Corporate Hotel and Convention Center	4	Misheel EXPO	800 2022年6月に現在の3倍となる予定
Asian Ministerial Conference on Disaster Risk Reduction (Jul. 3 - 6, 2018)	3,000	・SHANGRI-LA HOTEL Ulaanbaatar	5	Chinggis Khaan Hotel	600
JCI Asia Pacific Area Conference in Ulaanbaatar, Mongolia (June 8 - 11, 2017)	3,620	・SHANGRI-LA HOTEL Ulaanbaatar	6	Grand Hill Hotel	550
			7	Dariganga Hotel	500
11th Asia-Europe Meeting 2016 (Jul.15 - 16, 2016)	4,218 (+ 619 members of the press)	・SHANGRI-LA HOTEL Ulaanbaatar ・Ulaanbaatar Hotel ・The Blue Sky Hotel and Tower ・Best Western Premier Tuushin Hotel ・The Corporate Hotel and Convention Center ・Buyan-Ukhaa Sport Complex	8	Best Western Premier Tuushin Hotel	450
			9	Bayangol Hotel	350
			10	Holiday Inn Ulaanbaatar Hotel	300
			11	White Rock Center	300
			12	Ulaanbaatar Hotel	250
			13	The Blue Sky Hotel and Tower	250
			14	Novotel Ulaanbaatar Hotel	250
			15	Kempinski Hotel Khan Palace	240
			16	Terej hotel	150
			17	The Corporate Hotel and Convention Center	情報なし

All are located in Ulaanbaatar City, except for Dariganga Hotel in Sükhbaatar Province.

Source: Jointly prepared by the International Hotel Human Resources Development Association and the survey team

Table 2-29: Major tourist destinations visited by MICE tourists

No.	Major tourist destinations	Location	Distance from the capital
1	Gandantegchinlen Monastery	Ulaanbaatar City	Inside the city
2	Zaisan Tolgoi	Ulaanbaatar City	Inside the city
3	Chinggis Khaan Square, Parliament House	Ulaanbaatar City	Inside the city
4	Ulaanbaatar Station	Ulaanbaatar City	Inside the city
5	Terej National Park (Turtle Rock, etc.)	Nalaikh District, Ulaanbaatar City	65 km
6	Ariyabal Temple	Nalaikh District, Ulaanbaatar City	65 km
7	Chinggis Khaan Statue, Tsonjin Boldog	Erdenesant, Tuv aimag	52 km
8	13th Century Village	Erdenesant, Tuv aimag	96 km
9	Hustai National Park	Altanbulag Sum, Tuv aimag	80 km
10	Naadam Festival held by the event organizer	The festival is often held on the plateau around Ulaanbaatar City.	

Source: Jointly prepared by the International Hotel Human Resources Development Association and the survey team based on data obtained from Concierge Service Mongolia LLC reservation staff.

(6) Seabuckthorn industry

Yellow fruit, generally called “chazargana,” grown in Mongolia is called ‘Yellow Doctor’ in Mongolia and contains abundant nutrients such as vitamins and minerals. Recent global rise in health awareness has raised international awareness of this fruit, which in turn increased the number of small-scale exports to Japan, South Korea and Taiwan, and led to increasing interests from Europe and the United States. However, domestically produced products in Mongolia are more expensive than products produced in other countries and imported into Mongolia. According to the Mongolian Chazargan Association, the industry is expected to make various improvements, such as expansion of cultivation and mechanization of harvest, low temperature drying processing technology, product development, and human resource development. In the tourism sector, in addition to souvenirs, some companies have implemented tourism programs, such as for cultivation and processing, in which tourists from China, Taiwan, South Korea, and Japan have participated.

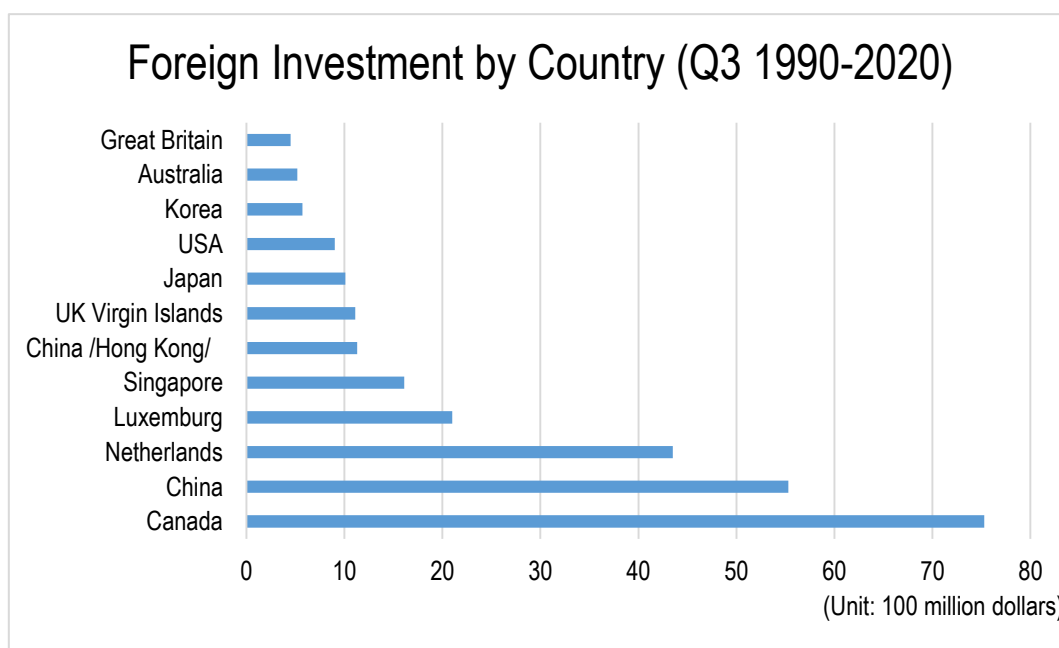
(7) Wool industry

Wool products are one of the main souvenir products in Mongolia, and the first grant aid project that Japan provided for Mongolia was the construction of the “GOBI” Cashmere Factory in 1977. According to the Mongolian Wool and Cashmere Association, the manufacturing process is almost entirely conducted domestically, with the exception of some packaging processes, and they intend to implement an experience program at the cashmere production stage in the future.

(8) Foreign investment

From 1990 to the third quarter of 2020, foreign investments totaling 28.8 billion USD were made from 123 countries around the world. Approximately 14,900 foreign companies entering Mongolia from 123 countries have been registered, with Canada, the first ranked country investing 7.5 billion USD (26% of the total investment), and China, the second ranked country investing 5.5 billion USD (19%). Also, 7,536 Chinese capital entrants (50% of foreign companies) have been registered. The third-ranked country is the Netherlands, investing 4.3 billion USD (15%), the fourth-ranked country is Luxembourg, investing 2.1 billion USD (7%), the fifth-ranked country is Singapore, investing 1.6 billion USD (5.6%), and they are followed by Hong Kong, the British Virgin Islands, and Japan. The eighth-ranked country Japan, with an investment of one billion USD, accounts for 3.5% of the total foreign investments.

Table 2-30: Amount of foreign investments by country (Q3 1990-2020)



Source: Prepared by the survey team from the March issue of INVEST IN MONGOLIA 2021 issued by the National Development Agency, and materials provided by the Embassy of Mongolia in Japan.

In the classification according to fields, the investment ranking was in the order of the geological, mine exploration, mining, and petroleum fields with 20.2 billion USD (70% of the total investments by 460 companies), the commerce and restaurant business fields with 4.8 billion USD (16.8%, 10,171 companies), the financial field with 941 million USD (3.2%, 126 companies), the facility and building material fields with 401 million USD (1.3%, 462 companies), the transport field with 348.8 million USD (1.2%, 255 companies), followed by the light industry, agriculture and pasture, and tourism. The investment in the tourism sector was 84 million USD (0.3%, 433 companies).

As part of its program to attract foreign investments, the government established the Investor Interest Protection Council in accordance with Prime Minister's Order No. 136 of 2016. This council aims to protect investors' legal rights and interests, to resolve complaints about bureaucracy and illegal conducts, and to prevent risks. The chairman of the council has been served by the Chief Cabinet Secretary, and the Secretariat by the National Development Agency. The council consists of 16 representatives from government agencies and private organizations. The main activities are as follows:

- Development of a monitoring system for e-acceptance of complaints from investors and resolution of those complaints: Develop a system intended investors to check the status of complaint resolution, simplify information exchanges between government agencies, and protect investors' interests.
- One-Stop Service Center "Invest in Mongolia": Combining the services of five administrative agencies into one location, this center has created an environment where various procedures regarding the establishment of corporations and new businesses based on foreign capital can be performed integrally.
- Electronic registration system for investors: The country is working on the development of a system intended

to issue various certificates for investors and to simplify information exchanges between administrative agencies at one-stop service centers.

- Issuance of certificates: Certificates are issued to investors who meet certain conditions, such as operating their business on a stable basis for a certain period of time, in order to determine taxes and handling charges.
- Conclusion of an Agreement on Investment: The Government will conclude an investment agreement on terms and conditions presented by investors with investors who invest in more than 500 billion MNT in order to improve and stabilize the business environment.

Then Chief Cabinet Secretary Oyun-Erdene, who has led the Investor Interest Protection Council as the Chief Cabinet Secretary, became prime minister in January 2021 and announced a proposal to establish a Foreign Investment Council which will be under the direct control of the prime minister. The National Development Agency, the secretariat of the Council, has developed and operated since June 16, 2020 a “system to electronically accept investor complaints and to oversee the resolution process,” in cooperation with the World Bank Group's International Finance Corporation (IFC). This system is intended to solve investor complaints through involvement of several administrative agencies, and allows investors themselves to view the process electronically. If the Foreign Investment Council is established, the environment for attracting foreign investments will be further improved. Prime Minister Oyun-Erdene said, “Governments will support wealth creators and investors both at home and abroad and collaborate with them as much as possible. To this end, we are heading for a major policy-oriented reform to create a stable business environment.” (February 2021: INVEST IN MONGOLIA issued by the National Development Agency).

In 4.5.3 of the “Government Action Plan (Program) 2020-2024”, the phrase, “Consistently protect the interests of foreign investors, invite foreign investments to the economic priority fields, such as infrastructure, mining, electricity, food, agriculture and livestock, and tourism fields and mega-projects, and support them to receive low-interest loans and grant aid” was entered.²⁹

Currently, the Investment Act Reform Bill Preparation Working Group has been established for the purpose of reforming the investment environment.

As described above, the government's stance is to attract foreign investments. On the other hand, in the tourism sector, according to an interview conducted with former Director S.Bayasgalan, the Department of Tourism Policy Coordination of the Ministry of Nature, Environment and Tourism at the beginning of 2020, that is, just before the COVID-19 affected the tourism sector, domestic investments accounted for a large part of the total investments in tourist camps, resorts, and tour operators. The same is true for the seven hotels that have globally developed their chains. In principle, tourism projects do not require special permits, so it is possible for foreign entrants to conduct their business. However, there are criticisms that acts of South Korean companies in Mongolia accepting South Korean tourists and of companies in the Inner Mongolia Autonomous Region of China accepting tourists from the region are contrary to the interests of Mongolia's domestic companies. For this problem, it is believed that policy coordination is necessary, such as establishing preferential measures to protect the interests of domestic companies. It is necessary to note that the tourism service business licensing system is proposed in the tourism law revision bill.³⁰

2.10 Tourism marketing promotion

(1) Ministry of Nature, Environment and Tourism

Due to publicize tourist goods and services in foreign markets regarding Mongolia's nature, history, culture, and lifestyle, etc., the country participates in international expositions together with organizations, such as tourism associations, and private tourist companies. Then Minister of Nature, Environment and Tourism Tserenbat participated in the “Tourism EXPO,” an international tourism exposition held in Tokyo in September 2018 and in Osaka in November 2019.

At present, a tourist site information and recommended service introduction and online reservation system for domestic tourists has been established, and mobile applications are being developed. This provided the necessary information to meet tourist needs and digitized promotional and booking communications between

²⁹ <https://www.legalinfo.mn/annex/details/11219?lawid=15586> (reference, March 26, 2021.)

³⁰ <http://www.mne.mn/?p=10468> (Reference, March 26, 2021)

service organizations and customers. The digitalized communication topics include technologies that the country lacks, and as points that Japan is likely to be able to contribute, the provision of opportunities to cooperate with Japanese marketing and advertisement teams with wealth of experience, and support for advertisement materials, technologies, and equipment.

Table 2-31: Websites of organizations related to the Ministry of Nature, Environment and Tourism

Government agencies	Official websites	Facebook pages
Ministry of Nature, Environment and Tourism	http://www.mne.mn/	https://www.facebook.com/mne.mn
Ministry of Nature, Environment and Tourism Department of Tourism Policy Coordination	—	https://www.facebook.com/TourismPolicyCoordinationDepartment
Mongolian Tourism Organization	http://mto.mn/	https://www.facebook.com/www.mto.mn

Source: Prepared by the survey team

The official website of the Ministry of Nature Environment and Tourism is only in Mongolian, and tourism information in English has not been posted at all.

(2) National Development Agency

This agency conducts surveys on foreign tourists and target markets, and discloses the survey results to local governments and private business operators. In cooperation with the GIZ, the agency established information centers for tourists in Bayankhongor and Selenge aimags, and local sales centers for brand products.

(3) Ministry of Culture

The Ministry has no marketing strategies in particular, and appropriates 5% of the budget as marketing and promotion expenses, but the details are kept private.

(4) Consular Department of the Ministry of Foreign Affairs

The Department created a short video for the event “Let's travel responsibly” in cooperation with the Embassy of the South Korea in Ulaanbaatar, to which many Mongolians visit.

(5) Mongolian Tourism Organization

At the Tourist Information Center of the New Ulaanbaatar International Airport, which opened in July 2021, the Mongolian Tourism Organization plans to provide digital content services through virtual reality devices to tourists visiting Mongolia. To this end, the center concluded an MOU with Startup Digital Solutions, which belongs to the National University of Mongolia. The center globally advertises Mongolia by advancing electronic innovation in the Mongolian tourism industry together with Startup Digital Solutions, and by cooperating with the company toward the creation of digital contents for rural tourism development, the introduction of virtual reality tourism, and the development of databases and software for that purpose.

(6) Mongolian Tourism Association

The tourism association conducts surveys on foreign tourists and target markets. In cooperation with the Ministry of Nature and Tourism, the Mongolian Tourism Association produced the contents of the World Travel Market (WTM) held in London every year, the International Travel Expo (ITB) held in Berlin, Germany, the Tourism EXPO Japan held in Japan, the Moscow International Tourism Expo (MITT) in Russia, the International Travel Mart (ITM), and the Outbound Travel Mart in India. Marketing and promotional cost accounts for around 30% to 40% of its business spending.

(7) Mongolian Professional Tour Guide Association

The association conducts surveys on foreign tourists and target markets. The association has actively promoted itself using its Facebook pages and official website, but has conducted no marketing and promotional activities for foreign tourists in particular.

2.11 Representative tourism resources

Mongolia is located in the northwestern part of East Asia, with the Arthai Mountains in the west, the vast plain in the east, the coniferous forest zones that lead to Siberia in the north, and the fourth largest Gobi Desert in the world lined with arid zone in the south. It is the country with abundant and varied nature with alpine plants and rare animals. In addition to the history of the Mongol Empire including Chinggis Khaan, it also has unique arts and traditional culture nurtured by nomadic culture and ancient remains of the horseback race. In 1923, fossils of dinosaur eggs were discovered for the first time in the world in the Bayanzag, Gobi, making Mongolia also one of the world's leading locality of dinosaur fossils. It is not only rich in natural landscape such as Gobi's vast plain and starry sky, but also a country blessed with valuable tourism resources in various fields including culture, history, archaeology, and animals and plants. Mongolia has four World Heritage sites as shown in the table below.

Table 2-32: Mongolian World Heritage Sites

Name of World Heritage	Summary
Uvs Lake Basin	Nature remains largely intact, and as many as 40,000 Scythian and Turkic remains have been discovered. Uvs Lake (salt lake) is situated in the center of Uvs Lake Basin, which stretches over approximately 700 thousand square kilometers. There are Khyargas Lake, which is home to the Kyrgyz people, Altai Mountains at a level of 4,000 meters, the northernmost desert area in the world, and the southernmost tundra (frozen field) in the world in the surrounding area. There is also a huge rock salt mountain. In addition to the salt lakes, there are many huge freshwater lakes, visited by migratory birds.
Cultural landscape of Orkhon Valley	It spreads around Kharkhorin, which was designated as the capital by Ugudei, the second Khaan of the Mongol Empire in the 13th century. Over centuries, the Orkhon Valley has been regarded as the seat of the King for nomadic people on grassland. The proof is the 'Orkhon Epigraphy' established in this valley by the King Bilge Khaghan of Tokketsu (a name of place) in the eighth century. This epigraph is written in ancient Turkish and Chinese. Kharkhorin has a foundation stone in the form of a turtle in remembrance of the glory of the former Mongol Empire. The Tibetan Buddhism Erdene Zuu Monastery built in the 17th century still holds Buddhist memorial services currently, and the inside of the monastery is a Buddhist museum exhibiting Buddhist statues and Thangka. At the Kharakhorum Museum, visitors can see the cultural heritage excavated from ancient ruins.
Mongolia rock art sites of the Altai Mountains	Three rock art sites in the Altai Mountains in Mongolia are targeted. They had been drawn approximately for 12,000 years from around 11,000 B.C. to around the ninth century A.D. Many rock-carved paintings have been left showing the lifestyles of North Asia and the circumference environment in each period. Located in Bayan-Ulgii aimag in the westernmost part of Mongolia, the rock paintings show the shifts and advancements of human life as well as various animals such as mammoths, how people hunted, and the hunting tools.
Sacred landscape of Burkhan Khaldun and its surroundings	The name of a mountain in the Khentii Mountains stretch out from central to eastern Mongolia. It has been recognized as sacred place of the origin of the Mongolian tribe that appears in the history books of the Mongolian people such as "Gencho Hishi" (The Secret History of the Mongolians) and "Shushi" (The History of the Mongolians), and is said to be the home of Chinggis Khaan and his graveyard. The mountain name "Burkhan" means "Buddha" or "God." Therefore, Burkhan Khaldun means "Mountain of God." It is the land where Chinggis Khaan first declared the country of Mongolia, and it has been said that Kings of the Mongol Empire following Chinggis Khaan have been buried. At the beginning of 1990, the Yomiuri Shimbun in Japan explored the mausoleum of Chinggis Khaan, but only to excavate thousands of Tokken-era remains and could not reach to the Khaan's mausoleum. Recently, the exploration and survey of the mausoleum has not progressed due to the heightened ethnic consciousness.

Source: Prepared by the survey team from UNESCO report



Kharkhorin



Bayanzag



Uvs Basin

Source: Photos taken by Photos taken by the survey team

Figure 2-29: Landscape of tourist area

Many intangible cultural heritages are also registered in Mongolia. The Table 2-33 introduces heritage related to music. In addition to it, Mongolia possesses a wide variety of intangible cultural heritage, such as ger, which is the house of the Mongolian people, Naadam, which is famous as a festival of the race, Airag (alcoholic drink made from horse milk), which is said to have been the basis of the idea of Calpis, falconry handed down in the Kazakh tribe in Bayan-Ulgii aimag in the west, and Mongolian characters, which are ethnic characters developed in the 13th century.

Table 2-33: (Part of) Intangible Cultural Heritage in Mongolia

Name of cultural heritage	Summary
Morin khuur (Horse-headed fiddle)	It is a traditional Mongolian bowed stringed instrument and is considered a symbol of the nation of Mongolia. It means a “horse instrument” in Mongolian. Since the morin khuur body and neck are carved from wood. The top of the neck is made in the form of a horse’s head, which gives the instrument which is the same as that of China. In addition, it is famous as an instrument that appears in the story “Suho's White Horse” in Japan. Tourists can listen to the performance of the world's only Mongolian Horsehead Fiddle Symphony Orchestra and the performance of musicians who have won the world's ethnic music competitions such as Domog. In Ulaanbaatar, there is Tumen ekh, an ethnic music studio for foreigners, where tourists can enjoy ethnic music reasonably. It is also possible to invite the performers individually.
Khuumii	Mongolian traditional throat singing method by which two or more distinct musical notes with growly bass tone and a very high pitch tone (melody), are vocalized simultaneously. Not only Mongolia's ethnic music but also Japanese songs including Aka Tombo (Red dragonfly) and Furusato (Hometown) are often sung in Khoonii. Tourists can enjoy songs other than Mongolia's ethnic music in Khoonii.
Urtin Duu	A Mongolian traditional folk tune translated as a long song. They have also Bogino duu with short melodies

Source: Prepared by the survey team

2.11.1 Traditional culture and entertainment, traditional crafts, and meals

(1) Mongolian Ger

Nomads who live their lives traveling on the grassland with their livestock lives in a mobile dwelling called Ger in Mongolia. When moving, they demolish the Ger and divide it into several parts so that it can be easily carried about. The total weight of all members except for floor plates ranges from 250kg to 300kg. They move these members by putting them on livestock such as cattle and camel, but trucks are often used recently. The Ger can be assembled in about one and a half hours to two hours, with two to three people working on it. With two pillars as supporting pillars, they are connected to the skylight window, and a small fence on the side is inserted into the skylight window, and when a circular pillar is formed, it is covered with felt. It is considered polite to have a stove in the center of the ger, a kitchen on the right of the entrance, a master sitting at the front, a man entering and sitting on the left side, and a woman entering and sitting on the right side.



Source: Photos taken by the survey team

Figure 2-30: Ger appearance

(2) Buuz

Buuz or a steamed meat dumpling is the most popular food in Mongolia. Buuz is said to have been introduced from China and is similar to Chinese dumplings or soup dumplings. But its shape, size, and taste are locally characteristic and developed into “Mongolian traditional dishes.” It is common to knead wheat and make the skin to mainly wrap mutton in it and steam them. The slightly different taste of each household is due to difference of ingredients mixed to it or the amount of salt.

(3) Airag (Kumis)

It is called Banyushu (fermented alcoholic drink made from mare’s milk) in Japanese. When the horse milk is poured into a bag made with horse leather and stirred many times, it ferments to a sour taste. The nomadic people has been drinking it since ancient times and it is high in nutritional value. About 40% of the total milk protein is soluble proteins such as albumin or globulin, which are almost same with breast milk. One liter of fermented milk can fill daily dose of vitamin C needed for a human body.

(4) Morin khuur (Horse headed fiddle)

It is the most prevailing musical instrument in Mongolia, played in various occasions such as celebrations and ceremonies, and is also used to accompany dancing and singing. It is said to have been made of horse skin, bones, and hair in ancient times, but at present, only the hair of tail is used as a string. The case is also made of wood, and white birch is used. In Japan, “Suho's White Horse,” which is also introduced in textbooks for elementary school students as a legend of horse headed fiddle, is famous (Inner Mongolia's legend). The Mongolian government is focusing on promoting the horse headed fiddle. One example was the 999 performers’ performance at the time of Naadam. In addition, the Horse headed Fiddle Symphony Orchestra, composed solely of excellent players, holds concerts all over the world to promote the traditional culture of Mongolia.

(5) Shagai (Ankle bone games)

Shagai are the ankle bones of either a sheep or a goat. They are collected and used for the playing of traditional games and fortune telling. There are myriad kinds of ankle bone games which attract both children and adults. Researchers identified 80 variations of Mongolian ankle bone game and is still common in Mongolia. .

(6) Tsagaan idee (Traditional Dairy Products)

For years, nomads in Mongolia have developed unique dairy products, “Tsagaan idee (variety of dairy food and drinks),” such as various types of yoghurt (tarag), sour soft white cheese (aarts), cottage cheese (byaslag) which made from raw or skimmed milk, dried curds (aaruul), fermented horse milk (airag). Airag may be further distilled to make liquor (Shimiin arkhi) Mongolians who ate meat during the winter began eating dairy products “to clean their stomachs” from late spring, and dairy products became the main dish in summer. Summer is called the “white season,” when nomadic people process milk to survive winter and make cheese

and other variety of dairy products.

(7) Mongolian Sumo Wrestling Bokh

Mongolian Sumo called Bukh is a Mongolian ethnic sport in Mongolia and Inner Mongolia. It is the most important of the “Three Manly Skills” and the others are equestrianism and archery.

(8) Deel (Mongolian traditional costume)

Mongolian ethnic costume Deel reflects the lifestyles and traditions of each Yastan (tribe) and has a rich history spanning for centuries. The women clothes have difference between the clothes for girls and that for married women. Mongolian traditional costumes consist of a hat, epaulet, boots, and accessories.

2.11.2 Festivals and events

(1) Naadam

National Naadam is an ethnic festival held from 11th to 13th of July, when it is the anniversary of independence. At the opening ceremony on the 11th, many people gather in national costumes at the central stadium. The Mongolian Sumo wrestling and archery tournament are held there. Local horse race is held in the suburban Khui Doloon Khutag. The 13th July is a day of festival for the horse trainers. Local Naadams are held at the same time in local aimags and soums. The tourists can also enjoy ethnic dances at local Naadams, allowing them to appreciate Naadam closer.

512 wrestlers participate in sumo tournament to win. The 9th match will be the final match of the tournament. Unlike Japanese sumo, the wrestlers do not lose when hands touch the ground, but when their shoulders and elbows reach the ground, they lose. Winning the National Naadam is considered to be the most honorable, and the winning wrestler will be praised along with many prizes. If a wrestler wins a national sumo tournament once, he will be awarded the title of Arslan (Lion), when he wins twice, the title of Avarga, and when he wins five times, the title of Darkhan Avarga (Dai Yokozuna) will be awarded. An “Avarga” corresponds to the position of Yokozuna in Japan. J.Munkhbat, the father of Yokozuna Hakuho, is Avarga. D.Sumiyabazar (the current mayor of Ulaanbaatar), the elder brother of former Yokozuna Asashoryu, is also Avarga.

Boys and girls aged between 6 and 12 years old can participate in horse racing. There are 6 courses of 2-year-old horses, 3-year-old horses, 4-year-old horses, 5-year-old horses, 6-year-old horses or more, and of stallions in total, and the running distance varies depending on the age of the horse. The longest distance is 25 kilometers.

The archery is said to be “Num Sum (Archery)” in Mongolian, where men compete for 75 meters, women for 65 meters, men for 17 years or younger for 4 meters multiplied by age, and women for 3 meters multiplied by age.



Source: Photos taken by the survey team

Figure 2-31: Horse racing at National Naadam and local Naadam

(2) Tsagaan Sar (White Moon Month)

Mongolia has a custom to celebrate the lunar New Year as a White Moon Month (Tsagaan Sar.) During Tsagaan Sar celebration, people first greet to the elderly of family members and relatives, then, visit to the houses of the superiors of the workplace or those who are helping much. It is the most important day for the Mongolian people who express their gratitude and respect. New Year's gift money is distributed to the elderly and children. White foods made of milk and cheese are displayed as meals. During this period, every house prepares a lot of Buuz and keeps it in a natural refrigerator outside the house in preparation for visitors. To understand the culture of nomads, the Tsagaan Sar is the event that tourists wish to experience.

2.11.3 Current situation and Issues of winter tourism

As noted above, the country has abundant tourist resources, but the tourists are concentrated in a few months of summer when climate condition is superior. Attracting tourists throughout the year, especially the promotion of winter tourism, which accounts for about half of the year, is an issue. Until now, efforts to promote winter tourism have been made in various places, but how to secure comparative advantage with other prefectures other than camel festival and ice festival is an agenda. A successful example is the camel festival in Umnugovi aimag under the condition where each prefecture explores the way to utilize the tourism resources they have.

Table 2-34: Winter festivals in each region

Aimag name	Events
Dornogovi aimag	Camel Festival in 2012 and 2013, Camel Polo National Championship
	Held the birthday celebration of the Noyon Khutagt Danzanravjaa every five years since 1993.
	A memorial festival to celebrate the opening of the country of Shambala has been held on September 10 every year since 2007.
	Offload races, etc.
Uvurkhangai aimag	New plans for "Ice Festival" and "Ice Climbing Games" in Kharkhorin
	Select the planned construction site for the world standard slope in Bat-Ulzii soum.
Arkhangai aimag	Frigid Tamil - Ice Festival (3rd Saturday and Sunday in January) Fishing on Lake Ugi (3rd Saturday and Sunday in March) "Ugii Cup" National Fishing Tournament in Mongolia
Umnugovi aimag	The "Camel Festival" (begins from early November in each soum and ends in early March in Bulgan soum). (Refer to the section on tourism resources for details)
	Snow and Ice Festival (Yoliin Am Valley)
	Trekking tour
	Wolf Hunting (January 1)
	Lunar New Year (Tsagaan Sar)
	Photo shooting tours of winter nature, snow leopards, etc.

Source: Prepared by the survey team

In March 2021, the Mongolia Website Development Association requested 21 persons including people engaged in tourism, civil servants and city councilors for their opinions on tourism in winter from various perspectives. Although some commented only on Mongolia's general tourism, the survey team summarized only the part of the answer on what to do as winter tourism. The initiator of this project is M. Darkhijav, the site editor is Ch. Buyanbadrakh, and the draft was written by O. Uuganbaatar.

Some of the proposals in the responses include the events in place such as the Ice Festival and Ice climbing in Arkhangai aimag, dog sledding in Terej in Tuv aimag, and Camel Festival in Umnugovi aimag. Many of the proposals were implemented in other countries, and there were few that are unique to Mongolia, i.e., the ones in which Mongolia has its edge. However, there are some proposals that can be developed into the winter tourism resources by adding some value and attractive. Among the views, there were opinions on the basis of tourism development that the things people can enjoy first rather than for foreigners should be developed to appeal to foreigners, and on the necessity of expanding Winter MICE, as well as unique opinions such as Shagai on ice and winter student exchange. Overall, it seems to show how difficult it is to use Mongolia's winter as a tourist resource. The challenge is how to create and appeal unique things that can only be tasted

in Mongolia. As was mentioned in the proposal, it may be extremely important to first create things that people in Mongolia can enjoy. It is considered that learning know-how from advanced winter tourism countries may be a clue, for example, by conducting research professionally what kind of winter sightseeing programs are available in Canada and the cold region countries of Northern Europe.

Table 2-35: Proposals for Winter Tourism by Related Persons in Tourism Sector

No.	Name and Title	Proposals for Winter Tourism
1	Sukhee Aldarkhishig Mongolia Expedtions and Tour LLC, CEO	<ol style="list-style-type: none"> 1. Ice festival 2. Ice climbing (sports) 3. Hiking along rivers, jogging, skating and cycling 4. Hold various winter sports tournaments 5. Ski and winter sauna services
2	Choibalsan Buyanbadrakh Mongolian Guide Tours LLC, CEO	<ol style="list-style-type: none"> 1. Ice festival and snow festival 2. Horse festival 3. Camel festival 4. Winter sightseeing on the themes of Mongolia's traditional culture, such as the winter scenery of Mongolia, the lifestyle of nomads, the Lunar New Year, and hot springs 5. Dog sledding along rivers, cycling, fishing
3	Purewsuren Naranbayar Ulaanbaatar City Assembly Member	<ol style="list-style-type: none"> 1. Nomad people's winter festival (camel festival, ice festival, eagle festival) 2. Formulation of national policies and human resource development 3. Introduction of flat-rate charter flights, hotels, and taxi services 4. Introduction of a catch-phrase 5. Holding International Events and Meetings 6. Winter student exchange 7. Appreciation tour of the Mongolian opera and ballet 8. Development of Winter Tourism Program for Domestic Students 9. Implementation of international promotion 10. Introduction of international standards
4	Dashdoorov Gereltuv Mongolian Quest LLC, CEO	<ol style="list-style-type: none"> 1. Ice climbing (sports) 2. Camel festival, eagle festival, ice festival 3. Spectate nomadic lifestyles 4. Winter sports including skiing 5. Beauty care and field tours in cities 6. Field tours for movie filming and nomadic grazing culture 7. Various winter events
5	Otgonbaatar Tulga Nomadic Trails LLC, CEO	<ol style="list-style-type: none"> 1. Ice festival, camel festival, eagle festival 2. Ice climbing, horse festival 3. Nomadic lifestyles (Yak, Reindeer, Eagle, and Livestock) 4. Winter natural phenomena viewing 5. Documentary filming, Various recordings 6. Scientific research tour 7. Winter student exchange 8. Dog sledding, snow bikes, sledging, snowboarding, skiing 9. Rock climbing 10. Winter animals and bird watching 11. Photography 12. Hiking in -40°, Buffet, Sledging, Skating, Horse riding, Driving 13. Live, Virtual tours
6	Ayurzana Ariungerel Ulaanbaatar city Tourism Department, Director General	<ol style="list-style-type: none"> 1. Ice festival, eagle festival, horse festival 2. Various winter sports tournaments (Archery, skating, snowboarding, Rugby, paraglider, rock climbing, a game playing with ankle bones on ice) 3. Cycling, motorcycling, dog sledding, winter fashion shows,

No.	Name and Title	Proposals for Winter Tourism
		bird shows, Photography of reindeers, camels, and eagles 4. Winter festival in Ulaanbaatar 5. Sightseeing with the theme of Mongolia's traditional winter culture 6. Train tours, fishing 7. Ice art competition 8. Camel caravan experience
7	Myagmarjav Navchaa Tsolmon Travel LLC, CEO	1. Ice festival, camel festival, eagle festival 2. Winter extreme sports tour 3. Combination of indoor theme parks (swimming pools, parks, restaurants, event spaces) and skiing, sledges, skating, and polo games on ice. 4. Ice slides, cycling, motorcycling, horse riding, viewing and photography of winter landscapes
8	Damba Otgonbayar Mongolian Tourism Association, Vice Chairman	1. Development of various ski slopes 2. Sightseeing in a vehicle equipped with sauna Russian van type equipped with sauna) 3. Combination of train tours and ski tours
9	Dorjpalam Uuriintuya Taliin Uneg LLC, CEO	1. Dog sledding, skiing, skating, group hiking, Extreme tours such as locks or ice climbing 2. Various events (international conferences, shows, and enlightenment events)
10	Baatarsuren Barsbold Discover Mongolia Travel LLC, CEO	1. Ice festival, camel festival 2. Stable government policy and sustained support 3. Events 4. Various sports tournaments 5. Companies' training tours (develop in conjunction with natural and nomadic lifestyles) 6. Train tours (event participation) 7. Nomadic lifestyles observation trip 8. Sale of organic products (Mongolian meat products and dairy products) 9. Development of a winter family trip 10. Hiking, horse riding, dog sledding, skiing, sledding 11. Risk insurance (risk management plan, reserves)
11	Batbayar Ijilmurun Tenuun Tour LLC, CEO	1. Ice festival, eagle festival, horse festival, camel festival 2. Nomadic lifestyle 3. Event similar to the "Winter begins in Yakut" event 4. Art theaters, cultural centers, and public toilets 5. Sightseeing on the ice bike of Khuvsgul Lake 6. Ice road rally 7. Internationally recognized insurance 8. Government and private sector cooperative policies introducing ger, Mongolian residence at -30°C, dietary habits and clothes
12	Joel Rauzi Wind of Mongolia, CEO	1. High level guide education 2. Infrastructure development (hotels, campgrounds, etc.) 3. Do not limit the number of tourists 4. Need to establish excellent Ministry of Nature, Environment and Tourism 5. Events are only an option for tourism development 6. Register Mongolia on an international winter tourist destination list 7. Provide necessary services by existing tourist facilities (e.g., providing water) 8. Field trip in nature, highlands, and nomadic culture 9. Improve leadership and knowledge of guides 10. Addressing human resource education is a priority issue rather than

No.	Name and Title	Proposals for Winter Tourism
		<p>winter tourism development.</p> <p>11. It is important to provide information on winter tourism, risk of tourism, protection of natural environment, tourism without pollution, protection of wild animals, etc to citizens.</p> <p>12. Hotels and accommodations must meet the standards; service improvements</p> <p>13. Ger camping is best for winter tourism. Improve the service level of ger camping</p> <p>14. Driver should carry out vehicle equipment management properly in any season to predict and prepare for risks.</p> <p>15. Promote that tourists can see the nomads' winter lifestyles</p>
13	<p>Khumbaa Tumendelger Chairman, Umnugovi Gaikhamshigt Gobi Tourism Association</p>	<ol style="list-style-type: none"> 1. Winter tourist facilities 2. Camel tours, camel festivals, dog sledding, cycling, snow festivals, ice festivals, ice art, horse festivals, hiking, and tours on a van-type vehicle equipped with sauna 3. Build “Wild Life Park” in Umnugovi aimag (rare wild animals) 4. Professional guide education 5. The period and content of domestic events should not overlap the ones taken place as part of the “Nomadic Winter Festival.” 6. Reduced time to travel among event venues 7. Encourage local residents to participate to conduct sustainable and stable events 8. Consolidate similar events to avoid duplication of events 9. Gain cooperation from NPOs and private sector 10. Provide a certain amount of lending services in a sustainable manner from the government 11. Observation tour of rare wild animals 12. Change the outdoor base camp for winter 13. Airplanes, not only buses, should be added as an option of transportation device 14. Consider the tourism sector as an export sector and promote it widely at home and abroad. Also implement long-term low-interest monetary policy. 15. Legislate sightseeing sites, distance between accommodation facilities, and activity rules 16. Correct policies and plans based on science are required.
14	<p>Enkhbaatar Tserenbat Munkh Khariltsaa NPO, Chairman</p>	<ol style="list-style-type: none"> 1. Based on China's experience, develops winter tourism for domestic tourists first, and then adopt a method to attract foreign tourists. 2. Implement more stable lending policies than the government 3. Standardize event improvements, rules, scope, etc. 4. It is also interesting to take Mongolian harsh winter experience tour because the event alone will not develop. 5. Hold international winter sports tournament in Mongolia 6. The purpose of foreign tourists is to see the delay in Mongolia's development and the actual situation. 7. Infrastructure improvement 8. Risk insurance 9. Improve service level and explore tourists' comfort 10. Rebate a part of accommodation charges, service charges, etc. to tourists in winter
15	<p>Rentsenkhuu Zorigbaatar Dornod Tourism Association, Representative</p>	<ol style="list-style-type: none"> 1. Use characteristic and unique cultures than other countries 2. Each aimag holds winter Naadam once a year, trying not to overlap the timing when it is held and utilize the characteristics of the aimag. 3. Establish three companies to promote the “Winter Naadam” to promote it

No.	Name and Title	Proposals for Winter Tourism
		<p>to the United States, Europe, and Asia.</p> <ol style="list-style-type: none"> 4. Improve the government's tourism governance 5. Improvement of governance of tourism corporations, assistance from the government 6. Establish tourism standards 7. Need a law to coordinate relationship between participants in tourism sector. The government does not compete with NPOs or corporations. 8. Implementation of price unification measures 9. Standardize services based on nomadic culture 10. Introduce international level tourism services
16	<p>Dashbelen Munkhtumur Happy City Group LLC, President and Director in charge of tourism</p>	<ol style="list-style-type: none"> 1. Government's detailed tourism development policy 2. Infrastructure improvements 3. Clarify cooperation from governments, local governments, NPOs, private corporations, and residents 4. Let the government approve necessary laws, rules, standards, etc. to implement 5. Conducted tourism education for government and local government officials 6. Event system improvement 7. Let the government certify the winter events to implement 8. Set up a Winter Light Street in the city from December to March 9. Hold a new year exhibition in the city from December 1 to January 31 10. Create ice towns and set up illuminations in national park in the city 11. Build ski slopes and skate links 12. Construct winter sports facilities in Darkhan City and Erdenet City. Professional players or citizens play hockey or skating in it 13. Conduct sales campaigns for domestic and overseas brand products in the city 14. Refund taxes (value added tax) to tourists 15. Create a "Nomadic Town" where tourists can experience the lifestyle of nomads 16. Ice festival, camel festival, eagle festival 17. Development of charter service for tourism 18. Preparing a facility to warm up when it's cold 19. Internationally popular winter sports (skiing, skating, snowboarding, skiboarding, biking, hockey, etc.) 20. Play with ankle bones utilizing frozen Tuul river and Selbe river 21. Hold snowball fight competition in the Sky Resort or national parks 22. Safety education for winter tour guides and drivers 23. Utilize clothes using special techniques that are resistant to cold
17	<p>Badelgajii Erbahiit Teacher in charge of tourism at National University of Mongolia (Private)</p>	<ol style="list-style-type: none"> 1. An extreme tour of snowboarding (to be pulled by a horse) 2. Improve the service level 3. Human Resource Development 4. Development of warm facilities 5. Production of winter clothes (for winter tourism) 6. A facility for viewing the winter starry sky similar to a glass-walled facility for viewing the Arctic aurora
18	<p>Dagvachultem Sodnomsamdan Bayankhongor aimag, Tourism Department, Director General</p>	<ol style="list-style-type: none"> 1. Tourism (history, culture, natural environment) that takes advantage of the characteristics of the region 2. Cost reduction 3. Stable policy 4. Participation of residents 5. As a result, these four factors are important for tourism development. 6. Hold national events

No.	Name and Title	Proposals for Winter Tourism
		7. The event should be rich in content and utilize the characteristics and culture of the region.
19	Namkhain Adiyabold New Milestone LLC, CEO	1. Ice festival 2. Accommodation experience at Mongolian ger and tent (Urts) 3. Dog sledding, horses sledding, camel tourism, ice art 4. Hot spring trip 5. Christmas event 6. Cultural tour 7. Cycling, hiking, nomadic homestay, 8. Mini Naadam, Camp fire 9. Eagle Festival, photography of wolves, Lunar New Year
20	Myagmardorj Munkhjargal GIM, Tour Guide Journals, Editors	1. Development of tourism towns with the theme of Mongolia's traditional culture 2. Ice Art 3. Cycling, hiking, skiing, snowkite
21	Batjargal Munkhmandakh Nomadic Legends Tour Service LLC, CEO	1. Ski resorts (international level) 2. Dog sledding, cycling, mobile sauna, hiking, mountain climbing 3. Hot spring facilities

Source: Prepared by the survey team based on information from the Mongolia Website Development Association

2.12 Trends of other donors in the tourism sector

The support status of other donors in the tourism sector is as follows.

Table 2-36: List of Donors in the Field of Mongolia Tourism

Donor	Major Initiatives
United Nations World Tourism Organization (UNWTO)	Implemented “Capacity Building for Tourism Employees” from March 2015 to June 2017. It is scheduled that the impact survey of the tourism sector affected by the COVID-19 and the formulation of recovery plan be implemented hereafter.
United Nations Development Programme (UNDP)	Implemented “Strengthening of the Protected Area Network in Mongolia” from August 2010 to April 2018 to promote management effectiveness and financial sustainability in Mongolia’s protected area system.
World Bank (WB)	In the 2000s, as the “TRANSPORT DEVELOPMENT PROJECT”, supported road developments such as Erdenesant - Arvaikheer and Kharkhorin - Tosontsengel. In November 2020, WB also issued the “Mongolia Infra SAP: Infrastructure for Connectivity and Economic Diversification” that analyzed Mongolia's infrastructure needs and investment priorities, and also analyzed tourism-related infrastructures.
International Finance Corporation (IFC)	In 2012, as Phase 1 of the Shangri-La Ulaanbaatar (SLUB) Project, invested in the development of a five-star hotel with 280 guest rooms, offices, and shops, and in 2018, as Phase 2 of SLUB, invested in the development of complex such as a 25-story office tower, a residential tower with 185 units of service apartments, a five-story shopping facility including restaurants and movie theaters, and a parking lot with shelters. In 2016, Mongol Micron Cashmere LLC (MMC), a major Mongolian cashmere processing company, invested in developing a complex containing 123 guest rooms, stores, and 200 parking lots.
Asian Development Bank (ADB)	Conducted numerous projects, including “Integrated Livelihoods Improvement and Sustainable Tourism in Khuvsgul Lake National Park Project,” “Sustainable Tourism Development Project,” and tourism projects in CAREC ³¹ region (described in details below.)

³¹ Central Asia Regional Economic Cooperation

A partnership of 11 countries mainly in Central Asia and development partners, aimed at accelerating economic growth and poverty reduction by promoting development through cooperation.

Donor	Major Initiatives
European Union (EU)	“Support to Employment Creation in Mongolia (SECIM)” aimed at increasing job opportunities in the cashmere, leather, and wool industries has been carried out since 2014. “Promoting Sustainable Textile Production and Ecolabelling in Mongolia” is underway on the schedule from 2018 to 2022, supporting toward sustainable procurement, sustainable improvement of product branding, optimizing cost-cutting methods, and diversifying customer portfolio. In addition, the European Investment Bank (EIB) partially invested in “ULAANBAATAR WWS,” wastewater treatment and sanitation investment program in the ger area around Ulaanbaatar by ADB.
Japan (JICA, Ministry of Foreign Affairs (MOFA))	JICA support began with the Tourism Development Plan Survey in 1999, and the construction of the Kharakhorum Museum and the procurement of equipment for improving the preservation environment for the collections of the National Museum of Mongolia were carried out as grant aid. In the area of tourism-related infrastructure, JICA has supported railway transportation capacity development on the Dornogovi route and road maintenance in the city of Ulaanbaatar so far. The ongoing project is the “Project for improving road pavement technology suitable for the climate conditions in Mongolia” from 2019 through 2022, which aims to formulate and revise the standards related to the structural design and compounding design of paved roads by strengthening the capabilities of the Ministry of Road and Transport Development and the Road and Transport Development Center. In addition, the new Ulaanbaatar International Airport, which was constructed with loan aid, opened on July 4, 2021. MOFA has been implementing seminars aimed at improving the skills (preservation, restoration, exhibition, and operation) of specialists in art and other museums, and providing support for the protection of cultural heritage and human resource development through UNESCO, including the training related to the registration of the world heritage and intangible cultural heritage since 1995.
South Korea (KTO)	The Korean Tourism Organization (KTO) has been carrying out “Construction of a Mongolian Tourism Education Center and Strengthening Workforce Capabilities Project.” The purpose is to build a tourism education center for sustainable tourism development in Mongolia, and to enhance awareness and capacity of tourism service workers. Construction of the training center is scheduled to be completed in 2022. From 2019 to 2020, a master plan on capacity building for Mongolian tourism workforce and a training program based on it were formulated and pilot training courses was conducted.
Kuwait (KFAED)	The Kuwait Fund for Arab Economic Development (KFAED) has been providing support for infrastructure development necessary for air transportation at Undurkhaan Airport (scheduled for completion by June 2021) with the aim of strengthening economy and social development in Khentii aimag.
Turkey (TIKA)	Through the Turkish International Cooperation Coordination Agency (TIKA) since 1994, Turkey has provided technical support centering on the construction of a museum to protect the ancient Turkish Orkhon Inscription and the road pavement from Kharkhorin, the location of the Orkhon Inscription, to the Khoshoo tsaidam site.
Germany (GIZ, KfW)	The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) carries out “Sustainable Tourism and Sufficiency Economy in Mongolia” and “Supporting Protected Areas for the Conservation of Ecosystem Services – SPACES” and the German Reconstruction Finance Corporation (KfW) carries out “Biodiversity and Adaptation to Climate Change” (described in detail below.)

Source: Prepared by the survey team

As shown in the table above, major donors in the tourism sector include UNWTO, ADB, and GIZ and KfW. More detailed supports from each institution are as follows.

(1) United Nations World Tourism Organization (UNWTO)

The UNWTO implemented “Capacity Building for Tourism Employees” from March 2015 to June 2017, to provide various trainings, including hospitality and tourism management, advanced hotel operation management, and tour guide training. As of May 2017, 350 people participated, 70% of whom were hired in the tourism sector during project.

Ministry of Nature, Environment and Tourism of Mongolia also requested UNWTO to investigate the impact of the tourism sector affected by the COVID-19 and to formulate a recovery plan. This project was planned to include the formulation of support programs for small and medium-sized enterprises in the tourism sector and the introduction of the TSA (Tourism Satellite Account³²) method, but the content of the project has not been finalized, and its implementation is undecided due to the changes of the prime minister and the Ministry of Nature, Environment and Tourism at the end of January 2021.

(2) Asian Development Bank (ADB)

The ADB implemented “Integrated Livelihoods Improvement and Sustainable Tourism in Khuvsgul Lake National Park Project” in Khuvsgul Lake National Park from 2016 to 2019, to support local livelihoods by enhancing sustainable tourism capacity. Next, from 2019 to 2025, “Sustainable Tourism Development Project” is underway in Khuvsgul aimag and Khentii aimag to improve their ability to manage sustainable growth of infrastructure, sanitary facilities, and tourism at Khuvsgul Lake National Park and the Onon-Balj National Park. In Khentii aimag, a large complex with museums, cafes, theaters and stages will also be constructed from 2021 through 2024. At the same time, a feasibility study of “Sustainable Tourism Development Project (Phase 2)” had been carried out from June 2020 to April 2021 for Bayan-Ulgii aimag, Uvs aimag and Khovd aimag. This project is a long-term project through 2027 aimed at strengthening of local tourism businesses, building infrastructure, improving sanitation and waste management, and strengthening the management of cultural heritage and protected areas, assuming establishment of tourism centers and digital museums, and development of tourism streets, etc.

ADB also formulated “CAREC TOURISM STRATEGY 2030” as a shared strategic and holistic framework for guiding tourism in CAREC region. The strategy selects seven priority tourism cluster areas, and the two areas that include Mongolia, the Altai area and Gobi area, are also selected. Detailed strategies for each area will be considered in the future.

In addition, ADB also implemented “Intelligent Transport Systems Development for Mongolia” programme, prepared the ITS service priority list for 21 aimags, and carried out ITS workshop from July 2016 through August 2017. “Western Regional Road Corridor Development Program-Tranche I (2014-2021)” and “Western Regional Road Corridor Investment Program-Tranche II (ongoing since 2014)” aiming to improve traffic have also been implemented, indicating that ADB projects cover a lot of ground.

(3) Germany (GIZ, KfW)

GIZ had implemented “Sustainable Tourism and Sufficiency Economy in Mongolia” from June 2018 to June 2020 as a trilateral cooperation project with Mongolia and the Thailand International Cooperation Agency (TICA) in Ulaanbaatar, Bayankhongor aimag, Selenge aimag and Uvs aimag. In this project, GIZ carried out the followings: Ecotourism plan, sightseeing spot management support, sightseeing products and value chain development, training for SMEs, development of public-private partnership (PPP) model to support local market development, development of capacity development curriculum on various topics of sightseeing development, tourism strategy and policy development support at the aimag and national level.

In addition, GIZ has also been implementing “Supporting Protected Areas for the Conservation of Ecosystem Services – SPACES” from 2019 through 2022. GIZ has been supporting the protected areas management authorities in improving the financial capacity, supporting the Ministry of Nature, Environment and Tourism in drafting regulations to enable the protected areas management authorities to earn their own income, developing environment-friendly tourism in protected areas, and providing advises on alternative usage plan to related parties, including travel agencies in response to the current situation where protected areas are being overused.

The KfW has also been implementing “Biodiversity and Adaptation to Climate Change” project from 2015 to 2026 with the aim of strengthening the management of the protected area network in Mongolian, protecting biodiversity, and improving the livelihoods of local residents. Through this project, available areas for camping including parking lots, bulletin boards, and washrooms, etc. have been developed in Kharkhorin, Tuvkhun Monastery, and Red Waterfall.

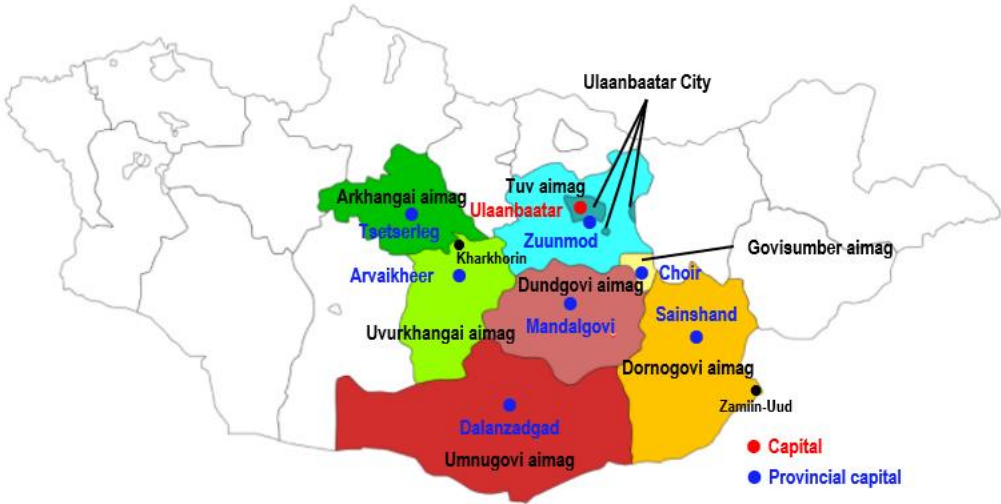
³² A statistical method for measuring the impact of tourism on a country’s economy. UNWTO has developed the international standard “TSA Recommended Methodological Framework 2008” (TSA: RMF08).

Chapter 3

Overview of Survey Areas by Tourism Route

Chapter 3 Overview of Survey Areas by Tourism Route

Mongolia consists of 21 aimags (provinces) and the City of Ulaanbaatar. The outline of tourism fields in 7 aimags and Ulaanbaatar City, which are included in the four tourism routes shown in 1.2.2, covered in this survey, is as follows.



Source: Prepared by the survey team

Figure 3-1: The survey areas: Aimags and Ulaanbaatar City

3.1 The Route of Umnugovi

3.1.1 Basic information and tourism resource information

The Route of Umnugovi (from Ulaanbaatar City to Mandalgovi City, Dundgovi aimag, to the vicinity of Dalanzadgad City, Umnugovi aimag) is a route that falls under the Gobi region (referring to rubble grasslands, shrubs, and dunes) in the topographical classification of Mongolia. Paved roads of 280 km from Ulaanbaatar to Mandalgovi City, Dundgovi aimag, and 300 km from Mandalgovi City to Dalanzadgad City have been completed, and moving around has become easy in recent years.

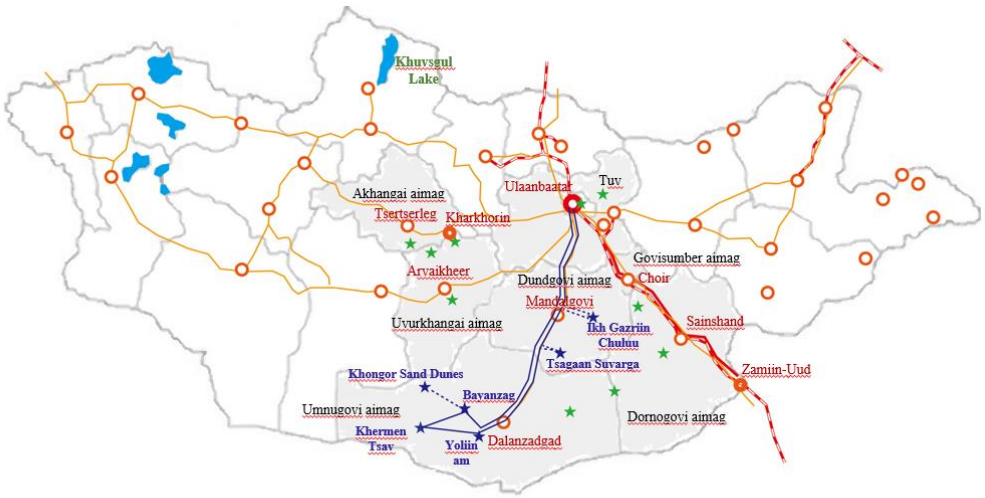


Figure 3-2: Route of Umnugovi and major tourism resources

(1) Around Mandalgovi City, Dundgovi aimag

The area is 74,690 km², with a population of 47,104 (as of 2020). There are highlands which are 980-1530 meters above sea level, with average temperatures ranging from -16 to -19 degrees in the winter and from 17 to 21 degrees in the summer. Mandalgovi, the provincial capital, is a transit point for many vehicles, including mining-related vehicles, general passenger buses, private vehicles, and passenger cabs that pass through Khanbogd, Tsogttsetsii, Gashuunsukhait border checkpoint, Dalanzadgad, and Gurvantes in Umnugovi aimag. The rapid development of the restaurant and service industry in Dundgovi aimag in recent years is thought to be due to an increase in visitors passing through the aimag but no detailed survey or research has been conducted in this area. The main tourist attraction is the giant rock formation of Ikh Gazriin Chuluu.

Mandalgovi is the center of Dundgovi aimag which is the shortest way to get to Umnugovi aimag by car. The number of visitors to Umnugovi aimag has increased in recent years due to the improvement of the road pavement between Ulaanbaatar, Mandalgovi, and Dalanzadgad mentioned above, and Mandalgovi has seen an increase in the number of restaurants and rest areas, with 5 hotels (159 rooms) and 11 restaurants (770 seats) currently operating. There are no public toilets, so when you need to take a restroom break, you have to borrow a restroom in a restaurant. With the construction of the paved road, Tsagaan Suvarga Nature Scenic Area in the aimag's Ulziit soum (county) has become one of the tourist destinations visited by domestic and foreign tourists. Although the aimag has several tourism resources as shown in the table below, tourism development is still under way.

Table 3-1: Main tourist resources around Mandalgovi

Name of tourist resource	Season	Overview
Baga Gazriin Chuluu Special Nature Reserve	Summer	There is a strange huge rock. Folk music concerts are held outdoors in the area, and the "Fermented mare's milk and Horse Farming Festival" is held every September.
Ikh Gazriin Chuluu National Park	Summer	The "Uyakhan Zambuu Tiviin Naran (The Gentle Sun of the World)" Art Festival is usually held for two days from around August 10 on a stage set up among giant rocks. The Art Festival has become the largest event in Dundgovi aimag, with many contemporary musicians such as rock musicians, as well as traditional musicians, participating, and in 2019, the Art Festival was attended by 15,000 people. In July, a two-day trekking tour called "Travel to Mongolia on Horses" will be held in the aimag.
Tsagaan Suvarga	Summer	A natural tourist spot with many rock paintings drawn by ancient people. The "Inverted Triangle" folk dance performance, created on the theme of the "32 People" rock paintings of Mount Del, was performed more than 10 times in Ulaanbaatar City during 2016-2018 and at UNESCO Headquarters in Paris, France, in December 2018. The "Miracle of Mount Del" Association, an NGO, was established by local residents to protect the rock paintings of Mount Del and use them as a tourist resource. In 2020, more than 1,500 tourists visited Mount Del to see its rock paintings. ³³ In September, the Camel Festival of the Great Gobi is held for two days, and a large number of camels gather from within and outside the aimag.
Ongiin Monastery	Summer	In September, the Traditional Art Naadam, a Nomadic Festival, is held.

Source: Prepared by the survey team

(2) The vicinity of Dalanzadgad City, Umnugovi aimag

The area is 165,000 km² and the population is 71,493 (as of 2020). It is the largest aimag in Mongolia and has the lowest population density. The aimag became famous for being the first place in the world where fossilized dinosaur eggs were discovered, and it opened the first tourist camp for foreigners in Mongolia. In 1996, Umnugovi aimag identified tourism, mining, and agriculture as priority sectors for the local economy. Since 2000, the mining sector has grown significantly with the development of the Tawan Tolgoi coalfield and the Oyu Tolgoi copper and gold mine, which are among the world's leading mines. The mining sector

³³ Mr. Batmunkh, President of the "Miracle of Mount Del" Association, 2021

accounts for the majority of the aimag’s fiscal revenue and is currently positioned as a priority sector for conducting responsible mining, sustainable tourism, and intensive agriculture. The most famous tourist attractions are Bayanzag, where dinosaur fossils were discovered, Yoliin Am, a large canyon, and the Khongor Sand Dunes.

Dalanzadgad is the capital of Umnugovi aimag and the center of tourism in the aimag. In 1923, the Andrews expedition sent by the American Museum of Natural History in New York discovered the world’s first dinosaur egg in Bayanzag, Bulgan soum, present-day Umnugovi aimag, which made Umnugovi aimag known to the world. The aimag is also home to many deserts, dinosaur fossil discoveries and ruins, and offers many events for tourists.

Table 3-2: Major tourist resources around the City of Dalanzadgad

Name of tourist resource	Season	Overview
Yoliin Am Valley (Gobi Gurvansaikhan National Park)	Throughout the year	The cliffs are located in the Gobi Gurvansaikhan Mountains, and the snow-covered mountains can be seen even in summer. Many wild animals such as argali (large horned wild sheep), Siberian ibex, and snow leopards may also be seen in the area. The valley is also a breeding ground for the bearded eagle, the provincial bird.
Khongor Sand Dunes (the fourth largest sand dune in Asia)	Throughout the year	The Khongor Sand Dunes are a vast 180 km long sand dune, reaching a height of 195 meters. There are many ways to have fun, from climbing to the top to sledding down the sand. Around the dunes, visitors can see rare birds listed in the Red Book of Mongolia, such as the Henderson’s Ground Jay, as well as valuable nocturnal animals, such as the Long-eared Hedgehog. Visitors can also visit nomads and experience camel riding. Tourist camps around the area are equipped with shower rooms with hot water and flush toilets. On the second Friday, Saturday, and Sunday of September, the Sand Dune Festival is held, with competitions such as the Sand Dune Marathon, Dune Summit Race, Sand Dune Sumo, and Sand Dune Volleyball.
Khavtsgait (rock paintings)	Throughout the year	Visitors can see rock paintings that are more than several thousand years old.
Shart sav dinosaur footprint fossils	Throughout the year	18,000 fossils of dinosaur footprints dating back 90 million years have been discovered, and the area is said to be the world’s largest dinosaur footprint fossil complex.
Bayanzag (where the world’s first dinosaur eggs were discovered)	Summer	This is the place where the American explorer Andrews discovered the world’s first dinosaur egg in 1923. Many dinosaur fossils were unearthed from the red valleys, which are over 60 million years old. The red valleys are called “Flaming Cliffs” in English because they glow red in the evening sun. The red strata are spread out on a plateau more than 100 meters above the grassland, and the vast and majestic view from there is extraordinary and unforgettable. At the tourist information center, visitors can watch a documentary film about the excavation by the American Museum of Natural History.
200 km camel experience	Summer	This is a camel trek from Dalanzadgad to Khongor Sand Dunes. The 200 km camel experience is a major source of income for the nomads living around Khongor Sand Dunes and Bayanzag.
Camel race, camel festival	March	The camel race, camel festival is held every year on March 6 and 7 in Bulgan soum, Umnugovi aimag. This is a classic winter festival that even set a Guinness record in 2016 with a simultaneous race of 1,108 camels. Camel owners from the three surrounding aimags gather for the camel race, camel festival.
Snow and ice festival	Winter	The snow and ice festival is held sequentially in places with beautiful winter sceneries, such as the Yoliin Am Valley and Khavtsgait Valley.

Source: Prepared by the survey team

Umnugovi was the first aimag in Mongolia to open a campground for foreigners in 1963, and currently is one of the aimags in Mongolia that makes the biggest effort to welcome foreign tourists. The provincial Department of Nature, Environment and Tourism is investing in facilities to make Bayanzag, Khongor Sand Dunes, and the

Shartsav Dinosaur Footprint Fossil Complex world-class tourist destinations. In addition, the renovation of the Provincial Museum of Natural History is underway and is 90% complete.

One of the main features of the tourism sector in Umnugovi compared to other aimags is the promotion of community-based participatory tourism development. The first initiative for the development of community-based participatory tourism was a tourism seminar conducted by the GIZ and professors from the Gazarchin University of Tourism for members of the “10,000 Camels Travel Association” and nomads in Sevrei soum, Umnugovi aimag in 1996. The GIZ has conducted many training seminars and activities to promote community-based tourism, use local tourism resources, improve handicraft and felt product manufacturing capabilities, and promote the creation of a system to generate income from tourism, while at the same time working to protect the environment.

In recent years, the number of people interested in tourism has been increasing in Umnugovi aimag, and new businesses are being established. A total of six new coffee shops, five in Dalanzadgad and one in Bayandalai soum, have started operating, mainly targeting tourists. In 2020, two new hotels were built in Dalanzadgad and a new tourist camp was built on land 12 km away from Dalanzadgad. They are scheduled to open after the end of the COVID-19 (Mr. N. Burmaa, Tourism Division, Provincial Department of Nature, Environment and Tourism, 2021).

Running a ger house is also one of the most popular tourism projects. In FY 2019, the ger house that was operated from early April to November, welcoming the most tourists, had about 1,500 users and generated 19.5 million MNT in revenue. Ger houses are priced at 10,000-15,000 MNT per person per night (without meals) for foreign tourists, and 50,000 MNT (5 beds) or 60,000 MNT (6 beds) per ger for domestic tourists. However, domestic tourists often stay in one ger with more than 5 people, and some stay in their own tents, so the amount of sales from foreign tourists is larger.

As part of the Umnugovi aimag’s “Tourism-Household Income” project, the “Ger House Business Regulations” in the aimag were submitted to the Provincial Council on December 4, 2019 and approved by Decree No. 9/11. The approval of the regulations has created a legal environment for local residents to generate income from the operation of ger houses. (N. Burmaa, Tourism Development Specialist, Provincial Department of Nature, Environment and Tourism, 2021.) Operators of ger houses insist that the land officers in each soum should comply with the ger house business regulations approved by their soum council when granting land use right permits to operators (B. Oyungerel, head of the “Jargalant” organization of ger house operators around the Yoliin Am Valley, in 2021).

There are currently 61 ger houses in Umnugovi aimag and 56 nomads provide horse riding and camel riding experience services. In addition to running ger houses, nomads sell felt products as souvenirs and run horse and camel riding businesses. Six households operate souvenir stores near the Yoliin Am Valley. Another potential source of tourism income for nomads other than running souvenir stores is guiding rare wildlife watching tours (snow leopards, Uncia uncia, Pallas’ cat or Manul, Otolobus manul, Marbled polecat, and Vormela peregusna). Travel agencies have signed contracts with local nomads to cooperate in various ways, including locating wildlife, monitoring the movements of wildlife, renting horses, camels, and gers, buying dairy products, and hiring local nomads as local guides. For example, a 10-night wildlife watching tour involves three to seven local nomads per tour, with nomads earning one to four million MNT per person. Nomads, who used to only sell cashmere in the spring and meat and skins of livestock in the winter, are now increasing their income by participating in these tours. The development of tourism with the participation of local residents not only increases the income of local people, but also contributes to their knowledge of rare wildlife, birds, and plants, and their active participation in conservation activities (T. Tselmeg, Manager of Tum Eco-tour, Umnugovi aimag).

In 2019, two collaborative organizations were established around the Yoliin Am Valley. The first organization is the “Jargalant” cooperative, which was jointly established by 12 households operating ger houses, and has signed a contract with the Nature Reserve Administration to manage the collection and cleaning of waste in some areas. The second is “Zuun Saikhan Ekh nutag (Hometown East Saikhan),” a joint venture by private businesses that provide ger houses, souvenir stores, restaurants, and horse and camel riding services in the vicinity of the valley, which disposes of garbage and maintains public toilets in the valley under a contract with the Gobi Gurvansaikhan National Park Administration.

3.1.2 Plans, campaigns, and measures

(1) Outline of tourism development plan

There are no currently applicable provincial policy programs in Dundgovi aimag, and the preparation of a Tourism Development M/P is scheduled for 2022.

Umnugovi aimag has the Umnugovi aimag Long-Term Plan for Tourism Promotion 2019-2029, which was decided as Decree No. 9/10 by the Provincial Council on December 4, 2019, and is being implemented as a 10-year basic plan for the aimag's tourism project. The original draft of this plan was based on one jointly prepared by an NGO in the aimag, called Gaikhamshigt Gobi (Amazing Gobi), and the Ulaanbaatar City Tourism Association. It is extremely rare for an NGO to play a major role in rural tourism development like this. The unique feature of this plan is that it clearly indicates who is responsible for the project and for how long it will be implemented, and the plan will likely become a model for tourism development in the region, so it will be described below. The NGO Gaikhamshigt Gobi is involved in much of the implementation, and the system is subject to evaluation by the provincial audit office. This 111-item plan consists of ① 43 regional development projects in the soum, and ② 68 projects with contents included in the National Policy for Tourism Development 2019-2026. These plans include the development of tourism infrastructure, protection of tourism resources, raising the income of local residents, training of tourism workers, and many other plans.

Based on the above project schedule of the aimag, the necessary budgetary measures is taken every year in the basic socio-economic development policy of the aimag from 2019 onwards. The budgetary measures taken in 2021 are the following: 1) implementation of events and training, etc. (50 million MNT); 2) construction of Shartsav facilities and renewable energy power supply for Demchog Temple (482.3 million MNT), 3) breeding and conservation activities for wild camels such as the Bactrian camel (70 million MNT), 4) design of power supply system for Bayanzag (30 million MNT), 5) increase in water holes for wild animals and installation of electric well pumps (114 million MNT), and 6) additional migration of red deer and the organization of the "Six Wonders of the Gobi" conference (90 million MNT).

In the aimags of the Gobi region, which is the survey area, the regional development chapter of the national long-term development policy "Vision 2050" states that the first stage of the project "will be to construct by 2030 a tourism complex for recreation and rehabilitation using paleontological and rare animal parks, historical, religious, and cultural heritage, natural landforms, and mineral spring therapy."

Specific references to the Umnugovi region in the text of the National Policy for Tourism Development 2019-2026, adopted by the State Ikh Khural in 2019, are the internationalization of the airport in Umnugovi aimag and the construction of a paleontology tourism park.

In the appendix of the "Mongolia's Five-Year Development Guidelines for 2021-2025," the following projects are listed: 1) Gobi Region Tourism Complex Project, 2) conversion of Gurvansaikhan Airport into a 4C rank international airport (300 billion MNT), 3) start of construction of 45.5 km railroad between Nariisukhait and Shiveekhuren, 4) start of 281 km railway project between Zuunbayan and Khangai, and 5) 220 km paved road project between Dalanzadgad, Bayandarai, and Gurvantes.

Due to the vastness of the territory, it is not financially feasible to build a paved road to all the famous tourist spots, but a paved road is currently under construction to Gurvantes soum, near the Khongor Sand Dunes.

When considering the high interest of foreign tourists in Umnugovi aimag, the conversion of Gurvansaikhan Airport into an international airport with a 4C ranking is important to diversify tourists and secure an evacuation airport in the event that the capital airport is closed. The government had included the conversion of the airport in its plan for 2021-2026, but no budget was allocated for FY 2021.

Thus, the development of the infrastructure sector will greatly improve the convenience of tourists visiting the aimag.

In Umnugovi aimag, activities to protect and preserve tourism resources are steadily progressing. In Bayanzag and Shart sav, protection fences and tourism centers are being built, and efforts are being made to develop sustainable tourism.

The Umnugovi Provincial Government is planning tourism development plans in three regions: the central, western and eastern regions. In the eastern region, there are the world’s leading mines, the Oyu Tolgoi copper mine and the Tawan Tolgoi coal field. In addition, there is a growing trend toward closer ties with China in terms of road paving and railroads, which in turn may improve access to tourism resources.

Umnugovi is one of the richest aimags because the government has a policy of returning mining revenues to the local communities in aimags with mines. There are more than 100 tourism projects prepared by the aimag. Specific examples include the construction of a Provincial Museum and the completion of preparations for the listing of Bayanzag as a World Heritage Site. It is estimated that it will not be easy to secure the financial resources needed to resolve the infrastructure development plan in the short term, but with the favorable financial situation of the mining aimag, the tourism development program is likely to be realized.

(2) Umnugovi aimag Long-Term Plan for Tourism Promotion 2019-2029 (Decree of the Provincial Council No.9/10 dated December 4, 2019)

In Umnugovi, there is a very active NGO, Gaikhamshigt Gobi, which works closely with the aimag on tourism projects and tourism development. In the draft project plan prepared by the NGO and the aimag, a total of 111 projects are listed in a table by region, field, and partner. Of these, only matters that are considered to have a particularly important significance to the survey team will be extracted and introduced. The details of the project, the entity implementing the project, the organizations cooperating in the implementation, the period of implementation, the status of implementation, and the budget for implementation are clearly described so that the scale and effect of the project can be estimated.

Regarding issues, the following can be pointed out: 1) there are too many plans listed, 2) the effectiveness of the plan is questionable with only one full-time person each from the NGO and the provincial tourism department, and 3) the securing of financial resources is based on wishful thinking.

Table 3-3: Development Project in Umnugovi aimag by Region (Dalanzadgad Area Project)

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period and status
1	Create sightseeing information networks and publish sightseeing road maps	Provincial Nature, Environment and Tourism Department	“Gaikhamshigt Gobi” Tourism Association	2020-2021 A new Umnugovi aimag tourist road map and aimag tourist brochure (in Mongolian and English) with QR code information of all tourist camps and some hotels in the aimag were published in 2020 with subsidy from the aimag (28 million MNT).
2	Enhance sightseeing plans and cultivate guides	Provincial Nature, Environment and Tourism Department	“Gaikhamshigt Gobi” Tourism Association	2020 and after In 2020, a “Hospitality Service Specialty Training” was conducted, welcoming 680 people.
3	Renovate and remodel the Provincial Museum of Natural History	Provincial Nature, Environment and Tourism Department Provincial museum Provincial Department of Education and Culture	Organization specializing in tourism	2020 and after Renovation of the Provincial Museum of Natural History is 90% complete, and it will be completed by the end of this year.
4	Create and implement a museum and natural science education program for junior high school students.	Provincial Nature, Environment and Tourism Department Provincial Department of Education and Culture	“Gaikhamshigt Gobi” Tourism Association	All periods since 2020 (currently on hold due to the spread of COVID-19)

5	Enhance tourist attractions around Dalanzadgai Pond, build facilities for handicraft sales and performances, and promote local employment.	Provincial Nature, Environment and Tourism Department Dalanzadgad City Council Provincial Governor's Secretariat Dalan's Fifth District	"Gaikhamshigt Gobi" Tourism Association	2020-2029 The total budget for the park construction is expected to be 3 billion MNT.
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Source: Prepared by Gakhamshigt Gobi

Table 3-4: Development Project in Umnugovi aimag by Region (Eastern Region Projects)

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
6	Construct environmental and tourist information centers and commercial facilities including public toilets in Manlai soum.	Soum hall	"Gaikhamshigt Gobi" Tourism Association	2020-2023
7	Construct environmental and tourist information centers and public toilets in Khambogd soum.	Soum hall	Provincial Governor's Secretariat	2020-2023 Included in MNET's project to be launched in 2022.
8	Hold tourism-related seminars for local residents.	"Gaikhamshigt Gobi" Tourism Association	Soum hall	2020-2021
9	Complete the construction of facilities in Shart sav and Khurdet caves	Provincial Nature, Environment and Tourism Department Mongolian Society for the Protection of Ancient Artifacts	Soum hall Specialized organizations	2020 and after 705.5 million MNT has been budgeted for the construction of the Shar tsav facility; achievement is currently at 80%.

Source: Prepared by Gaikhamshigt Gobi

The projects included in the "National Policy for Tourism Development in Mongolia 2019-2026" are as follows.

Table 3-5: Use topography, natural environment, historical and cultural heritage, promote regional tourism development, improve service level, ensure hygienic environment, and strengthen the promotion of employment.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
10	Conduct capacity survey of tourist camps around Yoliin Am Valley and re-plan the environment around the entrance to Oyot Valley, Gobi-Gurvansaikhan National Park.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department	Specialized organizations	2020-2026 High voltage line connection near Yoliin Am Museum was completed.
11	Integrate commercial facilities and museums in Oyot Valley and construct new facilities including restaurants and public toilets.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department	Local private organizations "Gaikhamshigt Gobi" Tourism Association	2020-2026 Implementation plan approved

12	Improve the legal environment for the operation and management of local conservation NGOs, cooperatives, and businesses.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department	“Gaikhamshigt Gobi” Tourism Association	2020-2026 An ordinance was enacted to allow local NGO groups to use parts of the national park under contract.
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Source: Prepared by Gaikhamshigt Gobi

Table 3-6: Tourism-related education, support for training, surveys, and research, and strengthening of human resource development

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
13	Construct facilities and provide support for research at the Shar tsav dinosaur footprint fossil discovery site in accordance with the aimag's cultural heritage management plan.	Institute of Paleontology, Mongolian Academy of Sciences Provincial Governor's Secretariat	“Gaikhamshigt Gobi” Tourism Association	2020-2026 705.5 million MNT has been budgeted for the construction of the Shar tsav facility; achievement is currently at 80%.
14	Construct facilities and provide support for research in Bayanzag based on the provincial cultural heritage management plan	Institute of Paleontology, Mongolian Academy of Sciences Provincial Governor's Secretariat	Specialized organizations	2020-2026 Researchers from an institute of archaeology surveyed an ancient settlement site in Bayanzag and formulated a plan to build an outdoor museum with a budget of 25 million MNT.

Source: Prepared by Gaikhamshigt Gobi

Table 3-7: Establish effective and consistent collaboration between government, science, and business.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
15	Establish a research center for paleontology, geology, and cultural history in cooperation with the Nature Museum based on a resolution of the Provincial Assembly.	Mongolian Academy of Sciences Provincial Governor's Secretariat	Mongolian Antiquities Protection Association "Gaikhamshigt Gobi" Tourism Association	2020-2029 The provincial Council held a meeting in Shar tsav and adopted a proposal to establish a research center.
16	Operate the NGO “Bayanzag-Ulalzakh Tsonj (Flaming cliffs) Development Center” as a core site for historical and cultural heritage protection activities and tourism promotion.	Mongolian Academy of Sciences Bulgan soum Office	Mongolian Antiquities Protection Association "Gaikhamshigt Gobi" Tourism Association	2020-2029
17	Establish a cooperative of local guides and drivers and an NGO for its members, and develop and disseminate a code of ethics to be followed by ger houses, tourist camps, guides, and drivers.	Provincial Nature, Environment and Tourism Department “Gaikhamshigt Gobi” Tourism Association	Specialized organizations	2020 and after Drafting of a proposed code of ethics in progress

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
18	Conduct human resource development training programs in the tourism and service sectors in collaboration with polytechnic colleges.	Provincial Nature, Environment and Tourism Department Provincial Department of Education and Culture Polytechnic colleges	Specialized organizations	2020 and after Proposed program content to the Provincial Department of Education and Culture
19	Suspend land ownership permits in the surrounding area to protect the breeding grounds of the Mongolian Khulan (Wild Ass) and goitered gazelle (Black tailed gazelle) in the vicinity of the Khongor Sand Dunes.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department Sevrei soum Office	—	2020-2026
20	Prohibit the movement of livestock and people to protect the watering and feeding grounds of the Mongolian Khulan (Wild Ass) in the Bayan Bor Mountains.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department	Soum hall	2020-2026
21	Relocate ger houses around the Khongor Sand Dunes to improve the landscape	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department	Soum hall	2020-2026 An agreement has been reached between Sevrei soum, the Department of Conservation and Management, and local residents.
22	Restrict access to vehicles beyond Adag Lake in Khongor Sand Dunes.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department	Soum hall	2020-2026
23	Create spherical friends among national and international experts and organizations at the lithic excavation site in the Tsakhiurt Valley (Plint Valley), and designate the site as a protected area.	Special Protected Area Management Department Provincial Nature, Environment and Tourism Department Specialized organizations	Soum hall	2020-2026

Source: Prepared by Gaikhamshigt Gobi

Table 3-8: Internationalize airports and enhance airport functions in Dornod, Umnugovi, Uvurkhangai, Khuvsgul, Uvs, and Khovd aimags.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
24	Internationalize Gurvansaikhan Airport, with plans for direct international flights and charter flights.	MNET Civil Aviation Authority of Mongolia Provincial Governor's Secretariat	Donor organizations	2020-2026

Source: Prepared by Gaikhamshigt Gobi

Table 3-9: Construction of multi-service and accommodation facilities based on public-private partnerships in major tourist destinations.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
25	Install public toilets in all soums of the aimag, and improve facilities, quality and service levels of accommodation facilities.	Provincial Council Provincial Governor's Secretariat	Local private organizations	2020-2029 Bulgan soum will be conducting construction with the soum budget, while Bayandalai soum will be conducting construction with the national budget.

Source: Prepared by Gaikhamshigt Gobi

Table 3-10: Maintenance of boardwalks and trails in nature reserves, installation of bulletin boards and signs.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
26	Maintain boardwalks and signs in Zuun Saikhan (East Saikhan).	Provincial Nature, Environment and Tourism Department Soum hall	Private organizations in the aimag	2020-2029
27	Maintain trails and signs in the Zuulungiin Mountains.	Provincial Nature, Environment and Tourism Department Soum hall	Private organizations in the aimag	2020-2029
28	Install signs at the entrance and exit of the nature reserve.	Provincial Nature, Environment and Tourism Department Soum hall	Private organizations in the aimag	2020-2029
29	Maintain a database of rare wildlife living in nature reserves.	Provincial Nature, Environment and Tourism Department Soum hall	Private organizations in the aimag	2020-2029 Aim to establish workplaces and accommodation facilities for researchers in Mongolia and abroad at the "Jargalant" International Gobi Research Center and operate workplaces and accommodation facilities based on a database.

Source: Prepared by Gaikhamshigt Gobi

Table 3-11: Establishment of campgrounds in areas with natural, historical, and cultural heritage that will become major tourist destinations.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
30	Construct a campground near Seruun Spring, Duut Mankhan, Khongor River.	Provincial Nature, Environment and Tourism Department Special Protected Area Management Department	"Gaikhamshigt Gobi" Tourism Association	2020-2029 Public toilets are to be installed as part of the Khongor Sand Dunes Tourism Management Plan, and campground are to be built in 2021.
31	Build a campground in Bayanzag.	Provincial Nature, Environment and Tourism Department	"Gaikhamshigt Gobi" Tourism Association	2020-2026

		Special Protected Area Management Department		Scheduled for construction in 2021 by Bayanzag Conservation Authority
32	Construct Yoliin Am Valley Campground.	Provincial Nature, Environment and Tourism Department Special Protected Area Management Department	“Gaikhamshigt Gobi” Tourism Association	2020-2026

Source: Prepared by Gaikhamshigt Gobi

Table 3-12: Establishment of a center or base for disseminating tourist information near the Mongolian border checkpoint.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
33	Establish tourist information centers at Gashuun sukhait border checkpoint and Shivee Khuren border checkpoint.	Provincial Nature, Environment and Tourism Department	Organization specializing in tourism	2020-2029
34	Use hotels, ger houses, restaurants, and service facilities in major sightseeing areas as a base for disseminating tourist information.	Provincial Nature, Environment and Tourism Department Organization specializing in tourism	Soum hall	2020-2029 To be implemented in Bayandalai and Bulgan soums in 2021

Source: Prepared by Gaikhamshigt Gobi

Table 3-13: Promotion of environmentally friendly waste management in major tourist areas, and establishment of solid and liquid waste treatment plants.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
35	Construct a garbage recycling plant in Dalanzadgad City.	Provincial Governor’s Secretariat Soum hall	Local private organizations	2020-2026
36	Improve dump sites in each soum, place signs, and post soum waste management account information on bulletin boards.	Provincial Governor’s Secretariat Soum hall Organization specializing in tourism	Local private organizations	2020-2029

Source: Gakhamshigt Gobi

Table 3-14: Exhibiting and promoting at ITM exhibitions with cooperation from government agencies, private companies, and tourism-related entities.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
37	Annually participate in the ITM Mongolia International Tourism Exhibition and Ulaanbaatar Travel Exhibition.	Provincial Nature, Environment and Tourism Department	“Gaikhamshigt Gobi” Tourism Association	2020-2026 The 2021 Provincial Budget approved a five million MNT subsidy for exhibition participation.
38	Participate in international exhibitions in North America, Europe, and Asia on an annual basis.	Provincial Nature, Environment and Tourism Department	“Gaikhamshigt Gobi” Tourism Association	2020-2026 Temporarily stopped due to the COVID-19

Source: Prepared by Gaikhamshigt Gobi

Table 3-15: Organizing sightseeing tours in cooperation with neighboring countries, and promoting tourism development around the border.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
39	Plan a special one to three night tour around the border to visit the western and eastern border areas.	“Gaikhamshigt Gobi” Tourism Association	Tourist businesses, etc.	2020-2029

Source: Prepared by Gaikhamshigt Gobi

Table 3-16: Collaborating with related countries to develop tourism using the Silk Road, the Tea Road, and the Tumen River.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
40	Hold an exhibition on the Tea Road at the Provincial Nature Museum.	Provincial Nature, Environment and Tourism Department Nature museum	“Gaikhamshigt Gobi” Tourism Association	2020-2029

Source: Prepared by Gaikhamshigt Gobi

Table 3-17: Promotion of tourism development from the fields of archaeology, geology, and geophysics in the Gobi region, survey of tourism resources and environmental capacity, and establishment of basic policies for the development of tourism products.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
41	Register natural, historical, and cultural heritage sites such as Shar tsav, Bayanzag, Nemegt and Khermen tsav as UNESCO Global Geoparks.	Provincial Council Institute of Paleontology, Mongolian Academy of Sciences	Provincial Governor’s Secretariat	2020-2029 Bayanzag is ready to apply for registration.

Source: Prepared by Gaikhamshigt Gobi

Table 3-18: Establishment of sustainable tourism development promotion areas based on conservation and protection of the natural environment.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
42	Conduct a scientific survey into important areas in Umnugovi aimag and fully protect them as tourism resources.	Provincial Council Provincial Governor’s Secretariat Soum council Soum hall	Specialized organizations	2020-2025

Source: Prepared by Gaikhamshigt Gobi

Table 3-19: Establishment of a Paleontology and Tourism Research Institute in Umnugovi aimag.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
43	Shart sav Historical and Cultural Heritage Management Plan	Mongolian Society for the Protection of Ancient Artifacts	“Gaikhamshigt Gobi” Tourism Association	2020-2026 705.5 million MNT has been budgeted for the construction of the Shar tsav facility; achievement is currently at 80%.

44	Fully implement the Bayanzag Historical and Cultural Heritage Management Plan	NGO "Bayanzag-Ulalzakh Tsonj (Flaming cliffs of Fire) Development Center"	Specialized organizations	2020-2029 The Bayanzag Conservation and Management Authority has already established a mechanism to operate with its own funding and revenue. Once the COVID-19 pandemic comes to an end, all costs will be self borne and managed.
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Source: Prepared by Gaikhamshigt Gobi

Table 3-20: Promoting Tourism Development in Areas Surrounding Borders

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
45	Organize regular tours to Orvog Gashuun Bor Hill to promote patriotic spirit among children and youth (plan to include high school graduates every year).	Border Protection Department Provincial Governor's Secretariat Soum hall	"Gaikhamshigt Gobi" Tourism Association	2020-2026 A program for high school graduates to tour major natural, historical, and cultural sites in their hometowns was instituted in 2021.

Source: Prepared by Gaikhamshigt Gobi

Table 3-21: Strengthening our policy on tourism development by local residents and promoting participatory tourism development.

	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
46	Strengthen communities of major tourist destinations, and outsource some of the special protected areas to private organizations.	Provincial Nature, Environment and Tourism Department Special Protected Area Management Department	Local residents	2020-2029 Investigating feasibility as part of the GIZ's Spice project.
47	Regularly hold and organize handicraft production training, guide training, and hospitality training for local residents, and also create and disseminate a code of ethics.	"Gaikhamshigt Gobi" Tourism Association	Local residents	2020-2029 To be implemented as soon as COVID-19 restrictions are relaxed.

Source: Prepared by Gaikhamshigt Gobi

Table 3-22: Conduct regular surveys on the demand and supply situation in the tourism market, and use the results in the areas of training, seminars, and manufacturing.

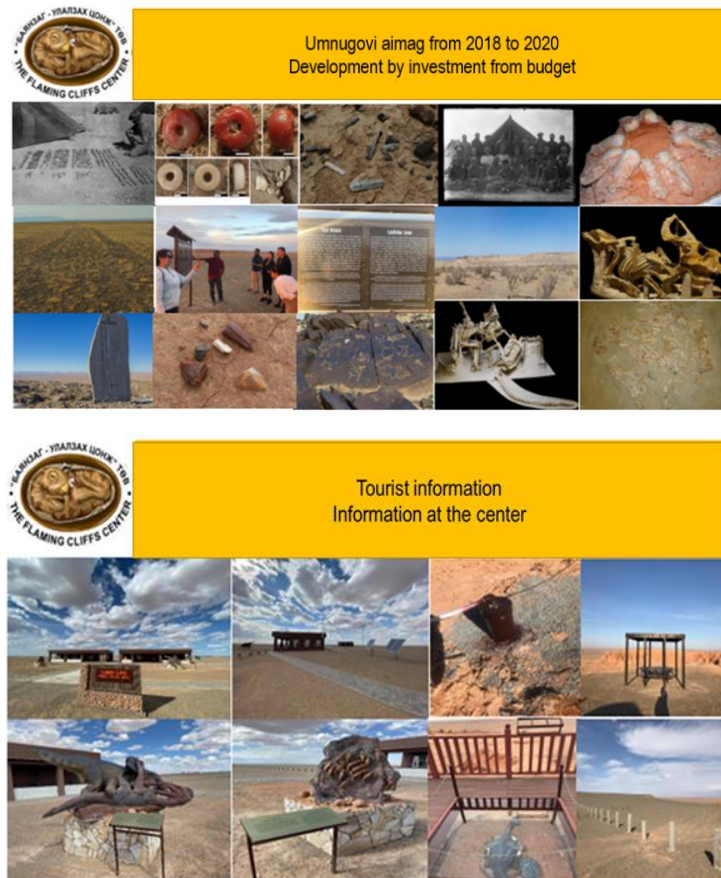
	Details of the project	Entity implementing the project	Organizations cooperating in the implementation	Implementation period
48	Organize hospitality training for tourism businesses in the aimag to promote the development of experts and secure employment.	Provincial Nature, Environment and Tourism Department "Gaikhamshigt Gobi" Tourism Association	Ger house operators Tourism business operators	2020-2029 MNET decided to hold programs over a five-year period.

Source: Prepared by Gaikhamshigt Gobi

3.1.3 Organizations related to tourism development

(1) NGO "Bayanzag-Ulalzakh Tsonj (Flaming cliffs) Development Center"

With the support of international NGOs, the method of setting up new NGOs with local involvement in the maintenance and management of tourist attractions in prominent national parks was approved for Hustai National Park, where Przewalski's horse are raised in free-range, and the Ikh Nart Natural Resource Reserve in Dornogovi aimag (see Table 3-19, No. 44). This is an attempt to develop sustainable tourism through cooperation among the national government, aimags, soums, and NGOs, and is attracting attention as a new example of self-management. The basic mechanism is that in exchange for granting the right to charge admission fees to NGOs managing the tourist sites, the NGOs maintain and manage the facilities and pay the salaries of their staff with the admission fees. NGOs are tax exempt and do not have to pay taxes to the government. For instance, in another five years, the NGO Bayanzag-Ulalzakh Tsonj (Flaming cliffs) Development Center will be required to provide loans of up to 30% of its income without interest for the purpose of education and health of local residents.



Source: NGO "Bayanzag-Ulalzakh Tsonj (Flaming cliffs) Development Center"

Figure 3-3: NGO Bayanzag-Ulalzakh Tsonj (Flaming cliffs) Development Center's pamphlet

(2) Gaikhamshigt Gobi Tourism Association

Established in 2006, this NGO is the only NGO in the aimag that brings together a wide range of people involved in tourism. Members include 26 tourist camps, 14 hotels, 45 guest houses, 61 ger houses, 58 horse and camel herders, 58 guides, and 60 drivers. The membership fee for member organizations is 250,000 MNT. The Governor's Secretariat of Umnugovi aimag provides a subsidy of five million MNT each year for the ITM Exhibition and Camel Festival. They are involved in the development of natural and cultural heritage management plans for fossil sites, sand dunes, and valleys, as well as the establishment of regulations to be followed by ger houses. They cooperate with nature reserve officers, who protect and manage activities of Gobi Gurvansaikhan National Park, and local residents in training and promotional activities, and hold training sessions for business owners operating ger houses in the park area upon request. Since 2015, they have also been collaborating with the Abiko Wild Bird Protection Association, based in Abiko City, Chiba

Prefecture, and have participated in the Japan Bird Festival for five consecutive years.

3.1.4 Tax revenue related to tourism

It is practically impossible to calculate the amount of tax revenue related to tourism. One of the factors that makes it impossible to calculate is the problem with the current tourism tax system. There is no such thing as a tourism tax, so in addition to the income tax, tourism companies pay land use fees and permit fees to the local government. Land use and permit fees for national parks and special protected areas are collected by the municipalities in which they are located and paid directly into the national budget. Tourism-related tax revenues that can be confirmed in Umnugovi aimag are as follows.

(1) Taxing Tourist Camps

Of the 26 tourist camps currently operating, 22 pay corporate tax to Umnugovi aimag and the remaining four to Ulaanbaatar City. The corporate tax of tourist camps is a source of revenue for national and local budgets.

The following table shows the tax payment amount in 2019 for Juulchin Gobi, one of Mongolia's leading tourist companies. This will allow us to check the tax payment amount of the said tourist camp.

Table 3-23: Tax Payment in 2019 of "Juulchin Gobi" Co., Ltd.

No.	Taxes	Amount/MNT/
1	Value-added tax (VAT)	19,031,871.93
2	Individual income tax	2,549,121.16
3	Income taxes	3,247,478.89
4	Fixed assets tax	741,600.00
5	Rent for land	4,500,000.00
6	Social insurance premiums (Khan-Uul district Social Insurance Department, Ulaanbaatar)	2,267,718.00
7	Social Insurance Premium (Social Insurance Department, Umnugovi aimag)	975,600.00
8	Water charges	1,350,000.00
	Total amount:	34,663,389.98

Source: "Juulchin Gobi" Tourist Camp 2021

(2) Entrance fee for National Special Nature Reserves

There are three national special nature reserves in Umnugovi aimag: Gobi Gurvansaikhan National Park, Small Gobi Special Reserve, and Tost-Toson Bumba Special Reserve. In these nature reserves, entrance fees of 3,000 MNT (1.09 USD) are collected from foreign tourists and 300 MNT (0.11 USD) from domestic tourists by the nature reserve officers of the area, and tickets are issued. The entrance fee collected is paid to MNET. Each Nature Reserve Area Management Authority is not entitled to use this admission fee.

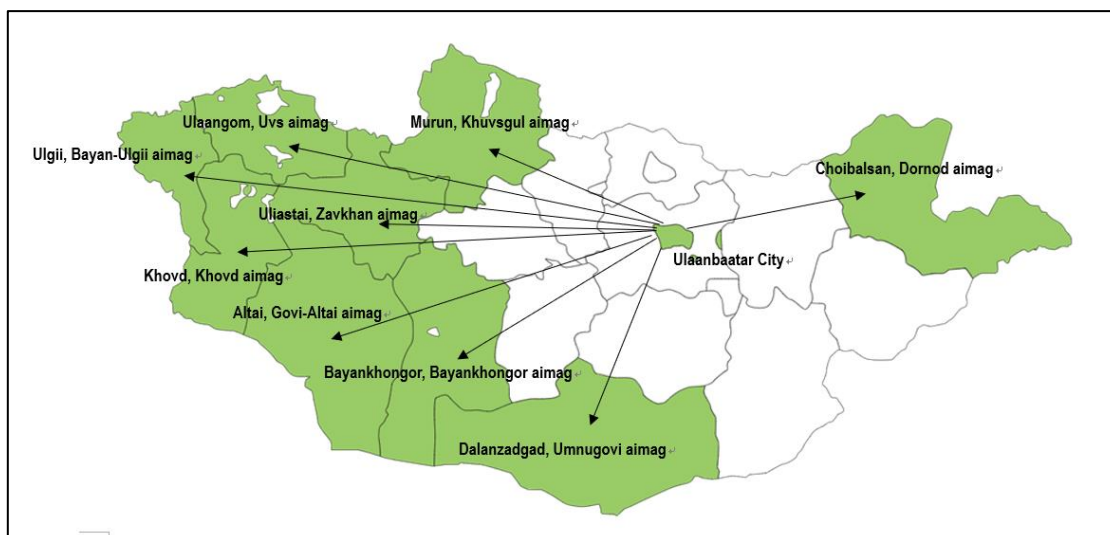
(3) Entrance fees for local nature reserves

On February 27, 2019, the NGO Bayanzag-Ulalzakh Tsonj (Flaming cliffs) Development Center (registration number: 8305668) was established in Bayanzag, the site of the dinosaur fossil discovery, with the mandate to manage the protected area in Bayanzag. The organization collects 10,000 MNT (3.64 USD) per person from foreign tourists entering Bayanzag and 3,000 MNT (1.09 USD) from domestic tourists. This is used to finance the organization's reserve and management of Bayanzag, maintenance of facilities, and wages for employees.

3.1.5 Status of infrastructure

(1) Airports and airlines

Regarding domestic flights, there are regular flights to nine aimags, mainly consisting of western aimags, and among the regions surveyed, there are regular and charter flights only to Umnugovi aimag.



Source: Prepared by the survey team

Figure 3-4: Domestic arrival and departure aimags (2019)

Aero Mongolia and Hunnu Air operate regular flights to Dalanzadgad City, Umnugovi aimag, but it is practically impossible to get clear information about the latest flight information and future plans from the airlines because of the repeated lockdowns and other measures to prevent the spread of the COVID-19.

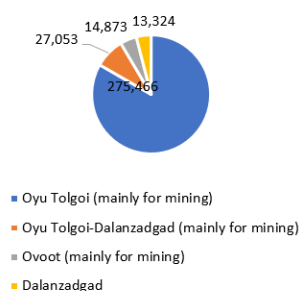
Table: 3-24: Flight information to Dalanzadgad City, Umnugovi aimag (as of 2019)

Route	Flight time	Airlines	Frequency		Summer price (MNT)	Winter price (MNT)
			Summer	Winter		
Dalanzadgad (Umnugovi)	One hour and a half	Aero Mongolia	Seven times a week	Once or twice a week	300,000	250,000
		Hunnu Air	Seven times a week	Once a week	605,200	200,000

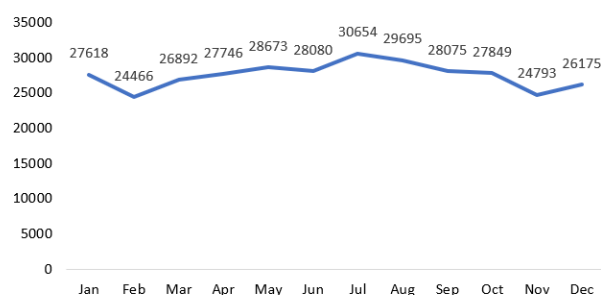
Source: Prepared by the survey team based on Internet information

In addition, the number of passengers in 2019 to Umnugovi aimag, including charter flights to Oyu Tolgoi mine, is as follows. Of the four flight routes to Umnugovi aimag, the Ulaanbaatar to Oyu Tolgoi route, the Ulaanbaatar to Oyu Tolgoi and Dalanzadgad route, and the Ulaanbaatar to Ovoot route are mainly chartered flights exclusively for Oyu Tolgoi mine employees, and flights on these routes account for a large 73% proportion of domestic flights (2019: Civil Aviation Administration statistics collection). Furthermore, the number of passengers traveling to Umnugovi aimag by month shows little fluctuation throughout the year, and the majority of passengers are from the mining industry, suggesting that very few people fly to Umnugovi aimag for tourism.

Number of domestic flight passengers to Umnugovi aimag (2019, by section)



Shift in number of domestic flight passengers to Umnugovi aimag (2019, by month)



Source: Compiled by a survey team from the National Statistical Office of Mongolia

Figure 3-5: Number of Domestic Passengers to Umnugovi aimag, Survey Area (2019)

(2) Road

1) Dundgovi aimag

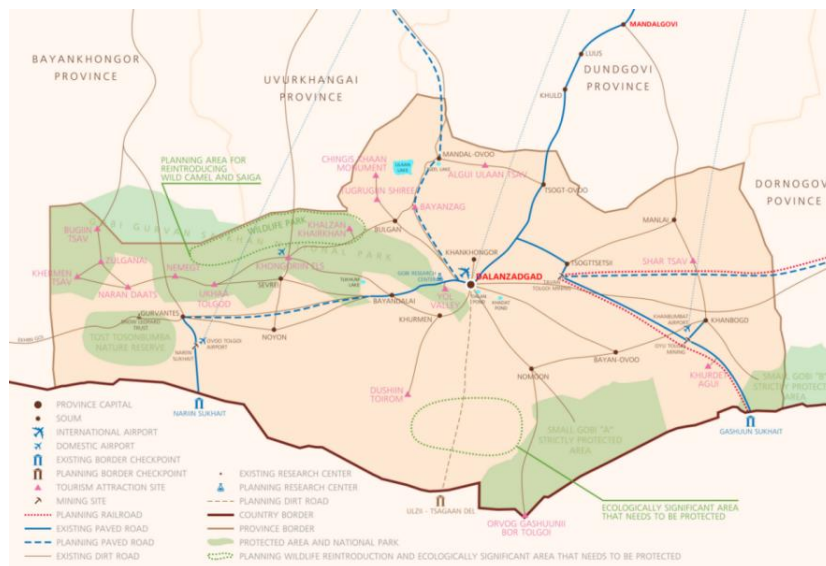
There are paved roads from the main road from Ulaanbaatar to Dalanzadgad to the center of Delgertsogt, Khuld, Saintsagaan, and Luus soums, but the roads to other soums and tourist spots are unpaved.

2) Umnugovi aimag

In the central, western, and eastern regions of Umnugovi aimag, paved roads have been constructed through major villages, but there are no plans at present to connect all tourist sites with paved roads due to the vastness of the land and the distance between each tourist site.

Umnugovi aimag set up toll booths to collect user fees for the maintenance of paved roads in the western region, which were constructed with the provincial budget. The collected fees are expected to be used as a source of funds for future road construction, but currently there are no paved roads directly connected to major tourist attractions.

The main road from Ulaanbaatar to Dalanzadgad, Umnugovi aimag, and the 80 km road from Dalanzadgad to beyond Bayandalai on the Gurvantes Route have been paved. In addition, the mining roads for China, from the Tawan Tolgoi coal field to Gashuun sukhait, from the Ovoot Tolgoi coal field to Nariin sukhait, and from the Oyu Tolgoi mine to the local Khanbogd, are paved. Other roads are unpaved. The development of paved roads is planned in accordance with the “Provincial Regional Development Plan 2010-2021,” which divides the aimag into central, western, and eastern regions.



Source: Department of Nature, Environment and Tourism, Umnugovi aimag

Figure 3-6: Road map to major tourist spots (paved and unpaved roads) as of 2020

<Central region>

A 585 km paved road has been constructed connecting Dalanzadgad City, Mandalgovi City, and Ulaanbaatar City. From this paved road, visitors can take an unpaved road to the countryside to visit tourist sites such as Sum Khukh Burd, Ikh Gazriin Chuluu, Baga Gazriin Chuluu, Tsagaan Suvarga, and the Mount Del rock paintings in Dundgovi, and stay at tourist camps in the vicinity.

This paved road passes through the city of Mandalgovi, so it is possible to take a rest stop, eat, and stay overnight. The paved road also passes through Tsogt-Ovoo soum in Umnugovi aimag. In Tsogt-Ovoo soum, camel dairy products and other necessities can be purchased, and public toilets have been set up.

In the future (2021-2025), there is a plan to build a paved road to Bayanzag, a major tourist destination in the central region of Umnugovi aimag. In addition, pavement roads will be built between Bulgan soum, Mandal-Ovoo soum, and Saikhan-Ovoo soum in Dundgovi aimag and be connected to the main roads between

Ulaanbaatar City and Uvurkhangai aimag in a step-by-step manner. This is expected to increase the number of tourists visiting the Gobi region from the Khangai region and Kharkhorin.

<Western region>

Using the provincial budget, Umnugovi aimag has started a 316 km paved road improvement project connecting Gurvantes soum and Dalanzadgad City, which are the most popular tourist destinations in the western region, and 80 km of this paved road was built between 2012-2016. As a result, a hotel, cafeteria, and other service facilities were opened in Bayandalai soum, a transit point. However, in the 2016-2020 period, there were delays in the plan and only 20 km were developed in four years. The entire road improvement project is scheduled to be completed between 2020 and 2024. The 2021 budget provides for 30 km of road construction. When the road is completed, Dalanzadgad City, Bayandalai soum, Noyon soum, Sevrei soum, Dund River Salt Manufacturing Plant, and Gurvantes soum will all be connected by a paved road. This will improve access to Khongor Sand Dunes, Noyon Bogd Mountain, Mirror Rock, Sevrei Rock Paintings, Salkhit Rock Paintings, Ganjuur Danjuur Cliff, Ukhaa Tolgod, Nemeqt, Tost-Toson Bumba, Khuvd-Khurshuutiin River, Khermen tsav, Zuunmod Zulganai, Naran daats, Bugiin tsav, and Nagoon tsav, all of which are major tourist attractions in Umnugovi aimag, creating great potential for tourism development using tourist spots and dinosaur excavations as resources.

In addition, the road will provide easier access to the border checkpoint at Shivee Khuren, which will have a positive impact on travel to China and tourism development in the border area.

The road will also provide easy access to the Ekhiin River in the neighboring aimag of Bayankhongor, Mount Segs Tsagaan, home to the Bactrian camel (wild camel) and Mazaalai (Gobi bear), and the Gobi in the Altai region. As a result, it will have great implications for tourism via Bayankhongor, Govi-Altai, and Uvurkhangai aimags.

<Eastern region>

In the eastern part of the aimag, there are the world's largest Tawan Tolgoi coalfield and the Oyu Tolgoi copper and gold mines, and 200 km of paved roads have been constructed from the Tawan Tolgoi coalfield to the Gashuun sukhait border checkpoint for transportation and export purposes.

When the 59.6 km paved road between Dalanzadgad City and Tsogttsetsii soum is completed, all major mining points in the eastern region will be connected by paved roads.

In the future, the Mongolian government plans to continue to develop paved roads between Tawan Tolgoi and the Khangai Mandal border checkpoint (Dornogovi aimag). Currently, the construction of a railroad between Tawan Tolgoi, Gashuun sukhait border checkpoint, and Sainshand City is underway and will soon be completed. The paved road constructed between Dalanzadgad City, Tsogttsetsii, Tsagaan Khad, and Gashuun sukhait border checkpoint is expected to have a positive impact on tourism development around the border.

A paved road in the eastern region connects Tsogttsetsii with Khanbogd. Although the major tourist attractions in Khanbogd, such as Demchog Temple, Khurdet Cave, and Garbiin gobi, and Shar tsav with dinosaur footprint fossils in Manlai soum, are not currently connected to paved roads, the development of paved roads has reduced the distance of using unpaved roads compared to the past.

(3) Tap water

1) Dundgovi aimag

Mandalgovi, the aimag's capital, and the soums of Saintsagaan, Gurvansaikhan, and Ulziit were connected to water supply systems. Otherwise, most of the aimags use well water.

2) Umnugovi aimag

While Umnugovi aimag accounts for 10.6% of the land area of Mongolia, it only accounts for 0.5% of the country's water resources. This indicates that water resources are very scarce in the aimag. A total of 30 groundwater sources have been found in the aimag. Of these, 27 have been discovered by government and private projects since 1982 during water source exploration. Of these, 22 locations have water available, and five have very hard water.

Each soum also has little surface water resources and uses well water. In recent years, due to global warming, mining development, and other human-induced environmental destruction, some rivers have seen their water levels drop and become depleted. (2015 Surface Water Source Data) However, there is an adequate water supply in the central part of the soum. (Source: “Assessment of desertification and land degradation in Umnugovi aimag” research report by A. Khaulunbek (Ph.D), Ulaanbaatar City, 2017)

There are no tourist camps in Umnugovi aimag that use river water. Three of the tourist camps in the aimag use water taken from a well five km away. Others use wells drilled by themselves to depths of 70-150 meters. Each well has an inflow rate of at least 1 liter/second. Wells drilled in Gobi are considered to meet the criteria for a well only if the rate of inflow is at least 1 liter/second. Each tourist camp uses wells that meet this standard, so there is no shortage of water. Tourist camps must have a use management plan approved before they can start using water. The water usage fee for each tourist camp can be divided into two types: one is to pay for the usage with a fee meter, and the other is to pay a fixed fee. In the latter type of water usage fee, approximately 1 million MNT (364USD) is paid per month without restriction on the use of water. (*T. Soyolmaa, Water Environment Protection, Public Relations and Training, Provincial Department of Nature, Environment and Tourism, 2021)

(4) Sewage treatment

1) Dundgovi aimag

Mandalgovi, the aimag’s capital, and the soums of Saintsagaan, Gurvansaikhan, and Ulziitt were connected to sewage systems. In soums other than the four mentioned above, no sewage treatment plants have been established, and the sewage collected by sewage collection trucks is directly dumped into disposal sites in the suburbs.

2) Umnugovi aimag

Sewage is treated in accordance with the Mongolian national standard MNS4943:2011. A new sewage treatment facility with 98% removal capacity and 3,000m³/day treatment capacity is currently under construction in Dalanzadgad, Umnugovi, with a loan of 8.5 billion MNT from the Asian Development Bank. The construction achievement rate is 70% at present, and the facility will start operation in 2021. When the treatment facility in Dalanzadgad becomes operational, all cities and soums will be equipped with treatment facilities of the same standard. (*T. Soyolmaa, Water Environment Protection, Public Relations and Training, Provincial Department of Nature, Environment and Tourism, 2021)

The results of specific surveys on sewage treatment at ger camps are as follows. The negative impact of sewage discharged from ger camps on the environment is expected to be small, since the ger camps have some kind of wastewater treatment system.

- The “Gobi Mirage” tourist camp, located 50 km from the City of Dalanzadgad, uses a Vortex electric sewage treatment system (made in Poland), with technology provided by the United Kingdom, for sprinkling water on trees.
- The “Gobiin Anar” tourist camp, located in Khongor Sand Dunes, 210 km from Dalanzadgad City, installed a Chinese-made sewage treatment machine in 2020, but it is not yet operational as the business remains closed due to the COVID-19.
- The “Juilchin Gobi 2” tourist camp, located 216 km from Dalanzadgad City in Khongor Sand Dunes, has installed a Mongolian sewage treatment system, but does not use the treated water.
- The “Dream Gobi” tourist camp, located 50 km from Dalanzadgad City, has installed a sewage treatment machine, but does not use the treated water. Sewage is transported to a sewage treatment plant in Dalanzadgad City by sewage trucks two to three times per season (four months). The cost of transportation is 160,000 MNT/time (about 58 USD).
- The “Gobiinn Urguu” tourist camp, located 38 km from Dalanzadgad City, has installed a Mongolian sewage treatment system and uses the treated water for sprinkling trees.

Other tourist camps have set up sewage tanks, and when they are full, they use sewage trucks to transport the sewage to the nearby city/soum sewage treatment plant.

Camps that are far away from cities and soums, for example, tourist camps around the Khongor Sand Dunes,

have dug deep holes in designated areas under the guidance of their Soum's Department of Nature, Environment and Tourism and the Specialized Inspection Department, where wastewater and waste are disposed of. Some tourist camps use sewage trucks to transport and dispose of the sewage to Sevrei soum. The fee is 15,000 MNT per m³. Solid waste is transported to landfills in Sevrei soum. Each tourist camp pays 50,000 MNT/year to their soum as a waste disposal charge. (*E. Oyuntsetseg, Natural Environment, Sevrei, 2021) So far, no environmental damage due to polluted water has been reported in Umnugovi. (*T. Soyolmaa, Water Environment Protection, Public Relations and Training, Provincial Department of Nature, Environment and Tourism, 2021)

(5) Waste treatment

1) Dundgovi aimag

There are 6 garbage trucks in the central area of the soum, and 12 out of 14 soums have garbage trucks. Previously, no sorted collection was done and all types of waste were collected together, but now the system is being shifted to a sorted garbage system. There is one landfill site in the aimag, and all waste except for recyclable waste that is transported to Ulaanbaatar City is disposed of at this site.

2) Umnugovi aimag

No waste treatment plant has been constructed in Umnugovi aimag at this time. 23 garbage trucks are in operation in Dalanzadgad City, collecting waste from households and businesses every day. Waste other than recycled waste is disposed of at a landfill site with an area of 5 ha, located 13 km away from Dalanzadgad City. The amount of waste disposed of in landfills in 2020 was 91,800 tons. (*N. Luvsanbayar, Director of Development and Services, Dalanzadgad City Hall, Umnugovi aimag, 2021)

The City of Dalanzadgad has 66 employees, four of whom work in shifts every day to separate plastic and cans out of the garbage collected and compress them with special machines. Since there is no recycling waste treatment facility in Umnugovi aimag, when waste reaches 10 tons, it is transported to a treatment facility in Ulaanbaatar City for treatment.

In Dalanzadgad City, waste from each household needs to be separated at the stage of discharge, and in addition to being brought to 54 garbage collection points set up in the city, separate garbage bins have been set up in busy areas and places such as the central gate of Dalanzadgad City, the Youth Culture and Sports Center, and the Culture and Entertainment Center to collect recyclable waste.

Most households store their household wastes in large trash cans located in their respective premises and use the monthly garbage collection service provided by the local government. Each household pays 2000-2500 MNT/month for waste collection.

Most of the tourist camps are located outside the City of Dalanzadgad and are not covered by the collection service mentioned above. Therefore, they transport their waste to the nearest city/soum garbage collection point or landfill site by themselves and pay the disposal fee to the relevant city/soum. Each tourist camp must submit an annual environmental protection management plan to the Aimag's Department of Nature, Environment and Tourism for approval, and the plan must also include garbage collection and disposal methods, which serves as a deterrent to some extent to ensure that tourist camps dispose of waste properly.

For instance, the "Juilchin Gobi" tourist camp, located 35 km from Dalanzadgad City, pays 100,000 MNT/year as a waste disposal fee to the nearest Khankhongor soum and transports its own waste to the landfill in Dalanzadgad City (*Munguntsetseg, "Juilchin Gobi" treasurer, 2021). Fees collected from tourist camps for waste disposal are spent on waste collection, cleaning, and wages for workers in the relevant cities and soums.

Plastic containers, cans, and bottles account for 60-70% of the waste from tourist camps. However, Umnugovi aimag does not have the technology, systems, or processing plants to recycle plastics. Due to the distance to Dalanzadgad, the tourist camps also do not separate these recyclable wastes and instead transport them directly to the nearest landfill for disposal.

<Cause of illegal dumping and the Mongolian people's concept of waste management>

In the history of Mongolia, especially during the reign of Chinggis Khaan, there is a law called "Ikh zasag" (a set of rules with punishments) that states that crimes such as illegal dumping, water pollution,

overexploitation of animals and plants, and arson were punishable by death. Until now, in the traditional nomadic lifestyle of Mongolia, there has been no waste that does not inherently decompose naturally. Mongolian nomads dried meat outdoors for use, and stored dairy products in the stomachs and intestines of livestock as containers. In this lifestyle, only naturally decomposable wastes were produced. The increase in the number of people living in permanent housing due to modernization has led to a significant increase in wastes that do not decompose naturally, such as glass, plastic, mechanical products and cement.

The Mongolian people have traditionally had faith in and worshipped mountains and water as guardians of the natural environment, and have held various traditional festivals and events associated with them. However, these festivals and events were suppressed as religion and superstition during the socialist era, and many traditions were lost. Against this background, large amounts of waste were generated in densely populated areas, and even nomads living in rural areas began to illegally dump their waste in ravines and valleys. However, since the transition to democracy, beliefs in mountains and water, and worship events have become more freely held, and the spirit of environmental protection and awareness of waste issues has increased. To date, there have been no reported cases of destruction of the natural environment by waste in Umnugovi aimag. (*B. Batjargal, Air Pollution and Waste Management, Provincial Department of Nature, Environment and Tourism, 2021)

(6) Electrical and communication infrastructure

1) Dundgovi aimag

All soum centers are connected to the central power grid. Regarding communication, a communication network and fiber optics have been established in 15 soums. In addition, G-Mobile, one of the leading telecommunication companies in Mongolia, has established a telecommunication network in 15 soums, which is well used by herders. The Internet network is also now connected to all soums by 3G, making it possible to access the Internet even in tourist areas.

2) Umnugovi aimag

Of the 26 tourist camps in the soum, 11 tourist camps near Dalanzadgad City have no power outages because they have their own cables connected at their own expense to the high voltage lines of Bulgan soum and Buyant Children's Summer Camp. The cable installation cost is 20 million MNT (7,282 USD). In addition, two tourist camps are equipped with solar and wind power, while the remaining 13 tourist camps use small diesel generators of 3-10kw.

In Khongor Sand Dunes, 100 million MNT (36,409 USD) has been budgeted for the construction of a solar power plant in accordance with the basic development policy of Umnugovi aimag for 2021. (Source: Basic Policies for Socio-Economic Development in Umnugovi aimag-2021) Despite requests for connection to the central electric power network from tourist camps in famous tourist areas, such as sand dunes and Bayanzag, the current situation has not been solved because capital investment funds are enormous. In addition, even if electricity is to be supplied to the tourist camps around Khongor Sand Dunes and Bayanzag in the future, there is a need to use technology that does not adversely affect the ecology and to introduce technology to prevent electrocution of birds, because there are concerns that the elevated power transmission will destroy the landscape and adversely affect wild birds.

(7) Service areas along main roads (temporary rest areas, restroom facilities)

1) Dundgovi aimag

Mandalgovi is located right in the middle of the road from Ulaanbaatar City to Dalanzadgad City, so it is an important point where almost all the tourists and passengers passing through the city have their meals and rest, and some stay overnight. There are no officially constructed or installed rest areas or public toilets along the road between Ulaanbaatar City, Mandalgovi City, and Dalanzadgad City.

Dundgovi aimag has submitted a request to the Ministry of Nature, Environment and Tourism to build a Japanese "roadside station" type rest facility in Mandalgovi City in 2021.

With the increase in the number of tourists and miners visiting Umnugovi aimag, the number of people resting and eating in Mandalgovi City is increasing, and Mandalgovi City plays a significant role as a stopover on

the way to Umnugovi aimag. The city's relevant service industry is developing rapidly, and according to data on 2021, there are currently five hotels (totaling 159 rooms) and 11 restaurants (totaling 770 seats) in operation. In addition, five new restaurants have opened in Khuld and Luus soums along the main road, bringing the total number of restaurants in Mandalgovi to 16. As a transit point on the way to and from the city, Dundgovi has potential for development, but while the service industry is growing, there are no rest facilities (public toilets) to meet the high demand of foreign tourists for public toilets. Therefore, tourists have no choice but to use the toilets in restaurants and hotels.

2) Umnugovi aimag

The establishment and maintenance of public toilets has been a challenge throughout Mongolia, but has yet to be fully resolved. Although their establishment is included in future plans, many places do not have the necessary rest areas and public toilets, even along tourist roads. Section 129 of the "2021 Basic Policy for Socio-Economic Development of Umnugovi aimag" includes an "Eco Toilet" project and the creation of an environment for households in ger areas to sort their waste, and allocates a total budget of 614 million MNT. (Source: Umnugovi aimag Basic Policy for Socio-Economic Development - 2021)

Public toilets have been set up in Tsogt-Ovoo soum, located along the paved road between Dalanzadgad City and Mandalgovi City, and in Bayandalai soum, located along the paved road between Dalanzadgad City and Gurvantes soum. In Tsogt-Ovoo soum, the maintenance of public toilets is outsourced to individuals in the soum, with an installation fee of seven million MNT and a usage fee of 500 MNT (0.18 USD).

The provincial Council approved a budget of 60 million MNT for the installation of public toilets by 2025 in Bulgan soum, located 18 km west of the Bayanzag dinosaur fossil discovery site, one of Mongolia's major tourist destinations. However, public restrooms alone are insufficient, so a plan to build a "roadside station" type complex was submitted through a soum council member elected from Bulgan soum. Bulgan soum is located along the road from Bayanzag to Khongor Sand Dunes and is an important point for the tourism sector in the central region of Umnugovi aimag.

The major tourist sites, Bayanzag, Yoliin Am Valley, Mukhar Shivert Valley, Khavtsgait Valley, and Khongor Sand Dunes, have dry toilets suitable for the Gobi climate. Of these, the NGO "Bayanzag-Ulalzakh tsonj (Faming cliffs) Development Center" is in charge of the maintenance of two public toilets near Bayanzag. The public toilets installed in the Khongor Sand Dunes will be maintained and managed by a new NGO to be established by the residents of Sevrei soum.

In the central part of Dalanzadgad City, public toilets have been installed in various places such as Ajnai Square, which is the busiest district, the market, the central stadium, the cultural and recreational center, hotels, and restaurants. All tourist camps in Umnugovi aimag are equipped with simple flush toilets, and sanitation is well maintained.

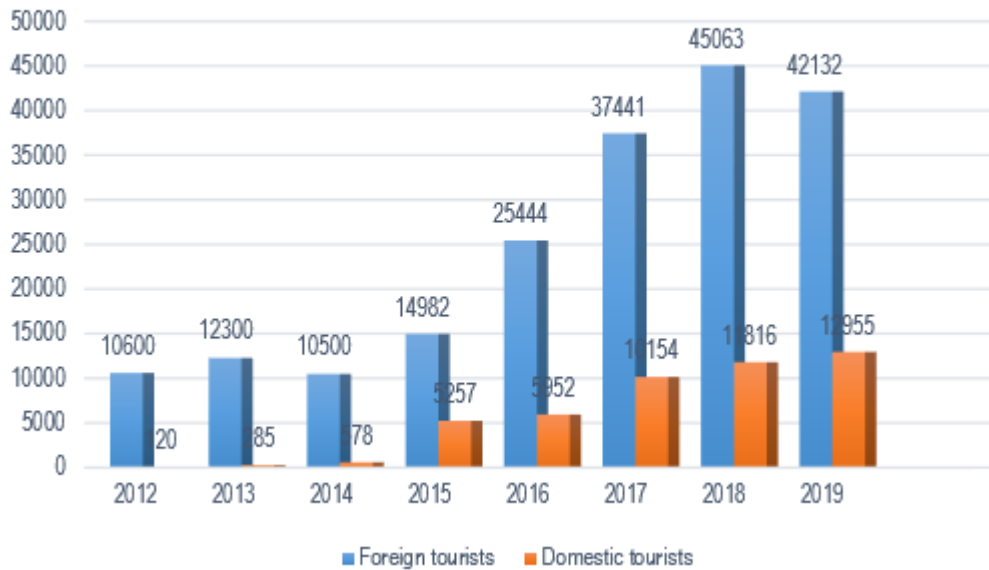
A research team from MNET visited Dalanzadgad in October 2020 to conduct a survey and exchanged opinions with the Provincial Department of Nature, Environment and Tourism and the "Gaikhamshigt Gobi" Tourism Association on the location of rest areas along the road. At that time, the "Gaikhamshigt Gobi" Tourism Association proposed to set up rest points at the following locations: 1) Doviin canteens, located 115 km from Ulaanbaatar City; 2) Mandalgovi, located 165 km from Doviin canteens; 3) Tsogt-Ovoo, Umnugovi aimag, located 170 km from Mandalgovi; and 4) Dalanzadgad, located 130 km from Tsogt-Ovoo. The "Gaikhamshigt Gobi" Tourism Association also proposed the establishment of rest stops in the following locations: 1) in Bayandalai, located in the western region of Dalanzadgad; 2) in Tsogttsetsii, located in the eastern region of Dalanzadgad; and 3) in Bulgan, which is not along a paved road but is a famous tourist destination.

Regarding the current situation, on December 12, 2020, by Decree No. 01/8785, the Minister of MNET granted a special regional land use right for the construction of a "roadside station" type facility to be established in Bayandalai soum, Umnugovi aimag.

3.1.6 Trends in tourists

The following table shows the number of tourists to the Route of Umnugovi, broken down by foreign and domestic tourists. In addition, note that there was no way to determine the number of tourists in Dundgovi aimag.

Number of tourists



Source: T. Ganchuluun, Tourism Officer, Gobi Gurvansaikhan National Park Conservancy, 2020.

Figure 3-7: Number of tourists to the Route of Umnugovi (blue: foreign tourists, orange: domestic tourists)

3.1.7 Trends in tourism-related industries

1) Total number of people employed in tourism-related sectors in Umnugovi aimag.

Although Umnugovi aimag employs only 25,000 people (2017), there are about 1,200 full-time tourism-related employees and temporary employees who work only at the summer tourist camps. The number of tourism industry workers relative to the total number of people employed in the aimag provides an understanding of the importance of the tourism industry. Add to this the restaurant workers and summer temporary workers, and the number increases even more. The importance of the tourism industry in Umnugovi aimag can be inferred.

Among the salaries of employees working in tourist camps, the salaries of managers and cooks are more prominent than those of others, but in other occupations, the salaries are generally slightly lower than those of local public employees.

Table 3-25: Information by type of tourism industry in Umnugovi aimag

	Type	Number	Number of employees
1	Hotel	14	129
2	Guest house	45	127
3	Tourist camp	26	full time 150 + part time 760
4	Tour operators and travel agents	1	5
5	Restaurant	30	231
6	Museum	9	19
7	Tourism Association	1	1

Source: Department of Nature, Environment and Tourism, Umnugovi aimag

a) Tourist camps, tour companies, and tourist camps

Tourist camps in Umnugovi aimag are only open from April to October, which is the tourist season. However, the number of full-time employees during the tourist season averages 6-8 per tourist camp, totaling about 150 in the aimag. Most of the part-time workers at the tourist camps are university students (1st-3rd year) majoring in tourism, working on temporary contracts from June to the end of August during the tourist season. Each tourist camp employs an average of 8-12 students. In addition, each tourist camp hires additional cooks, waiters, overnight ger workers, and service assistants as necessary during the busy season of July to September.

b) Tour companies

One of the tour operators currently on the market has five full-time employees. Regarding the number of part-time employees, to meet tourist orders, the tour company employs nomads as drivers, interpreter guides, cooks, service assistants, and local guides. Wildlife watching tours require hiring the largest number of part-time employees, averaging 20-25 people per year. Wildlife watching tours welcome 8-12 groups of tourists per year. (*T. Tselmeg, Manager, Tum Eco-tour, Umnugovi aimag)

c) Hotel

There are 14 hotels operating in the City of Dalanzadgad. (One 3-star hotel and two 2-star hotels) The hotels can accommodate 347 tourists at a time, and the total number of employees in all hotels is 129. Regarding the number of part-time hotel employees, the hotels employ an average of 3-6 waiters per time as needed for banquets, New Year's events, and various other events. The total number is practically impossible to grasp.

d) Guest house

There are 45 guesthouses in Umnugovi aimag, including rural areas, with a capacity to welcome 639 tourists at once and a total of 127 employees. (*N. Burmaa, Tourism Division, Provincial Department of Nature, Environment and Tourism, 2021) The total number of full-time employees in all tourist camps is 150, with an average of 25-40 part-time employees working in each tourist camp during the summer. A total of about 780 part-time employees work in 26 tourist camps. (Since tourist camps do not operate in winter, this number will be the difference between summer and winter.)

e) Number of museum and art museum employees

Every soum in Umnugovi aimag has its own research museum. Cultural site officers have been engaged in eight soums since 2020. In the future, cultural site officers will be assigned to all soums. The number of employees at the aimag's museum is 11. Currently, a new nature museum is being built in Dalanzadgad City at a cost of 98 billion MNT and is scheduled to open in 2021. (*L. Bolormaa, Academic Researcher, Aimag's Museum of Nature, 2021)

f) Number of tourism associations and employees

In Umnugovi aimag, the Gaikhamshigt Gobi Tourism Association is active as the only NGO related to tourism. As mentioned before, there is one chairperson and the rest of the members are volunteers.

2) Salary level and working conditions of workers in the tourism industry (by occupation)

The general manager or manager of the tourist camp is often the investors themselves. They are said to receive bonuses and dividends in addition to salaries, but the amount is not disclosed. The following is the approximate monthly salary range by job category as identified by the Umnugovi aimag's Department of Nature, Environment and Tourism. According to the National Statistical Office, the average salary in 2019 is 1.1 million MNT, which means that the salaries of tourism industry workers other than managers and cooks are below the national average.

Table 3-26: Monthly Salaries of Specialized Staff in Umnugovi aimag

Job type	Monthly Salary
Chief Officer and Manager	1,500,000-2,000,000 MNT
Cook (Advanced Level)	2,000,000-2,500,000 MNT
Staff in charge of accommodation ger (mainly students)	600,000 -800,000 MNT
Waiter and bartender	600,000-800,000 MNT
Service Assistant	500,000-600,000 MNT
Security guard (on a fixed salary throughout the year)	600,000-700,000 MNT

Source: Department of Nature, Environment and Tourism, Umnugovi Aimag

Peak period is between the end of June and the end of August. In particular, cooks, waiters, and hotel ger staff may work from 5 a.m. until 1 a.m. Some companies pay bonuses in the middle of the month or at the end of the month in consideration of working conditions, but the amount is not disclosed.

In the case of tourist camps, everyone except the general manager, manager, and security guards are hired as seasonal workers. Some tourist camps are not open in winter, but they pay half of their monthly salaries as allowances.

The average monthly salary of employees of the Provincial Nature, Environment and Tourism Department is as follows.

Table 3-27: Average salaries of public officials in Umnugovi aimag

Job type of public officer	Monthly Salary
Soum Nature Reserve Officer	639,285MNT
Experts from the Provincial Nature, Environment and Tourism Department	791,532MNT
Director General of the Provincial Nature, Environment and Tourism Department	1,088,657MNT
Investment and Development Policy Division, Tourism Policy Division	791,532MNT
Director, Investment and Development Policy Division	1,088,657MNT

Source: Nature, Environment and Tourism Office, Umnugovi aimag, 2021

3.1.8 Status of tourism marketing and promotion

There is a webpage on the aimag's website that has a tag for tourism, and when visitors click it, they can see the logo of MNET and the aimag, and they can see images of tourist attractions in the aimag, but everything is written in Mongolian. The target market has not been researched, and there has been no communication in foreign languages.³⁴

A Facebook page called “umnugovi” has been set up, and registered members can post on it, but the page does not function as a tourist information site.

There are no official websites other than the above, and tourist associations do not have websites. There is no English-language tourism information on Umnugovi other than that of tour companies. They are few in number, not updated, and many are flawed, with some photos that should be there being deleted.

3.1.9 SWOT analysis

Route of Umnugovi has a good natural environment and competitive tourism resources such as fossils/dinosaurs and ancient ruins not found on other routes. The targets of tourists are ① scholars such as dinosaurologists and paleontologists, and ② dinosaur enthusiasts. However, as a place where a large number of dinosaur fossils can be observed close at hand, it is considered to have a higher advantage than other countries, and therefore has the potential to attract tourists from abroad if its attractiveness can be effectively communicated to the world. It is also an important discovery site in the academic world, where dinosaur fossils are still being discovered and visitors have a chance to see them in the wild. The fact that visitors can actually see the footprints of dinosaurs on the ground is still a very attractive tourist resource for potential visitors, even if it requires a round trip of more than 10 hours driving each way from Ulaanbaatar City.

Below Table 3-28 is a SWOT chart showing the strengths and weaknesses of the Route of Umnugovi tourism. Strengths and weaknesses in the internal environment are defined as S and W, respectively, and the potential of the external environment as an opportunity is defined as O, and conversely, the potential of the external environment as a threat is defined as T. The specific status of strengths and weaknesses is described below.

³⁴ Umnugovi aimag’s main tourist destination map, Department of Nature, Environment and Tourism, Umnugovi aimag : <https://tourism.omnogovi.gov.mn/files/images/%D0%9C%D0%B0%D1%80%D1%88%D1%80%D1%83%D1%82/DZ-Baynzag-Hongoriin%20gol-DZ%20aylal.jpg>

Table 3-28: Strengths and weaknesses of the Route of Umnugovi tourism (SWOT analyses)

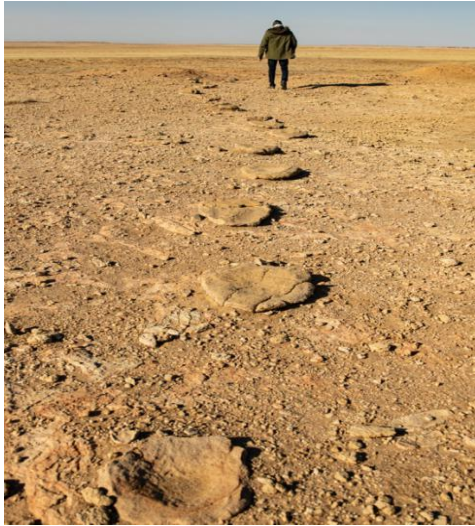
	Potential	Constraints
	Strength	Weakness
Internal environment	<p><u>Tourism resources</u> World-scale wilderness (large and small deserts) large canyons Great plains and the starry sky Variety of rare animals (grassland bears, native camel species, etc.) Home of dinosaurs (excavation and discovery sites throughout the country) Ancient rock paintings Folk dance</p> <p><u>Infrastructure</u> Road paving for major trunk lines is completed. There is a domestic airport (it takes just over an hour from the capital to the aimag's capital). Internet access is available in the central part of the soum. There is diesel power in remote camps.</p> <p><u>Laws and regulations</u> The aimag's government is actively involved in tourism and cooperates with NGOs. Dinosaur excavations are protected by the Protected Areas Law. Garbage problems have been minimized.</p> <p><u>Service</u> More cafeterias are opening in Mandalgovi, which is a stopover on the way from Ulaanbaatar. Hotels and camps for foreigners have been established. There are NGOs that offer folk dances and attractions.</p>	<p><u>Tourism resources</u> In winter, the place becomes extremely cold.</p> <p><u>Infrastructure</u> It takes about 8 hours to get from Ulaanbaatar to Dalanzadgad by land. Except for the main roads, there are many unpaved roads to the tourist spots. There is no international airport. There are not many domestic flights. There is no public toilet when traveling; only toilets at restaurants are available. It is practically impossible to get internet access outside of the soum center. Electricity in off-grid areas is mainly fossil fuel. Inadequate heating in tourist areas</p> <p><u>Laws and regulations</u> Tourist boards are not yet in place. There is no designated camp site.</p> <p><u>Service</u> Only offers few souvenirs Information and marketing There is a lack of reliable transmissions.</p>
	Opportunity	Threat
External	<p><u>Tourism resources</u> There are places and themes that could be newly developed.</p> <p><u>Infrastructure</u> Domestic airports could become international airports.</p> <p><u>Information and marketing</u> Foreign tourists like to visit and the place is very popular.</p>	<p><u>Laws and regulations</u> Driving on areas other than roads causes ruts. There is an increase in camps outside the designated area.</p> <p><u>Information and marketing</u> Depends on the international situation, as most of the customers are foreigners.</p>

Source: Prepared by the survey team

(1) The Route of Umnugovi's superiority in tourism development

1) Tourism resources

- ① aimag is the “home of the dinosaurs.” Famous tourist resources include Bayanzag, where dinosaur egg fossils were discovered, Shar tsav, where dinosaur footprint fossils are located, and Khongor Sand Dunes, which is one of the largest sand dunes in Asia. For this reason, there are many collaborative projects with national and foreign research institutes, such as paleontological research institutes.
- ② place is also focusing on developing new events, such as camel festivals and rare animal watching, as well as tourism that focuses on specific targets.
- ③ The art festival in Ikh Gazriin Chuluu has grown into an event that attracts 15,000 people (2019), but the target is domestic tourists. Since a folk dance performance on Tsagaan Suvarga was held at UNESCO headquarters, the area may attract foreign tourists in the future.



Remains of dinosaurs



Bayanzag



Khongor Sand Dunes



Tsagaan Suvarga

2) Infrastructure

- ① With the completion of the paved road from Ulaanbaatar to Dalanzadgad, the capital of Umnugovi aimag, the number of domestic tourists is also rapidly increasing. If additional flights from Ulaanbaatar and the internationalization of Gurvansaikhan Airport are realized, the aimag has the potential to greatly increase its acceptance of domestic and foreign tourists.
- ② Many hotels and tourist camps have flush toilets and hot shower facilities.
- ③ Internet access is available in the center of the soum.
- ④ Diesel-powered electricity is available for camps far from the soum center.

3) Service

- ① Since it takes about eight hours to travel from Ulaanbaatar to Dalanzadgad, Mandalgovi in Dundgovi aimag is developing as a transit point on the way.
- ② Folk dances and festivals, which are intangible cultural assets, can be offered to tourists as events.
- ③ Umnugovi aimag was one of the first aimags in Mongolia to establish a foreigner reception camp and has a lot of experience in welcoming foreign tourists.

4) Information and marketing

- ① In 2019, the number of foreign tourists was predominantly large, with 12,955 domestic tourists

compared to 42,132³⁵ foreign tourists. This is evidence that the prefecture has attractive tourism resources for foreigners. ³⁶In the 1990s, Japanese tourists were the top foreign visitors to the area, but now South Koreans are the most frequent visitors.

- ② In addition to MIAT Mongolian Airlines, two South Korean airlines (Korean Air and Asiana) operate daily scheduled flights between South Korea and Mongolia, and the number of annual tourists from South Korea surpassed 100,000 in 2019, which is likely to have a positive impact on travel to the Mongolian aimags.



Photo of a hotel



Photo of a tourist camp

(2) Tourism development constraints of the Route of Umnugovi

1) Tourism resources

- ① In winter, the temperature drops to minus 40 degrees celsius.
- ② Regarding conservation and preservation of environmental resources, it is easy to travel by car in the Gobi, so in addition to the paved roads, the roads are made up of ruts made by cars. The vegetation could easily be destroyed under a very dry continental climate with very little rainfall.

2) Infrastructure

- ① Even in the peak summer season, there is only one flight per day from Ulaanbaatar by each of the two airlines. In the winter, when the number of tourists decreases, there is one flight per week, but it is chartered by a mining company and not open to the general public. Since the aircraft is small (50-100 passengers) and has a small capacity, it is extremely difficult to obtain tickets during the summer when there are many visitors. The problem is that the current conditions of the airport (runway length, width, etc.) do not allow for the implementation of large aircraft flights. Therefore, potential tourists who wish to visit Gobi may not be absorbed properly.
- ② The main road from the Ulaanbaatar to Dalanzadgad, the capital of Umnugovi aimag, is a paved road, but it is about 580 km long and requires about 8 hours to travel by car.
- ③ The Mongolian government has included a plan for the development and internationalization of Gurvansaikhan Airport (2021-2026) in its plans, but no budget was provided for 2021 due to lack of financial resources. Airports in tourist areas are not developed well enough to attract foreign tourists.
- ④ The distance between the capital city and each famous tourist spot is long. Except for the paved mining roads, most of the roads to the tourist sites are unpaved. However, the dirt roads in the Gobi are relatively flat and not necessarily bumpy.
- ⑤ The roads to the following tourists spots have not been paved: 1) Tsagaan Suvarga (about 35 km from the center of the aimag), which is an ancient rock painting that is a tourist attraction in Dundgovi aimag and

³⁵ Security office, Gobi Gurvansaikhan National Park

³⁶ Mongolian Academy of Sciences Vol.58 No.04 (228) 2018 Khishigdalai U and Bat-Erdene N

has the potential to attract foreign tourists and 2) the megalithic rock formations of Ikh Gazriin Chuluu (85 km) and Baga Gazriin Chuluu (35 km), which are popular among domestic tourists.

- ⑥ Mandalgovi in Dundgovi aimag is developing as a transit point, but the public toilets there are not well maintained, and people have to borrow toilets in restaurants or use shocking outdoor toilets. According to the results of a survey of foreign tourists, the problem of toilets is a major issue and needs to be resolved as soon as possible.
- ⑦ There are no public toilets in the vicinity of tourist attractions. Since the total number of visitors to the Gobi Gurvansaikhan National Park (Yoliin Am Glacier) in Umnugovi aimag was about 55,000 in 2019, and tourism will recover and develop after the end of the COVID-19, the establishment of public toilets at tourist sites is urgently needed.
- ⑧ Regarding electricity, diesel generators are currently used in camps that are not connected to the power grid, and while connecting to the central power grid in major tourist areas is an issue for the future, it may ruin the landscape. Umnugovi aimag is expected to develop solar power.

3) Laws and regulations

- ① In preparation for the future increase in the number of tourists, to prevent tourists from getting lost, it is necessary to install signs and tourist information boards to clarify the roads to be traveled.
- ② Since the majority of domestic tourists in Mongolia bring their own tents to camp, from the perspective of protecting tourism resources, the places where tents can be pitched should be specified and camping outside of designated areas should be banned as soon as possible. The reason for the lack of enforcement seems to be that the number of staff in charge is small and the scope of the problem is too wide.

4) Service

- ① Souvenir development sought by foreign tourists is delayed.
- ② There is a lack of human resources who can respond in foreign languages.

5) Information and marketing

- ① Neither Umnugovi nor Dundgovi aimags have been able to develop a marketing and promotion strategy. There is no external promotion of tourism (even if potential visitors access the websites of the aimags, there is almost no tourism-related information even in Mongolian).
- ② In terms of how to market Mongolia's tourist attractions to foreign countries, we need a national strategy first, and then the marketing and promotion activities of each aimag, followed by the addition of NGOs and private companies to the mix. In addition, the aimag could of course conduct its own marketing and promotion activities. The first thing to do is to build a website that specializes in tourist information, select target countries, and provide information on tourist attractions, lodging facilities, travel agencies, and events in the aimag in the languages of the target countries.
- ③ Some local tourist agencies have excellent tourist information websites for rare animal observation tours, and it would not be too difficult to build such a website to more widely promote the attractions of Umnugovi.
- ④ The important thing to remember is that information sent out by a public institution such as an aimag is highly reliable, but that information sent out by an unknown local private company is less reliable. In addition, the private sector has not grown to the point where it can continue to disseminate information in the first place. The lack of updates to the private sector websites is proof of this.

3.2 The Route of Dornogovi

3.2.1 Situation of Tourism Resources

The Route of Dornogovi (from Ulaanbaatar City, Choir City, Govisumber aimag, and Sainshand City, Dornogovi aimag, to Zamiin-Uud City area) is located along the Ulaanbaatar railroad line from Moscow to

Beijing via Ulaanbaatar.

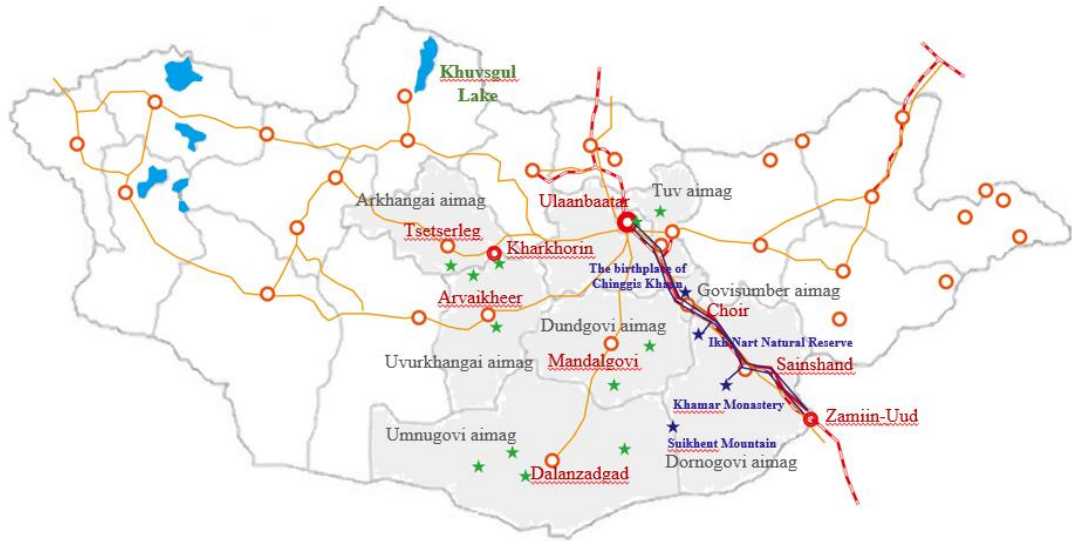


Figure 3-8: Dornogovi Tourism Route

(1) Vicinity of Choir City, Govisumber aimag

It has an area of 5,540 km² and a population of 18,008 (as of 2020). Although the area is small, it is rich in natural resources such as oil, coal, mixed metals, brick clay, mineral paint, fluorite, limestone, and graphite. The area is located at an altitude of 1,000 to 1,200 meters above sea level and is characterized by a combination of typical Gobi and grassland terrain, consisting of rubble and desert. It has a harsh continental climate, with a temperature difference of 37 degrees Celsius in summer and -37 degrees Celsius in winter.

Govisumber aimag, with Choir as its capital, is the birthplace of the Borjigin people, from whom Chinggis Khaan was born. The area is also known as the place where, in ancient times, there was a tea roadside station from China to Russia. Govisumber aimag is the birthplace of the traditional culture of the Borjigin people, with its pristine Gobi and grasslands, uniquely shaped land, nomadic cultural and historical sites, and many historical and cultural sites, such as the ruins of the Zuun Janjin Choir Monastery, Choiriin Bogd Mountain, Dagwasundel Rock Buddha Paintings, Khusliin Rock, Ancient human stone in southeastern Zaraa, the ruins of Tumur Utasni Khoroo, and the Petroglyphs in Chingel rock. The main tourist resources include historic sites from the Xiongnu and Turkic Empire periods (tombs, piled-up stone mounds), rock paintings, inscriptions, Petroglyphs in Zaraa Hill, Tsagaan Dari Ekh, Dagwasundel rock Buddhist paintings, and the remains of Zuun Janjin Choir Monastery.

In 2018, the “Borjigon Golomt” tourist camp was established in Govisumber aimag, and it is the only tourist camp in the aimag. There are also two hotels.

The international railroad on the Moscow-Ulaanbaatar-Beijing route, the paved road on the Ulaanbaatar-Choir-Zamiin-Uud route, and the high-speed fiber-optic international cable pass through the city, which is excellent in terms of infrastructure and road transportation, including electricity, oil supply, and oil storage.

Table 3-29: Main tourist resources around Choir City

Name of tourist resource	Season	Overview
Borjigon Golomt Tourist Camp	Summer	Mongolian apricot viewing at Mt. Choiriin Bogd, and a Mongolian horse riding culture event

Source: Prepared by the survey team

(2) Vicinity of Sainshand City, Dornogovi aimag

With an area of 109,500 km² and a population of 71,014 (as of 2020), the area has been a major route for trade and cultural exchange with foreign countries since ancient times, when the "Road of the Lord of the

Qing Dynasty" passed through Zamiin-Uud, the southern border gate, through Choir to present-day Ulaanbaatar. Even today, a railway connecting Russia and China still runs through the area. About 55% of the aimag’s residents live along this railroad line. There are no large rivers or lakes, but the groundwater is rich and there are several mineral springs. The brown soils of Gobi gravel spreads out, and there are many sand dunes. There have been no small number of bad weather events such as heavy snowstorms, sandstorms, droughts, and cold snow damage, and desertification has been increasing due to recent aridification. Regarding tourist attractions, Khamar Monastery and energy spots are popular among domestic tourists.

Dornogovi aimag has many national and aimag’s nature reserves, religious places of worship, historical and cultural sites, and many tourist resources, such as the Shambhala Land (an ideal Buddhist kingdom) where the living the genius monk Danzanravjaa blessed the creation of the world, Khamar Monastery, Khan Bayanzurkh Mountain, Burdenii Khundii valley floor plains and sand dunes, Khashatiin Gobi lowlands, Ikh Nartiin Chuluu Rock, Tsonjiin Chuluu basalt stone, Tsagaan Del Cave, etc.

The paving of the road that connects Ulaanbaatar, Choir, and Zamiin-Uud and the start of its use has been a major contribution to the promotion of tourism in the region, especially in terms of domestic travel. With the construction of the 42-km road from Zamiin-Uud to Khamar Monastery, domestic and foreign tourists visiting Khamar Monastery can now travel in comfort. To attract Chinese tourists, a tourism complex has been built in Zamiin-Uud City, a tourism and entertainment recreation center called “Dornogovi-80” has been built in Sainshand soum, and a memorial gate, the Khamar Monastery complex, the Soyombo complex (a traditional heritage and cultural center), and a luxury hotel have been built at the entrance to Dornogovi aimag, promoting Dornogovi as a tourism destination through collaboration between the government and the private sector.

The aimag believes that the following types of tourism development are possible by using the tourism resources.

- Paleontological tour
- Archaeological tour
- Bird watching tour
- Wildlife tour
- Wandervogel
- Horse riding and camel tours
- Plant observation tour
- Sand dune tour
- Bicycle tours, motorcycle tours, and car tours
- Exchange tour with residents
- Meditation trip
- Medical treatment travel
- Balloon tour

Table 3-30: Major tourist resources around the City of Sainshand

Name of tourist resource	Season	Overview
Trip to Khamar Monastery and Energy Spot	Throughout the year	The temple was founded by the genius living the genius monk Danzanravjaa, and near the temple is a power spot, an energy center. Visitors can enjoy religious, historical and cultural sites.
Kheseg Baishint, Olon Baishint and other ancient ruins	Throughout the year	Stone blades, tombs, and other historical relics of the ancient people can be seen along a road about 60 km long.
Fossil forests and sand dunes in Suikhent	Throughout the year	Ancient trees remain fossilized as standing trees.
Sulden Khukh Tolgoi	Throughout the year	A historic ancient temple that worshipped the flag of Chinggis Khaan

Source: Prepared by the survey team

(3) Around Zamiin-Uud City, Dornogovi aimag

Zamiin-Uud is located at the southernmost point of the Mongolian Railway, which runs through Russia, Mongolia, and China. The city is connected to Ulaanbaatar by a paved road, and in recent years, it has become crowded with Mongolian merchants engaged in business with China. Based on a survey of the needs and interests of foreign tourists, the Department of Tourism, Ulaanbaatar Railway established the “Dorniin Gobi” tourist camp 7 km north of Zamiin-Uud in 2001 to develop Gobi tourism and tourism around the border. The tourist camps are always equipped with electricity and communication, and are mainly used by car tourists and tourists visiting the Mongolian border and the Gobi Desert.

A 900-hectare Zamiin-Uud Special Economic Zone has been constructed in Zamiin-Uud soum, and with funding of 50 million USD from China and 8.8 million USD from Mongolia, various infrastructures such as heating, water and sewage treatment, electricity, and road construction are being developed. Zamiin-Uud is expected to develop as a base for economic exchange with China rather than for tourism.

3.2.2 Plans, campaigns, and measures

(1) Govisumber aimag’s policy program and plan

The aimag is bordered by about 10 soums in four aimags in total: Central aimag to the north, Dornogovi aimag to the southeast and south, and Dundgovi aimag to the southwest. The aimag is located 220 km southwest of Ulaanbaatar City. Infrastructure connected to the vertical axis of roads and railroads is relatively well developed. It is one of the youngest aimags in Mongolia.

Govisumber aimag was the site of a lodging station that became the center of the “tea road” with its natural and cultural resources leading to the national heritage, which is the foundation of the nation, and the natural heritage of the magnificent Gobi with its white deer. The aimag is also said to be the birthplace of the Borjigin people, and it aims to revive and develop the historical traditions of the Borjigin people, including their traditional culture and customs.

MNET, the “Tea Road” Research Center, and other related organizations have initiated a survey to identify lodging stations along the “tea road” with the goal of developing the central lodging station into a “nomadic tourism center.” The target area is Mt. Choiriin Bogd in Govisumber aimag.

On December 2, 2016, Resolution No. 74 of the Assembly of Citizens’ Representatives of Govisumber aimag approved the Sub-Program of Tourism Development in the aimag for the period 2016-2020. A total of 39 projects are planned under four goals.

Table 3-31: Implementation of tourism development programs between 2019 and 2020

Implementation items in 2019
<ul style="list-style-type: none"> ① The vicinity of the historical relics of “Ancient human stone in southeastern Zaraa” was improved, and the protection activities were improved. ② Temporary accommodations were established in two places. ③ An integrated database of tourist companies in the aimag was created and posted on the following website for publicity: www.tourism.govisumber.gov.mn. ④ The “Borjigin 2019” traditional culture event was held on July 26-28, 2019. ⑤ Other planned businesses are 94% complete.
Implementation items in 2020
<ul style="list-style-type: none"> ① Official marble information boards with English translations of Mongolian explanations were set up along the main tourist route, beside the “Zuun Choir Monastery” and “Khuukhdiin ovoo” ② In May 2020, the “Borjigon Golomt” Tourist Camp began offering the following tourist products and services. ③ Mongolian Apricot Tour at Mt. Choiriin Bogd ④ Horse Circus Show/Event showing the culture of Mongolian horse riding/”Urtsnii Gerel (Lamplight on tent)” adventure trip <p>The tourist camp welcomed 4,200 domestic tourists by the end of 2020.</p>

Source: Department of Nature, Environment and Tourism, Govisumber aimag

(2) Tourism development policies in the aimag of Dornogovi

The following documents are currently applied to tourism development in Dornogovi.

a) M/P for tourism in the aimag of Dornogovi

This M/P was approved by the Citizens' Representative Assembly of Dornogovi aimag, Decree No. 13/09, June 19, 2020. The goal was to become a border region with innovative tourism that is competitive and meets the principles and standards of sustainable development. The M/P specifically points out five areas that have the potential to develop tourism.

Table 3-32: Tourism M/P in Dornogovi aimag

Area	Name of the soum where the area is located	Advantages	Disadvantages
Khamar Monastery religious and cultural tourism area	Urugun, Erdene, and Sainshand	<ul style="list-style-type: none"> • Domestic travel is well developed • There is a plan for the near future. • Infrastructure is in place. • Availability of railways 	<ul style="list-style-type: none"> • Undeveloped service industry • Less marketing and advertising • Risk of exceeding the service load
Cross-border tourism areas near the border	Zamiin-Uud Station and Khangai Station	<ul style="list-style-type: none"> • High economic profitability • Possibility of easy access to foreign markets • Service complexes are being planned. 	<ul style="list-style-type: none"> • Poor infrastructure for natural, historical, and cultural tourism resources
Ecotourism areas of Ikh Nart Chuluu, Zagiin Us Valley, and Arvannaimiin Bogd Mountain	Mandaha, Saikhandulaan, Dalanjargalan, and Airag	<ul style="list-style-type: none"> • Abundant natural resources • Good cooperation between local residents and the government • Sufficient environmental protection and monitoring • There are mineral springs. 	<ul style="list-style-type: none"> • Poor infrastructure • There are few service industries.
Elgeiin Zoo, "Suikhent" Scientific Research Tour Area	Khatanbulag, Khuvsgul, and Ulaanbadrakh	<ul style="list-style-type: none"> • Unique landscape 	<ul style="list-style-type: none"> • Poor infrastructure • Located pretty far away
Ifu Baga Eleni Noroo Mountains Nature Observation Tour Area	Altanshiree, Delgerekh, and Ikhkhet	<ul style="list-style-type: none"> • Unique landscape 	<ul style="list-style-type: none"> • Poor infrastructure

Source: Department of Nature, Environment and Tourism, Dornogovi aimag

The aimag is basically characterized as a business hub with China, as a special free trade economic zone is under construction in Zamiin-Uud on the Chinese border, and Erenhot, a city on the Chinese side of the border, is a supply center for Mongolia and is visited by a large number of Mongolian retailers.

According to Dornogovi aimag's Tourism Development Sub-Program 2017-2020, which basically considers the state budget and foreign aid as sources of funding, the 2019 and 2020 budgets for the aimag's tourism program were both small, at 25 million MNT (about 9,102 USD). This was expended for six purposes (establishing road routes in tourist areas, expanding the number of tourism service workers, establishing standards, improving services, increasing access to information and publicity, and holding events to support tourism activities).

The "M/P for Tourism Development" prepared in 2020 sets out a number of market-oriented plans in terms of marketing strategies, including the establishment of a logo and slogan, promotion of the city as a religious and cultural tourist destination based on the main tourist attractions of Khamar Monastery and Khan Bayanzurkh Mountain, the establishment of a nature, paleontological, and historical complex, the attraction of domestic and foreign tourists interested in these attractions, and marketing to target markets close to the border. However, the relationship with existing sub-programs is unclear and no budgetary support is provided.

However, the aimag's government is also aware of the fact that rare and valuable tourist attractions such as ancient paintings and caves have not been sufficiently preserved, and has started to protect them.

The governor's draft action plan adopted by the Provincial assembly in 2020 states that tourism should: ①

develop stable tourism based on natural, historical, and cultural heritage; ② develop tourism based on ethnic characteristics, environmental friendliness, and residents; ③ implement the aimag’s tourism plan and increase the number of tourists; ④ renew and promote tourism products and services, and increase income; and ⑤ develop tourism based on ethnic customs, traditions, and nomadic culture. However, all of these are basically generalizations without concrete action plans.

From the above, the following can be said: 1) the position of tourism in Dornogovi is relatively low; 2) the target of tourism is mainly domestic tourists; 3) China, which borders Dornogovi, is the main foreign destination; and 4) the number of people working in the tourism industry is 1,024 in 2020, which is only 2.1% of the working-age population, so the interest in tourism as aimag is not necessarily high. However, the M/P also shows that the development of the tourism industry has a high potential to lead to the economic and social development of the aimag, for example, by absorbing the underemployed, and it is noteworthy that the M/P for tourism development prepared in 2020 focuses on marketing.

b) Dornogovi aimag Government “Working Together for Development-2” 2020-2024 Program

This program was adopted by the Provincial Council Decree No. 02/06. The program includes the establishment of a “Pride of Mongolia” center to promote ethnic heritage culture and traditional sports, the construction of the living the genius monk Danzanravjaa Memorial Culture and Tourism Complex at Khamar Monastery, and the priority development of sustainable tourism that is ethnically distinctive, environmentally friendly, and reliant on local residents when promoting tourism based on natural, historical, and cultural heritage. In addition, the “E-MONGOLIA” (Electronic Mongolia) plan includes publicizing the aimag’s tourism projects and increasing income, which opens up the possibility of implementing concrete measures to attract domestic and international tourists at the aimag’s level in the future.

c) “Grassland Road” as a National Project

In 2019, the project name of the national program that was approved by the Mongolian Government as Decision No. 142 in 2017 was changed to “Grassland Road” by Government Decision No. 142. The Grassland Road project had the objective of developing Mongolia’s socio-economy around ten sectors, and Goal 8 set the goal of developing tourism on a national scale and regionally by establishing tourism parks, purpose-built complexes, and tourism clusters in border areas, starting with the basic corridor of roads. For Dornogovi aimag, the program includes combined worship and tourism at Khamar Monastery and combined tourism at Zamiin-Uud and Khangii stations in the border region cluster.

d) Tourism development sub-program

The tourism development subprogram was adopted in 2011 by Resolution No. 41 of the Dornogovi aimag Council. This tourism development program was implemented in phases from 2011 to 2014, 2015 to 2017, and 2018 to 2020, with the objective of “creating favorable conditions and possibilities for developing tourism with the characteristics of the Dornogovi region, based on its natural, historical and cultural heritage, improving management, making a significant contribution to the economic development of the aimag, and improving the living standards of its residents.” For 2020, 27 million MNT has been budgeted as shown in the table below. Of all projects, some projects were not implemented due to the COVID-19 and nine projects worth 14 million MNT were implemented. Due to restrictions on tourism activities, only four projects are planned for 2021.

Table 3-33: Budget expenditures for tourism operations

	Projects implemented	2019/thousand MNT/		2020/thousand MNT/		2021/thous and MNT/
		Amount recorded	Amount of expenditure	Amount recorded	Amount of expenditure	Amount of expenditure
1	Preparation of M/P for Tourism Development in Dornogovi aimag	15,000.0	15,000.0	-	-	-
2	Participation in the International Travel Mart, the Horeca Industrial Exhibition, and the Ulaanbaatar Exhibition	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0

	Projects implemented	2019/thousand MNT/		2020/thousand MNT/		2021/thous and MNT/
		Amount recorded	Amount of expenditure	Amount recorded	Amount of expenditure	Amount of expenditure
3	Determination of locations for “A, B, C” category relay service points along the road and their reflection in local land management plans	500.0	500.0	-	-	-
4	Establishment of an overnight camp in Ikh Nartiin Chuluu Natural Resource Reserve	-	-	4,000.0	4,000.0	-
5	Creation and issuance of tourism pamphlets	-	-	2,000.0	2,000.0	-
6	Conducting and registering training and workshops required for the implementation of What 3words e-mail system	-	-	5,000.0	5,000.0	-
7	Staged development of the Ikh Nartiin Chuluu Nature Reserve Area Information Center	-	-	-	-	3,000.0
8	Conducted domestic and overseas public relations activities for tourism in Dornogovi aimag	-	-	-	-	1,000.0
9	Implementation of tourism M/P in Dornogovi aimag	-	-	13,000.0	0	11,000.0
Total		18,500.0	18,500.0	27,000.0	14,000.0	18,000.0

Source: Department of Nature, Environment and Tourism, Dornogovi aimag

The Dornogovi aimag Government has a sister-friendly relationship with Shizuoka Prefecture and has successfully cooperated in the areas of agriculture, culture, education, health, and energy. In addition, the Ikh Nartiin Chuluu Nature Reserve Area Management Office, established in 2013, is characterized by the development of tourism through international exchange, including the establishment of cooperative relationships with the American Zoological Foundation and Anza-Borrego Desert Park.

The aimag governor’s action plan for 2020-2024, “Working Together for Development-2,” includes developing cooperation with neighboring and developed countries and their soums and cities, implementing a multipolar foreign relations policy, forming support for the aimag’s economic and social development, and working to attract investment, pointing out the importance of international cooperation.

In 2017, the soum government of Dornogovi aimag’s Zamiin-Uud soum drafted a cooperation agreement with the Government of Erenhot City in China’s Inner Mongolia Autonomous Region to discuss the establishment of a China-Mongolia cross-border tourism zone.

3.2.3 Organizations related to tourism development

(1) Government agencies and public institutions

1) Khamar Monastery Valley Protection and Management Station³⁷

The 2005 Resolution of the Provincial Council No. 3/11 designated Khan Bayanzurkh Mountain as a “Natural and Historic Heritage” and 84,000 hectares of land in Khashaatiin gobi as a “Forest Reserve.” In the 2009 Resolution No. 3/03 of the Provincial Council and Resolution No. 5/04 of 2010, 26,764 hectares of land around the Khamar Monastery and Mt. Shambhala were decided to be protected by the Aimag’s Government as a aimag’s heritage. In addition, Resolution No. 5 /03 of the Provincial Council in 2014 extended protection to Khamar Monastery, Khashatiin gobi, Zoo Khooloi Valley, and Khan Bayanzurkh mountainous areas, making a total of 85,277.84 hectares of land a special protected area of the aimag. To improve the protection and management of the Khamar Monastery area, based on a resolution of the Sainshand soum Council, on

³⁷ <https://dornogovi.gov.mn/>

January 1, 2017, the management office of Khamar Monastery came to be under the jurisdiction of the Sainshand Urban Development Authority. The agency’s main tasks are to protect the natural environment, promote tourism, improve the appearance of the city, greenery, maintenance, and waste management. The Sainshand Urban Development Authority has jurisdiction over the following tourist destinations.

Table 3-34: Tourist spots under the jurisdiction of the Sainshand Urban Development Department

1	Khan Bayanzurkh Mountain
2	Khamar Monastery
3	Uvgun Suvarga Tower
4	Tsagiin Khurd / Ikh Tenger Khonkh
5	Nagarjunai Buddha, named the mineral spring of the living Buddha
6	Power spot, which is said to be the land of Shambhala
7	Yolkhoiin Khavtsal Valley and the Dayanchin Cave
8	Tontoi Ovoo Hill
9	Zoogiin Hooloi (Zoo is a word that describes the shape of the land in the Gobi region)
10	Khashaat gobi

Source: Department of Nature, Environment and Tourism, Dornogovi aimag

The agency holds the “Mongolian Apricot Viewing Tour” every year from late April to early May, and the annual “Shambhala Grand Blessing Festival” every September.

The agency operates on a budget allocated by Sainshand soum. In addition, tourist fees are also a source of income. Revenue was collected at 180 million MNT in 2019 and 120 million MNT, mostly from domestic tourists, in 2020. In 2019, more than 90,000 tourists visited the area, and 91 of the 60,000 tourists who visited the area in 2020 were foreigners.

2) Management station of the Ikh Nartiin Chuluu Nature Reserve³⁸

The area was registered as a national nature reserve in 1996 by Resolution No. 43 of the State Ikh Khural. Between 1999 and 2013, reserve management was carried out through cooperative arrangements with institutions, such as the Denver Zoological Foundation, the Mayor of Dalanjargalan soum in Dornogovi aimag, and Anza-Borrego Desert State Park in California.

On May 2, 2013, S. Oyun, Minister of Nature, Environment and Green Development, and P. Gankhuyag, Governor of Dornogovi aimag, agreed to the arrangement “to have a non-governmental organization manage Ikh Nartiin Chuluu Nature Reserve” and the Dornogovi branch of <Argalt agnuur (Wild sheep hunting) Research Center>, an NGO, was put in charge of reserve management, resulting in the establishment of a reserve organization. By the resolution of the Provincial Council, a provisional administration office was built in the Dalanjargalan soum, where a decision was made to carry out activities. (Note: This enabled the organization to use profits, resulting in a Hustai National park-style self-management system.)

(2) Private organizations

1) Dornogovi Tourism Association

The Dornogovi Tourism Association is the only officially registered tourism-related non-governmental organization in Dornogovi aimag. It was established in 2017 as an NGO that provides services to members in order to promote tourism in the aimag, and about 60 tourism businesses in the aimag are members. In 2017 and 2018, the aimag’s tourism operators were brought together into one organization to participate in the International Travel Mart in Ulaanbaatar.

3.2.4 Status of infrastructure

(1) Railway

The railroad connecting Russia, Mongolia, and China (the Mongolian part is called the “Ulaanbaatar Railway”) stops at Choir, the capital of Govisumber aimag, the survey area, and Sainshand, the capital of Dornogovi aimag, and runs daily to the border station Zamiin-Uud, Dornogovi aimag. Trains on this route are used not only by passengers traveling to the southeastern aimags, but also by those traveling to China.

³⁸ <http://khnart.mpa.mn>

See Figure 2-12 for train stops from Ulaanbaatar to Govisumber and Dornogovi aimags.

In Dornogovi aimag, the Ulaanbaatar Railway Company’s Road Tourism Center regularly organizes and conducts a three-day, two-night tour of the Khan Bayanzurkh Mountain Range of Khamar Monastery (in a car) and a “New Year’s Day Sunrise” tour to Khangai Station in Bagakhangai District on January 1 every year.

(2) Road

1) Govisumber aimag

The main road from Ulaanbaatar to Zamiin-Uud to the City of Choir and parts of the city are paved, but the rest of the road is unpaved.

2) Dornogovi aimag

Within the framework of the Regional Road Development Project, the National Highway No. 3 (AN-3) on the Choir – Sainshand - Zamiin-Uud route was completed with the help of concessional loans from the ADB, the Government of South Korea, and funding from the Millennium Challenge Account. As a result, 432 km to Ulaanbaatar and 232 km to Zamiin-Uud City have been connected by paved roads, and 6.9 km to the center of Sainshand City has been paved.

There is a 42 km road from Sainshand City to Khamar Monastery. There is a 11.4km road within the City of Sainshand. The national highway and the City of Sainshand are connected by a 3 km road.

In the City of Sainshand, visitors will be using 18.1 km of simple paved roads, 5.4 km of concrete paved roads, 2.2 km of sand and gravel paved roads, a 19-meter long reinforced concrete bridge, and a 93-meter long concrete tunnel. The center of the aimag, Sainshand, is connected to the center of all soums by unpaved roads.

Table 3-35: Distance between the center of Dornogovi aimag and the center of each soum

No.	Soum name	Distance (km)	Type of road	No.	Soum name	Distance (km)	Type of road
1	Airag	124	Paved road	8	Urgun	61	Improved sediment road
2	Altanshiree	84	Improved sediment road	9	Saikhandulaan	97	Improved sediment road
3	Dalanjargalan	149	Paved road	10	Khatanbulag	230	Improved sediment road
4	Delgerekh	137	Improved sediment road	11	Khuvsgul	161	Improved sediment road
5	Ikhkhet	162	Improved sediment road	12	Ulaanbadrakh	133	Improved sediment road
6	Zamiin-Uud	218	Simple paved road	13	Erdene	103	Simple paved road
7	Mandakh	170	Improved sediment road				

Source: Dornogovi aimag

The aimag has permanent border checkpoints, Zamiin-Uud (Zamiin-Uud soum) and Khangai (Khatanbulag soum). As mentioned above, the 432 km of road between Ulaanbaatar and Zamiin-Uud is paved. The construction of a 290 km paved road between Sainshand, Zuunbayan, Khuvsgul, and Khangai is currently being planned.

The completion of the Khangai border checkpoint in Khatanbulag and the paved road towards Zuunbayan will be of great significance for the development of tourism in the border region. To develop tourism in the border region of Khatanbulag, an “Anchinn Otog” tourist accommodation facility was built, which can accommodate 2,000 people at a time.

A local road fund has been established to improve the local road network, and per year, 170 to 190 million MNT is collected as transport vehicle tax into the fund and spent on new road construction and repair work.

In the future, as part of the regional development plan, there is a plan to pave 260 km of asphalt paved road

from Sainshand to Khamar Monastery, Zuunbayan, Khuvsgul, Khangai, and Mandal border checkpoints, and to pave an improved sand and gravel road from Sainshand to Baruun-Urt soum, Sukhbaatar aimag, with national and local financial investment or with the support of mining companies.

(3) Tap water

1) Dornogovi aimag

Drinking water is transported by truck from a distance of 1-2 km to the soums of Mandakh, Saikhandulaan, Delgerekh, and Ulaanbadrakh in Dornogovi aimag. Pipelines have been connected to water stations in soums such as Airag, Altanshree, Ikhkhet, Dalanjargalan, Urvun, Sainshand, Khuvsgul, Khatanbulag, Erdene, and Zamiin-Uud.

Drinking water does not meet the quality requirements by 2-3 parameters such as fluorine, arsenic, and uranium. Therefore, with funding from the Environmental Protection and Rehabilitation Fund, the Community Development Fund, and corporations, purification and water softening equipment was installed on 17 wells: three in 2017, two in 2018, five in 2019, and seven in 2020.



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-9 Water Supply Stations in Sainshand soum

In addition, there are 13 mineral water factories in the soums of Sainshand, Airag, and Zamiin-Uud in the aimag, where the people of the aimag purchase drinking water.



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-10: “Origikh Dorgio” and "Ulemj" mineral water plant

The action plan of the governor of Dornogovi aimag for the period 2020-2024 includes the following activities for the development of drinking water supply.

Table 3-36: Dornogovi Governor’s action plan (development of drinking-water supply)

Relevant provisions	Outline of the water supply development plan
5.1.2	Improve overall management to prevent contamination and shortage of water resources and provide safe drinking water to residents.
5.1.2.1	Have specialized agencies assess groundwater quality and potential adverse effects on water sources and implement preventive, mitigating, or clean-up measures.

5.1.2.2	Establish and adhere to a detailed sanitation and management system for the soum's central water supply.
5.1.2.3	Continue work to protect and maintain springs and mineral water.
5.1.2.4	Test the quality of the soum's drinking water and install purification systems in stages to provide drinking water that meets standards.

Source: Prepared by survey team based on the action plan of the Governor of Dornogovi aimag

(4) Sewage treatment

1) Govisumber aimag

In Choir, there is a sewage treatment plant, but for households and facilities that are not connected to the sewage pipes, the collected sewage is taken directly to the disposal site by sewage truck for disposal.

2) Dornogovi aimag

The sewage treatment plant currently in use in Sainshand was built in 1986 and has not been able to operate in its full form since 1993 due to equipment failure. Now, after 27 years, the sewage is collected in a reservoir, settled by a card system, and then disposed of naturally.

The aimag has been selected to build a new facility to treat 3,000m³/day of sewage in District 2 of Sainshand soum using a concessional loan project from the ADB, and the groundbreaking ceremony was held on May 17, 2019. The construction of the sewage treatment plant, which is being built by a Turkish NHC company with 36 million USD funding from the ADB, will be able to produce 1,000 m³ of grey water per day, which can be used for sprinkling water on greening and for factory needs. Construction is delayed due to the COVID-19 (Figure 3-13).

In addition, the installation of 4.4 km of pipes to connect sewage concentrated in districts 4 and 7 in Sainshand soum to the newly constructed sewage treatment plant has been completed.



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-11: Sewage treatment plant located in districts 4 and 7 of Sainshand soum



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-12: Sewage treatment plant located in Sainshand soum, districts 1, 2, 3, and 6



Source: Survey team

Figure 3-13: A 3000 m³/day treatment plant located in district 2, Sainshand soum (unused)

In addition, the action plan of the Provincial Governor for the period 2020 to 2024 clearly states that the Provincial government will work on sewage treatment by putting the treatment plant in operation, conducting a survey on the reusability of grey water from the treatment plant, and implementing and setting an example of a small-scale plan to improve toilets in tourist facilities by making them hygienic, safe and secure.

(5) Waste treatment

1) Dornogovi aimag

On June 10, 2019, Resolution No. 11/02 of the Dornogovi Provincial Council adopted the “Regulation on Treatment, Sorting, Collection, Transportation, Reclamation, Reuse, Disposal, and Landfilling of General Waste.” This regulation not only details the types of waste that can be collected separately and recycled in the soum capital Sainshand, the legal arrangements to reclaim and use this waste, the cost of waste disposal, and the manual for villages to dispose of their waste, but also clarifies the duties and responsibilities to be carried out by organizations at all levels regarding waste issues. There is one place in Sainshand where waste is collected and landfilled, and tourism service entities in the vicinity of the city also transport and dispose of waste according to this regulation. In each soum of Dornogovi aimag, there are specific waste collection points and landfill sites near the settlements. In Sainshand soum, 20 to 35 tons of waste per day is collected and transported to the landfill for disposal. Studies have shown that about 60% of waste can be recycled, and a waste recycling plant was established in August 2020. This factory is capable of collecting and compressing plastic bags and plastic containers and remaking them into chairs and fences along the streets of the city. As part of the “Eco-Gobi” project, the issues of waste separation and recycling plants have been solved. To support the project, plastic container collection sites have been set up at 15 locations in Sainshand soum. In the future, the city plans to make products from waste materials such as sawdust and glass in connection with its SME project. The city manufactures benches and parking limiters for the “Eco Gobi” project.



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-14: Plastic container collection container



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-15: Bench and parking limiter for the Eco Gobi project

Currently, there are no waste collection or landfill sites along the road from Ulaanbaatar city to Zamiin-Uud. Trash cans are placed near tourist sites such as the Khamar Monastery Complex, Burdene bulag oasis, and Ikh Nartiin Chuluu, but trash cannot be disposed of in this area, so trash is transported to a disposal site and buried.

The provincial governor’s action plan for 2020-2024 includes the following plans: 1) improve waste management, 2) support the recycling industry, and 3) establish sorted waste collection and hazardous waste collection stations in some soums. Currently, no separate waste collection stations have been set up in any of the soums except Sainshand. There are 16 waste disposal sites (106 hectares) in the aimag, where landfill operations are being carried out.

(6) Electrical and communication infrastructure

1) Govisumber aimag

The entire Choir City is connected to the central power grid. Mobile phones also have service.

2) Dornogovi aimag

The aimag has 14 soums, all of which are connected to the central power grid and have a stable power supply. The central power grid supplies power to the following areas: Baganuur to Sainshand 220 kV, Sainshand to Zamiin-Uud 110 kV, and Sainshand to Zuunbayan 35 kV. There is also supply from renewable energy sources such as the “wind power park 55 MW” in Sainshand and Urugun, the “solar power park 30 MW” in Sainshand, and the “solar power plant 15 MW” in Zamiin-Uud.



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-16: Wind power park in Sainshand soum



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-17: Solar power park in Zamin-Uud soum



Source: Provincial Secretariat Investment Development Policy Planning Division

Figure 3-18: Solar power plant located east of the center of Sainshand soum

There are wind farms in Mandakh and Khatanbulag in the aimag, and work has begun to connect these wind farms to the central high-voltage transmission line.

The Governor of Dornogovi’s Action Plan from 2020 to 2024 includes the following: 1) conducting surveys and construction work to increase the capacity of heat supply and thermal power plants in Sainshand soum, 2) constructing a 230-kilometer 220-kV wireless transmission and substation between Choir and Sainshand, 3) staged construction of heating boilers and integrated utility networks in Mandakh and Saikhandulaan, and 4) investigating the use of Ulaanbaatar Railway-owned heating boilers and utility networks in the aimag.

(7) Service area (temporary rest areas, toilet facilities)

1) For Mandalgovi City, Dornogovi aimag

There is a 681 km paved road from Ulaanbaatar to Zamiin-Uud. Service spots are concentrated in Bagakhangai District, Choir City, Sainshand, and Zamiin-Uud, and there are seven temporary rest areas and cafeterias along the road. Of these, the Dugui service area in Choir City has sanitary public toilets, cafeterias, and daily necessities stores, while the other areas only have cafeterias.

Table 3-37: Roadside facilities, service information

	Location	Distance from Ulaanbaatar	Name of facility	Service description
1	Maint/Bayan soum, Tuv aimag	120 km	"Bolor-1" Cafeteria	Meals Public toilets (outdoors)
2	14-Station	150 km	Cafeteria	Meals Public toilets (outdoors)
3	Choir City	235 km	“Dugui” center	Restaurant Sanitary public restrooms Daily necessities sales, simple accommodation, Tire repair

4	25th intersection/Alag Torgoi Hill coal mining/	300 km	Cafeteria	Meals, public toilets (outdoors), food sales
5	Dalanjargalan soum	310 km	"Bolor-2" Cafeteria	Meals Public toilets (outdoors)
6	Airag soum	330 km	"Babu" Cafeteria	Meals Public toilets (outdoors)
7	Sainshand soum	426 km	Cafeteria	Meals (2 restaurants) Public toilets (outdoors)

Source: Prepared by the survey team

Sainshand soum, shown in 7 of Table 3-37, has a public toilet in District 4 (Figure 3-19). There are comfortable public toilets (Figure 3-20 right) at two places in the stadium, west-north of the central intersection of Sainshand soum. There are seven new and old public toilets in the Khamar Monastery, the Shambhala Land, and around Khan Bayanzurkh Mountain. Some tourist camps also have comfortable toilets. In other camps and ger accommodation service areas, there are pit latrine toilets. The comfortable toilet in front of the monastery (left side of Figure 3-20) had a tank underneath and was designed to pump out waste, but the drop in outside temperature during the harsh winter caused the pipes to freeze and stop working. Whether the failure is due to a technical problem or a construction error needs to be surveyed and determined. Comfortable toilets are connected to electricity year-round so they do not freeze.



Source: Survey team

Figure 3-19: Example of a public toilet in District 4



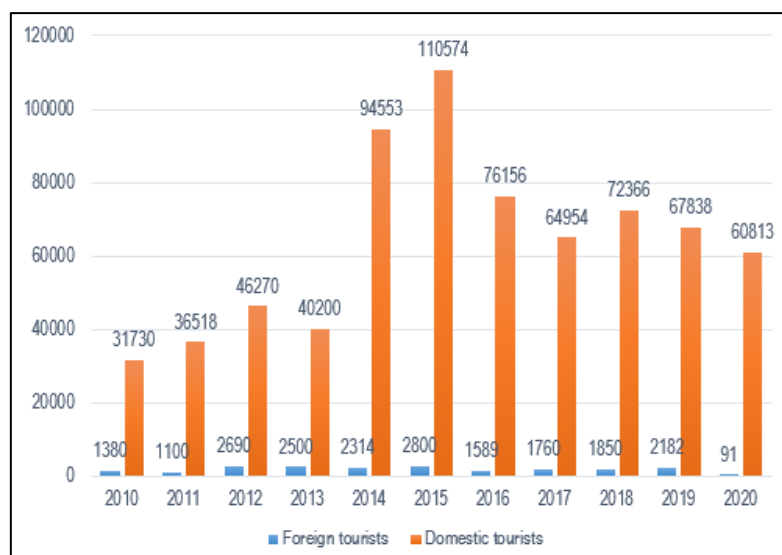
Source: Survey team



Figure 3-20: (Left) Public toilet in the Khamar Monastery, comfortable toilet in the city (right)

3.2.5 Trends in tourists

Figure 3-21 shows the number of visitors to Khamar Monastery, Khan Bayanzurkh Mountain, and Khusel Mountain in Sainshand (blue: foreign tourists, orange: domestic tourists).



Source: Khamar Monastery Regional Protection Office Chief Sh. Baigalmaa

Figure 3-21: Number of tourists (by foreign tourists and domestic tourists)

Although there is currently no way to accurately determine the number of tourists to Dornogovi aimag, the total number of visitors to prominent tourist sites in the aimag is shown in Figure 3-21 below. Khamar Monastery is a prominent monastery and famous for its nearby energy power spots. Visitors are mainly domestic tourists, with little recognition of foreign tourists, and the number of foreign visitors is almost constant at around 2,000. In contrast, the number of domestic tourists jumped to 94,553 in 2014 from 40,200 the previous year, and to 110,574 in 2015. Since then, it is not necessarily clear whether the downward trend is due to the lack of attractiveness of the area as a tourist destination or the lack of readiness to welcome tourists.

3.2.6 Trends in tourism-related industries

1) Dornogovi aimag

As shown in the chart below, there are 1,024 people working in the tourism industry in Dornogovi aimag, which is still a small percentage of the total employment in the aimag of 33,346 people (2019). On the contrary, it can be said that the employment absorption effect of the development of this sector is high.

Table 3-38: Number of employees in the tourism industry in Dornogovi aimag

	Type	Number	Number of employees
1	Hotel	20	177
2	Motel	15	Unknown
3	Tourist camp	6	40
4	Resort	3	21
5	Spa resort	3	25
6	Rental room	20	40
7	Tour operators and travel agents	5	30
8	Restaurant	30	180
9	Car service	11	11
10	Guide	-	50
11	Museums and temples	12	150
12	Handicrafts (souvenirs)	-	300
Total number			1,024

Source: Department of Nature, Environment and Tourism, Dornogovi aimag

3.2.7 Status of tourism marketing and promotion

1) Dornogovi aimag

The aimag's website is only available in Mongolian. There is no tag to introduce tourism in the aimag, and

clicking on a tag that says “About the aimag” only introduces visitors to basic statistics on the aimag’s population and economy. Furthermore, clicking on the tag titled the "Nine Marvels of the aimag" introduce visitors to only one photo of each of the nine places of natural scenic beauty in the aimag, and clicking on them does not introduce additional photos or explanations, so the site is not fully informative even for the domestic market.

On the other hand, the Dornogovi aimag established a tourist information center, and created 15 pieces of information on tourism, accommodation, video introduction, nature, and history of the aimag in Mongolian and uploaded them to Facebook, which was viewed by over 40,000 people.



Source: Dornogovi aimag

Figure 3-22: Tourist Information Center in Sainshand soum

On the site Mongolia Travel Community, created by MNET, all tourism operators can post their advertisements and tourists can use the hashtag #FeelMongolia to post their travel stories.³⁹ Advertisements are also placed on travel platforms such as TripAdvisor.



Source: www.dornogovi.gov.mn/home

Figure 3-23: Screenshot from the Dornogovi aimag website.

In English, there are a limited number of websites⁴⁰, but they contain little information and were last updated in 2017. The only private travel agency website that exists is Legend Tour⁴¹, which seems to be inadequate for internal and external promotion.

To promote tourism, the Nature, Environment and Tourism Department of Dornogovi aimag has participated in the International Travel Mart 11 times since 2009 and promoted the activities of the aimag’s tourism agencies. In addition, as a partner of the “ITM-2016” International Travel Mart, Dornogovi aimag held an exhibition in collaboration with the Mongolian Tourism Association. The tourism Association of the aimag has always participated in this ITM exhibition. Some of the most pressing issues in the marketing and

³⁹ <https://m.facebook.com/Mongolia-Travel-Community-1382468838739101/>

⁴⁰ http://www.drben.net/Mongolia_Report/Aimag/Dornogovi/Dornogovi_Aimag-Index.html

⁴¹ <https://www.legendtour.ru/eng/about.shtml>

promotion of the aimag are the lack of an official website for the foreign market, the lack of a permanent publicity medium, the lack of participation in exhibitions other than the International Travel Mart held annually by the Mongolian Tourism Association, and the fact that information is provided only through the websites of government agencies.

3.2.8 SWOT analysis

The Route of Dornogovi attracts domestic tourists due to its prominent spots, which are the Khamar Monastery and the energy center, but overall, the tourism resources in the area have not been fully researched and there is a lack of information. The roads are not paved except for the Khamar Monastery line, making it difficult to access tourist spots. On the other hand, railroads and paved roads connecting the capital city and China run through the center of the aimag from north to south. In addition, it is expected that travel plans will be developed using the central railroad in Dornogovi aimag, and that Chinese merchants will enter the aimag and develop tourism and shopping after the free trade zone being built in Zamiin-Uud on the border is completed. However, there is no information on this route in foreign languages, and as with other routes, there is a problem of not being able to provide reliable information to foreigners.

The following is a SWOT analysis that shows the strengths and weaknesses of the Route of Dornogovi.

Table 3-39: Strengths and weaknesses of the Route of Dornogovi (SWOT analysis)

	Potential	Constraints
	Strength	Weakness
Internal environment	<u>Tourism resources</u> Power spots such as the Khamar Monastery Rare animals of the Ikh Nartiin Chuluu Nature Reserve (Alpine ibex) Zagiin Us Valley (zag is a desert tree) Suikhent Chuluujsan Forest The Borjigin tribe related to Chinggiis Khaan Zamiin-Uud, a city on the Chinese border Railroad journey and the Gobi Desert sunset <u>Infrastructure</u> There is a north-south railroad that runs through Russia, China, and Mongolia. There is a 432 km paved road from Ulaanbaatar to the Chinese border. A free economic zone is under construction in Zamiin-Uud. Communications, electricity, and energy are in place in Soum. <u>Service</u> There is a rest area at the relay point in Choir. There are accommodations for domestic guests.	<u>Tourism resources</u> Tourism resources for foreign tourists are underdeveloped. <u>Infrastructure</u> There are not many plans for tourists to use the train. There is no airport. <u>Laws and regulations</u> Resources are not adequately protected. Dornogovi has few tourism-related development plans. There is little cooperation between the private sector and local governments related to tourism. <u>Service</u> Tourism companies are still immature. The quality of tourism services is low. Not enough souvenirs are being developed. There are few accommodations that meet the needs of foreign tourists. Information and marketing There is a lack of information dissemination.
	Opportunity	Threat
External environment	<u>Infrastructure</u> There is room for developing railway trips. Dornogovi route is located on the route of the China-Russia-Mongolia international tourism development project. <u>Information and marketing</u> Dornogovi route has the potential to attract Chinese tourists to the border area.	<u>Laws and regulations</u> Mine development destroys the natural environment. Rare animals are decreasing due to the increase of tourists. <u>Information and marketing</u> Nationalism issues with Chinese tourists Competition with the Inner Mongolia market Trade and commerce take precedence over tourism.

Source: Prepared by the survey team

(1) Advantages of the Route of Dornogovi for tourism development

1) Tourism resources

- ① The Route of Dornogovi covers Govisumber aimag, which is believed to be the land of the Borjigin tribe, ancestors of Chinggis Khaan, and Dornogovi aimag, where the Khamar Monastery and power spots are located.

- ② Many parts of the country are undeveloped as tourist destinations and have the potential to develop depending on future strategies.
- ③ Domestic tourists mainly visit tourist sites such as Shambala, a power spot where the genius monk Danzanravjaa stores energy in his body, Khamar Monastery, Ikh Nariin Chuluu Nature Reserve, Khashaatiin gobi Desert, and Tsagaan Del Cave.

2) Infrastructure

- ① The 432 km long road (MR 100) from the capital Ulaanbaatar to Zamiin-Uud, Dornogovi aimag on the Chinese border, has been paved, which has greatly reduced the burden of traveling by car.
- ② The Route of Dornogovi is located along the Ulaanbaatar railroad line, which is the Mongolian part of the international railroad linking Beijing and Moscow. At present, the train is mainly used for cargo, but in the future, it may be possible to plan a relaxing train trip for foreigners.
- ③ Dornogovi aimag is of vital importance to the Mongolian economy as a window to China, as the name of the border lying region of Zamiin-Uud (meaning “gate of the road” in Mongolian) indicates, and a free economic zone is under construction in Zamiin-Uud. In the future, the Route of Dornogovi may develop in terms of shopping and tourism around the border, targeting Chinese merchants who are involved in trade between Mongolia and China.

3) Laws and regulations

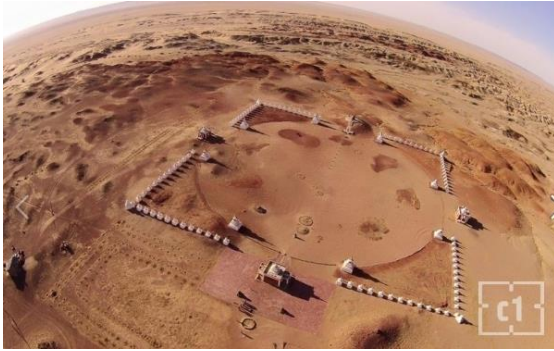
- ① The Ikh Nartiin Chuluu Nature Reserve has been designated and is focused on the reserve of rare animals (Alpine ibex).
- ② In Dornogovi aimag, 17.8% of the workable population is unemployed (according to 2020 soum population statistics), so tourism development could absorb this population and lead to economic development in the region.

4) Service

- ① There is a rest facility in Choir, the relay point.
- ② Accommodations for domestic tourists are in place.

5) Information and marketing

- ① In terms of the number of visitors to Khamar Monastery, the number of domestic visitors in 2019, before the spread of the COVID-19, was 67,838 compared to 2,182 foreigners, which means there were 31 times more domestic tourists than foreign tourists, suggesting that the site is a place of religious worship and has a special position in Mongolian tourism.
- ② When the free economic zone in Zamiin-Uud starts to take off and Chinese merchants start to enter the area in earnest, it is highly likely that shopping and tourism in nearby areas will expand in tandem.
- ③ The Chinese buy cashmere products and meat as souvenirs. Since the cost of shopping in the Route of Dornogovi is lower than in China’s Inner Mongolia, the Route of Dornogovi has the potential to attract Chinese customers to the shopping malls in Zamiin-Uud.
- ④ Dornogovi aimag has a typical Gobi topography (rubble and sand) with vast expanses of bleak white-brown plateaus, a landscape that does not exist at all in Japan, where forests dominate. Therefore, the topography could become an attraction for Japanese people in particular.
- ⑤ There is a possibility that we can plan a grassland train trip for foreigners using the railroad at a low price. Regarding travel by railway, it would be a good idea to improve services on the trains, plan tour routes from Sainshand, and invite Japanese travel agencies with branches in Mongolia to visit the area to provide us with advice.



Energy Center



Fossilized trees



Khamar Monastery

(2) Tourism development constraints of the Route of Dornogovi

1) Tourism resources

- ① In winter, the temperature drops to minus 40 degrees Celsius.
- ② Deserts and nature reserves compete with tourism resources with the Route of Umnugovi.
- ③ The increasing number of tourists has led to fewer observations of rare animals previously seen.

2) Infrastructure

- ① Since there are no paved roads to tourist sites except for the Khamar Monastery and the distances between tourist sites are long, the development of tourism for foreigners in Dornogovi aimag has a strong element of adventure travel in undeveloped areas.
- ② The extension of paved roads to the following soums, where major tourist attractions are located, has not been accomplished: Khatanbulag, Dalanjargalan, Khuvsugul, Delgerekh, Mandakh, Altanshiree, and Ikhkhet.
- ③ Ironically, since the paving of the main road from Ulaanbaatar to China has been completed, fewer people are using the train to get to Sainshand. International trains, which have been used to procure goods from the Chinese border city of Erenhot, are likely to be replaced by trucks in the future. Therefore, it is time to seriously consider the possibility of developing train tourism.
- ④ If we do not increase the number of public toilets that can be used by foreigners in Govisumber aimag, which is a transit point from the capital, and along the main roads in the aimag, as well as in the vicinity of major tourist spots, the reputation of the Route of Dornogovi may be damaged. It is desirable to construct rest areas with roadside public toilets in at least two locations along the main road between Choir, Sainshand and Zamiin-Uud.

3) Laws and regulations

- ① The installation of road signs and billboards to protect tourism resources is required. Vehicles driving off the road course may lead to the destruction of nature.
- ② Road signs and tourist information boards (bulletin boards) have not yet been installed. Road signs and tourist information boards should be installed to preserve and protect valuable tourist sites such as the Baga special protected area the Gobi with its natural, cultural, and historical resources, Ikh Nartiin Chuluu,

Tsonjiin Chuluu, Zagiin Us, Elgeliin Zoo, the fossilized forests and sand dunes of Swichent, Mt. Choiriin Bogd, Khesen Baishint, and the ruins of Olon Baishint.

4) Service

- ① The service industry for foreign tourists has not been developed.
- ② There are no educated and trained tourist guides.

5) Information and marketing

- ① Since tourism development for foreign countries is delayed, sufficient information has not been disseminated.
- ② It is understandable from a religious and legendary point of view that the Khamar Monastery and power spots attract the interest of domestic tourists. The obvious target for the region is Mongolians, but the number of domestic tourists has been on the decline since peaking at 110,574 in 2015. Further analysis is needed to determine whether this is due to the low reputation of the region as a tourist destination among Mongolians or due to the lack of marketing and promotion by the aimag.
- ③ There is an obvious lack of information in foreign languages, especially English, to accurately convey the attractions of this region to foreign tourists. Almost no information about the region, including the provincial government, is available in English.
- ④ There is a lack of budget for external communication and a lack of human resources.

3.3 The Route of Kharkhorin

3.3.1 Situation of Tourism Resources

Tours of the Kharkhorin region are popular with foreign tourists as trips that allow them to easily experience the history, rich Khangai landscape, and nomadic culture of Mongolia, such as Khujirt with its hot springs and Orkhon Waterfall, with Kharakhorum, the capital of the Mongol Empire, as the axis. To visit Lake Khuvsgul, which is said to be the clearest lake in the world, many people use the route from Kharkhorin and pass through Arkhangai. In Arkhangai aimag, courses for foreigners include Khushuu Tsaidam with its Orkhon inscriptions, Ugii Lake, famous for its fishing, Terkhiin Tsagaan Lake, a huge freshwater lake four times the size of Lake Biwa in Japan, and the Tsenkher Hot Spring, which the Japanese helped develop. It is common to combine these routes with a trip to Kharkhorin in the south.

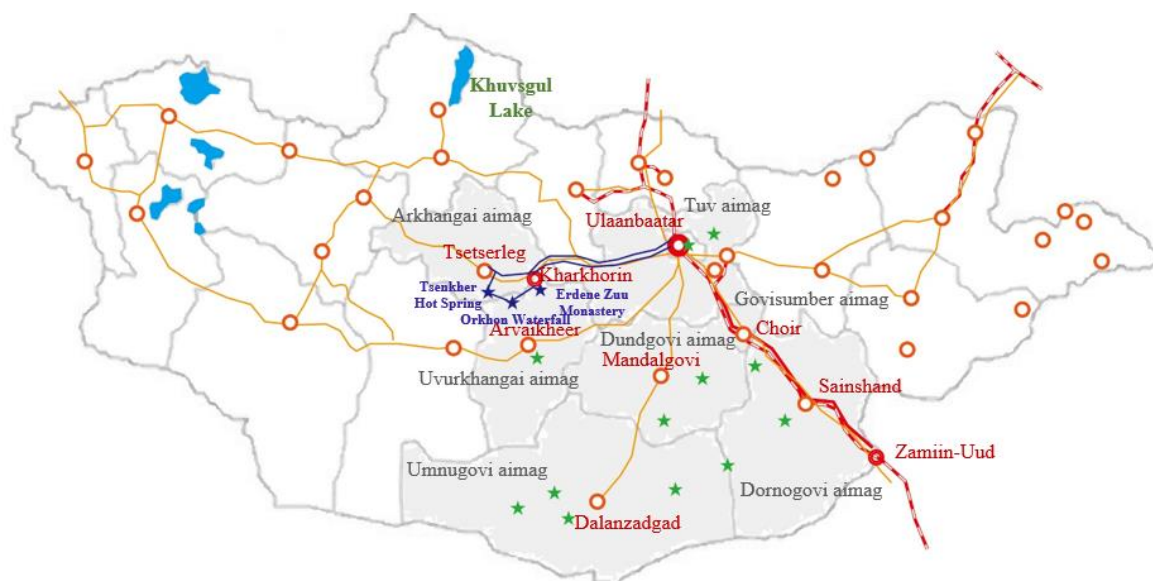


Figure 3-24: Kharkhorin Tourism Route Diagram

(1) Arkhangai aimag

With an area of 55,300 km² and a population of 94,948 (2020), the area is a mixture of forests and grasslands, with temperatures averaging -30°C to -38°C in winter and rising to 25°C to 36°C in summer. Although livestock farming is the main industry, Arkhangai aimag is blessed with nature, including fish-rich rivers, volcanoes and volcanic lakes, vast forests and meadows. The aimag is home to Terkhiin Tsagaan Lake, the Tsenkher Hot Spring, and the ruins of an ancient nomadic kingdom, where many Paleolithic remains have been discovered.

Arkhangai is the place where the famous Mongolian poet D. Natsagdorj sang about as the place with the most typical natural beauty of Mongolia. The greenery of the forest and grassland is beautiful. This area was occupied by Turkic and Uyghur tribes until the 8th century, and there are many ruins left.

Table 3-40: Major tourist resources in and around the City of Tsetserleg (the capital of the aimag)

Name of tourist resource	Season	Overview
Terkhiin Tsagaan Lake	Throughout the year	This is a freshwater lake that is four times the size of Lake Biwa. Nearby is a volcanic crater, which offers a unique view.
Tsenkher Hot Spring	Throughout the year	This is where the first Japanese opened a hot spring resort. It is said to be a beauty hot spring.
Ugii Lake	Throughout the year	This area is protected by the Ramsar Convention. It is a fishing mecca.
Erdenebulgan	Throughout the year	This area features a grand natural landscape.

Source: Prepared by the survey team

(2) Uvurkhangai aimag

With an area of 62,895 km² and a population of 116,786 (2020), this aimag has been the center of nomadic grassland herders for more than 2,000 years, with Mount Khangai in the northwest, Mount Altai in the southwest, and the steppe in the center. The aimag is home to the largest number of livestock in the country (about 44.79 million as of December 2020), and the people of Uvurkhangai have inherited the intangible cultural heritage of the ancient nomads from generation to generation, including folk art, animal husbandry, and handicrafts. In the north, the agricultural and pastoral industries are thriving, and in the aimag, there are construction-material and food-related factories. Current Kharkhorin is the place where the former capital of Kharakhorum was located during the Mongol Empire. There are many historical and cultural heritages in the Orkhon Valley Cultural Heritage Group, which is a world heritage, including the Erdene Zuu Monastery built in the 17th century, and the Kharakhorum Museum constructed with the Japan's Grant assistance and displaying excavations from ancient heritage sites.⁴²

Kharkhorin is the land where the second Khaan of the Mongol Empire, Ugudei, established as the capital of Mongolia in 1235. On the site of the capital that was destroyed by the Ming Dynasty, a Tibetan Buddhist temple, Erdene Zuu Monastery, was built in 1585 and is used as a Buddhist museum. It is part of the Orkhon Valley, a World Heritage Site. Kharkhorin is one of the most appreciated tourist destinations for foreign tourists.

Table3-41: Famous tourist spots around Kharkhorin

Name of tourist resource	Season	Overview
Erdene Zuu Monastery	Throughout the year	A Tibetan Buddhist temple built in 1586, now a museum.
Kharakhorum Museum	Throughout the year	A museum constructed in 2011 with Japan's Grant assistance. It is also a venue for the preservation and research of Mongolia's valuable cultural heritage.
Khushuu Tsaidam	Throughout the year	Khushuu Tsaidam exhibits the history and culture of the Turkic peoples, including a large stone inscription in honor of Bilge Khaan, which is a symbol of the rule of the Turkic peoples around the 8th century.
Khujirt	Throughout the year	Hot spring resorts (for domestic use)
Orkhon Falls and Valley	Throughout the year	This is the most famous waterfall in Mongolia
Tuvkhun Monastery ruins	Throughout the year	A temple where the first living Buddha, Zanabazar, is said to have trained, and where plants (flowers) abound.

Source: Prepared by the survey team

⁴² Source: The regions of Mongolia Uvurkhangai aimag

3.3.2 Plans, campaigns, and measures

The Khangai region, which includes the aimags of Arkhangai and Uvurkhangai, is described in the chapter on regional development in Vision 2050 as “building integrated facilities for adventure tourism in the ecosystem of the Khangai Mountains and along the large river coasts, and for cultural tourism in the Orkhon Valley Reserve Area,” indicating the idea that the region should be developed by balancing its rich nature with its historical and cultural heritage.

The National Policies for Tourism Development 2019-2026 stipulate the following as national projects: 1) the internationalization of the airport of Uvurkhangai aimag, 2) the nomadic people’s national history center project in the Orkhon Valley specified as a national project in the appendix of the “ Mongolia’s Five-Year Development Guidelines for 2021-2025”, 3) the road paving between Khujirt, Tuvkhun Monastery, and Orkhon Waterfall in Uvurkhangai aimag, 4) the construction of a 220-meter bridge on the Orkhon River, and 5) the development of a tourist road from Ulziit soum in Arkhangai aimag to Khuvsugul aimag.

As a project of MNET, a service complex is planned to be constructed in the soum along the main road. On the other hand, there is also a movement in tourism development planning at the regional level. As result, the two aimags that have jurisdiction over the Orkhon Valley have compiled the “Orkhon Valley Tourism Strategy 2020,” which introduces the significance of tourism development in the region and classifies tourist sites according to their characteristics. However, there is a lack of perspective from the viewpoint of promoting the region both domestically and internationally, and the committees established based on the strategy are currently unable to carry out specific activities.

The Uvurkhangai aimag 2020-2024 action plan, adopted by the Provincial Council in December 2020, stipulates that tourism is to “develop sustainable tourism based on natural, historical, and cultural heritage, and expand economic benefits”. The plan also provides guideline for the construction of a tourist road connecting Kharkhorin and Erdene Zuu Museum, the development of tourism infrastructure, and proposed development of different travel routes. The construction of a road from the Khushuu Tsaidam (Museum of Orkhon inscriptions) in Kharkhorin and Arkhangai to the East-West Highway via Ugii Lake is scheduled to start in 2021, which, if realized, will greatly facilitate north-south tourism and contribute to the development of new tourism routes.

(1) Policies and plans related to tourism in Uvurkhangai aimag

There are many policies and documents related to tourism in Uvurkhangai aimag as follows, and their priorities and relevance are not clear.

Table 3-42: Key policy documents on tourism development in Uvurkhangai aimag

	Policies and plans for tourism development, etc.		Date of approval	Number of pages
1	Orkhon Valley tourism strategy 2020		2017	25
2	Tourism management plan for the Orkhon Valley National Park 2017-2021		2017	101
3	Major policy documents on tourism development in the aimag	Policy paper on economic development in Uvurkhangai aimag 2014-2024	2014	45
4		“Tourism sub-program 2018-2022” for Uvurkhangai aimag	2018.04.27	7
5		Tourism sub-program implementation action plan 2019-2022	2019.12.27	5
6		Uvurkhangai Governor’s action plan 2020-2024	2020.12.02	36
Other related plans and programs				
7	World Heritage Orkhon Valley Cultural Landscape Management Department	There are no independently developed policy documents. The aimag operates in accordance with the provisions of the World Heritage Convention.		

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

Two plans for tourism development in Arkhangai aimag and Uvurkhangai aimag were prepared for the Kharkhorin and Orkhon Valley region.

1) Orkhon Valley tourism strategy 2020⁴³

With support from the project “Skilled artisans and sustainable livelihoods” (CHI-TA) implemented in 10 soums of Arkhangai aimag and Uvurkhangai aimag, located in the Orkhon valley region, with financial support from the European Union and the Czech Development Agency in 2018, the “Tourism strategy of Orkhon valley region-2020” plan was jointly prepared by the two aimags. The significance of the tourism industry is explained to residents in an easy-to-understand manner.

The “Tourism strategy of Orkhon valley region-2020” stipulates that the main form of cooperation among stakeholders is the Tourism Development Committee. The committee consists of nine members, who are representatives of the government, non-governments, private companies, and citizens, and is headed by the Director of the Nature, Environment and Tourism Department. The Tourism Development Committee establishes branch offices in each soum, and branch managers are headed by vice-soum managers.

In this tourism strategy, it is expected that attractive products and services related to the region will be discovered, marketing policies will be formulated to disseminate them as local brands, and branding will be promoted to differentiate them from those produced in other aimags and increase their visibility and recognition, which in turn will attract investment and tourists to the target areas and improve their visibility.

Training of 40 companies and 10 soums in staff capacity building was carried out between 2016 and 2019 with Czech financial support (about 343,315 USD). As part of the 2020 plan, tourism development committees have been established in both aimags, and sub-committees have been set up in five soums, including Kharkhorin, but no real activities have yet taken place.

2) Tourism Management Plan for the Orkhon Valley National Park 2017-2021

This plan is a tourism and travel management plan for the special protected area, developed in 2017 with support from the GIZ. To protect the natural and cultural heritage of the Kharkhorin region and strengthen the protection activities of the special protected areas, the plan now includes specific measures such as developing tourism products, involving nomads, providing marketing information services, and developing tourism infrastructure. The Orkhon Valley National Park Authority is in overall control of the implementation of this plan and progress is good.

3) Policy Paper on Economic Development in Uvurkhangai aimag 2014-2024

Formulated in 2017, this policy document determines the medium- and long-term basic policies for the four main sectors of the economy of Uvurkhangai aimag (agriculture, tourism, services and transport, construction materials manufacturing). In addition, according to this policy document, Uvurkhangai aimag plans to welcome one million tourists by 2024, and has set four goals to achieve this goal. In addition, the specific work plan and budget for this policy document is unclear, and no implementation evaluation has been conducted to date.

4) “Tourism Sub-Program 2018-2022” for Uvurkhangai aimag

The Uvurkhangai aimag Tourism Sub-Program was approved by the Provincial Council in 2018 for a period of five years, 2018-2022. This program consists of a total of 21 initiatives to achieve four goals. The implementation status of the sub-program is shown in Table 3-43 below, and the overall evaluation from the Department of Nature, Environment and Tourism of Uvurkhangai aimag is shown in Table 3-44.

Table 3-43: Implementation Status of the Uvurkhangai aimag Tourism Sub-Program

	Target	Implementation status
1	Efforts to develop and organize tourism	Progress is made.
2	Development of tourism products, services, and infrastructure	Progress is made.
3	Improving economic effects of tourism	Implemented
4	Increase the number of tourist events and develop special travel courses.	Implemented

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

⁴³ <https://montsame.mn/jp/read/93192>

By reviewing the evaluation conducted by the Aimag's Department of Nature, Environment and Tourism on the implementation of the sub-program, it is speculated that the failure to resolve funding issues or lack of sufficient funding in implementing the designated events was the main reason why certain events could not be implemented.

Table 3-44: Evaluation of the implementation of the Tourism Development Sub-Program in Uvurkhangai aimag (end of 2020)

Description		Actual			
1.	Sub-program of tourism development Resolution 33 of April 27, 2018, by the executives of the Provincial Council	The goal is to develop a stable, environmentally friendly, and local private sector-based tourism throughout the aimag and to increase participation in the tourism sector to a higher level.			
2.	Fiscal resources	National and local budgets, projects and programs			
3.	Implementing Agency and Period	Main implementation organizations: Provincial Department of Nature, Environment and Tourism			
		Cooperative organizations: Provincial governments, tourist associations			
4.	Program goals	Goal 1: Organize tourism development Goal 2: Develop tourism products, services, and infrastructure improvements Goal 3: Improve tourism economy Goal 4: Increase sightseeing events and develop special trips			
5.	Expenses	Budget (total cost required)			
		Breakdown:	Budget (2020)	Actual (2020)	%
		First program	-	-	70%
		Second program	800.0	250.0	70%
		Third program	10	9.0	100%
	Fourth program	67.0	10.0	70%	
6.	Project and program goals	Program performance			
Scope of Goal 1					
	Goal 1: Organize tourism development	To develop private-sector tourism in the Orkhon Valley region and improve the quality and standard of service, the "Tourism Service Management Regulation" was finalized by Decision No. 37 of the Provincial People's Congress in 2014 and approved by Resolution No. 34 of the Provincial People's Congress on May 14, 2020. The implementation of this regulation was managed in cooperation with the congressional leaders of each soum. As of 2020, 71 households have planned and implemented gers and 25 households have planned and implemented horse riding trips.			
Scope of Goal 2					
	Target 2: Develop tourism products, services, and infrastructure	To increase and improve infrastructure and development in line with the main direction of the tourism industry, construction of a state-funded tourist street has begun in Kharkhorin soum, with the Kharkhorin soum Waterways Administration, the Kharkhorin branch of the Erdenet Bulgan Power Plant, and DSHL LLC selected as prime contractors. Water and sewage pipes were constructed in 2020 at a cost of about 50 million MNT. The construction of an 80-100 seat summer "open theater" for tourists in the plaza outside the Erdene Zuu Museum is 90% complete. To develop winter tourism, infrastructure work began to be carried out to build slopes that meet international standards in Bat-Ulzii soum.			
Scope of Goal 3					
	Goal 3: Improve tourism economy	To increase the benefits of the tourism economy, we participated in the "ITM-2020" international tourism exhibition with help from the soum tourist association. To support tourism enterprises from local government agencies, 9 million MNT of exhibition and equipment costs were borne by Provincial Council officials and the Department of Nature, Environment and Tourism. Five government agencies, one NGO, 16 tourist camps, one hotel, and one restaurant, all engaged in the tourism industry, participated in the exhibition to promote the history and culture of the region and their businesses. We also participated in various seminars and conferences on tourism. Over 80 business contracts were signed at the 2020 exhibition. Pamphlets on cultural heritage and historical and cultural sites were prepared at this exhibition to provide information to the participants.			
Scope of Goal 4					

Description		Actual					
	Goal 4: Increase sightseeing events and develop regional characteristics trips	Due to the spread of the COVID-19 in Mongolia, which is spreading worldwide, on March 1, 2020, the Ministry of Nature, Environment and Tourism has cancelled all tourism events and activities that were scheduled to be held in 2020. Uvurkhangai aimag scheduled six events during this year, two of which were the “Temenii Bayar (Camel Festival),” a winter event in Tugrug soum on January 5, 2020 and the “Mongolian Felt - Folk Art Festival” for domestic tourists with support from Ursa Major and Talbiun tourist camps in Khujirt soum on July 22, 2020, which were attended by about 160 people.					
7.	Conclusion (results, issues, and points to remember)	Resolve funding issues for related events in accordance with program implementation.					
8.	External assessment of the executing agencies of the program	None					
9.	Project and program implementation evaluation (self-evaluation)	Actual average	Number of goals	Goal 1	Goal 2	Goal 3	Goal 4
		77.5%	4	70%	70%	100%	70%
10.	Total evaluation of project and program implementation (Ministerial evaluation)	Integrated evaluation					
		None					

Source: Compiled by the survey team based on materials provided by the Tourism Policy Officer, Uvurkhangai aimag

5) Action plan 2019-2022 for the implementation of the tourism sub-program

The implementation analysis of the “Action Plan for Implementation of the Tourism Sub-Program” in Uvurkhangai aimag has not been carried out yet.

6) Uvurkhangai Governor’s action plan 2020-2024

In December 2020, the Uvurkhangai Provincial Council approved the “Uvurkhangai Governor’s Action Plan 2020-2024” by resolution. This action plan includes 12 measures with the goal of “developing sustainable tourism based on natural environment, history, and cultural heritage, and improving economic benefits.” A unique feature of this action plan is that it is structured in conjunction with the Long-Term Development Policy Vision 2050. For example, “national pride” is included at the beginning of the report, and tourism is listed as Green Development and Tourism, with an emphasis on environmental protection. Based on this foundation, tourism provides concrete examples of projects that should be implemented in each tourist destination. For example, a tourist road should be established between the Kharakhorum Museum and the Erdene Zuu Monastery. On the other hand, there is no mention of specific financial resources for implementation programs, including those related to tourism. The program for the tourism sector includes issues presented in previous policy documents on tourism development in the aimag, as well as the revision of the tourism development sub-program and its implementation.

(2) Tourism development policy in Arkhangai aimag

Below is summary of the policy documents related to tourism development in Arkhangai aimag. The Orkhon Valley Tourism Strategy produced in collaboration with Uvurkhangai aimag (reference 3.3.2). The policy documents related to tourism in Arkhangai aimag have same issues that can also be seen in Uvurkhangai aimag.

- ① Since the tourism policy document of Arkhangai aimag does not specify financial resources, it is unlikely that the set goals will be achieved.
- ② Those responsible for coordinating tourism development plans and policy measures are unclear, and the objectives set and the key participants in the implementation of policy measures, their roles and responsibilities at each stage of implementation are not necessarily clear.
- ③ One of the common features found in both aimag’ development planning policy documents is that local government and administrative agencies are planned to be involved in all aspects of economic and social development, but it is unclear and unmentioned how private organizations, local citizens, and NGOs will be involved.

- ④ The evaluation of the aimag’s policy document is positive and self-assesses that it has had a certain effect on the promotion of tourism, but it does not specifically state to what extent the policy has been implemented and what kind of effect it has had, so there is no objective evaluation standard to judge the degree of implementation and effect of the policy, thus making it practically impossible to judge the actual effect.
- ⑤ There are several policy documents on tourism that are effective at the same time, but it is difficult to understand their interrelationships and priorities. It would be easier to understand the implementation responsibilities if each aimag’ tourism policies and implementation programs are included in a single document. In the case of Arkhangai aimag, the content of other policy documents has been incorporated into the governor’s action plan, which is commendable in terms of consistency and coherence.
- ⑥ Regarding the medium-term policy documents of Arkhangai aimag, all of them require large budgets. Funding is planned to come from national, local, international loans, grants, and private loans, but it is not clear what kind of activities will be promoted to raise these funds.

Table 3-45: Policy documents on tourism development in Arkhangai aimag

	Policies and plans for tourism development, etc.	Date of approval
1	Orkhon Valley tourism strategy 2020	2017
2	1) “Tourism Sub-Program of Arkhangai aimag 2018-2022”	2015.06.09
	2) Mid-term policy document (2019-2030) for development as an “International Center for Nomadic Culture and Tourism”	2018.11.29
	3) Arkhangai Governor’s action plan 2020-2024	2020.12.03

Source: Department of Nature, Environment and Tourism, Arkhangai aimag

1) “Tourism Sub-Program 2018-2022” for Arkhangai aimag

The “Tourism Sub-Program of Arkhangai aimag” was formulated by the Provincial Council in 2015 and is to be implemented during the period 2015-2030. This program consists of a total of 32 initiatives to achieve six goals. According to the Department of Nature, Environment and Tourism of Arkhangai aimag, most of the goals of the sub-program have been implemented, but progress has not yet been made. However, the department credits the program with developing tourism in Arkhangai aimag and helping to solve the marketing problem.

Table 3-46: Implementation status of the tourism sub-program in Arkhangai aimag

	Target	Implementation status
1	Reform organization and structure.	Progress is made.
2	Protect the natural environment, history, and cultural heritage, and achieve economic circulation.	Implemented
3	Improve infrastructure development in conjunction with tourism policy.	Implemented
4	Expand marketing and advertising.	Implemented
5	Strengthen expertise, human resource development, and retention.	Implemented
6	Operation of tourist information centers	Implemented

Source: Department of Nature, Environment and Tourism, Arkhangai aimag

2) Medium-term policy document (2019-2030) for development as an international center for nomadic culture and tourism

On November 29, 2018, the executive board of the Provincial Council approved a medium-term plan (2019-2030) that aims to develop Arkhangai aimag as an international center for nomadic culture and tourism. In the framework of this policy document, the aimag will work on the comprehensive development of all 19 soums in the aimag, and plan to build the following nine facilities, which will be financed by the state, local government budgets, international loans and grants, and foreign and private loans: 1) World (Central Asian) Nomadic History, Culture Museum, and Comprehensive Tourism Facilities; 2) Yak Museum; 3) International Research Center for Nomadic Civilizations; 4) Glass Bridge;; 5) “Uvdist Oron” (Magic Land) Complex; 6) Central Mongolian Museum of Nature, History and Culture; 7) Museum of Solin Danzan; 8) International Airport; and 9) National Tourist Park to maintain and protect the ecological balance of the International Children’s Summer Camp Ugi Lake, and Khorgo-Terkhiin Tsagaan Lake.

The policy document also includes improving and building new infrastructure such as roads and electricity in key areas, holding regular “nomadic culture days,” supporting the aimag's policy-based travel agencies, and implementing measures to train 219 nomadic culture and tourism experts.

3) Arkhangai Governor’s action plan 2020-2024

In December 2020, a resolution of the Arkhangai Provincial Council approved the “Arkhangai Governor’s Action Plan 2020-2024.” This action plan includes seven measures, including a medium-term plan (2019-2030) that aims to develop the aimag as an “International Center for Nomadic Culture and Tourism” within the framework of “Sustainable Tourism” goals, and measures to implement the “Sustainable Tourism Development Project-II.” In other words, the governor’s action plan incorporates issues that have been mentioned in previous policy documents. It is commendable that this ensures continuity and consistency in policy.

3.3.3 Organizations related to tourism development

(1) Tourism development agencies in Uvurkhangai aimag

One NGO is World Heritage--Orkhon River Nomads. The NGO was established on November 8, 2010. The NGO is a member of the Mongolian Tourism Association. The NGO has not collected dues from member tourist camps over the past two years.

The Uvurkhangai Tourism Association is inactive due to a change in leadership in the aimag. Due to the significant change in membership, it is highly likely that the future course of activities will not be easily determined.

(2) Tourism development agencies in Arkhangai aimag

One NGO is The Cradle of Ancient Nomads. 40 tourist camps and hotels in Arkhangai aimag are members of the NGO. Activities are carried out with only membership fees.

3.3.4 Tax revenue related to tourism

(1) Tourism revenue in Uvurkhangai aimag

The table below shows the tourism-related income of Uvurkhangai aimag. We can see that the main income of the local government is from land use fees and sewage treatment fees.

Table 3-47: Tourism-related Income in Uvurkhangai aimag

	Soum name	Water usage fee mln.MNT	Sewage treatment charge mln.MNT	Land usage fee mln.MNT	Hunting and trap installation fee, mln.MNT	Forest charge mln.MNT
1	Arvaikheer	5.3	244.6	274.9	2.8	-
2	Bat-Ulzii	-	20.8	5.4	-	91.3
3	Burd	-	4.1	3.6	19.2	-
4	Kharkhorin	10.2	70.0	120.7	-	2.2
5	Khujirt	115.6	22.7	22.6	44.9	10.3
6	Uyanga	192.9	22.1	16.2	-	4.4

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

In the case of the Orkhon Valley National Park in Uvurkhangai aimag, the main income earned from tourists in the Orkhon Valley area is the entrance fee for the special protected area.

Table 3-48: Orkhon Valley Park Administration Revenue

Year	Admission fee from foreigners MNT	Admission revenue from domestic tourists MNT	Total admission fee Income MNT	Commission income from Eco gers MNT	Total income MNT
2019	28,770,000.00	4,502,100.00	33,272,100.00	2,885,000.00	36,157,100.00
2020	N/A	10,569,000.00	10,569,000.00	1,306,000.00	11,875,000.00

Source: Orkhon Valley Park Administration

(2) Tourism revenue in Arkhangai aimag

Table 3-49 shows the income from water and land use fees for eco-gers (gers run by nomads to accommodate tourists with permission from the local government) in selected soums in Arkhangai aimag. In the rural areas of Arkhangai aimag, we can see that there is almost no tax revenue from land use fees and other sources.

Table 3-49: Tax revenue for selected soums in Arkhangai aimag

	Soum name	2019 (total, MNT)	2020 (total, MNT)
1	Tariat	1,271,500 (14 Eco-Ger installation fees)	225,000 (3 Eco-Ger installation fees)
2	Ikh-Tamir	Water usage–600,000 Waste disposal cost–300,000 Land Usage Fee–220,000	Water usage–600,000 Waste disposal cost–300,000 Land Usage Fee–220,000
3	Tsenkher	Water Usage Charges, Hot Spring Usage Charges–28,848,745 Waste disposal cost–2,500,000 Real estate tax–4,187,000	Water Usage Charges, Hot Spring Usage Charges–22,543,000 Waste disposal cost–2,500,000 Real estate tax–4,187,000 Eco-Ger installation fee–2,800,000
4	Khotont	Corporate Tax–120,000 Water usage–90,000 Hot spring charge–1,300,000 Waste disposal cost–200,000 Fixed asset tax–250,000	Corporate Tax–120,000 Water usage–90,000 Hot spring charge–1,650,000 Waste disposal cost–250,000 Fixed asset tax–650,000
5	Ugii Lake	Water usage–1,500,000 Waste disposal cost–750,000 Land Usage Fee–190,000 Fixed asset tax–1,968,950 Corporate Tax–60,000 Eco-Ger Installation Fee–900,000	Water usage–1,000,000 Waste disposal cost–750,000 Land Usage Fee–190,000 Fixed asset tax–1,968,950 Corporate Tax–60,000 Eco-Ger Installation Fee–900,000
6	Tuvshruulekh	Hot spring charge–1,970,000 Waste disposal cost–100,000	Hot spring usage fee–2,000,000 Waste disposal cost–100,000
7	Tsetserleg	Hot spring charge–1,425,000	Hot spring charge–3,452,600

Source: Arkhangai aimag

3.3.5 Status of infrastructure

(1) Road

1) Uvurkhangai aimag

The Kharkhorin region is connected to Ulaanbaatar by 365 km of paved roads. It is 137 km away from the center of the aimag, of which 60 km are paved roads. To develop tourism in the region, in 2012, road construction began in the following areas with road development funds from the Ministry of Road and Transport Development, but work is now slowing down and some areas are stagnant: 30 km from Khujirt to Orkhon Nariin Gol junction, 18 km from the same junction to Tuvkhun monastery, 39.9 km from the same junction to Ulaantsutgalan, 2.2 km from the same junction to the center of Bat-Ulzii soum and 2.2 km from the same junction to Bat-Ulzii soum center (total length 90.1 km). The opening of the 54 km paved road from Kharkhorin to Khujirt and the 45 km paved road from Kharkhorin to Tsaidam with the support of Turkey has played a major role in the development of tourism.

The tourism development plan approved by the Mongolian government in 2018 considers tourism roads in the region, and the main tourism roads are follows: 1) from SR10 Kharkhorin, Shankh, and Khujirt to Zuunbayan-Ulaan; 2) from SR20 Kharkhorin, Shankh, Bat-Ulzii, and Ulaantsutgalan to Tuvkhun; and 3) from SR30 Kharkhorin and Khushuu Tsaidam to Ugii Lake.



Source: Annex to Government of Mongolia Decision No. 171 of 2018

Figure 3-25: Road transportation network in the Kharkhorin region

In the next few years, it is very important to start road construction closer to the aimag of Umnugovi aimag, as domestic and international tourists are likely to travel mainly to the northern part of the aimag of Uvurkhangai. The opening of the road will greatly increase the volume of traffic passing through the aimag, creating favorable conditions to attract tourist flow from Umnugovi to Uvurkhangai and from northern soums such as Kharkhorin to southern soums.

2) Arkhangai aimag

Roads are relatively well maintained as the main road connecting the western aimags with the capital passes through the territory of the aimag. However, the roads leading to Tsenkher Hot Spring, Ugii lake, Khukh Lake, and Suvarga Khaikhan are unpaved and often accumulate muddy water during the summer, so these main roads must be improved in the future.

Between 2017 and 2019, more than about 10 km of paved roads were constructed in the soums of Tsetserleg, Tariat, and Ikh-Tamir. The investment projects, which will start in 2021, include the following large-scale projects: 1) the construction of paved roads from the Kharkhorin - Tsetserleg section of road number A0602 to the East-West Crossing by the Millennium Road Project on the A27 in the Ugii Lake - Battsengel – Ikh-Tamir section and 2) improved off-roading to Tsenkher Hot Spring.

(2) Tap water

In FY 2020, thirty-four tourist camps operating in Arkhangai aimag have conducted a survey and an evaluation of the well water they are using and have signed contracts with the respective soums. Water quality issues have not been identified in Arkhangai aimag.

(3) Sewage treatment

1) Uvurkhangai aimag

At this time, there are no sewage treatment facilities in the Orkhon Valley area, and the sewage is either dumped at a sewage disposal site or percolated underground for treatment.

2) Arkhangai aimag

In Tsetserleg, the provincial capital, a purification facility with a treatment capacity of 1,600 m³ per day is in operation, and treated water is disposed of in the soil. Preparations are underway to begin operation of a purification facility capable of treating 300 m³ per day in Tariat soum in 2021. In other places, the sewage is dumped into designated disposal sites.

(4) Waste treatment

In FY 2020, special protected areas such as the Orkhon Valley National Park began setting up temporary garbage storage areas. The waste generated is transported at least 5 km to 170 km to the nearby soum landfill

for disposal once a month. According to a related survey, the amount of waste generated per person per day ranges from 270 to 900 grams.

Table 3-50: Information on waste in some soums of Arkhangai aimag (as of 2019)

	Soum name	Area of general waste collection station (ha)	Total amount of general waste transported (tons)	Total revenue from waste disposal fees (1,000 MNT)
1	Eldenburgan	5.00	20,806.00	91,533.20
2	Tsenkher	5.00	442.30	12,989.10

Source: Department of Nature, Environment and Tourism, Arkhangai aimag

(5) Electrical and communication infrastructure

Each soum in the Orkhon Valley region is connected to the central power grid (system), which is also connected to mobile phone lines in the central area of the soum. Tourist camps near Kharkhorin are also connected to the central power grid, and diesel generators are used in remote areas, so there is little concern about power outages.

(6) Service areas in each target area (temporary rest areas, restroom facilities)

1) Kharkhorin, Uvurkhangai aimag

In recent years, a project to build a service area to meet customers needs along the road from Ulaanbaatar (UB) to Kharkhorin has been underway, and the government has provided policy support and private companies have also invested in the project. The following is an exterior view of the service areas built near the Urikhan complex and Elsen Tasarkhai in Lun soum, Tuv aimag, which are the main service areas along the national highway toward Kharkhorin.



Source: Reproduced from website

Figure 3-26: Examples of recently opened service areas (Urikhan complex, Lun soum, Tuv aimag)



Source: Reproduced from website

Figure 3-27: Examples of recently opened service areas (Elsen Tasarkhai)

In Arkhangai aimag, the main road, MR300, passes through the center of the soums of Khotont, Tsenkher, Erdenebulgan, Ikh-Tamir, Tariat, and Tsakhir, which are major tourist destinations, but currently the service areas along the road are mainly cafeterias.

In recent years, the Tourism Policy and Coordination Department of MNET has been planning to build 13 service complexes like the one in the photo below along national highways throughout Mongolia.



Source: Tourism Policy Coordination Department, MNET

Figure 3-28: Model diagram of a complex facility

Also in 2019, MNET established lodging and rest facilities at Khuvsugul Lake, Uvs Lake, Elsen Tasarkhai, Orkhon Valley, Gorkhi, Terej, Bogd Uul, and Tuluugiin Davaa.⁴⁴

3.3.6 Trends in tourists

We can see that the number of domestic tourists has not been affected by the COVID-19 at all. In addition, the Kharkhorum Museum, which Japan built with grant assistance, has been steadily increasing its number of visitors. The low number of Mongolian visitors to the Kharkhorum Museum is probably due to the high price of admission.

Table 3-51: Number of tourists on the Kharkhorin route (by foreign and domestic tourists)

	Kharkhorum Museum		Erdene Zuu Monastery		Khushuu Tsaidam (Orkhon inscriptions)	
	2019	2020	2019	2020	2019	2020
Foreign tourists	18,388	155	27,919	326	—	Closed during repair
Domestic tourists	5,582	5,357	31,950	33,195	—	
Total	23,970	5,512	59,566	33,522	2,800	
Admission fee (MNT)	8,000		5,000 foreigners and 3,000 Mongolians		5,000 on a flat basis, free of charge for children	

Source: Compiled by the survey team based on statistics from each museum

3.3.7 Trends in tourism-related industries

(1) Tourism-related industries in Uvurkhangai aimag

In the tourist camps in Uvurkhangai aimag, there are many cases where the percentage of employees working only during the summer months is more than double that of the regular employees, which is probably why the average monthly salary of the employees is low at around 500,000 MNT. The average salary of employees in the camp is equivalent to the average salary of civil servants, and the difference is small. Among employees, cooks are paid the highest salaries, which is influenced by their work load, qualifications, and skill level. However, in this aimag, there is no significant difference in the salaries of hotel and museum staff.

The following table shows the number of employees working in tourist camps and their average salaries.

⁴⁴ <https://ikon.mn/n/1xjl>

Table 3-52: Number of employees in tourist camps

Tourist camp	Number of employees	Full-time	Term workers	Manager	Reception	Accommodation ger supervisor	Guide	Cook	Bartender	Waiter	Assistant	Driver
Naiman Nuur	10	3	7	1	2	2	-	2	1	2	-	-
Boorog	6	3	3	1	2	2	-	1	-	2	-	-
Orkhon Tushee	6	2	4	1	1	1	-	2	-	1	-	-
Orkhon Falls	6	2	4	1	-	2	-	1	-	1	1	-
Forest Land	6	2	4	1	-	2	-	1	-	1	1	-
Khurkhree Tour	7	2	5	1	-	-	-	-	-	-	-	-
Orkhon Tour	10	5	5	1	2	-	-	1	-	-	1	1
Mogoit Spa	8	4	-	1	-	-	-	-	-	-	-	-
Talbiun	16	8	8	3	1	4	-	1	-	1	4	-
Khashkhan	12	3	9	1	2	2	-	2	1	1	2	-
Bayasgalan	6	2	4	1	-	2	-	1	-	1	1	-
Morin Polo	36	6	30	2	2	4	-	4	-	2	4	3
Ursa Major	12	4	8	1	1	3	-	2	2	-	1	1
Mungun Mod	Not in business.											
Oidov	5	2	3	1	-	-	-	1	-	1	1	-
Anja	15	3	12	1	1	3	-	2	1	2	5	-
Khublai	Not responded											
Asa Land	35	10	25	2	4	4	1	3	2	3	10	-
Ikh Mongol	Not responded											
Misheel	Temporarily suspended operations											
Nomin	6	2	4	1	-	-	-	1	-	1	3	-
Munkhtenger	14	3	11	1	1	3	-	2	1	2	3	-
Khaan Taij	8	2	6	1	-	3	-	1	-	1	2	-
Anar	6	2	4	1	-	2	-	1	-	1	1	-
Kharkhorin	15	3	12	1	-	3	-	2	-	2	5	-
Sweet Gobi	12	4	8	1	1	3	-	2	2	-	1	1
Bayangobi	20	4	16	1	2	4		2	2	2	5	1
Khairkhan	5	2		1								
Khairkhan Khishig	Suspension of business											
Total	282	83	192	28	22	49	1	35	12	27	51	7

Source: Department of Nature, Environment and Tourism, Uvurkhangaï aimağ

Table 3-53: Average salary of tourist camp employees

(Kharkhorin, Bat-Ulzii, Khujirt, Uyanga, Arvaikheer)

Employees of tourist camps	Average monthly salary of employees (MNT)
Manager	900,000
Reception clerk	400,000
Accommodation ger supervisor	500,000
Cook	1,200,000
Bartender	600,000
Waiter	400,000
Assistant (kitchen)	500,000
Driver	500,000

Source: Department of Nature, Environment and Tourism, Uvurkhangaï aimağ

Next, Table 3-54 shows the number of hotel employees for the 12 hotels operating in the soums of Arvaikheer, Kharkhorin, Bat-Ulzii, Khujirt, and Uyanga in Uvurkhangaï aimağ and Table 3-55 shows their average salaries. The total number of employees is about 50 less than tourist camps, but most of them are full-time. In the case of hotel employees, 91% of all employees are full-time, as they are less affected by the seasonality

of their operations when compared to camps. Similarly, 92% of the museums that are open year-round are staffed by full-time employees.

Table 3-54: Number of hotel employees operating in the six soums of Uvurkhangai aimag (Kharkhorin, Bat-Ulzii, Khujirt, Uyanga, Arvaikheer)

Hotel name	Total Number of employees	Breakdown		Breakdown by job category							
		Full-time	Part-time	Manager	Reception	Cleaner	Cook	Bartender	Waiter	Technician	Driver
Arwai palace	38	35	3	1	3	3	5	2	3	9	1
Ushug	17	14	3	1	3	2	2	1	1	2	1
Shunkhlai	23	13	10	1	3	3	2	1	1	7	
Bayanbulag	3	3		1						2	
Time	15	13	2	1	3	2	2	1		4	
Hobby	3	3		1							
Bayanshiree	1	1		1							
Ulziit	2	2		1							
Ikh Khorum	31	28	3	2	3	4	6	2	4	4	
Bogd	40	40		2	6	2	3	2	4	9	
Khan khujirt	50	50	—	3	4	6	4	2	4	15	1
Altan nutag	9	9		1		2	2	1		3	
Total	232	211	21	16	25	24	26	12	17	55	3

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

Table 3-55: Average salary (monthly income) of hotel employees (Kharkhorin, Bat-Ulzii, Khujirt, Uyanga, Arvaikheer)

Hotel employees	Average salary of employees (MNT)
Manager	1,200,000
Reception clerk	600,000
Ger, room service clerk	500,000
Cook	700,000
Bartender	500,000
Waiter	500,000
Security	450,000

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

The number of employees in the provincial and national museums in Arvaikheer and Kharkhorin soums is shown in Table 3-56 and the average salary is shown in Table 3-57. Since the museum is open year-round, there are few seasonal employees, and full-time employees make up 92% of the total workforce. The average salary in Mongolia in 2019 is 1.1 million MNT, which means that hotel employees are paid extremely low salaries.

Table 3-56: Number of museum staff in Uvurkhangai aimag

Museum name	Number of staff	Type of employee		Number of employees by business segment						
		Full-time	Part-time	Manager	Clerical staff	Interpretati on guide	Driver	Technical personnel	Guard	Other
Provincial museum	14	14	—		6	1	1	2	4	—
Erdene Zuu Monastery	23	21	2	1	12	1	1	1	6	—
Kharakhorum Museum	31	28	3	1	19	1	1	—	3	5
Total	68	63	5	2	37	3	3	3	13	5

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

Table 3-57: Average salary of museum employees (Kharkhorin, Arvaikheer)

Museum employees	Average salary (MNT)
Manager	800,000
Administrative staff (director, collection room supervisor, researcher, accountant, etc.)	700,000
Interpretation guide	680,000
Driver	600,000
Guard	600,000
Others (admission ticket salespersons, cleaners, waterworks personnel, etc.)	550,000

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

Regarding the involvement of local residents in tourism, as of 2020, 71 eco-tourists are under local management in Orkhon Valley. In addition, 25 people have been registered as horse riding tour guides. Events are held with support from local residents, and efforts are being made to improve income opportunities. The “Silk Road-Kharkhorin,” “Yak Festival,” and “Mongolian Felt Art Festival” provide opportunities to directly purchase nomadic dairy products and handicrafts. Twenty-two nomadic households from Bat-Ulzii, Kharkhorin, Khujirt, Uyanga, and Zuunbayan-ulaan soums in Uvurkhangai aimag conducted commercial activities during the events held in 2019.

(2) Tourism-related industries in Arkhangai aimag

The number of people employed in the tourism industry in Arkhangai aimag as of 2020 is shown below. In Arkhangai aimag, it can be pointed out as a characteristic that in tourist camps, there are more than three times as many term contract employees as regular employees.

Table 3-58: Number of people employed in the tourism industry in Arkhangai aimag

	Type of accommodation facility	Total employment			
		Total	Full-time	Contract (seasonality)	Contract (hours)
1	Tourist camp	337	88	263	0
2	Ger Hotel (Eco ger)	222	202	20	0
3	Hotel	26	26	0	0
4	Lodging place	57	56	0	1
5	Resting place	14	3	11	0
6	Hot springs and sanatoriums	45	31	14	0
	Total	701	406	308	1

Source: Department of Nature, Environment and Tourism, Uvurkhangai aimag

3.3.8 Status of tourism marketing and promotion

Aimag’s website⁴⁵ for tourists has been set up, but it is not available at the moment. A database of tourism-related information for Arkhangai aimag⁴⁶ has been established, but it is not available for public. There is also a Facebook page⁴⁷ titled “Arkhangai aimag Tourist Information Center.”

In conclusion, there is no clear and stable source of information for foreign tourists about the Kharkhorin region. In addition, there are lack of websites and consolidated information about tourist attractions in Arkhangai and Uvurkhangai aimags in different languages such as Mongolian, English, Russian, Chinese, and Japanese. While private companies are sending out advertisements and commercials about their tours, there is a need to stimulate more advertising activities about tourist satisfaction, new tour products, and destinations to be visited, and to develop new courses.

Today, visitors to Mongolia can search for posts using the hashtag #FEELMONGOLIA on social networking services (SNS). On Facebook, Twitter, and Instagram, all public posts are automatically connected to advertising platforms and remain as content that promotes Mongolia to foreign audiences, but this is insufficient from the perspective of allowing prospective tourists to quickly access the information they truly

⁴⁵ www.uvurkhangainature.com

⁴⁶ www.arkhangaitravel.org, www.travelarkhangai.mn

⁴⁷ https://m.facebook.com/arkhangaiTouristinfoCenter/?_rdar

want and to systematically gather information. (Reference: <https://www.facebook.com/arkhangaiTouristinfoCenter/>)

MNET of Mongolia is conducting a number of events in stages to create content that will promote the country to foreign audiences. For example, MNET recently launched the content “Destination Mongolia by Amadeus & Ministry of Tourism, Mongolia.”

Since the target market for tourism in Orkhon Valley has not been defined, there is currently no public advertising except for a few private tourism organizations that have created some promotional video content in English.

Table 3-59: Video content for tourist attractions

Video content	Relevant organizations	URL
From Kharkhorin Local Naadam	Discover Mongolia Travel	https://www.facebook.com/DiscoverMongoliaTravel/videos/from-kharakhorin-local-naadam/2269741253340583/
Kharkhorin & Erdene Zuu Monastery	Expoza Travel	https://www.youtube.com/watch?v=XvReY8GuvQM
Erdene Zuu museum in Kharkhorin, Mongolia	Nomadic Expeditions	https://www.youtube.com/watch?v=zrq3j8IPO9g

Source: Prepared by the survey team

In 2020, to commemorate the 800th anniversary of Kharkhorin, Virtual Kharkhorin content on the ancient capital was created, and work is underway to translate it into English and other languages.



Source: Uvurkhangai aimag <https://www.youtube.com/watch?v=wk76ZCtDo-w&t=347s>

Figure 3-29: Virtual Kharkhorin banner showing Kharkhorin in the 13th century

Materials introducing tourist spots and routes in Uvurkhangai aimag have not been prepared in English or Japanese. In Mongolian, there are websites and several webpages that use social media, but they are not updated regularly and have limited new information. In searches in English, information is even more limited and almost impossible to find. Companies send out information on their own. However, a portal site that collects tourist information in one domain and centralize resources is required.

Two of the best examples of strategies to collaborate and engage local residents in marketing the region are the Orkhon Valley Tourism Strategy-2020 and Orkhon Valley National Park Management Plan 2017-2021. In both policy documents, tourism marketing and advertising strategies were clarified and marketing plans were developed.

The local government of Uvurkhangai aimag participates in the annual “ITM International Tourism Exhibition” that is held in the capital Ulaanbaatar with private companies as well as NGOs working in the tourism sector in the aimag. For example, in 2013, Uvurkhangai aimag was a co-host aimag, and its provincial government and tourist association participated in the exhibition. In 2019, 29 organizations participated in the ITM International Tourism Exhibition, promoting the aimag’s tourism projects and signing cooperation agreements with travel agencies.

Arkhangai aimag has been a regular participant in the ITM International Tourism Exhibition since 2014, and participated as a co-host aimag in 2015 to promote itself. There has been an increase in the number of public and private sector participants from Arkhangai aimag who participate in such large-scale tourism marketing events held in Mongolia.

At present, there is no agency that defines marketing strategies and evaluates the implementation of marketing strategies in the Kharkhorin region. Against this background, regional tourism development associations were established in the aimags and soums according to the “Orkhon Valley Tourism Strategy-2020,” but their activities and policies are unclear and unstable. The Orkhon Valley National Park Administration has a full-time information and public relations officer. This person is responsible for linking the park to markets, cooperating between parties, collecting information and conducting research on Special Protected Areas (SPAs), advertising and promotion, activation, updating and management of on the website. It is noteworthy that the Administration of the Orkhon Valley Cultural Landscape has set up a section on its own website that contains information on tourist events and activities.

The majority of foreigners who visit Kharkhorin do so to see Mongolia’s ancient capital, natural landscape, vast territory, nomadic lifestyle, and wildlife. However, major tourist attractions, such as Orkhon Waterfall, have problems with traffic congestion due to the large number of tourists visiting the area during summer season. While the tourism industry is growing, unresolved problems in planning, budgeting, and human resource management are causing adverse environmental and social impacts in the natural, historical, and cultural resource areas of Orkhon Valley. According to the testimonies of the camp operators, problems such as garbage issues, soil degradation, uncontrolled road construction, and water pollution have been cited as contributing factors to the negative impact on nature and the environment as a result of camp operation.⁴⁸In the summer of 2020, the Environmental Police of Mongolia and JICA jointly conducted the “Clean your surrounding after arrival and before leaving” campaign for domestic tourists. As part of this campaign, content was prepared to encourage tourists to travel in an environmentally friendly and waste-free manner, which was disseminated through the media and SNS, and “Travel Rules” were distributed at Ulaanbaatar and at points of entry and exit in each prefecture. In addition, to educate tourists about travel and to promote the understanding of environmental protection activities, various events were systematically held.⁴⁹Residents of the Kharkhorin region have a good impression of foreign tourists visiting Mongolia. When the former President of Mongolia, Kh. Battulga, visited Kharkhorin soum in Uvurkhangai aimag and held discussions with local residents, the residents asked him to focus more on tourism development in the Kharkhorin area.⁵⁰

3.3.9 SWOT analysis

The Kharkhorin route is a popular tourist destination that is relatively close to Ulaanbaatar. Kharkhorin has a lot to offer tourists in terms of Mongolian traditions, history, and culture. The cultural landscape of Orkhon Valley, which was inscribed on the World Cultural Heritage List in 2004, has much to offer. Nomads still live in the area, so visitors can not only visit the ruins, but also catch a glimpse of the nomadic lifestyle. There are natural resources such as hot springs and waterfalls nearby, and tourism development is well underway, with many domestic repeat visitors. Along with sightseeing in Orkhon Valley, this is an attractive tourist route for tourists interested in Mongolian tradition, history, and culture.

⁴⁸ 2011: UNDP/Ministry of Nature, Environment and Tourism, “Study on Environmental, Social and Economic Impacts of Tourism in Protected Areas.”

⁴⁹ “Building rest areas for tourists” (news site montsame.mn, July 12, 2020)

⁵⁰ Source: “Kharkhorin residents ask president to develop tourism” (News website Zindaa.mn, May 28, 2018)

Table3-60: Strengths and weaknesses of Kharkhorin route tourism (SWOT analysis)

	Potential	Constraints
	Strength	Weakness
Internal environment	<p><u>Tourism resources</u> World Heritage Site (Cultural Landscape of Orkhon Valley) Abundant nature (prairies, mountains, lakes, alpine plants, animals) Campground with hot springs and waterfalls Kharakhorum Museum, a collection of artifacts from ancient ruins. Ruins of ancient Turkic tribes Ruins associated with the Mongol Empire capital, Kharakhorum Erdene Zuu Monastery (built in the 17th century)</p> <p><u>Infrastructure</u> Less than five hours from the capital city by paved road</p> <p><u>Service</u> Full range of recreational facilities, tour camps, and ger experiences Services such as camel riding and horseback riding can be provided. Visitors can see the Przewalski's horse (takhi), the original species of horse (on their way to Kharakhorum).</p>	<p><u>Tourism resources</u> Lack of entertainment, such as folk music and dance, at the places where visitors stay.</p> <p><u>Infrastructure</u> There are some unpaved parts on the road to tourist areas. There is a lack of public restrooms.</p> <p><u>Laws and regulations</u> Orkhon Valley Tourism Council is not functioning. There is little tourism budget. NGOs are not active. Lack of information and marketing There is a lack of reliable transmissions.</p>
	Opportunity	Threat
External environment	<p><u>Information and marketing</u> Most popular as the closest tourist destination from Ulaanbaatar Visitors can experience history, culture, and nature all at once. The area can be visited by short-term tourists. The Mongol Empire in the 13th century is known worldwide.</p>	<p><u>Tourism resources</u> Climate change and environmental destruction may destroy ecosystems. Not enough protection</p> <p><u>Laws and regulations</u> Increased tourism may cause waste problems.</p> <p><u>Information and marketing</u> Competes with other tourist destinations in the country (especially in Arkhangai aimag)</p>

Source: Prepared by the survey team

(1) Advantages of the Kharkhorin route in terms of tourism development (strengths in internal/external environment)

1) Tourism resources

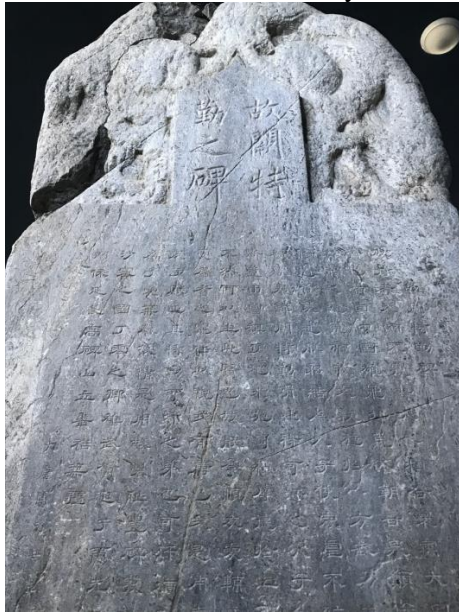
- ① The Kharkhorin region is a scenic area where the entire region was registered as a World Heritage Site as "Cultural Landscape of Orkhon Valley."
- ② In Arkhangai aimag, there are also recreational areas such as the Tsenkher Hot Spring and Terkhiin Tsagaan Lake, which are rare in Mongolia.
- ③ The lush green grasslands and mountains of Khangai were the home of the Xiongnu, Gokturks, Turks, and Kyrgyz in ancient times, and for the Mongols, it was designated as the capital of the Mongol Empire by the second Khaan, Ugudei, in the 13th century, and there are historical tourist resources.
- ④ In Kharkhorin, there is also the Erdene Zuu Monastery, built in the 17th century, and the Kharakhorum Museum, built with support from the Japanese government, which remind visitors of the ancient times.



Erdene Zuu Monastery



Terkhiin Tsagaan Lake



Khushuu Tsaidam (Orkhon inscriptions)



Kharbalgas ruins

2) Infrastructure

- ① The 365 km from Ulaanbaatar to Kharkhorin is fully paved and can be traveled in 5 hours.
- ② Along the way, there are private rest stops and clean, flushable public toilets.
- ③ It is the closest tourist destination to the capital city, where visitors can safely experience the history, culture, nature, and nomadic experience of Mongolia even in a relatively short trip of 3 days and 2 nights or 4 days and 3 nights.
- ④ Electricity and communication systems are also available.

3) Laws and regulations

- ① The Khangai Mountains and surrounding area are designated as a national park and are also protected as a world heritage site.

4) Service

- ① There are many recreational facilities and tour camps that can provide services such as ger experience, camel experience as well as horse riding.
- ② Visitors can see the Przewalski's horse, the original species of horse, and experience a variety of cultural activities such as folk dances.

5) Information and marketing

- ① The Kharakhorum Museum displays cultural artifacts excavated from Orkhon Valley and the ruins of the former capital Kharkhorin. JICA's Japan Overseas Cooperation Volunteers (now called the Japan Overseas Cooperation Volunteers) have worked here in the past, Thus the explanations of the exhibits are written in

both Japanese and English, providing an environment that foreign tourists can understand and appreciate.

- ② As mentioned above, the area is designated as a World Cultural Heritage site and has a high potential to attract foreign tourists, so the aimag can increase the number of tourists to the area by improving tourist information in English and other foreign languages.
- (2) Constraints to tourism development on the Kharkhorin route (weaknesses in the internal/external environment)
- 1) Tourism resources
 - ① The development of tourism resources in the central and southern areas of Uvurkhangai aimag has not been advanced.
 - 2) Infrastructure
 - ① It takes around five hours one way from Ulaanbaatar by paved road to reach Kharkhorin by vehicle and there is no choice of an air route.
 - ② Apart from Kharkhorin, the other tourist sites in Uvurkhangai are mainly located in the northern part of the aimag, around the border with Arkhangai aimag. However, there are many unpaved roads that take longer time to travel.
 - ③ The road from the Khushuu Tsaidam to the East-West Road through Ugii Lake and the road from the East-West Road to the Tsenkher Hot Spring are not paved yet.
 - ④ As mentioned above, the roads between the major tourist sites in the Kharkhorin-Orkhon area are unpaved and bad, and the road from Khushuu Tsaidam to the East-West Road via Ugii Lake and around the tourist sites around Khujirt and Tuvkhun Monastery in the southern part of the aimag especially need to be paved.
 - ⑤ Arkhangai aimag is known for its unspoiled nature, but it is hard to get around because the tourist spots are far from the main roads and they are not paved. There are few rest areas and public toilets available while traveling. There is a plan to build a government complex in Tariat. Besides that, public toilets need to be installed.
 - 3) Laws and regulations
 - ① Tourist sites in Kharkhorin have been designated as restricted areas. Unfortunately, there is a lack of the supervision and moral education for tourists is not advanced enough.
 - ② There are reports that garbage and sewage disposal by campground operators is being handled improperly and is beginning to have a negative impact on the natural environment. There are also concerns that the lack of clear roads for vehicle traffic in protected areas may lead to environmental degradation of the flora and fauna.
 - ③ Designated roads in protected areas have not been designated or completed. Camping and other activities in protected areas may cause environmental destruction, and the construction of designated camping areas is required.
 - ④ There have been cases where road signs and tourist information boards (bulletin boards) have deteriorated and spoiled the scenery.
 - ⑤ Compared to the entrance fee for foreigners, which is 3,000 MNT, the entrance fee to the protected area for Mongolians is 300 MNT, which is too cheap to raise awareness among tourists and not enough to cover the management costs.
 - 4) Service
 - ① Since there are many more tourists than in other regions, there is a possibility that staff will become accustomed to tourists and their spirit of service will decline.
 - ② If local residents are not involved in industries derived from tourism, there is a risk of conflict due to income disparity among them.
 - 5) Information and marketing

- ① The potential of combining the world's only historical sites of the Mongol Empire with other tourist attractions is not being maximized.
- ② The development of soft tourism through community-wide efforts is still in its infancy. It is desirable to promote tourism not only through marketing conducted by the private sector competing with each other, but also by the local community working together to allow experiencing the Mongol Empire.

3.4 Ulaanbaatar and suburbs

3.4.1 Situation of Tourism Resources

(1) Ulaanbaatar city

The City of Ulaanbaatar is the center of all areas of infrastructure, finance, culture, sports, education, science, and economy of the Mongolian nation and is an administrative unit of strategic importance.

The hub of railroad lines and domestic and international air routes is located in Ulaanbaatar, making it the most important district for tourism in Mongolia. While most foreign visitors come only in the summer, Ulaanbaatar is a large city that regularly hosts cultural, sporting, and popular events that draw people from all over the country throughout the four seasons. Some of the finest hotels, tour operators, and tourist attractions in the Mongolian tourism industry are located in and around Ulaanbaatar.

Table 3-61: Major tourist resources in Ulaanbaatar

Name of tourist resource	Season	Overview
Gandantegchinlen Monastery	Throughout the year	This is the grand head temple of Tibetan Buddhism in Mongolia, built in 1727. In addition to a religious complex with a 26-meter high statue of Avalokitesvara Bodhisattva called Migjid Janraisag in the main hall, there is a religious university and a traditional medical clinic.
The Zanabazar Museum of Fine Arts	Throughout the year	A lot of Buddha statues carved by Zanabazar, the first living Buddha and a Buddhist master, are on display. He is also known as the Michelangelo of the East.
Zaisan Hill	Throughout the year	Visitors can enjoy a panoramic view of the City of Ulaanbaatar from the highlands. There is a monument commemorating the victory of Russia and Mongolia against Germany and Japan in 1945.
Winter Palace of the Bogd Khan	Throughout the year	This is one of the official palaces of the eighth Jebtsundamba Khutughtu, who was later proclaimed as Bogd Khan, or ruler of Mongolia. The collection of artifacts collected by the last Bogd Khan and the works of Zanabazar are on display.
Chojjin Lama Temple	Throughout the year	It is a palace museum of a monastery complex, once occupied by the brother of the ruler the Eighth Bogd Jetsun Dampa Khan, Chojjin Lama Luvsankhaidav, who was the state oracle of Mongolia. The Buddhist temples displays rare Buddhist artwork made by Zanabazar himself, as well as thangkas and masks of religious dances called tsam.
National History Museum	Throughout the year	A comprehensive museum covering all aspects of Mongolian history, culture, and folklore.
Dinosaur Museum	Throughout the year	Mongolia is a treasure trove of dinosaurs. The Museum of Natural History was closed because it could not be used due to the aging of the building. The Dinosaur Museum was opened to exhibit only contraband items recovered from the United States, not the items that were exhibited during the Natural History Museum period, and the museum therefore could not be evaluated as a dinosaur museum.
National Museum of Modern Art	Throughout the year	Modern paintings from Mongolia's post-independence period are always on display, and various other exhibitions are held.
Military museum	Throughout the year	There are exhibits on the history of war, weapons, and uniforms.
Art gallery	Throughout the year	Painting and art exhibitions organized by the Federation of Artists are always held (free of charge).
National Drama Theater	Irregular	The National Drama Theater features performances by the Mongolian National Grand Theatre, previously known as the Mongolian National Song and Dance ensemble.

Cultural Central Palace	Irregular	The Cultural Central Palace holds National Morin Khuur Orchestra and Mongolian National Symphony Orchestra concerts.
Opera theater	Irregular	Folk opera, ballet, and other performances are held throughout the year.
National Morin Khuur Orchestra	Irregular	Under the umbrella of the Philharmonic of the Palace of Culture, concerts are held on an irregular basis.
Tumen Ekh Orchestra	Throughout the year	Concerts of traditional folk music such as morin khuur, Tuvan throat singing, and long song are always available.
Gobi Cashmere Factory	Throughout the year	This cashmere factory was originally built with support from the Japanese government and consists of a store, and a restaurant.

Source: Prepared by the survey team

(2) Tuv aimag

Tuv aimag has a surface area of 74,042 km² and a population of 94,250 (2020). Since the capital city of Ulaanbaatar is located in the center of Tuv aimag, the infrastructure connecting it to the capital has developed, giving it a geographical advantage over other aimags. Zuunmod of Tuv aimag, located 50 km from Ulaanbaatar City, is directly connected by paved roads to the capital Ulaanbaatar, Mandalgovi in Dundgovi aimag in the south, and Darkhan in the north. In Tuv aimag, all soums are connected to the electric power system, and the new Ulaanbaatar International Airport was opened on July 4, 2021 with the paid financial support of JICA.

Tuv aimag has the capital city of Ulaanbaatar in the center, the new Ulaanbaatar International Airport, and major Mongolian tourist attractions such as Gorkhi-Terelj National Park and Hustai National Park. Therefore, the aimag can expect high profits from tourism.

The Gorkhi-Terelj National Park, located in Tuv aimag, is the most affordable national nature park at 70 km from Ulaanbaatar, where many ger camps are operating. In addition to the giant turtle stones and strangely shaped rock formations, Tuv aimag is a popular tourist destination where visitors can experience Mongolian nature and nomadic life at close hand, such as strolling in the forest area along the Tuul River, resting in a luxury hotel, horse riding, and watching flowers and butterflies.

Table 3-62: Major tourist attractions in the suburbs of Ulaanbaatar

Name of tourist resource	Season	Overview
Gorkhi-Terelj National Park	Throughout the year	Visitors can enjoy the grasslands and strange rocks, the Tuul River, horseback riding, flower and butterfly watching, and staying in a ger camp.
Hustai National Park	Throughout the year	This is a place where takhi, the Przewalski's horse discovered by Russian explorers at the end of the 19th century, are kept free. Horseback riding and other activities can be enjoyed nearby.
Tsonjin Boldog	Throughout the year	There are a panoramic view from the statue of Genghis Khan, the Folk Museum, and the world's largest Gotar (folk shoe), which is listed in Guinness World Records. There are many ger camps in the area.
Nomadic Mongolia	Summer	Visitors can experience the life of Mongolian nomads - felt making and milking, and also enjoy ethnic food.
13th Century Mongolia complex	Summer	Visitors can experience the traditional culture of the Mongolian people of the 13 th century era.

Source: Prepared by the survey team

3.4.2 Plans, campaigns, and measures

(1) National level planning

In Chapter 8, "Regional Development" of Vision 2050, Ulaanbaatar and the surrounding aimag of Tuv

specify their goal as “developing business tourism.” In addition, in Chapter 9, “Ulaanbaatar’s Satellite Cities,” a goal is set to “create tourism, cultural services, and production with national characteristics, and develop satellite cities as hub centers for transportation logistics and international relations in Northeast Asia.” Specifically, “New Zuunmod” and “Maidar” will be developed as satellite cities in stages, and some of Ulaanbaatar’s urban functions will be transferred to them.

The “National Policy for Tourism Development” specifically states that a business tourism development plan will be prepared and implemented in Ulaanbaatar. In the table attached to the “Mongolia’s Five-Year Development Guidelines for 2021-2025,” tourism-related projects include the construction of a cultural, religious, and tourism complex center at the Manjusri Monastery, the construction of a new Ulaanbaatar Central Station, the construction of the Mongolian National Museum of Archaeology and Ethnography, and the construction of a new building for the Ministry of Culture.

(2) Regional-level tourism development plan

Five-Year Plan for the Development of the Capital City 2021-2025, adopted by the Ulaanbaatar City Council in December 2020, stipulates the following in relation to tourism.

- (a) To promote the arts with ethnic content to deepen the understanding of the public and foreign tourists, the number of organized events and museum visitors is set at 101 and 446,800, respectively.
- (b) In order to develop tourism businesses that take advantage of Mongolia’s characteristics and enhance its competitiveness in the international tourism market, an event will be held once by 2025 to promote tourism in the capital as an evaluation standard, which will aim to welcome 900,000 tourists visiting Mongolia and develop 21 new tourism products and services.

The action plan of the government of Mongolia 2020-2024 of the Mayor of Ulaanbaatar, which was adopted on the same day as the above, is also in line with the Five-Year Plan for the Development of the Capital City 2021-2025. In addition, it stipulates the development of infrastructure for tourist attractions, enhancement of advertising and marketing, security of tourists, activation of tourism in the capital city, and the necessity of a recovery plan for tourism in the capital city after the end of the COVID-19.

Generally, when the mayor changes, the new mayor announces a new plan. The new mayor was appointed in January 2021, but as of April 2021, a new action plan has not yet been announced, and it is impossible to judge how the above plan will be implemented by the new administration. Ulaanbaatar City submitted a MICE Tourism Promotion Plan to MNET in August 2020, but it was not approved.

1) Ulaanbaatar City

Ulaanbaatar City is the capital of Mongolia, with an area of 4,700 square meters, and it is home to 1,585,000 people (2020), nearly half of the total population of Mongolia. The City of Ulaanbaatar is central to Mongolia in all its activities, including infrastructure, finance, culture, sports, education, science, and economy. The City of Ulaanbaatar is also a hub for railway lines and domestic and international air routes, and there are numerous museums, art museums, and temples for tourism as well, allowing visitors to easily experience traditional arts such as morin khuur. Many hotels and travel agencies are also located in or around Ulaanbaatar City.

In the City of Ulaanbaatar, the “Hospitable Ulaanbaatar” tourism campaign, which has been running since 2014, has been suspended because of the frequent changes of Ulaanbaatar mayors under the People’s Party government, with the current mayor D.Sumiyabazar being the fifth after Mayor stepped down in 2016. According to the Ulaanbaatar City Council Decree No. 02/09 of December 4, 2020, the “Five-Year Plan for the Development of the Capital City 2021-2025” includes the following items related to tourism. The basic policy states “1.1. to hold various cultural events to promote national unity and Mongolian traditional culture.” The basic policy further states “1.1.1. to promote various kinds of arts to inform the people, the public, and foreign tourists of them, and to increase the number of works with ethnic content.”

The criteria for evaluating this goal was stipulated as follows: “① the number of works with ethnic content will be six by 2025, ② the number of events organized for citizens and tourists will be 101, and the number of museum visitors will be 446,800, all of which will be handled by the Ulaanbaatar City Department of Art and Culture.

Goal 4.3 “Aiming for diversification of economic composition and productive economy” in the priority policy of economic measures was further elaborated as “4.3.1 Develop tourism business with Mongolian characteristics and make it competitive in the international tourism market.” The evaluation criteria for these goals include ① holding one event in 2025 to promote tourism in the capital city, ② increasing the number of foreign visitors to Mongolia to 900,000, and ③ increasing the number of newly created tourism products and services to 21, with the Ulaanbaatar City Tourism Department being in charge of these events.

In line with the above basic policy, according to Ulaanbaatar City Council Decree No. 02/10 dated December 4, 2020, the following items were included in the “Ulaanbaatar Mayor’s Activity Plan for 2021-2025.”

2.6.4 Promote the equal development of the various (fields) of art and their promotion and introduction to the citizens, the public and foreign tourists, and increase the number of works containing ethnic content.
2.6.7 Classify the historical and cultural heritage and buildings under the protection of the state, capital, and soum, and turn them into tourism products.
3.4 Promote tourism specific to the City of Ulaanbaatar to increase its contribution to the economy.
3.4.1 Increase tourism products that are attractive to tourists and strengthen infrastructure at destinations.
3.4.2 Introduce innovations into the tourism industry to enhance publicity promotion and marketing that will revitalize domestic and international tourism.
3.4.3 Take the necessary (multi-pronged) initiatives in cooperation with specialized agencies to ensure the safety of tourists.
3.4.4 Plan and implement “initiatives to revitalize tourism in the capital.”
3.4.5 Develop and implement a plan for recovery measures for tourism in the capital city after the end of the COVID-19.

a) Report on the 2016-2020 activities of the Ulaanbaatar City Tourism Department (from the city’s tourism department’s 2020 activity report)

The following are described in the report, but it is practically impossible to make an objective evaluation of 1. and 2. since there is no explanation of specific project names or evaluation criteria.

1. Plan of action according to decision no. 121 of the Government of Mongolia for 2016-2020 The plan listed four goals and six events to be implemented by the Ulaanbaatar City Tourism Department, and during this period, five events were 100% implemented, one event was 70% implemented, and 95% of the total events were implemented. As for the implementation of the basic plan for the development of tourism, 62 out of the 63 tasks that were supposed to be implemented out of the 5 goals and 29 measures were implemented. One case is not evaluable. These were 100% effective.
2. Ulaanbaatar Mayor 2016-2020 Activity Report The nine items that the Tourism Department was supposed to implement were 100% achieved during the implementation period.
3. Activities of the Tourism Department in 2020 Due to the spread of the COVID-19, events for tourists and events to promote Mongolia to foreign countries were cancelled. At the Ulaanbaatar Travel Expo 2020 to promote domestic tourism, an Internet exhibition was held for three consecutive days on six social networking sites and was viewed by 56,800 people. There was also a Ulaanbaatar hike and an e-bus city tours arranged for students to get to know Ulaanbaatar.

b) Hospitable Ulaanbaatar program

Abstract: The “Hospitable Ulaanbaatar” program, approved by Ulaanbaatar City Council Resolution No. 19/24 in 2014, planned 25 activities to be implemented by 2016 under seven objectives.

The first objective was to increase the economic efficiency of the tourism sector and streamline policies and regulations to support business. This included updating the standards for hotels and inns, introducing a calculation method that divides the total number of tourists visiting by the number of days they stay in

accordance with the Capital City Tax Act, and hosting international conferences, seminars, and events for government agencies during the off-season.

The second objective was to create the conditions for domestic and foreign tourists to travel safely to Ulaanbaatar and receive the necessary information and assistance. By improving “communications” services based on technological advances, and by entering the location information of companies operating in Ulaanbaatar into Google map in 3D format, smart devices can be easily searched for destinations, which makes it easier for citizens and tourists to obtain information about services in their vicinity. A tourism risk management plan for Ulaanbaatar should be implemented at the same time.

The third goal was to establish recreation and tourism centers for domestic and international tourists and citizens and to thereby create a relaxing and comfortable environment. For example, the main routes for hiking in the suburbs were to be developed according to international standards, and maintenance work is being done on the main routes in Ulaanbaatar.

The fourth objective was to promote Ulaanbaatar as a tourist destination, participate in the world’s leading tourism exhibitions and fairs in Germany, Russia, China, Japan, and Hong Kong, and cooperate with reputable international newspapers, magazines, and media. A comprehensive campaign and various tasks to promote Ulaanbaatar’s tourism products and exhibits were conducted.

The fifth objective was to show the characteristics of Ulaanbaatar and provide services and products that respond to the needs of tourists. The opening of the Khurel togoot Astronomy Center to domestic and foreign tourists as tourism, and the introduction of an air cab service as the first step in the introduction of a “tourist” card with package prices were in progress.

The sixth objective was to host art, sports, and community events to attract tourists. Seven major public cultural events were held for tourists at the National Naadam Festival, and 21 cultural, sporting and tourism events were held during the year.

As part of the seventh objective, service management training for 2,000 service workers in all service sectors were to be held. Social campaigns such as “Smile Mongolia” and “Friendly Ulaanbaatar” were launched to promote service and urban culture.

It was decided that the “Hospitable Ulaanbaatar” program would spend 5% of the capital’s annual budget on its implementation. To implement this program, a list of program implementation measures and a budget proposal were deliberated annually by the City council, and it was decided that the capital would spend MNT 460 million in 2015. In the same fiscal year, 44 projects were launched and implemented, totaling 420 million MNT, and in FY 2016, a budget of 350 million MNT was allocated and 42 projects were implemented. This program was implemented in cooperation with the Ulaanbaatar City Department of Art and Culture, the Department of Sport, the Department of Health, the Department of Police, the Department of Property, and the Department of Capital Tax, and the achievement rate of the project was 95%.

The first phase of the program is reported to be 95% complete, but there is no official report on the current status of the program. Since the program was not implemented in the second and third phases, the implementation rate was about 30%. The program was suspended in 2017 and has not been in place as of 2019. In general, after the local elections, the newly appointed executive will announce a new plan for tourism development. The current new executive committee has yet to announce its program. In August 2020, the Ulaanbaatar city Tourism Department submitted a plan for the promotion of official travel and business travel (MICE tourism) in Ulaanbaatar to MNET, but the plan has not yet been approved.

The Ulaanbaatar city Tourism Department is in charge of planning and budgeting for the program, but in December 2016, the management of the city administration changed and a new tourism management team was appointed. Due to this personnel change, the implementation of this program was postponed until August 2018 in order to implement the “Tourism Sub-Program of Ulaanbaatar City” in accordance with the manifesto formulated by the new mayor. During this period, the mayor changed again, which postponed the approval of the sub-program and made the implementation of the program impossible. As a result, the implementation of the “Hospitable Ulaanbaatar” program has been completely suspended since 2017.

<The results of the program implementation (performance indicators)>

- The goal is to increase the number of tourists visiting Ulaanbaatar to 2 million by 2020, and the results have

been evaluated as follows.

- In 2019, 452,957 tourists visited Ulaanbaatar. This is 22.6% of the target. There is no officially approved method for calculating the program's target of 2 million people, but it is calculated by adding up the number of days spent by tourists entering the country. According to this method, at least 1.358 million people visited the city.
- The number of people employed in the tourism and accommodation sector in Ulaanbaatar reached 35,000 as of 2017, double the number in 2014. MNET announced that the tourism sector employed 85,000 people in 2019, and 57,000 people are working in the tourism industry in Ulaanbaatar alone, which accounts for 67 percent of the total.
- The safety of tourists was ensured and the crime rate per 100,000 tourists decreased to one-third. This statistic was published by the Ulaanbaatar City Police Department in 2018 and has not been updated since then.
- The share of the tourism sector in Ulaanbaatar's economy has increased from 9.8 percent to 20 percent. According to MNET, Mongolia welcomed 570,262 foreigners in 2019 (Border Guard Agency 2020), bringing in 607 million USD in GDP and approximately 16.856,74 billion MNT in Mongolian currency (MNET 2020), of which how much the city of Ulaanbaatar accounted for is an unknown.

2) Tuv aimag

The Tuv aimag Tourism Development Sub-Program was approved by Resolution 79 of the Citizens' Representative Khural on July 20, 2017. The program comprises six goals and 31 activities. However, the sub-programs did not include provisions for the use of specific budgets, so no budget was allocated.

3.4.3 Organizations related to tourism development

(1) Ulaanbaatar Tourism Association

The Ulaanbaatar Tourist Association is an NGO established to provide support for domestic tourism projects, develop policies and regulations related to national and regional tourism, conduct research on the industry, and help promote tourism forms that are appropriate for the region. Depending on the project to be implemented, the Ulaanbaatar Tourism Association cooperates with various organizations such as professional tourist associations, NGOs, travel agencies operating in Ulaanbaatar City, and special protected area management offices. The following projects and events were executed.

- **ULAANBAATAR TRAVEL EXPO**
Mongolia's only exhibition for domestic tourists, held on the last weekend of May every year (when most domestic tourists make their travel plans). The EXPO is conducted every year with support from the Ulaanbaatar city Tourism Department and MNET. Embassies and other entities in Mongolia can participate for free. The EXPO is a one-stop shopping opportunity to meet with representatives from all 21 aimags, camps and spas, and protected area networks, and to make travel insurance and equipment purchases.
- **Hong Kong International Travel Exhibition, Russia Baikal Tour International Exhibition**
At the request of the Ulaanbaatar city Tourism Department, we will participate in international exhibitions held in these cities, where direct flights are available from Ulaanbaatar, and call on other tourism-related companies to participate in the exhibitions to promote tourism in Ulaanbaatar.
- **Nature, culture, and tourism management plan**
The Ulaanbaatar Tourism Association cooperates with local aimags and soums to assist in the formulation of tourism development plans suited not only to the policies of the Mongolian government but also to the global and regional levels.

The association also conducts workshops and lectures on basic tourism knowledge, tourism products, and services to corporations and individuals, such as staff of special protected area offices, nature reserve staff, staff of various museums, and operators of ger camps.

3.4.4 Tax revenue related to tourism

(1) Ulaanbaatar City

According to the Comprehensive Tax Law, nine municipal taxes are established by the Ulaanbaatar City

Council Decree, including personal income tax, real estate tax, motor vehicle tax, mining tax, citizen tax, dog tax, natural plant use tax, and hot spring use tax. On October 1, 2015, the “Capital City Tax Law” began imposing a 1% city tax on retail sales of alcohol and tobacco, hotel and resort accommodations, and restaurant and bar services.

Under this new municipal tax, 3.178 billion MNT was budgeted and 3.465 billion MNT was collected in 2016. In 2017, 5.139 billion MNT was budgeted and 4.876 billion MNT was collected; in 2018, 8 billion MNT was budgeted and 6.429 billion MNT was collected; in 2019, 7.298 billion MNT was collected; and in 2021, 9 billion MNT is planned as the revenue budget. However, not any known funding from this tax revenue has been used for substantial tourism industry initiatives and projects.

3.4.5 Status of infrastructure

(1) Roads and traffic

1) Ulaanbaatar City

Generally, most of the roads in the central part of Ulaanbaatar City are paved. In recent years, traffic congestion has become a major problem in Ulaanbaatar City due to the concentration of population and the increase in the number of cars, and the 15 km travel from Buyant-Ukhaa International Airport to the city center could take up to two hours during rush hours. The government has taken various measures to deal with traffic congestion, but the problem has not improved much.

The city of Ulaanbaatar operates 930 buses a day for public transportation, of which 290 are state-owned and 640 are privately owned. For tourists, buses also run to Gorkhi-Terelj National Park and Sky Resort. The city also operates two “Ulaanbaatar City Tour” buses during the summer on weekends, holidays, and special event days.

JCDecaux Mongolia is in charge of the installation, operation, and maintenance of bus stops and information signs in Ulaanbaatar. Bus route maps and advertisements are on the back of the wall signs at the bus stops. Currently, all information is in Mongolian, and there is no English route maps and advertisements available for foreigners. All buses in the public transport service were making voice announcements of their stops since the introduction of the Umoney smart card service in 2015, and digital versions of these announcements are also available. In addition, there have been developments such as the Ub Smart Bus smartphone app, which allows checking the current location of the bus. The announcements at the bus stops are only in Mongolian. In addition, although it is easy nowadays to get the Ulaanbaatar city bus operation map and bus time table in Mongolian, but practically impossible to find them in English. An English version of the bus route map is available at the Tourist Information Center.

The public transportation bus service operated by “Dewts” Ltd. to the Gorkhi-Terelj National Park, a tourist attraction around Ulaanbaatar, began operating in 2012, but was discontinued in 2018 due to changes in public transportation routes. Since 2018, buses have been operating on the new routes of XO:3 Gorodok - Dunjingarav Shopping Center and XO:4 Terelj - Officer’s Palace.

There is also a bus service from Ulaanbaatar City to each of the aimags in the current survey area. Information on bus prices, time required to reach destinations, and frequency can be gathered from the website. On the other hand, due to the length of time required and the number of trains, it would be difficult for tourists to use the buses as a means to travel to each aimag.⁵¹

In 2015, the number of companies formally providing cab services in Ulaanbaatar was 17, with 564 cabs providing services, but this number has decreased to 12 according to 2019 statistics. MNS5122:2013 national standards are required for taxi services. In Ulaanbaatar, most of the cab services are private cabs without official permits, which poses safety and hygiene risks for tourists to use them alone, as well as many other problems such as language barriers and being overcharged. Taxis are commonly called by telephone to taxi companies or by waving hands and catching them on the street. Recently, taxi services using smartphone apps such as “UBcab” have become popular. For foreign tourists, it would be safer to ask a travel agent to arrange a cab.

⁵¹ <https://www.u-money.mn/bus-schedule>

In Ulaanbaatar, there are 16 companies operating car rental service businesses, renting out a variety of vehicles, including large 45-seat buses and mini cars, both with and without drivers. In many cases, drivers register their own vehicles with the company and put them into service.

2) Tuv aimag

The main road from Ulaanbaatar to Zuunmod, where the provincial government is located, and the main roads towards Terelj, Hustai National Park, Darkhan, and Khentii, which are famous tourist spots in Tuv aimag, are paved. However, as is the case on the road from the main road to Hustai Nuruu, the roads off the main road are often unpaved.

(2) Tap water

1) Ulaanbaatar City

In the apartment complexes in the city, there is no water problem at all because of the water supply system provided by the national water department, but in the ger areas that are not connected to the water pipes, they use well water or receive water from a water truck. In the tourist camps on the outskirts of Ulaanbaatar, most camps have dug wells on their own land and have running water for use in restaurants and bathrooms. In addition, foreign tourists usually use mineral water for drinking. In general, no serious problems related to drinking water have been identified in the Ulaanbaatar region.

(3) Sewage treatment

1) Ulaanbaatar City

Sewage treatment management around Ulaanbaatar is operated by the Central Sewage Treatment Plant, which is assigned to the Water Supply Management Department, as well as sewage treatment plants in Nisekh, Bio, and Bayangol. The Central Sewage Treatment Plant treats industrial wastewater as well as domestic wastewater, and can treat up to 230,000 m³ of wastewater per day. At present, the plant treats 160,000 m³ to 170,000 m³ of wastewater per day. According to estimates of domestic and industrial wastewater from Ulaanbaatar City in 2030 by the Water Management Department, it is estimated that wastewater of 268,655 m³ to 411,600 m³ in total needs to be treated. In addition, according to a survey conducted by Ulaanbaatar City, it is necessary to improve the processing capacity of each sewage treatment plant by renovating its facilities because of the aging of its technologies and machinery.

MNET has not obtained information on tourist camps with septic tanks. Fifty five of the 179 tourist camps registered with the Ulaanbaatar city Tourism Department have hired specialized companies to transport sewage by truck with pumps. There is no information available on the status of wastewater treatment in the remaining 124 camps.

Possible reasons for the lack of proper wastewater treatment in many tourist camps are as follows.

- During the construction of a tourist camp, there are cases where holes are drilled in the storage tank so that sewage flows into the soil so that the wastewater storage tanks can be used for a long period of time. Although the installation work is carried out by a specialist contractor, strict control is not carried out. In addition, the inspection by the National Audit Agency issues business licenses only after confirming whether or not wastewater storage tanks are installed. As a result, there is a system that reduces the cost burden on the camp for wastewater treatment to the extent that a portion of the wastewater generated by the tourist camp becomes disposed of into the natural environment.
- The fee for a specialized company to transport sewage from the tourist camp to the central wastewater treatment plant is high, and the further the tourist camp is from Ulaanbaatar city, the higher the fee. Sewage transport may be requested two or three times a month. This has led to some individuals transporting waste at a low rate, and in some cases, these individuals are not transporting the sewage to the central wastewater treatment plant, but are disposing of it into the natural environment.

Insufficient inspection of trucks carrying sewage has resulted in problems such as leakage of dirty water from tanks during transportation. Possible causes of problems related to wastewater treatment include irresponsibility and carelessness on the part of the owners of the tourist camp businesses and professional transporters, as well as inadequate regulatory control by government agencies.

(4) Public toilet

1) Ulaanbaatar City

<Public toilets operated by Ulaanbaatar City>

As of 2016, 11 public toilets were available. Ten more public toilets were added in 2020, and as of August 2020, 16 public toilets were available for use at all times.

The number of people using public toilets has been decreasing due to the COVID-19, but as of August 2020, about 100 people were using them per day. Before the COVID-19, there were about 200 users. Most of the public toilets are made up of seven units: three for men and three for women, and one for the disabled. The salary of staff working in public toilets is 500,000 MNT per month. Sales revenue is collected daily. The budget for constructing one public toilet is 150 million to 350 million MNT. Public toilets can be used by 27 people per hour, or 500 people per day. The usage fee is 200 MNT. Business hours are from 8:00 to 00:00, and staff works on a shift basis.

<Public toilets established by MNET>

The ministry has been installing public toilets in areas frequented by foreign tourists since 2016, and so far around Ulaanbaatar city, public toilets have been installed in Zaisan Hill and Gorkhi-Terelj National Park.

<Private toilet facilities available in and near Ulaanbaatar City>

• Gas station toilet conditions

Gas station toilets are one type of toilet that can be used by domestic and foreign tourists. Sometimes, gas station toilets are not indoor toilets. Toilets in some gas stations are clean, and some gas stations have toilets that cannot be used at all. On the way out of Ulaanbaatar, there are 12 Tes Petroleum gas station toilets, 3 Shunkhlai gas station toilets, 18 Magnai Trade gas station toilets, 12 Sod Mongol gas station toilets, and 12 Petrovis gas station toilets, which are often used by domestic tourists.

• Restrooms in large shopping malls, etc.

There are shopping malls with toilets available, including Orgil, Sansar, and Nomin supermarkets in the west of Ulaanbaatar, Orgil and Sansar supermarkets in the east, Orgil supermarket in the north, Orgil and Sansar supermarkets in the south, and Nomin supermarket on the way to Tuv aimag. These are indoor toilets and regularly cleaned, and they meet international standards.

To make these clean indoor toilets available to tourists, tour guides schedule breaks at these supermarkets and other places while they are en route.

• Service area along the road

There are not many service centers in Mongolia that have large buildings with souvenir stores, restaurants, toilets, etc. like those found in other countries. Service centers available 24 hours throughout the year are as follows: 1) Urikhan-1, located 100 km from Ulaanbaatar City on the way to Darkhan City; 2) Urikhan-2, located 120 km from Ulaanbaatar near the Lun soum Bridge in Tuv aimag in the western direction; and 3) Khaanbuuz, located 280 km from Ulaanbaatar. Service centers such as these are increasing.

(5) Waste treatment

1) Tourist spots in Ulaanbaatar City and around Ulaanbaatar

According to item 4.5 of the Mongolian national standard for resort, tourist camp, and ger camp operation MNS 6043:2009, garbage dumping sites should be located at least 60 meters away from the accommodation facilities, and should be designed to prevent garbage from being blown away by the wind, considering the main wind direction depending on the location. In accordance with this standard, lodging businesses should sign a contract with the (state-owned) public service company of the district or city where they are located to request garbage collection. The contract indicates the frequency of garbage collection per month, and according to that schedule, tourist accommodation businesses around Ulaanbaatar collect regular garbage at designated collection points. Some places have open areas for garbage dumping, while others have fenced

them in. Even with a fence, small trash can be blown out of the fence by the wind or spread out naturally, or trash at the collection site can be dug up by wild animals or livestock, which can then be scattered by the wind.

The possible causes of illegal waste disposal are as follows.

- Domestic tourists' behavior of littering garbage is frequent. In summer, Ulaanbaatar residents have a custom of camping around rivers and in beautiful areas with forests. In doing so, they do not take their garbage they produced with themselves, which causes garbage to be abandoned in the natural environment. There are also a significant number of people who throw garbage out of their car windows while driving. In the Gorkhi-Terelj National Park area, which is popular for domestic tourists, public service staff and many volunteer groups and individual volunteers carry out trash pickup activities, but the current situation is that trash is generated again the next year. For example, in 2017, MNET called for residents and business groups to conduct a trash pickup campaign, and even after collecting 40 truckloads of trash, there was still abandoned garbage left.
- Regarding the garbage generated from the dumping sites of tourist camps, a lot of garbage can be spread naturally by wind and other factors from the dumping sites of tourist camps. The main causes are unsealed garbage dumps or garbage dump doors left open, allowing wild animals or livestock to dig garbage out. There are also tourist camps who do not collect garbage at designated locations according to the garbage collection schedule indicated in the aforementioned contract. In addition, the failure to voluntary collection up of small garbage in the surrounding area adds up to the garbage pollution.

2) Tuv aimag

In most soums, such as Zuunmod, the aimag capital, waste is disposed of in garbage dumps set up on the outskirts of the soum. See Ulaanbaatar section's explanation for tourist camps.

(6) Electrical and communication infrastructure

1) Around Ulaanbaatar City

Both the city and the tourist camps in the Gorkhi-Terelj National Park are connected to the central electricity grid, so there is no need of concern for electricity. Mobile phone service is available in the city and around Gorkhi-Terelj National Park.

3.4.6 Trends in tourism

It is said that the majority (95% to 98%) of foreigners visiting Mongolia stay in or pass through Ulaanbaatar, so this number is likely almost equal to the number of foreigners entering Mongolia. The top five countries in terms of foreign arrivals in Mongolia in 2019 are China (about 170,000), Russia (about 140,000), South Korea (about 100,000), Japan (about 24,000), and the United States (about 19,000), while there are about 30,000 tourists entering Mongolia from European countries. From the analysis of immigration data, it seems that Europe and the United States have a large number of people entering Mongolia purely for the purpose of tourism.

As of 2020, there are 216 tourist camps in and around Ulaanbaatar, of which only 51 are open year-round. The rest are open from May 1 to October 1. About half of all foreign tourists are concentrated in the months of June through September. MICE events uses large hotels in the city such as the Shangri-La, but since the ASEM (Asia-Europe Meeting) meeting in 2016, large-scale MICE projects have not been implemented.

The number of visitors to museums in Ulaanbaatar was 364,400 in 2019, an increase of 1.42 times compared to 256,100 in 2015. The number of foreign visitors to the museums is not disclosed, and it is not clear how many foreigners visited each museums. Although statistics on the number of visitors to each museum are not released, the most popular museums are the National History Museum and the Choijin Lama Temple.

Environmental degradation of tourist sites in the metropolitan area has been reported in Gorkhi-Terelj National Park and Bogd Uul, but this is a result of the manners of domestic tourists, overcrowding of campsites, and improper management by tourism operators, and is not considered by government agencies or Mongolian officials working in the tourism industry to be caused by the increase in foreign tourists.

- There are 576 resort and tourist camps operating across the country (2019: Mongolian Hotels Association),

of which 151 are located around Ulaanbaatar city. Of the 151, 51 are open year-round (2016: NAP52). Others operate from May 1 to October 1. According to a survey conducted by the Ulaanbaatar city Tourism Department as of August 2020, there are 216 (operating in and around Ulaanbaatar), but detailed information is not available. The breakdown, i.e., how many are tourist camps and how many are ger camps, is not clear.

- In Mongolia, there are no laws and regulations governing the distance between ger camps, but the national standard MNS 6034: 2019 stipulates that ① the distance between ger camps and natural and historical/cultural assets should be at least 3 km, ② resorts, tourist camps, and ger camps should be operated in a way that does not adversely affect nature, and ③ the distance between resorts, tourist camps, and ger camps should be farther than 5 km.
- As of 2016, there are 104 businesses operating in the Gorkhi-Terelj National Park area, but 70% of them do not meet the above criteria.

In a 2015 survey in Ulaanbaatar, 51% of citizens reported positive social and cultural impacts while 21% reported negative impacts. The positive aspects include the improvement of the quality of services through foreign tourists, the strengthening of the protection of cultural heritage sites and arts, and the reevaluation of traditional culture. However, there are some protests against foreigners, such as the existence of prostitution tours by some foreign tourists in the city and Gorkhi Terelj region.

3.4.7 Trends in tourism-related industries

1) Ulaanbaatar City's efforts and challenges

There is no marketing and promotion plan for the city or tourism-related NGO organizations (including businesses that conduct business activities for domestic tourists). The “Hospitable Ulaanbaatar” campaign was implemented in the past, but after change of office in the mayorship, no marketing or promotion strategy has been developed or implemented. This is due to a small budget for PR activities, lack of staff in charge, and frequent staff transfers. Other than participation in the World Travel Expo, the city's activities are mainly geared towards the domestic market.

2) Collaboration and cooperation with other organizations

Despite being an NGO, the Ulaanbaatar Tourism Association, which was set up to promote domestic tourism and improve the education of tourists, has been working in full cooperation with the Ulaanbaatar City Tourism Department, the city government agency. So far, the NGO has proposed a management plan for cultural and natural assets of Ulaanbaatar City and its adjacent area and to develop a tourism management plan for the Ulaanbaatar City Tourism Department. Both of the above-mentioned plans are designed to realize the long-term basic objectives of promoting the development of tourism in Ulaanbaatar. Every spring, the Ulaanbaatar Tourism Association holds the Ulaanbaatar Travel Expo, a domestic tourism promotion event, in cooperation with MNET and the Ulaanbaatar city Tourism Department.

3) Examples of publicity and foreign campaign implementation in the tourism business

There are no active campaigns being run for specific target segments at this time. It is still unclear whether the efforts to revitalize the tourism business after the end of the COVID-19 pandemic will be implemented at the national level or at the city level, so it is still unclear what kind of measures will be taken. Since the tourism industry is at a standstill, now is the best time to plan strategies on which countries and cities to target and promote in order to revive the tourism business.

4) Support from the government for local governments in implementing tourism development plans

The Ulaanbaatar City Tourism Department is in charge of all activities related to tourism in Ulaanbaatar. At the end of each year, the department submits to the Governor's office its activity plan and budget plan for the following year. If plans are approved, they will be feasible as planned. In many cases, the Ulaanbaatar city Tourism Department does not have enough money in its budget, so the department enlists the help of private companies and related non-governmental organizations for implementing its activities. The activities of MNET (not just those related to tourism) are extensive, covering 21 aimags nationwide. In some cases, there

⁵² N.A.P Group, National Architectural Project (Mongolian Survey company)

is a need to strengthen mutual coordination and cooperation between the Ulaanbaatar City Tourism Department and MNET's Department of Tourism Policy and Coordination.

5) Challenges faced in implementing the plan and their causes (including measures to be taken in the future)

The most important issue facing the development of tourism in the capital is the lack of a long-term plan. After the election, a new policy on tourism is proposed. As a result, the previously running plan may be discontinued. In the future, a long-term development plan that can be implemented over two or three election terms (multiple terms of Congress) will be needed.

6) Existence or non-existence of a specialized agency (organization) that gathers and analyzes information for promotion and plans strategies for marketing to the target market

There are no specialized organizations that can conduct research and surveys on target markets and advise city hall and other authorities. Currently, there is no formal marketing plan in place at the capital level.

7) Initiatives by private companies

Private travel agencies are actively disseminating tourist information in English and Japanese. Potential visitors can find many private travel agencies on the Internet, but it is difficult to determine which travel agencies are trustworthy. Therefore, it is necessary for the Ulaanbaatar city Tourism Department to issue something like a Green Mark to endorse the country's tourism industry, which is still developing.

Table 3-63: Private tourist information websites that provide information about Ulaanbaatar for foreign visitors as an example

	Site URL	Description
Trip Advisor	https://www.tripadvisor.com/Tourism-g293956-Ulaanbaatar-Vacations.html	A wealth of information about Ulaanbaatar is available here. Tours of all Mongolian companies are registered.
Lonely Planet	https://www.lonelyplanet.com/mongolia/ulaanbaatar	Similarly, a variety of information about Ulaanbaatar is available here. Unlike Tripadvisor, in addition to a general introduction to Ulaanbaatar, users can narrow down their search for information that includes travel types, exhibitions, and their addresses.
Ulaanbaatar Tourism Association website	http://ubtourism.org/en	An electronic platform developed by the Ulaanbaatar Tourist Association.
Tripoto	https://www.tripoto.com/ulaanbaatar	This is an international travel site and contains a lot of information about Ulaanbaatar.
Discover Mongolia	https://www.discovermongolia.mn	An electronic platform developed by domestic companies, which contains information about travel and tourism exhibitions organized by companies in Ulaanbaatar. Users will find information about Ulaanbaatar on the websites of domestic travel agencies.
View Mongolia Travel	https://www.viewmongolia.com	

Source: Prepared by the survey team

3.4.8 SWOT analysis

Ulaanbaatar is the capital of Mongolia and the country's political, economic, and cultural center, home to nearly half of the population. Mongolia's leading museums, art galleries, and art organizations, the world's finest Tibetan Buddhist art, and the world's intangible cultural heritage of the morin khuur, Tuvan throat singing, and long song can be experienced at close hand, and traditional fashion, history, and culture can be explored. There is also Gorkhi-Terelj National Park, Hustai National Park, and Bogd Mountain Strictly Protected Area as wilderness areas that can be visited on a day trip or overnight.

With statistics showing that 98% of foreigners visiting Mongolia go through the capital city, Ulaanbaatar is the base for Mongolian tourism, with most tourists spending several days in the city. On the other hand, there are many issues to be dealt with as follows: 1) the collections of the temples in the city are mainly Tibetan Buddhist and the collections are usually identical; 2) the Buddhist statues of Zanabazar, which are regarded as the pinnacle of Buddhist art, are scattered all over the city; 3) the Natural History Museum, which used to be popular with foreign tourists, has been closed and the world's most famous dinosaur fossils cannot be

seen; and 4) there is no major tourist attraction in winter.

Table 3-64: Strengths and weaknesses of Ulaanbaatar tourism

	Potential	Constraints
	Strength	Weakness
Internal environment	<p><u>Tourism resources</u> Gorkhi-Terelj National Park (near Ulaanbaatar) Takhi reserve area, the home of the ancestral horse (Hustai National Park) Historical museums, palace museums, etc. Zanabazar Museum, temples and historic sites Museums, art galleries A source of entertainment, such as opera houses, drama theaters, and opera companies First-class ethnic arts (World Intangible Cultural Heritage) Cafes, restaurants, nightclubs Department stores, souvenir shops, Zakh (market)</p> <p><u>Infrastructure</u> There is an international airport. The roads are paved. Electricity and heating are centrally controlled. Mobile phone and internet communication are in place.</p> <p><u>Service</u> There are hotels of international standard. Many travel agencies are accustomed to working with foreigners. The area is a hub of entertainment. Visitors can buy souvenirs such as cashmere and folk crafts. There are many people who can speak English.</p>	<p><u>Tourism resources</u> Theater programs are limited in winter</p> <p><u>Infrastructure</u> The number of flights from and to international airports is limited. The number of domestic flights is small. The traffic jam is bad.</p> <p><u>Laws and regulations</u> Confirmation after the enactment of the Tourism Related Law is not sufficient. Low budget for tourism development</p> <p><u>Service</u> There are many unofficial taxis and communicating with the taxi drivers is not easy. There are concerns about purchasing products without price indications. Public bus route maps and displays are in Mongolian.</p> <p><u>Information and marketing</u> There is a lack of reliable travel information from public agencies. There is a lack of dissemination of the good points of Mongolia. Difficult to access event information Few tourist information in foreign languages (especially English) Lack of effective use of the Internet</p>
	Opportunity	Threat
External environment	<p><u>Information and marketing</u> Terelj is the most popular tourist destination closest to Ulaanbaatar. There are many facilities to enjoy at night. Information on unique cultural and performing arts, such as events and attractions that have potential needs, could be enhanced. Experts have built a world-class dinosaur museum.</p>	<p><u>Tourism resources</u> Excessive ger camps in violation of laws and regulations are causing destruction of the landscape.</p> <p><u>Infrastructure</u> There is a chronic traffic jam. Cabs and buses are difficult for foreigners to use.</p> <p><u>Laws and regulations</u> Increased tourism may cause waste problems.</p> <p><u>Information and marketing</u> There is a lack of well-organized information on the many tourist camps.</p>

Source: Prepared by the survey team

(1) Advantages of Ulaanbaatar and its suburbs in terms of tourism development

1) Tourism resources

- ① There is an abundance of Tibetan Buddhist temples, museums, art galleries, theaters, and performing arts to see. The area can serve as a base of Mongolia sightseeing, where visitors can learn the outline of Mongolia.
- ② There is an abundance of historical and intangible cultural assets such as throat singing, morin khuur, long song, and Mongolian Sumo.
- ③ In addition to public entertainment such as the national theater, there are many bars and nightclubs where visitors can listen to music, and private facilities where visitors can enjoy folk performances while eating.

- ④ Compared to other regions, there are tourist facilities (museums and art galleries) that can be enjoyed even in winter.



Gandantegchinlen Monastery



The Zanabazar Museum of Fine Arts



National Morin Khuur Orchestra



Naadam

2) Infrastructure

- ① There is an international airport. There are direct flights from Seoul, South Korea (3 hours 20 minutes), Beijing, China (2 hours 15 minutes), Hong Kong, China (4 hours 35 minutes) Tokyo, Japan (4 hours 35 minutes), and Bangkok, Thailand (6 hours). From Europe, there are flights into Ulaanbaatar via Istanbul (8 hours 40 minutes), Frankfurt (9 hours 20 minutes), and Moscow.
- ② The new Ulaanbaatar International Airport opened in July 2021. The runway is designed for two-way takeoffs and landings, allowing for stable flights that are less affected by wind. The Mongolian government is considering increasing the number of international flights, which will greatly increase its capacity to receive tourists.
- ③ Electricity and heating are centrally managed and maintained.
- ④ The City of Ulaanbaatar has no problems with telephone and Internet communications.
- ⑤ Water and sewage systems are in place, so there is no shortage of water.

3) Laws and regulations

- ① The Ministry of Nature, Environment and Tourism, Ulaanbaatar City, and other departments in charge of tourism are based there, so there is a place to refer to if any legal issues arise.

4) Service

- ① There is an international standard hotel. There are 8 five-star hotels and 23 four-star hotels, which can be booked online.
- ② There is a wide range of hotels to choose from, from five-star hotels to budget hotels for students, and all of the hotels in the city have flush toilets and bathrooms with hot water. More and more tourist camps in the suburbs, such as Terelj, have flush toilets and hot shower rooms in their gers.
- ③ Public buses and cabs are more plentiful than in other regions, and although language problems (restrictions) remain, there are many options for tourists. At the hotel, visitors can book a taxi to take them around.
- ④ Visitors can buy cashmere and other local products. Since there is an abundance of raw materials for leather products and felt, new souvenirs can be developed. There is also potential for souvenirs featuring Genghis Khan and dinosaurs.

5) Information and marketing

- ① Mongolia is a country with a mysterious sound, and its name is well known throughout the world. Its capital, Ulaanbaatar, is well known by foreigners.
- ② There is a wealth of undiscovered tourism resources and a lot of potential. In particular, in addition to the “sightseeing” type tourism that has been the focus of attention so far, there is potential in the “experience” and “study” based type tourism.
- ② Tourists from Europe, including Germany, France, and the United Kingdom, accounted for 2.1%, 1.8%, and 1%, respectively, for a total of only 4.9%. However, if the number of days spent is taken into account, the total number of days spent is higher for the 2.1% of German tourists who stay for 18 days than for the total tourists 4.2% of Japanese visitors who stay for 6 days. Tourists from Europe, the United States, and Australia also have a high potential to use Ulaanbaatar as a base for touring various routes.
- ④ Despite its weak tourism policy, the country attracted 570,000 foreign tourists in 2019 and could double that number in the near future if it tackles tourism effectively.

(2) Constraints on tourism development in Ulaanbaatar and its suburbs

1) Tourism resources

- ① There are many tourist attractions centering on Tibetan Buddhist temples, museums, and art galleries, but there are only few other major tourist resources in the city. The natural history museum, which was once popular but is now closed, is planned to be constructed but has no financial prospect. The current dinosaur museum is only temporary (there are reports that the government has ordered its closure)
- ② During the summer, the performances of the Tumen Ekh and Mongolian National Grand Theatre allows visitors to experience ethnic music, are always full, exceeding their ability to respond to the growing number of foreign tourists. We need more than one place where people can easily appreciate the intangible cultural heritage of Mongolia, such as the morin khuur and throat singing.
- ③ Modern art in Mongolia is excellent, but few foreigners visit art galleries. With the exception of the Zanabazar Museum, the ability of museums to disseminate information is weak (the Zanabazar Museum does not include any photos of Zanabazar Buddhaimages, which is its biggest selling point, making it difficult for people who do not know Zanabazar to understand its appeal).

2) Infrastructure

- ① Traffic is very congested and it takes a long time to travel in the city.

- ② In recent years, the situation has been improved by the introduction of improved fuels, but in the winter, coal is burned in each ger settlement to keep warm, and the smoke emitted from coal burning is a major cause of air pollution in Ulaanbaatar.

3) Laws and regulations

- ① Due to the frequent changes in government and personnel changes in the Mongolian government and Ulaanbaatar City, there is no time to create a marketing and promotion strategy. The Hospitable Ulaanbaatar project that was started in the past has been suspended in the middle of the project, and foreign language dissemination through the website has also been suspended. The “Tourism Fund,” which was started with the expectation to be used to promote tourism, has also been suspended.
- ② There are many camps and buildings in Gorkhi-Terelj National Park that were built in violation of the law. The granting of the permit itself is a problem, but from now on, the authorities need to crack down to ensure strict compliance with the law. As a result, the value of national parks will be reduced and they will lose their appeal as tourist destinations.

4) Service

- ① There is a shortage of human resources with expertise in the tourism industry. MNET conducts training every year, but it is not sufficient.

5) Information and marketing

- ① According to statistics on the number of tourists, more than half of them are from China and Russia, but in reality, many of them are here for business purposes and we have not been able to tap into their tourism needs.
- ② The number of days that Japanese stay in Mongolia is limited to around 6 days due to flight-related reasons.
- ③ The meaning and content of Danshig Naadam, which is an event related to Buddhist events, and ethnic events are not fully understood by foreigners.
- ④ It is desirable to promote MICE as an inbound promotion measure. Currently, the only hotel with sufficient venues and accommodations is the Shangri-La Hotel. There are 8 five-star hotels and 23 four-star hotels in Ulaanbaatar (the hotel grading is based on its own national grading system and may not correspond to the international standards used), and although the system for receiving tourists is gradually expanding, further expansion is necessary.
- ⑤ Publicity activities on the website are not conducted in foreign languages (the website of the Ulaanbaatar city Tourism Development offers the choice of selecting “English.” However, even if “English” is selected, an error message is displayed and no English information is available), and information dissemination (promotion) for foreigners has been delayed.
- ⑥ Projects such as Hospitable Ulaanbaatar, which was implemented by the Ulaanbaatar city Tourism Development, have been discontinued. There is no target strategy for advertising, and promotional activities are stagnant.

3.5 Summary of current status analysis of tourism development in Mongolia

Tourism in Mongolia is characterized by a rapid increase in the number of domestic tourists due to the paving of main roads and the growing awareness of tourism in the country. In addition, the government has begun to build complex facilities and toilets on main roads for safe and secure travel and environmental protection. However, the institutional, financial, and legal basis for strong implementation of measures in the tourism sector is poor, and many issues need to be resolved.

The following table shows a SWOT analysis of tourism in Mongolia as a destination and an external environment analysis which summarizes and analyzes the recent external environment related to tourism development.

Table 3-65: External environment analysis

Current situation in Mongolia	
Politics	<ul style="list-style-type: none"> The People's Party won overwhelmingly in the 2016 and 2020 elections for the State Ikh Khural, and the People's Party candidate, U. Khurelsukh, won overwhelmingly in the 2021 presidential election. Support for the Democratic Party has slumped due to divisions and conflicts since President Kh.Battulga took office in 2017. HUN NAM (Labor National Party), which has many members who have studied abroad in Europe, the U.S. and Japan, won seats in the State Ikh Khural and the Capital City Council for the first time in the 2020 elections, and also won 25% of the presidential election votes, surpassing the Democratic Party candidate. With the 2021 presidential election, the twists and turns between the president and the government have been resolved, which will make it easier for the two parties to coordinate their policies and ensure policy coherence. The new prime minister understands the importance of tourism and has the potential to implement reforms.
Economy	<ul style="list-style-type: none"> The population in 2019 was about 3.3 million in a country four times the size of Japan. The country has the second lowest population density in the world. Mining resources account for about 80% of exports, 90% of which are to China. Economic dependence on China is deepening. GDP per capita is about 4,340 USD (2019). In terms of GDP by sector, the mining industry ranks first, and the trade, hotel, and restaurant sector ranks second. By region, the main industry is cattle breeding, except in Umnugovi, where the Oyu Tolgoi mine is located. The total number of sheep and other five livestock surpassed 70 million in 2019.
Society	<ul style="list-style-type: none"> Approximately 70% of the total population is under the age of 39. The national statistics show that 28.4% of the population is poor (2018), and many of them leave the country in search of jobs. Social and health insurance systems are well established, but the quality of medical services is not high. Air pollution in the capital has been getting worse, but there have been signs of improvement in recent years.
Current situation of tourism	
<ul style="list-style-type: none"> Mongolia is a landlocked country sandwiched between China and Russia, with railroads connecting the two countries running north to south. The new Ulaanbaatar International Airport, managed by a Japanese company, opened in July 2021, and in March 2020, MIAT Mongolian Airlines and Japan Airlines agreed to a code-share agreement. The number of foreign tourists is steadily increasing, and in 2019 the percentage was 146% compared to that of 2015. Tourism revenues were also about 607 million USD in 2019, or 219% of that in 2015. From the beginning of 2020, due to the closure of air routes caused by the COVID-19, the number of tourists in 2020 plummeted to 58,859. Tourism revenue is -570 million USD compared to that of 2019 (according to MNET) MIAT is the only Mongolian company engaged in foreign routes. Foreign companies engaged in foreign routes are Civil Aviation Administration of China, Korean Air, Asiana Airlines, and Turkish Airlines. MIAT's routes are expanding, with 12 routes in seven countries 	
Foreign visitors to Mongolia	
<ul style="list-style-type: none"> The following ranking trend has been observed since 2012: ① China, ② Russia, ③ South Korea (more than 100,000 people each), ④ Japan (24,000), and ⑤ the United States (19,000). Many Westerners stay for as long as two weeks, while many South Koreans and Japanese stay for one week or less. From Japan, many arrangements are made through travel agencies. Half of the tourists are over 40 years old, and one in three is over 55. Post-visit satisfaction is high 	
Relations with Japan	
<ul style="list-style-type: none"> Japan is a friend with which Mongolia shares values. The two countries agreed to build a strategic partnership. Japan is the top choice country for Mongolians to study abroad. The economic relationship is one of excessive Japanese exports. Number of people arriving from Mongolia surpasses that of Japanese people visiting Mongolia. 	

Table 3-66: SWOT analysis of tourism in Mongolia as a destination

Strengths	Organization, structure, and policy aspects	<ul style="list-style-type: none"> • With the enactment of the National Vision 2050 (2020), national goals have been set and the position of tourism within these goals has been clarified. In addition, the National Policy for Tourism Development 2019-2026, enacted in 2019, clearly defines the agenda set for tourism. • Recognition of the importance of tourism is expanding, and the revision of the Tourism Law and the establishment of an independent organization in charge of tourism are under consideration. 	
	Tourism resources and their conservation and protection	<ul style="list-style-type: none"> • There are many natural, historical and cultural heritage sites, including World Heritage Sites (rock paintings, Genghis Khan's land, Orkhon Valley Cultural Heritage,Uvs lake Basin) and World Intangible Cultural Heritage (morin khuur, throat singing, ger, and long song). • The country has a lot of magnificent nature (Altai Mountains, Gobi plains, huge lakes, etc.) and a nomadic civilization still remains (visitors can experience traditional nomadic life and food). • Mongolia is one of the largest dinosaur fossil excavation countries in the world (excavations are still ongoing). • Mongolia is a country that is tolerant of accepting different cultures and the latest technology, and has a large number of talented, young citizens. 	
	Security and safety of tourists	<ul style="list-style-type: none"> • There are plans by the government to establish roadside stations and public toilets. • Tourist camps are starting to be equipped with toilets and hot showers in gers. 	
	Tourism laws	<ul style="list-style-type: none"> • N/A 	
	Environmental and social considerations	<ul style="list-style-type: none"> • N/A 	
	Infrastructure	<ul style="list-style-type: none"> • Paving of the main roads from the capital to each aimag is almost finished. • Roadside stations and public toilets have begun to be installed. 	
	Human resource development and services	<ul style="list-style-type: none"> • Training by MNET has begun. • South Korea constructed a tourist training center. 	
	Dissemination of information (marketing promotion)	<ul style="list-style-type: none"> • None (the ability of some private companies to disseminate images is great.) 	
	Weakness	Organization, structure, and policy aspects	<ul style="list-style-type: none"> • The number of government and local government officials in charge of tourism is too small to adequately plan and implement tourism policies. • The tourism-related budget is extremely low, making it impossible to implement programs. • There is no independent administrative body with jurisdiction over tourism. • There is no concrete tourism development strategy to promote the National Tourism Development Policy 2019-2026. • There is no preferential treatment for foreign investment in tourism, and there is no incentive to invest in tourism.
		Tourism resources and their conservation and protection	<ul style="list-style-type: none"> • Many tourism resources are weak (places where dinosaur fossils were discovered, grasslands, etc.) • Inadequate conservation and protection of tourism resources at tourist sites • Not enthusiastic about protecting tourism resources (much interest in building new artificial facilities); No system for cooperation and information sharing among tourism stakeholders
		Security and safety of tourists	<ul style="list-style-type: none"> • Transportation burden arising from inadequate road infrastructure from major roads to tourist attractions • The issue of clean and safe public toilets and hot showers • Quality of food and service • High airfare and service charges • Reliable tourism information cannot be easily obtained (transmission in English or other foreign languages is limited.) • There are no public toilets at sightseeing spots or on the way.
		Tourism laws	<ul style="list-style-type: none"> • There are many problems with the Tourism Law and related laws.

	Infrastructure
	<ul style="list-style-type: none"> No pavement except for main roads There are no roadside stations or public toilets on the way.
	Human resource and human resource development
	<ul style="list-style-type: none"> Most employees are seasonal due to the short tourist season.
God opportunity	Organization, structure, and policy aspects
	<ul style="list-style-type: none"> Preservation and protection of tourism resources Security and safety of tourists The government formulates a public toilet installation plan. JICA provides technical guidance for roadside stations.
	Tourism laws
	<ul style="list-style-type: none"> There is a movement to amend the law.
	Infrastructure
	<ul style="list-style-type: none"> The national plan clearly stipulates the development of infrastructure.
Threat	Human resource and human resource development
	<ul style="list-style-type: none"> Becomes able to use training centers in South Korea.
	Organization, structure, and policy aspects
	<ul style="list-style-type: none"> Frequent retirement or dismissal for political reasons ⇒ Absence of experts Lose business continuity and consistency
	Tourism resources and their conservation and protection
	<ul style="list-style-type: none"> Protective measures cannot be taken and tourism resources may be degraded or lost. Toilets will not be installed and environmental destruction will increase.
Threat	Security and safety of tourists
	<ul style="list-style-type: none"> Fears of environmental destruction due to insufficient toilets to cope with an increasing number of tourists
	Tourism laws
	<ul style="list-style-type: none"> Law amendment is not implemented.
	Infrastructure
	<ul style="list-style-type: none"> Development budget cannot be secured and development cannot be implemented.
	Human resource and human resource development
	<ul style="list-style-type: none"> Tourism fails to recover and people lose their jobs.

Source: Prepared by the survey team

Regarding tourism resources, Mongolia has many comparative advantages. Four UNESCO World Heritage sites and 11 Intangible cultural heritages have been designated. In the 2019 edition of the World Economic Forum's Global Tourism Competitiveness Survey, Mongolia is still ranked low at 93rd out of 140 countries in the world. However, among the survey items, cultural travel and business travel ranked 59th.⁵³ Regarding "nature," which always tops the list in questionnaires asking the purpose of tourism to Mongolia, Mongolia can be said to have sufficient international competitiveness in terms of tourism resources, as it ranks a relatively high 62nd in the survey item "natural resources." In a similar survey conducted by the National Bank of Mongolia and the Mongolian Tourism Organization in 2019, 65% of foreign tourists wanted to revisit Mongolia. In addition, according to a survey conducted by a JICA research team between July and August 1998 on 3,031 foreigners, 86.5% of the respondents said they wanted to revisit Mongolia. The fact that the same results were obtained by the JICA survey team in 1998 and by the National Bank of Mongolia 20 years later suggests that foreign tourists have found rich tourism resources in Mongolia that make them forget the many hardships and inconveniences they have experienced.

The number of foreign visitors to Mongolia in 2019 amounted to about 570,000, an increase of more than 270,000 compared to 2016. Despite a sharp decline in 2020 due to the COVID-19, recent years have seen

⁵³ World Economic Forum and UNWTO: Tourism Competitiveness Comparison Study Report 2019

steady growth and the importance of the tourism industry has steadily expanded. Revenue from related industries also doubled in a short period of time, from 310 million USD in 2016 to 600 million USD in 2019.⁵⁴ In addition, the number of domestic tourists has been increasing remarkably in recent years, and the number of domestic tourists to prominent tourist attractions such as Khuvsgul Lake, Kharkhorin, and Khamar Monastery has been on a high trend.⁵⁵

The increase in the number of domestic tourists in Mongolia is due to the paving of the country's main roads, which has greatly improved travel time, and to the growing interest of the Mongolian people in their country's scenic spots. The importance of the tourism industry in the economy is also beginning to be understood by the country's leaders, and the Mongolian government's National Plan for Tourism Development 2019-2026 has been adopted by the parliament, as well as the National Long-Term Development Plan and Vision 2050, which will be the basic national policy of Mongolia in 2020. Tourism also came to be sustainably developed from a long-term perspective in these basic documents.

Strategic planning and implementation of tourism development is also a crucial theme for Mongolia's development. Once the COVID-19 comes to an end, interest in tourism will increase around the world again. It is crucial to formulate strategies for the future in a situation where the global tourism industry is stagnating due to the effects of the COVID-19. In this sense, it was truly timely for the new Prime Minister L.Oyun-Erdene, who assumed office on January 27, 2021, to hold a tourism council on February 25, early in his inauguration, and to deliberate on the issues facing the tourism industry. The year 2021, when this survey was conducted, is the year of the pending opening of the new Ulaanbaatar International Airport, which will be an important starting point for Mongolia's tourism development strategy.

To promote the development of tourism in Mongolia, it is necessary to solve many problems including infrastructure, and the Mongolian government's tourism development plan includes important measures such as the development of roads and airports related to tourism, roadside stations, and public toilets. On the other hand, it is difficult to solve many issues in a short period of time due to the lack of financial resources of the government. According to the OECD, it will take about 5 to 6 years for the number of foreign tourists worldwide to recover to the level of 2019, so it is important to consider this period as a time to lay the foundation for the development of Mongolian tourism and to work on solving the problems.

To maintain and develop sustainable tourism development in a country like Mongolia, which has weak natural environmental resources and is rapidly attracting an increasing number of domestic and international tourists, it is desirable to strengthen awareness-raising activities to promote public understanding of the importance of tourism resources such as the natural environment and cultural assets, as well as infrastructure development. It is timely that in recent years, MNET has been actively working for sustainable tourism development by deepening cooperation in the tourism sector with international organizations such as ADB and support countries.

⁵⁴ Briefing material for the Tourism Council meeting hosted by the Prime Minister (Ministry of Nature, Environment and Tourism, March 2, 2021)

⁵⁵The number of visitors to Khuvsgul Lake National Park (domestic tourists in 2019: 66,284; those in 2020: 80,590)

The number of visitors to Khamar Monastery (domestic tourists in 2017: 64,954; those in 2018: 72,366)

The number of visitors to the Orkhon Valley National Park (domestic tourists in 2019: 15,386; those in 2019: 16,380)

Chapter 4

Issues in the field of tourism development

Chapter 4 Issues in the field of tourism development

As discussed in Chapter 2, Section 2.2, Mongolia's tourism sector development is expected to contribute to achieving the goals of "industry diversification" and "regional development" aimed at in the government's long-term development strategy and five-year plan. In addition, in light of the impact on society and the natural environment that is already occurring in areas where the number of tourists is increasing significantly, it is necessary to realize "environmentally friendly and community-based sustainable tourism development" as stipulated in the National Tourism Development Policy (2019-2026). To achieve this goal, in addition to the prerequisites of securing the implementation system and financial resources, as shown in the results of Chapters 2 and 3, it is essential to develop the tourism infrastructure, develop and improve the human resources and treatment of the civil servants and people working in the tourism industry, provide policy support to the tourism industry, actively implement marketing and promotion, and above all, protect and preserve tourism resources and educate the public.

In this chapter, the issues to be solved are summarized as follows based on the results of the analyses in Chapters 2 and 3.

(1) Shortage of civil servants involved in tourism

In Mongolia, the number of central government officials involved in tourism is low. MNET has a capacity of 121 people, of which only seven are in charge of tourism. In addition, 18 staff members are employed at the Mongolian Tourism Organization, and this number of staff members is involved in a wide range of projects, including the formulation of tourism policies, guidance to local governments, implementation and follow-up of policies, and international cooperation.

There are many tourism-related policies and plans, both at the national and local levels, with a wide range of content. It will be difficult to implement these plans with the current personnel structure, which requires organizing them, making them consistent, and putting them into practice. There is also the idea of outsourcing to the private sector instead of increasing the number of government employees. However, in Mongolian society, where the population is small and individuals are closely related to each other, a change of government often results in a change of not only government officials but also related business partners, making it difficult to ensure continuity and stability in the private sector. We believe that it is time to reconsider the number of positions available in the national civil service.

(2) Need for an independent government agency responsible for tourism

Since the main purpose of foreign visitors to Mongolia is the rich natural environment, a reorganization in 2014 led to the current form of MNET, with the aim of developing tourism while protecting the natural environment as a tourism resource. However, as countries around the world focus on tourism, and international competition in this field becomes increasingly fierce, there is room to reconsider whether the current system is sufficient. It may be time to set up an organization specializing in tourism and establish a new "Tourism Agency," for example, a government agency that would be in charge of policy planning and implementation, cooperation with local governments, the tourism industry and its human resource development, and international cooperation. Alternatively, since tourism is linked to the economy, culture, natural environment, and other multifaceted fields, it may be possible to establish a Tourism Agency under the Prime Minister, just as the National Development Agency is under the Prime Minister's Office.

(3) Challenges in implementing government/provincial-private sector collaboration

There is only one person in charge of tourism in the provincial government, who is assigned to the Department of Nature, Environment and Tourism. Some NGOs, such as Gaikhamsigt Gobi, a tourism NGO in Umnugovi aimag (province), are responsible for the development of the tourism industry at the provincial level by carrying out a variety of activities from planning to implementation of tourism programs in the aimag, but this is an exception. In many aimags, NGOs are virtually inactive.

From the perspective of reducing the burden on government offices, it is meaningful for NGOs and other private organizations to take on those areas that the national and provincial governments cannot handle due to lack of manpower. However, as mentioned above, except for a few cases, NGOs have not yet matured outside of the capital city, and the current laws on NGOs prohibit profit-making activities, so they have to

rely on subsidies or donations to fund their activities. The lack of substantive activities by many NGOs may be due in part to their financial backgrounds.

Therefore, in Mongolia, at least the policies and budgetary measures necessary for tourism development must be led by the government and local governments. In particular, while it is natural for individual travel agencies to play a role in promoting Mongolia to foreign markets, the government and local governments should actively promote Mongolia's attractions, including its tourist attractions and culture, on an ongoing basis.

In recent years, a self-management system has begun in which the maintenance and management of national parks is outsourced to NGOs, and the maintenance and management costs and staff salaries are covered by the revenue from entrance fees. It will be interesting to see if the format implemented in Hustai, Bayanzag and Ikh Nartiin Chuluu Nature Reserve can be implemented in other national parks in the future. The format should be actively expanded from the perspective of tourism resource management and community participation.

(4) Statistics and information development

A correct understanding of the current situation is necessary in order to formulate tourism development strategies, but Mongolia lacks the necessary statistics and information. A number of inadequacies were identified, including the lack of raw data for the sample survey, ambiguous questions on the sample questionnaire that made it difficult to obtain appropriate responses, unclear responsibility for published statistical data, and apparently inaccurate statistical data (e.g., the number of foreign tourists to Ulaanbaatar is greater than the number of foreign nationals entering Mongolia). With regard to the number of visitors by nationality in each aimag, most of the regions have not taken a count or their count is incomplete.

Since the maintenance of statistics and information requires a considerable amount of money and manpower, it is necessary to narrow down the data and information that needs to be collected, and to imagine how to obtain, analyze, and manage data and information. Methods other than questionnaires are also useful for obtaining information. For example, by using the data from credit card payment, which is widely used in Mongolia, we can understand the consumption trends of foreigners by attribute (nationality, etc.) and by region or by consumption type (e.g., restaurant, lodging, transportation, etc.). In addition, data on the location of foreign tourists owned by telecommunications companies can be used to collect information on the dynamics of tourists. In this way, it is necessary not only to prepare new statistics, but also to examine the effective use of existing data. In addition, when considered from the perspective of tourism promotion, the collected data and information should be developed and made available to the public as a tool that each tourism operator can analyze according to his/her purpose, within the scope that does not cause problems in terms of personal information protection.

(5) Legal system improvement

In Mongolia, laws generally state only the principles, and many of the matters that the people should follow are set by orders issued by the government or ministries. In the field of tourism, the Tourism Law mainly stipulates the government's authority to take charge of tourism, and the equivalent to this in Japan is nothing more than a legal document for the establishment of ministries and agencies. The standards for setting up tourist camps are finely stipulated in the regulations. Since many people are involved in the Tourism Law, the overall framework of the Tourism Law should be made easy to understand. In addition, it is desirable to stipulate not only the rights of the national government but also what is required of the government from the viewpoint of private companies. Japan enacted the Law for the Promotion of a Tourism-oriented Nation in 2006 and the Basic Plan for the Promotion of a Tourism-oriented Nation in 2009. The Law for the Promotion of a Tourism-oriented Nation is unique in that it positions the promotion of tourism as a national strategy and refers not only to the authority of the state, such as Mongolia, but also to the responsibilities of the national government, local governments, residents, and tourism businesses. The law consists of following four perspectives;

- ① Development of attractive tourist sites with a high international competitiveness
- ② Enhancement of the international competitiveness of the tourism industry
- ③ Improvement of the environment to promote the visit of domestic and foreign tourists

④ Promotion of international tourism

In particular, in ③, in addition to tourist-friendly contents, such as facilitating and streamlining tourists, improving the treatment of tourists, enhancing the convenience of tourists, ensuring the safety of tourists, etc., the law also incorporates measures surrounding tourism, such as the development of new fields of tourism, preservation of the environment and planning of tourist attractions, and improvement of statistics related to tourism.

In Mongolia, this applies to infrastructure projects in general, but for projects that are expected to have a negative impact on the environment, it is necessary to conduct an environmental impact assessment in accordance with the provisions of the Nature Reserve Law. Appropriate explanation of the plan and its impacts to local stakeholders, including information disclosure, is also an important step. Depending on the impact, preparing alternatives to change the plan will also be necessary.

In addition, impacts on the social environment (resettlement, livelihoods, cultural heritage, landscape, working environment, etc.) need to be identified. Infrastructure planning in protected areas should be done so as not to affect the country's cultural heritages and landscape, paying attention to the provisions of the "Protection Area Law" and the "Law for the Protection of Cultural Properties." Items prohibited by the Protection Area Law and the Law for the Protection of Cultural Properties are shown below.

Table 4-1: Provisions of the law on infrastructure construction in special protected areas

Classification of protected areas	Provisions of the Protection Area Law and the Law for the Protection of Cultural Properties
Special protected area	• Article 12.5 of the "Protection Area Law" prohibits the construction of any buildings other than those for accommodation and research purposes.
National park	• Article 18.3 of the "Protection Area Law" prohibits construction that is not listed in the comprehensive plan.
Nature Reserve	• Article 21.2 of the "Protection Area Law" prohibits construction that may have a negative impact on the natural environment.
Memorial land	• Article 24.2 of the "Protection Area Law" prohibits the construction of buildings that degrade the landscape within 0.1-3 km of natural monuments and historical and cultural monuments. • Article 38.1.1 of the "Law for the Protection of Cultural Properties" prohibits the construction of infrastructures in historical and cultural monuments and their environmental areas. • Article 43.1.6 of the "Law for the Protection of Cultural Properties" prohibits the construction of new buildings in the protected areas of the memorial sites of the world and national cultural heritage.

Source: Compiled by the survey team based on the "Protection Area Law" and the "Law for the Protection of Cultural Properties".

However, according to the former director of the protection office of the special protected area, the actual situation is that "Supervising whether or not the regulations are observed is impossible, and tourists freely move within the area and stay overnight, and garbage problems are also occurring." Even if tourism routes are established, as stated by the former director of the protection office of the special protected area, if tourists move freely and stay overnight in the area without supervision, the problem of garbage caused by the free movement of tourists within the special protected area will not be solved. Therefore, it is urgent to strengthen the supervision system. For this purpose, outsourcing to local residents and NGOs should be considered.

For infrastructure projects in general, if a given project is expected to have a negative impact on the environment, it is necessary to conduct an environmental impact assessment in accordance with the provisions of the Nature Reserve Law. Article 9.4 of the same law stipulates that "the person or company implementing the project shall be obliged to perform the requirements identified by the environmental impact assessment."

The current "Protection Area Law" stipulates in Article 11.1.6 that "Tourism shall be carried out on roads and routes determined in accordance with the relevant regulations." Therefore, there are regulations on tourism routes (land available for tourism, roads available for use, and means of transportation). On the other hand, tourism routes are not defined for the wilderness and protected areas of the special protected areas because tourism activities are not allowed in these areas. Since the fully-revised draft law on the "Protection Area Law," which is scheduled to be fully revised in the future, allows tourism activities to be conducted in the protected areas of special protected areas, it is necessary to define tourism routes in accordance with the revised law.

The “Protection Area Law” stipulates in Article 30.1.6 that the protection office is responsible for the installation of signs to guide tourists along their routes, but according to tourism-related organizations, “signs are not properly maintained and managed, causing problems, such as signs deteriorating to the extent that they cannot be seen due to rain and wind and becoming noticeably dirty, adversely affecting the landscape.” As mentioned in the previous section, consideration should be given to the possibility of outsourcing the appropriate maintenance and management of guide signs to local residents and NGOs.

In addition, this survey revealed that regions with resources are not necessarily benefiting from tourism. The entrance fees to national nature parks are collected by the Ministry of Finance as national revenue, but this is not used for related areas, like the vehicle tax in Japan is used for road preservation. Regarding underground resources, a system that allows local governments where mines are located to refund a portion of the income tax from companies that own the mines was established a few years ago. If tourism resources are considered as resources, we should consider establishing a system in which profits from the use of these resources are taxed for tourism purposes, or a certain percentage of the national revenue should be used for tourism development (infrastructure development, human resource development, etc.) and distributed to local governments to benefit them as well.

Since many tourist camps are registered as entrepreneurs in Ulaanbaatar, the problem that local governments do not benefit from registration tax and income tax has been pointed out. According to interviews with tourism experts, about half of the tourist camps are now registered in rural areas, and there seems to be a change in the awareness of business owners. Therefore, according to the interviews, complaints from rural areas in this regard have subsided.

(6) Development of tourism infrastructure

Mongolia is a country with rich tourism resources not found in any other country. In terms of nature, history, culture, and art, the country has enough attractions to attract the attention of foreigners. This is supported by survey results showing that a majority of foreign tourists who visited Mongolia say they want to visit again. In terms of satisfaction with the trip, 38% were very satisfied, 56% were satisfied more than they expected or satisfied just as they expected, and only 5% were unsatisfied. This shows that the value of Mongolia as a travel destination is well recognized.³

At the same time, however, it is necessary to listen to the many difficulties faced by foreign tourists.

- (a) Transportation burden arising from an underdeveloped infrastructure
- (b) Public toilets and hot water showers that are clean and safe to use
- (c) Quality of food and service
- (d) High airfare and service charges
- (e) Reliable tourism information is not readily available.

As noted above, many unfriendly issues still remain to be addressed. The city of Ulaanbaatar once implemented a “Hospitable Ulaanbaatar” program, and it is hoped that this will be an ongoing program rather than a one-time event.

1) Toilet issues

The biggest inconvenience for tourists is the problem of toilets. In Ulaanbaatar City, there are 22-23 public toilets called “city toilets” that are in operation, and 16 that are available for use at all times. In the City of Ulaanbaatar, it is possible to secure alternative locations such as shopping malls and gas stations.

However, when traveling to the suburbs, the problem of toilets causes the biggest headache for foreigners. MNET began planning the construction of comprehensive complexes, including public restrooms, along the main roads leading to major tourist attractions, but since it has private funds in mind, it is not clear how many “roadside station” complexes will be completed.

The ministry is also promoting a project to install public toilets in prominent tourist sites in national nature reserves. The installation at Khuvsgul Lake that was started by the ADB using the Japan Fund for Poverty Reduction is considered to be the model. There are two types of public toilets installed by the ministry: pumping and dry toilets. Since Japan has the technology to develop bio-toilets, toilets that are suitable for rural areas in Mongolia in terms of convenience, safety and security, and sustainability should be selected. Whether or not the installed toilets are friendly to foreign tourists should be confirmed during the field survey

scheduled in this survey.

2) Road development

Following toilets, the second most inconvenient infrastructure for foreign tourists is roads and traffic. Traffic congestion in Ulaanbaatar City is notorious. In the past decade, the paving of the main roads from east to west and south to north has been completed, which has improved travel between cities, but the access roads from the main roads to the tourist spots and the roads around the tourist spots are mostly unpaved. The contribution of improved road conditions to the development of domestic travel has been proven by the increase in visitors to the Khamar Monastery due to the improvement of the Ulaanbaatar - Sainshand route and the significant increase in tourism due to the completion of the paved road to Khuvsgul Lake.

On the other hand, from the viewpoint of protecting tourism resources, there is concern that if the roads near major tourism resources are not paved quickly, visitors will freely move around the protected area by vehicles, and the landscape will be destroyed.

3) To improve the environment for communications and the Internet

Another infrastructure problem for foreign tourists is poor communication and Internet conditions. Although the situation is gradually being improved, it is said that mobile phone service is available only within 8 to 10 kilometers from the center of the soum (county), and communication with the outside world is cut off once visitors reach the suburbs. Although it is not economically easy to increase the number of radio relay stations in Mongolia, which has a population of just over 3.4 million in a country four times the size of Japan, it is extremely important to ensure a communication system to ensure safety and security, and the government needs to support the private sector's investment in equipment to enable communication in famous tourist spots where many tourists visit. Regarding mobile phones, we heard that G-mobile phones can be used in a wide range of areas even in rural areas.

(7) Environmental and social considerations

1) Negative impact of tourists on the natural environment

In Mongolia, domestic travel has been growing rapidly in recent years. The direct contact of the people of Mongolia with the magnificent nature, history, and culture of Mongolia has important significance in enhancing their patriotism.

The lifestyle patterns of Mongolians who spend the summer in the country evolved in the form of local travel, which spurred domestic travel. Figures show that domestic travel in Mongolia has begun to develop rapidly. This has a lot to do with the spread and extension of paved roads. Amid the sharp decline in the number of foreign tourists due to the effects of the COVID-19, the number of tourists in Mongolia in 2020 has not declined significantly.

However, there have been cases, symbolized by Khuvsgul Lake, where the number of domestic visitors has exceeded the capacity of the tourist destination to receive them, causing waste and environmental degradation. Also, in Terelj, the proliferation of tourist camps that ignore the rules on distance between camps has led to a situation where the landscape itself is affected. Prompt preventive measures need to be taken to prevent environmental degradation from occurring in other tourist sites in the future. It should be noted that one of the responses to the questionnaire survey in Japan commented that "Unless Mongolia protects what needs to be protected, it is not worth visiting."

In general, this survey has not confirmed cases where the actions of foreign tourists immediately affect the natural environment. Foreign tourists, especially those traveling on package tours, have a high moral mentality, and littering from cars or leaving garbage unattended like domestic tourists seems quite unusual, so attempting to improve the tourism manners of domestic tourists is hoped to mitigate the negative impact on the environment.

2) Expansion of roads in sightseeing spots, installation of parking lots, and installation of public restrooms

Expansion of paved roads facilitates people's mobility and increases incentives for tourism. The sharp increase in tourists to Khuvsgul Lake and Dornogovi's Khamar Monastery is a typical example of this. However, in Khuvsgul Lake, the number of tourists exceeded the capacity of the lake, which resulted in the inability to use the roads and toilets, and there were concerns about the negative impact on the environment

due to dumped garbage. Although the ADB's assistance in Khuvsgul has made progress and achieved results, there is a risk that the same problem as in Khuvsgul may occur in the future in the current target area. In this survey, there is no congestion in any of the survey areas to the extent that there could be an impact on the environment, but there is an urgent need to expand roads and install parking lots and public toilets in prominent tourist spots to protect the natural environment and tourist resources.

3) Strict adherence to laws and rules for tourist camps and mandatory waste separation

In addition to traveling to tourist sites, camping trips with tents are also popular in Mongolia, so the country and its regions needs more camping sites that provide water and toilet services in one place to prevent such people from camping out without permission. Many tourist camps do not separate garbage and bury non-separated garbage at disposal sites. At the very least, the separation of recyclable waste such as cans and plastic waste should be made compulsory. In Terelj, the provision of distance between tourist camps was completely ignored and now it is too late. In the future, the supervision system of the authorities should be thoroughly enforced so that new camps will not be constructed ignoring laws and regulations.

4) Issues related to sewage treatment

Sewage treatment in the survey area can be divided into underground infiltration, purification, and pumping, but the method depends on the size of the campground. In small campgrounds, natural infiltration is common to save money for septic systems and pumping fees. Large camping sites such as Juulchin Gobi outsource to specialized companies to transport the pumped sewage to sewage treatment plants. In addition, septic systems are becoming more popular in newly established campgrounds. One of them was a dry-type septic tank, but the actual effectiveness of its use is unknown because we were not able to conduct a field survey. If septic tanks that can be used even in the bitter cold of Mongolia can be purchased at a relatively low price, then they should be promoted not only in ger camps but also in ger areas where half of the population of Ulaanbaatar (over 1.4 million) lives. New sewage treatment plants for citizens in local cities are under construction in Dalanzadgad City, Umnugovi aimag and Sainshand City, Dornogovi aimag with financial support from ADB and other organizations.

5) Issues related to waste disposal

With regard to waste disposal, which has a large environmental impact, separate collection was implemented in Ulaanbaatar City and Dalanzadgad City, Umnugovi aimag. In Dalanzadgad City, resource waste, such as plastic bottles, are compressed and when 10 tons are collected, they are transported by car to Ulaanbaatar, more than 500 kilometers away. Regarding garbage disposal at local campgrounds, trucks generally collect the garbage on the day it is put out and dispose of it at the soum dump, but some campgrounds build their own dump on their property for disposal. In any case, the garbage is not sorted and the soum garbage dumping site is just a huge hole dug in the grassland, where garbage is left, so there are many problematic cases from the perspective of environmental conservation, such as scattering of garbage by strong winds and eating by wild animals. At the very least, guidance is needed to ensure that resource waste is separated at the campsite. On the other hand, how to collect the separated resource waste is a difficult issue from the viewpoint of cost effectiveness.

(8) Human Resource Development

1) Improving the image of tourism workers

In Mongolia, tourism workers have a strong image as seasonal workers rather than professionals, and tourism is understood as a job that can be done by anyone. A major challenge is how to promote the understanding that tourism is a very sophisticated and specialized profession.

2) Establishment of a system for specialized education

As mentioned above, it is necessary to develop professionals in the field of tourism, and it is necessary to promote the following system of specialized education.

- (a) Ensuring the quality of educational curricula and faculty members at universities and vocational training centers
- (b) Improving the quality of professionals such as cooks and bartenders
- (c) Improving the quality of lodging and restaurant staff

MNET, international organizations, etc. cooperate with tourism NGOs to provide training for the service industry in various places. In Mongolia, however, the challenge is to maintain continuity due to the intense change of jobs.

With regard to services, the problem is not only human service, but also material services, which are taken for granted in other countries. For example, visitors may experience inconvenience due to familiar problems such as towels, hot water, mirrors, and charging outlets at tourist camps. At the very least, it is necessary to promote a basic understanding of how tourist camps should be organized to welcome Japanese group visitors.

In addition, in order to raise the skills of chefs and develop products that make use of the ingredients available in Mongolia, it may be necessary to hold a national tourist camp chefs' competition under the name of MNET to hone workers' skills and provide incentives. It is significant that MNET is currently conducting training and issuing certificates for local tourism-related service workers, and the fact that the training center built by South Korea is now in operation is a major step forward for human resource development in the tourism sector. In the training programs organized by MNET, there is room to consider enhancing the lecturers and content of lectures from the perspective of improving the quality of the people who are actually engaged in the tourism industry and enhancing their expertise.

3) Low "quality of service" related to tourism

As a result of this survey, "quality of service" was identified as a serious problem related to tourism workers. Improving the quality of services is an essential element for adding value, and improvements are needed especially in the following areas.

- (a) The first concerns language. It is difficult to communicate with people engaged in tourism, and there are not enough displays in foreign languages in museums and art galleries.
- (b) Secondly, the quality of employees at hotels, tourist camps, and other accommodations, restaurants, and stores has been pointed out.
- (c) Thirdly, there is the issue of cab driver service. Since cabs practicing without permission (so-called "white taxis") are rampant, in addition to the language problem, many people point out the unclear nature of the fees.
- (d) The fourth is the quality of the food. The quality of the food greatly affects the satisfaction of tourists. The challenge is how to provide food that satisfies the tastes of foreign tourists.

4) Collaboration to improve the efficiency of service provision

The tourism industry is a typical service industry, and it requires both human resources with specialized skills and a system to provide services. Modern tourism is not something that can be managed by one person's ability. A highly organized system is needed for tourist information, hotels, restaurants, etc., and it is important for the entire service industry to work together when considering the aspect of fostering human resources for tourism in Mongolia.

5) Development of souvenirs

Asian tourists are in the habit of buying large amounts of souvenirs, but a questionnaire survey shows that there are many who say that there are no souvenirs to buy. The development of souvenir products is an issue for Mongolia, as the lack of something to buy when there is a desire to buy is a major economic opportunity loss for Mongolia. The challenge is to develop human resources who can develop souvenirs, and to strengthen the capacity for product development in a wide range of areas.

6) Environmental education and etiquette education for the people of Mongolia

Due to the recent domestic travel boom, waste disposal and outdoor feces have begun to become problems in various places. The problem is not only the insufficient infrastructure to cope with the rapid increase in tourists, but also the manners of domestic tourists. The tradition of not polluting nature, which was the tradition of the Mongolians during the time of Chinggis Khaan, is still the main principle of nature reserve today, and environmental education and etiquette education need to be provided in schools to spread this idea in the country. Although not all Mongolians will come into direct contact with foreign tourists like hotel staff and tourist guides, all Mongolians need to be provided with environmental and etiquette education.

(9) Tourism marketing promotion

There are two major issues in terms of tourism marketing and promotion: ① lack of personnel and budget, and ② lack of marketing and promotion strategies.

1) Lack of personnel and budget

According to MNET, at the national level, Department of Nature, Environment and Tourism Policy, which is in charge of tourism within MNET, currently has 7 to 8 staff members, who are responsible for all aspects of tourism policy, legal environment, development planning, external relations, external public relations, and implementation. Only one staff member of the MNET is actually in charge of tourism content production and operations related to participation in international tourism expositions. The Mongolian Tourism Organization, established in 2017 under the jurisdiction of MNET, has not yet stabilized its activities, but in the future, the center will be given the role of overseeing marketing, promotion, and events, while the ministry will be responsible for policy planning and implementation. In each region, as already mentioned in Chapter 2, except for Ulaanbaatar City, there are only one to three people in charge of tourism, and they are also concurrently engaged in other tasks such as the environment, resulting in an overwhelming shortage of people.

The budget is also very limited as shown in the table below.

Table 4-2: Marketing and promotion-related budget status in each region

Region	Marketing and promotion budget status
Nationwide	<ul style="list-style-type: none"> The budget of MNET for 2020 is 3.2 billion MNT (about 128 million yen). Of this, 30% (about 38.4 million yen) is budgeted for marketing and promotion. In 2021, the budget of MNET is 3.9 billion MNT (about 156 million yen). Of this, 32% (about 49.92 million yen) is budgeted for marketing and promotion.
Dornogovi Route	<ul style="list-style-type: none"> The budget for tourism promotion in Dornogovi aimag was 3 million MNT (about 120,000 yen) in 2019, 10 million MNT (about 400,000 yen) in 2020, and 4 million MNT (about 160,000 yen) in 2021.
Kharkhorin route	<ul style="list-style-type: none"> The marketing budget of Uvurkhangai aimag was 71 million MNT (about 2.84 million yen) in 2019, 90,000 MNT (about 360,000 yen) in 2020, and 69 million MNT (about 2.8 million yen) 2021. The marketing budget for Arkhangai aimag was 50 million MNT (about 2 million yen) in 2019, 216 million MNT (about 8.64 million yen) in 2020, and 21 million MNT (about 840,000 yen) in 2021.
Near Ulaanbaatar City	<ul style="list-style-type: none"> The tourism marketing budget in Ulaanbaatar City was 286 million MNT (about 11.44 million yen) in 2019. Every year, the Tourism Department requests an increase in the marketing budget from the Finance and Accounting Department, but this request has been repeatedly rejected. In addition, even if the Tourism Department's budget for tourism marketing events is officially approved, the city government's upper echelons may intervene and reallocate the budget to other projects with higher priorities. According to tourism experts, the lack of a tourism M/P has prevented the Tourism Department from requesting a consistent marketing budget, and it is conceivable that the Department may not be getting one. No marketing budget is allocated to the Tuv aimag.

Source: Prepared by the survey team based on information from interviews with tourism experts in each region.

2) Underdeveloped marketing and promotional strategies

Marketing and promotional strategies have not been developed in all areas covered by this survey. In the absence of a basic strategy at the national level, the current situation is individual promotion by private tourism companies. Therefore, the government should first consider a strategy to promote the tourism industry for industrial diversification in Mongolia and support private companies.

(a) Setting goals

First, with regard to the goals prior to the strategy, the Mongolia's Five-Year Development Guidelines for

2021-2025 states that “the number of tourists will be increased to one million” and “the level of development in the tourism sector will be measured by the number of tourists visiting Mongolia.” However, this target and measurement index should be regarded as the amount of tourism consumption in the future. (Reference:2.8)As summarized in the section on tourist trends in Mongolia, the number of days spent per person and the amount of tourism consumption vary greatly depending on the attributes of the tourist. In addition, some areas already have a high occupancy rate of accommodation facilities during the summer season, and it is not sustainable to try to only increase the number of visitors in terms of the number of tourism workers in sparsely populated Mongolia, waste and sewage disposal capacity, and protection of the natural environment. It is advisable to set a target “number of people x amount of tourism consumption per person” for each target group in each season, with the highest target being the amount of tourism consumption per person. JICA’s policy of supporting tourism development cooperation also calls for a shift from “numbers” to “value” and promotes tourism development that raises tourism consumption per capita rather than increasing the number of tourists.

(b) Implementation and improvement of marketing and promotional measures

The process from setting goals to implementing measures is not only carried out by large national or regional units, but also by individual tourism businesses (tourist facilities, lodging facilities, travel agencies, etc.), and the issues and details of measures differ slightly from business to business. ICT is playing an increasingly important role in marketing and promotion, and this trend is expected to continue in the future. However, the majority of tourism businesses in Mongolia are small-scale businesses, and it is difficult to realize a situation in which each business has human resources who are familiar with this rapidly changing ICT industry. For this reason, it is desirable to train and assign several ICT personnel to local tourism organizations such as DMO⁵⁶, and have these ICT personnel act as a hub to provide ICT support to each tourism business. However, it is necessary to carefully examine how this can be done under the current circumstances of Mongolia’s sparsity of population, lack of financial resources, and shortage of human resources in local areas.

3) Mongolia’s challenges as a tourism market

(a) Challenge of price competitiveness

A questionnaire survey of Japanese travel agencies pointed out that one of the problems in planning a trip to Mongolia was the high cost of the tour due to the high airfares of MIAT, which dominates the Japanese routes. The Mongolian government understands that airfares are high, as was mentioned in a speech by Ms.S.Bayasgalan, Director of MNET, and also at a Tourism Council meeting hosted by the Prime Minister. With the opening of the new Ulaanbaatar International Airport, it is expected that the number of flights will increase and fares will be reduced due to the increased capacity compared to the old airport.

(b) Lack of information dissemination on tourism

The results of a questionnaire survey of foreign tourists who visited Mongolia indicate that they had difficulty in gathering information prior to their visit. In addition, the results of a questionnaire survey of Japanese travel agencies conducted this time also confirmed that the lack of information about Mongolia is the biggest problem. This means that there is not enough reliable information on tourism from the Mongolian side, and that there is a lack of information dissemination by the Mongolian tourism authorities.

Most of the information on tourism is obtained through travel agencies or the Internet. There is scarcely information from the Mongolian government. Even though we accessed the websites of the Department of Tourism Policy Coordination of MNET, the National Tourism Organization under MNET, the Ulaanbaatar city Tourism Department, and the aimags in the survey area via the Internet, we were unable to obtain any tourism information in English, and tourism information in Mongolian was extremely limited. Most of the English-language information about tourism in Mongolia comes from travel agencies, which may or may not be reliable.

Since Facebook is a common means of spreading and obtaining information in Mongolia, the government office also sends out information on events and the like on its Facebook site. However, Facebook, which does not provide systematic information for the average foreign prospective tourist, is not sufficient. There is a

⁵⁶ Destination Management Organization

⁵⁷ Foreign policies for future travel after the coronavirus pandemic, June 13, 2020

hashtag, #feelMongolia, which provides information on tourism in Mongolia, but since it is not widely known and is posted irregularly, even if it can serve as an advertisement, there is room for further survey on whether it can play a role in providing tourism information.

In order to improve the current situation, it is effective to refer to the dissemination of tourism information by other countries. In Japan, the Japan Tourism Agency was established under the Visit Japan Campaign, and its website alone introduces Japan's tourist spots in 26 languages, and it also uses social networking services (SNS) such as Facebook, Instagram, and YouTube to actively disseminate information on tourist spots, events, and other attractions in Japan.

The Hong Kong Tourism Board website has many photos and explanations in English and 12 other languages under the themes of "See," "Hear," "Eat," "Smell," and "Touch." The Hong Kong Tourism Board also has accounts on social networking sites, such as Facebook, Instagram, Twitter, YouTube, Weibo, and blogs. Other Asian countries such as Cambodia and Laos are making considerable efforts to attract visitors as well.

Since most foreign tourists obtain information on the Internet, government agencies should provide information in several languages with the highest number of visitors to Mongolia, or at the very least, provide information on Mongolia's nature, history, culture, and tourist attractions in English. The reason why Mongolia is currently unable to communicate in foreign languages is not due to a lack of foreign language skills or technology, but simply due to a lack of financial resources and manpower.

(10) Issues related to winter tourism

About 70% of tourists to Mongolia are concentrated between April and October. Most of the packaged tours, especially those with sightseeing as their main purpose, are conducted during the two-month period from June to August. During the summer, many part-time workers are hired, especially students. Therefore, only employees, who originally accounted for half of the total workforce, are affected by the winter closure. There is a growing awareness in Mongolia that holding winter events is important for leveling out the profits of the tourism industry. Some volunteers have conducted questionnaire surveys, but it is difficult to obtain proposals that are unique to Mongolia and competitive. However, it is commendable that discussions have started.

Tourist facilities in Ulaanbaatar are open all year round, but as the number of tourists visiting Mongolia decreases, the number of people using these facilities will inevitably decrease. This is why there is a need to use MICE in the winter. Although the regional winter events are characterized by their location, many of them are similar, such as camel festivals and ice festivals, making it difficult to distinguish themselves from others. One idea for winter tourism development is to have the Department of Tourism Policy Coordination start new projects, such as soliciting ideas from both inside and outside the country, awarding those who have been selected, or inviting them to Mongolia.

(11) New museums and lack of strategy

1) Exhibitions of dispersed arts and culture and paleontology

In Mongolian museums, the works of Zanabazar, a Mongolian living Buddhist monk who was active in the 17th and early 18th centuries, are dispersed and displayed elsewhere, and it is very inconvenient to have to visit three locations in Ulaanbaatar to see the major works. Although it is understandable that there must be some reason for this, if there is a true "Zanabazar Museum" that focuses on Zanabazar's works, not only foreigners but also the Mongolian people will be able to relearn about his greatness.

The "Dinosaur Museum" was forcibly established in 2013 for a fairly political purpose of displaying fossils of dinosaurs illegally exported to the United States. Mongolia is also known as the Kingdom of Dinosaurs, and many valuable dinosaur fossils have been excavated there. There are several organizations, such as the Scientific Academy, the Paleontological Research Institute, and universities, and the Mongolian government has not yet established a system to protect and survey dinosaur fossils in a unified manner. The Mongolian people are proud of their precious dinosaur skeletal resources, which they are proud to show to the world, and they should make the most of them as a tourism resource. Ulaanbaatar needs new tourism facilities. Instead of building new tourist facilities, Ulaanbaatar should build facilities that will help strengthen the pride of Mongolian people, and also protect, appreciate, and study precious cultural assets that no other country has.

2) Turning "tourism resources" into "tourism products"

As evident from this survey, tourists are satisfied with the magnificent nature, but they have no other options. This is not due to a lack of tourism resources, but rather a lack of processing of existing “tourism resources” into “tourism products” and a lack of ability to promote them.

(12) Practical solutions that take advantage of potential

Up to this point, the issues in the field of tourism development have been sorted out, but even if there are many issues that need to be resolved, that does not negate the great potential of tourism in Mongolia. The most important factor in overcoming challenges is repeated improvement based on practical experience. At the same time, disappointment and criticism from tourists can be fatal to marketing. Therefore, to increase credibility and create Mongolian fans, it is important to send out accurate information that acknowledges the current situation.

Therefore, in the following Chapter 5, we propose a practical route-specific tourism development policy that maximizes tourism potential.

Chapter 5

Tourism Development Policies by Route (Draft)

Chapter 5 Tourism Development Policies by Route (Draft)

5.1 Development policies and future prospects for tourism in Mongolia

The “Mongolian Sustainable Development Vision 2050,” approved by the State Ikh Khural in 2020, is a long-term national development plan that describes the national outlook for the next 30 years. The first of these mentioned are national values. In a word, it is Mongolia’s Pride and national prosperity. Tourism is specified in the regional development chapter of Vision 2050, and tourism development will be carried out by taking advantage of the characteristics of each region.

National Policy for Tourism Development 2019-2026, adopted in 2019 prior to Vision 2050. The objective of the tourism policy is defined as “to develop sustainable tourism that is environmentally friendly and rooted in local communities, and to enhance competitiveness in the international tourism market.” It highlights the following challenges for the Government to tackle: (1) Development of the legal environment and infrastructure for tourism, (2) Active promotion to foreign tourists, (3) Improvement of sanitation and service quality, and (4) Human resource development.

Mongolia’s Five-Year Development Guidelines for 2021-2025 sets a growth target of 1 million tourists. Visitors to Mongolia fell by a tenth in 2020 from about 570,000 in 2019 due to the COVID-19. The tourism industry has been severely damaged, and tourist numbers are expected to take five to six years to return to 2019 levels.

Mongolia has many attractive tourist resources, such as great nature, history, and nomadic culture. There is great potential for the development of the tourism industry in this country, as long as the government pays sufficient attention to the conservation of tourism resources and establishes a system for welcoming tourists. In Mongolia, tourism has more than just economic significance. The more understanding and interest people have in Mongolia through tourism, the more it will contribute to raising Mongolia’s profile in the global society.

Based on the above, JICA proposes the following basic policies to be worked on.

1. Consider tourism development as part of the creation of a Mongolia that the Mongolian people can be proud of through their own culture, history, and tourism resources such as global value dinosaur resources
2. Contribute to deepening the understanding and interest in Mongolia, spreading its splendor, and enhancing Mongolia’s international reputation by exposing tourists from around the world visiting the country to the tourism resources mentioned in (1) above.
3. In order to achieve that, JICA will cooperate from a long-term perspective to conserve and protect Mongolia’s precious environmental resources, to make them sustainable in future years, and to enable tourists from domestic and abroad to travel to Mongolia with peace of mind.
4. Help achieve the SDGs (Sustainable Development Goals), such as poverty reduction, by supporting the Mongolian government’s policy to develop tourism as one of the three pillars of economic growth.

5.2 Development vision and future prospects by route

In this chapter, the tourism development policies of each target route are reviewed. Then, the prospects for leveraging the strengths and overcoming the weaknesses related to tourism development are presented.

5.2.1 Route of Umnugovi

The survey team proposes the following development policies and future prospects upon receiving the policies and plans (national and local governments) and the analysis results (SWOT). In addition, specific

development strategies resulting from the evaluation criteria of tourism resources, infrastructure, laws and norms, services, and information and marketing are presented below.

Tourism development Vision	Staging “a journey to feel the earth in nature” with local hospitality
Target	Foreign tourists (especially Westerners and students who can stay longer)
Future prospects	While maximizing the value of dinosaurs (e.g., museums), design activities and events such as nomadic life experiences and rare species observation to turn tourism resources into intangible services

1) Maximize the use of dinosaur excavation sites and ancient ruins for absolute competitiveness

[Tourism resources]

Umnugovi aimag (province) has excellent tourism resources such as dinosaur excavation sites that make it competitive with other foreign countries and regions. Also, Mongolia has sustainable development while protecting its tourism resources, which are comparable to other domestic regions, and public-private partnerships have been established. Therefore, it is very important to maintain and expand the present tourism development policies.

Tsagaan Suvarga is also popular among foreigners for its natural beauty in Dundgovi aimag. An ancient painting located 15km south is also archaeologically valuable.

2) Urgent conservation of tourism resources

[Tourism resources, laws and norms]

On the other hand, the tourism resources of Umnugovi aimag are characterized by high vulnerable paleontological elements such as dinosaur footprints that would be lost if trampled, and rare animals that have high difficulty in coexisting with humans. Thus, in order to protect valuable resources and conduct sustainable tourism even if the number of tourists returns after the post-COVID, it is desirable to work closely with paleontologists and wildlife experts on the protection and conservation of valuable tourism resources. Appropriate measures such as the construction of protection fences and observation roads have been taken in Shar tsav and Bayanzag, but this project needs to be continued going forward.

Must continue with ongoing resource conservation activities and maintain preserve and protect environmental resources. The accessible route of the protected area should be clarified by installing signs, billboards and walking trails.

In order to prevent grassland degradation, it is necessary to restrict tourists from freely driving around the grasslands in their cars and creating deeply rutted roads. Road signs and tourist information centers should be set up, and designated campsites should be constructed.

3) Provide comfortable travel by improving tourism infrastructure

[Infrastructure, laws and norms]

First of all, the aimag must take more initiative than ever before to realize the internationalization of Dalanzadgad Airport.

By land, the pavement from Dalanzadgad to Gulvantes needs to be improved. With easy access to Khermen tsav, a dinosaur excavation site, and the Yoliin Am Valley and Khongor Sand Dunes, which are important tourist destinations, the project is expected to contribute greatly to the tourism industry in the future. Once the paved road development plan (paved road from Dalanzadgad to Bulgan soum (county) and further connecting to Uvurkhangai aimag) is complete, the development of tourist routes around Kharkhorin and Umnugovi will flourish.

However, it should be noted that there are no paved roads to promising tourist destinations in Dundgovi aimag. It is hoped that a paved road should be constructed to Tsagaan Suvarga, which is less than 50 kilometers from the main road.

Installation of public toilets at transit points such as Mandalgovi for tourists traveling by car from Ulaanbaatar, and on the way from Dalanzadgad to tourist destinations and at tourist areas. These must be implemented as soon as possible to ensure safe travel for tourists and to prevent environmental destruction.

4) National activities to learn from foreign countries’ paleontological tourism resource protection

[Tourism resources, laws and norms, information and marketing]

In order to protect paleontological tourism resources, it is also a good idea to conduct national research on tourist sites with similar resources to learn about their management and economic efficiency. For example, Dinosaur Provincial Park, a World Heritage Site in Canada; Zion National Park, a dinosaur footprint site in the United States (about 4.48 million visitors in 2019, about USD 10 million in revenue in 2017); and Cal Orcko, a dinosaur footprint site in Bolivia (about 120,000 visitors per year). This should not be done by the prefecture, but by the Mongolian government. It is desirable that the Gobi region, which is the site of the excavation, also participate in the project to work together.

5) Organize dinosaur plus experience tours and events [Service]

Although there are world-class tourism resources, mainly dinosaurs, the Provincial tourism Department and tourism NGOs are also making efforts to organize events such as nomadic life experiences, rare animal observation, photography, and camel festival. The future international airport will make it possible to create new events such as the Gobi International Marathon, which will contribute to adding value to the aimag. As one of the world’s leading mines is located here, the appeal points are CSR (Corporate Social Responsibility) through sponsorship contracts and contribution to the international community through mining tourism.

Community participation is vital for these events. Therefore, it is necessary to establish a system that provides services such as traditional arts and introduction of Ger experience to foreigners, and to direct tourism development to benefit the region.

6) Marketing strategies to attract foreign tourists [Information and Marketing]

The number of domestic tourists is also increasing. However, there is a big difference in the amount of money spent by foreign and domestic tourists, and the Aimag’s Tourism Department and tourism industry believe that foreign visitors are the target of the aimag. In order to revive the income of local residents, the aimag should first focus on attracting more foreign tourists.

The first step will be to communicate the provincial tourism resources to the world. Disseminate high-quality images and information by leveraging reliable government websites. Also, take advantage of links to tourism businesses with government licenses. One of the most difficult things for tourists trying to come to Mongolia was the lack of access to reliable information. As such, it is essential to make every possible effort in information dissemination activities to attract foreign tourists again. It is urgent to build a Mongolian or at least an English version website to introduce tourist attractions/events in the aimag.

The tourism development image to realize the above development policy and future prospects is as follows:

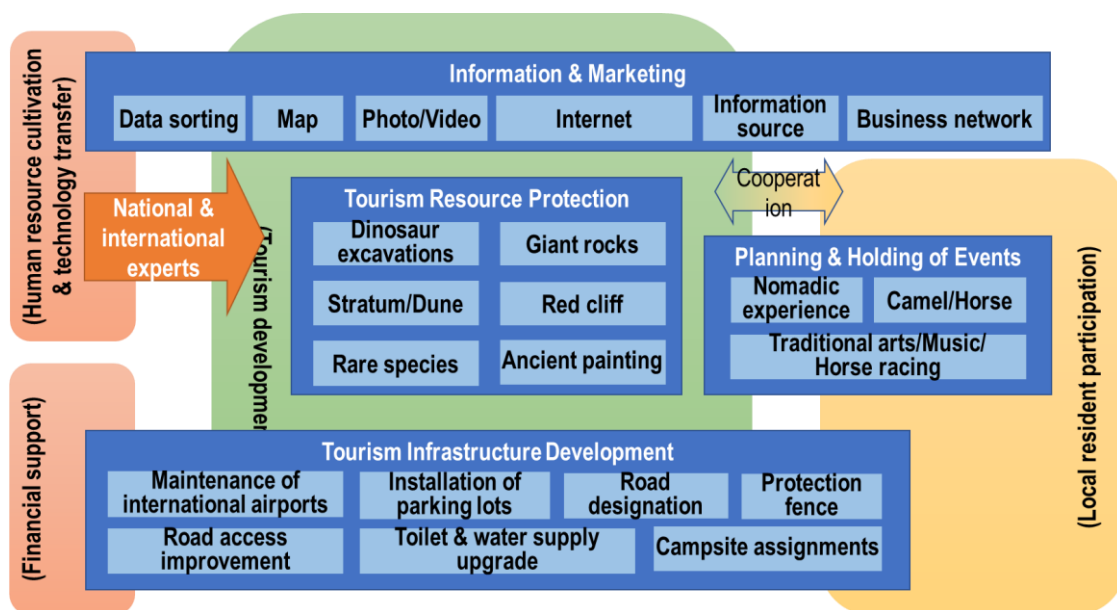


Figure 5-1 : Schematic diagram of Umnugovi route’s tourism development

5.2.2 Route of Dornogovi

Although the route is still undeveloped for foreign tourists, the following development vision and future prospects are proposed, as it is possible to offer journeys with added railroad variations.

Tourism development Vision	Internationalization of “A Gobi Journey by Rail” to help protect the environment
Target	Power Spot (Domestic Tourists) Zamiin-Uud (Chinese tourist) Natural resources, ancient ruins (Westerners, Japanese, South Koreans)
Future prospects	By improving the tourism service excellence through the participation of local residents and communities to raise customer satisfaction, a course from Sainshand to Dalanzadgad or Mandalgovi will be developed in the future to provide a trip to experience prehistoric life and nature

- 1) Develop tourism resources around the railroad to encourage tourists to stay longer
[Tourism resources, information and marketing]

With Choir as a base, tourists are able to watch the folk performances of the Borjigin tribe, who are said to be descendants of Chinggis Khaan, and see a monument to the first Asian astronaut. In addition, developing a route that allows tourists to have a variety of experiences by visiting the ancient ruins in the east and Ikh Nartiin Chuluu Nature Reserve will increase the length of tourists' stay. There are other potential tourist resources relatively close to Choir, such as the dinosaur fossil excavation in Khuren dukh and Khayalga Lake.

There is also a route from Ikh Nartiin Chuluu Nature Reserve to Mandalgovi in the west, and by working with other aimags, a stopover in Choir will create a train journey. While the Khamar Monastery in Sainshand is popular among domestic tourists, it is advisable to develop additional tourism resources for foreign tourists.

- 2) Built a stopover route to Gobi traveling [Tourism resources, Infrastructure, Services]

The Dornogovi route has a special competitive edge as a tourist route, as Mongolia’s rail routes are limited to those that pass from Russia to China. Meanwhile, most foreigners spend 30 hours to get from Zamiin-Uud to Beijing, so they tend not to get off on the way. Therefore, a proposal was made to develop a tour course around Mongolia with a stopover in Choir or Sainshand to enjoy the Rail-Journey experience. It is possible by ensuring a reliable network from stations to tourist destinations. Networking with travel agencies in Ulaanbaatar and Umnugovi is necessary to encourage their active participation in the tourism business.

- 3) Promote the use of east-west transportation infrastructure from railroad stations
[Tourism resources, Infrastructure, Services]

Khamar Monastery is located about 50 km from Sainshand. Khamar Monastery has a special meaning for Mongolian, but on the other hand, foreigners think of it as one of the many temples, thus finding it difficult to emphasize its specialness. A plan is needed to introduce the wilderness of the route further west in order to get people to make a stopover at Sainshand.

Dornogovi has excavation sites for dinosaur fossils in Khongil tsav or Bayanshiree. However, dinosaur fossil tours are often accessed westward from Dalanzadgad and Mandalgovi, and the dinosaur excavation sites in Dornogovi aimag are rarely recognized as a tourist resource. Improving access information about Sainshand and setting up designated eco-friendly campsites may attract attention as a tourism industry in Dornogovi aimag.

The Zamiin-Uud neighborhood has yielded many fossils of 34-million-year-old mammals such as rhinoceros, tapirs, and wild boar, so visitors are able to learn about fossils other than dinosaurs.

It takes 337 km from Sainshand to reach Mandalgovi, and on the way there is the Ikh Gazriin Chuluu megalithic rock formation. It takes 532 km from Sainshand to Dalanzadgad, and a railroad is being constructed to the coal mining area. The network using east-west transportation infrastructure should be enhanced to enable tourists to cross east-west.

- 4) Install and maintain toilets and rest areas to protect the environment
[Tourism resources, infrastructure, laws and norms]

The Dornogovi boasts a number of unspoiled tourist resources, but outside the central city, there are no clean toilets or rest areas for sightseers. There are very few toilets or rest stops on the way from Sainshand to around Tsagaan Suvarga. Because of the land flatness, many vehicles drive off the road, which also contributes to the landscape destruction and the grasslands degradation. A scheme that encourages local residents and communities to participate and be involved in the protection of tourist areas and thereby increase tourism revenue.

5) Analyze the needs of targeted tourist group

[Tourism resources, laws and norms, information and marketing]

Tourists from Europe and the United States, Japan and South Korea, Russia, and China each have their own unique features. The majority of tourists visiting Zamiin-Uud in the Dornogovi route are Chinese, and their travel style is centered on consumer behavior, such as seeking inexpensive food. It is necessary to develop a marketing strategy that captures Chinese demands.

As for inland natural tourism resources, unless considering attracting tourists with good manners who are willing to visit even at a higher price, the rich resources and their environment cannot be protected. Once environmental damage occurs, scenic sites will be destroyed at an accelerated rate, so a marketing strategy must focus on the manners of the target tourists.

6) Foster local residents/communities involved in tourism and its resource conservation

[Laws and norms, information and services]

Tourists passing through China by train from Ulaanbaatar or from Umnugovi aimag often skip over Dornogovi aimag without being aware of its sightseeing spots. This is because foreign tourists have little information about sightseeing spots in the aimag. In other words, the local residents are not able to fully contribute to the tourism industry. In order to fully disseminate the attractiveness of Dornogovi, it is important for residents to first visit tourist sites outside of their home and recognize the uniqueness and tourist value of their own aimag once again. It is very important to examine the toilets and rest areas of other sightseeing sites to learn the service quality demanded by tourists.

Local governments and residents alone are unable to conserve Dornogovi's tourism resources. In order to preserve the beautiful landscape and historical sites of humanity, urgent measures need to be taken by requesting the central government for financial support and technology transfer.

7) Disseminate organized tourism resource information accurately

[Laws and norms, information and services]

The Dornogovi route has many tourism resources with potential, but foreigners cannot access accurate information even if they are interested in seeing the images. Currently, the provincial PR budget is limited. MNET should play a leading role in preparing and disseminating a tourist map of Dornogovi, including time distances and information on toilets, rest areas, and hotels.

The key map of rail-centered tourism development is as follows:

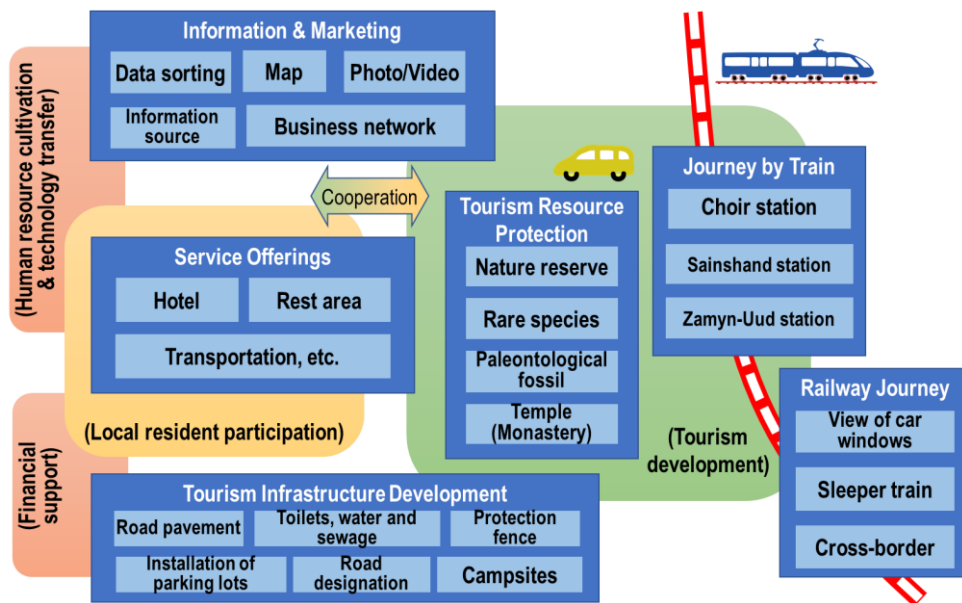


Figure 5-2 : Schematic diagram of Dornogovi route's tourism development

5.2.3 Route of Kharkhorin

The Kharkhorin region is relatively close to the capital Ulaanbaatar, and the Mongolia East-West Road and the roads in the suburbs of Kharkhorin are paved, making it an easy tourist destination to experience the nature, history, and culture of Mongolia. Foreign tourists have an excellent reputation in the route. Therefore, the development vision should be as follows:

Tourism development Vision	Pursue a World Heritage worthy tourist destination through sustainable tourism development and service quality improvement
Target	Foreign tourists (from short trips to long vacations)
Future prospects	The number of visitors is on the rise because of its proximity to the capital Ulaanbaatar and its high potential as a tourist destination blessed with history, culture and nature. Further heightening the World Heritage Site through sustainable tourism development by improving infrastructure and services.

- 1) Provide a variety of travel plans [Tourism resources, Services, Information and Marketing]

Since it was the capital of the Mongol Empire, domestic visitors have a strong interest in the city. Thus the city has the potential for further development as a tourist destination drawing both domestic and international tourists. From Ulaanbaatar to Kharkhorin, and then to Terkhiin Tsagaan Lake in Arkhangai aimag, there are a number of scenic spots along the way. Tourists who love Mongolia can take their time to enjoy the scenery, or travel directly to their destinations. It is easy to create a travel plan that responds to the interest of tourists from short to long term.

Doubling the number of tourists will be easy if the government and the Orkhon Valley sites steadily implement marketing and promotion strategies. 100,000 tourists from South Korea have already visited the area. Japanese tourists currently number only 25,000, but further growth can be expected through effective marketing and promotion. In addition, by developing products that tourists want such as tours that enable them to stay longer with peace of mind, attractive events and souvenirs, it is possible to boost revenue by increasing not only the number of visitors but also the amount spent per person.

- 2) Preserve tourism resources with sustainable tourism development [Tourism resources, Services, Information and Marketing]

The priority is to bring about sustainable tourism development by ensuring the preservation and protection of the pristine and precious natural heritage. In order to protect resources, it is necessary to install fences, pave roads with clear travel routes, provide tourist signs, and clearly designate parking lots and camping areas. While there are certain regulations in place in the Special Protected Area, it is necessary to comply with the

standards for setting up campsites and to thoroughly crack down on unauthorized camping. The current problems are lack of manpower and lack of financial resources for implementation. Therefore, the first priority is to simulate the allocation of tourism revenue to conservation costs and draw up a funding cycle, as well as to consider a plan to train human resources with expertise.

3) Consider maintenance of infrastructure [Infrastructure and Services]

As related to the above point, from the perspective of improving road infrastructure and ensuring the safety and security of tourists, it is necessary to construct complexes and install public toilets in transit areas. As some of the projects are scheduled to be implemented by the MNET, it is necessary to hasten the preparation of the Tourism Infrastructure Development Map of the Orkhon region.

At the same time, the cost of maintenance and upkeep needs to be reviewed and systems put in place. Sanitation facilities, such as toilets, easily become unusable if used improperly. Create a simple system for maintenance and management to reduce the cost burden. There are many published studies by experts on the design of easy-to-manage toilets that can be taken advantage.

4) Internationalize Orkhon airport [Infrastructure and Services]

Internationalization of Orkhon Airport is essential as a contingency plan in case of an emergency at Chinggis Khaan International Airport near Ulaanbaatar. There is only one airport in Mongolia where international flights can take off and land. This is truly a problem from the perspective of national security.

5) Improve hospitality to increase tourism repeaters [Service, Information and Marketing]

There are two types of tourist attractions: those that tourists see once and end up being satisfied, and those that make them want to come back. Since the Kharkhorin route's tourism resource is its Resort-Sanatorium, making it a place to visit again and again. Tourism development should be promoted to create a relaxing holiday where people can relax and enjoy the great outdoors. Increasing the number of repeat visitors by enhancing services as a resort where guests can enjoy the plains and the sky, just like resorts with tropical seaside or alpine mountain views.

6) Brace for the post-COVID tourism growth [Service, Information and Marketing]

No one can predict when tourism demand will recover from the pandemic. However, given the high probability of further delays than the slowest scenario in the UNWTO's tourism recovery forecast, the return to 2019 conditions is not expected until 2025 at the earliest. Thereafter, it could double in five years, estimated from the historical growth rate of 146% from 2015 to 2019. In other words, there is a strong possibility that the number of tourists will surpass 1 million by 2029, compared to 570,000 in 2019. In order to prepare for the future demand in the number of tourists, it is expected that the measures described in 1) to 5) above will be taken to conserve and protect tourism resources while aiming for competitive and sustainable tourism development. Currently, only the government body MNET, the Ulaanbaatar city Tourism Department, and their respective subordinate organizations are able to steadily implement such measures. Until Mongolia develops influential private tourism-related organizations, it would be appropriate to promote tourism development in Mongolia mainly through these organizations.

For sustainable tourism development, management skills are indispensable, and it is necessary to improve tourism hospitality through repeated failures and successes. Therefore, the following image was created with the spiral model in mind.

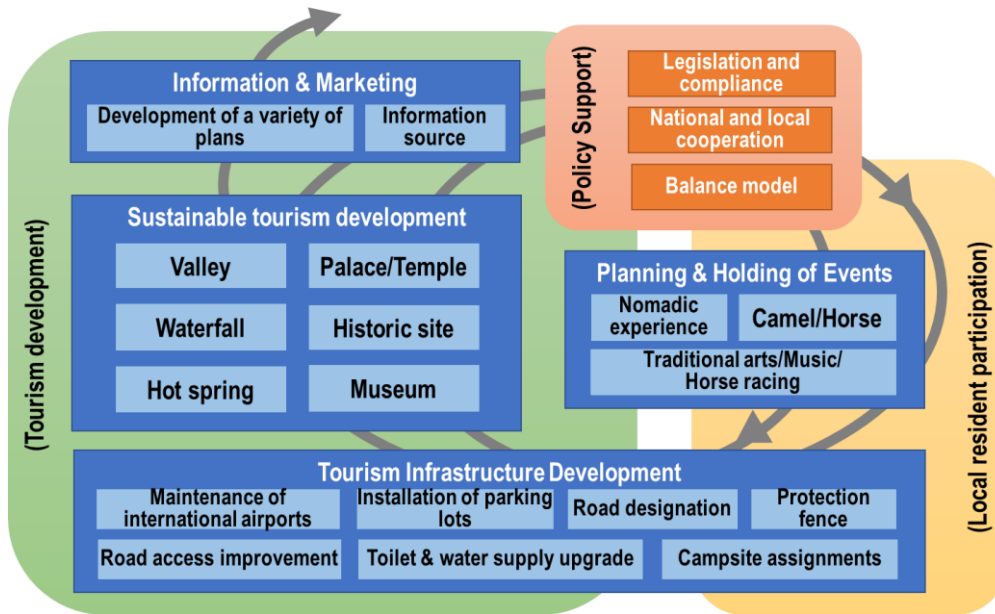


Figure 5-3 : Schematic diagram of Kharkhorin route's tourism development

5.2.4 Ulaanbaatar and its suburbs

Ulaanbaatar is the gateway to Mongolia, where 98% of foreign visitors enter. It functions as a major city and is a center of culture, art and learning. For tourists, it is an important first impression place before heading to the various routes to visit. Valuing the role played by tourism facilities and services in Ulaanbaatar will lead to understanding the history and background of Mongolia's unique tourism resources and adherence to travel etiquette.

Therefore, the Survey team proposes the following development vision and future prospects for Ulaanbaatar and its suburbs.

Tourism development Vision	Promote history and ethnicity as a gateway for tourism. Prepare tourist facilities and services to provide foreign visitors with tourism education and etiquette tips.
Target	Foreign tourists (from short trips to long vacations)
Future prospects	This is a tourist base where visitors can learn about the uniqueness of Mongolia and experience the Mongolian way of life. The key is to create a popular product that makes people want to visit Mongolia at least once in their lifetime, and a marketing strategy that motivates people to want to experience the four seasons.

1) Design a must-visit tourist destination [Tourism resources, Services, Information and Marketing]

Tourists arrive at the airport with a variety of expectations, and feel both relaxed and excited about the vacation coming up. As a Mongolian nation, it is essential for Ulaanbaatar to "create a tourist hub that will make people want to visit" to tell tourists what the host country want them to know and protect. It is also important to explain the valuable natural heritage and historical background, demonstrate the current situation in Mongolia, and encourage tourists to cooperation in environmental improvement.

At present, there are several museums in Ulaanbaatar, but it is questionable whether the exhibits are attractive enough to entice all tourists to visit. The exhibition will feature things that cannot be seen or experienced unless visitors come to Mongolia. Furthermore, by providing opportunities for visitors to learn about environmental conservation and tourism etiquette, a ripple effect can be expected not only in Ulaanbaatar but in the entire region. Also, information should be disseminated so that visitors can participate in tours that they are interested in after learning at the museum.

Table 5-1: List of museums around Ulaanbaatar

Name	Features
Bogd Khan Winter Palace Museum	The palace where the last Mongolian emperor, Bogd Khan, spent his time
National Museum of Mongolia	History of Mongolia from the Stone Age to the Democratic Revolution (Mongolian Revolution of 1990)
Chojjin Lama Temple	A museum displaying Buddhist masks and musical instruments
Mongolian Military Museum	This often underrated museum is actually a good source about learning about Mongolia's past history through its military history from the times of Chinggis Khaan to the records related to the Battles of Khalkhin Gol, Nomonhan (clash with Japanese troops) and the modern era of its peace keeping forces under the UN's flag.
Central Museum of Mongolian Dinosaurs	Mongolia's temporary dinosaur museum set up by the ministry of education but not maintained and curated by the Institute of Paleontology, Mongolia's top research institution on the field. Therefore, it does not gain a significant audience.
Amazing Dinosaurs of Mongolia exhibition	This includes some of the most famous official dinosaur fossil findings on a temporary display at the Hunnu Mall.

2) Maximize the comparative advantage of prehistoric life and dinosaurs

[Tourism resources, Services, Information and Marketing]

For the above must-visit tourist destinations, dinosaur fossils should be used as a globally valuable tourism resource in Mongolia. The dinosaur fossils found in the Gobi are not only an academic discovery that has attracted a lot of attention in paleontology, but also a romantic and popular tourist resource for people living on the earth.

The current Dinosaur Museum is operated by only in segments by the education minister (which is now closed) and the Institute of Paleontology (only in a small scope in a private company owned mall), as a place to enjoy dinosaur fossils. In reality, the dinosaur fossils, which are of interest to men and women of all ages, can be used not only to promote knowledge of dinosaurs and the interesting aspects of Mongolia, but also the protection of tourism resources and cooperation in the development of tourism infrastructure. It would be desirable to establish a dinosaur museum, which the Mongolian government would be responsible for operating as part of its nation-building efforts, as a place to educate and enlighten people about protecting the earth's precious natural heritage, including observing tourist etiquette and calling for cooperation money for toilet maintenance. The following is a proposed image of the dinosaur tour course.

Currently, the exhibition space and research facilities are separated from each other, making it difficult for curators to respond to questions from tourists and children. Also, dinosaur fossil exhibit revenue has yet to be used for research at all. Therefore, adjacent to the research building, sustainable research in paleontology should be facilitated while obtaining research funds through tourism promotion.

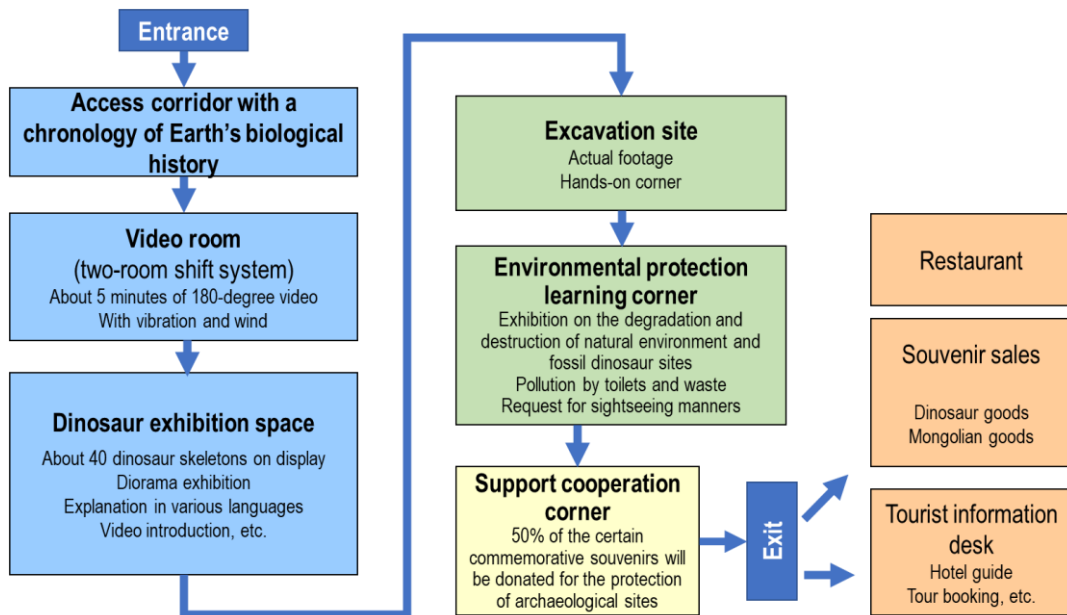


Figure 5-4 : Image for dinosaur tour

3) Receive international support through cross-boundary cooperation among MAS, MNET, and MOEAS [Laws and norms]

Because of the hierarchical organization of Mongolian ministries and agencies, it is difficult in some cases to establish a cross-ministry cooperation system. However, the Dinosaur Museum is also a research facility, and in terms of attracting tourists, the MNET, as well as the MOEAS, which is responsible for science education and tourism etiquette training, need to be involved. The Ministry of Finance is also relevant when considering construction costs and loan repayment. Collaboration with Umnugovi and Mandalgovi will also be necessary.

In order to promote such a wide range of stakeholder collaboration, the role of third parties who provide foreign advice is significant. Requests for international cooperation to provide financial assistance and dispatch of experts will help break down the negative effects of domestic vertical organization. Japan should also come forward to actively support the project and contribute to the protection of global heritage and tourism development.

Collaborative efforts and support from foreign countries and the committee responsible for the development of a cross-ministry museum are described below. With the Academy of Sciences as the main research body, the MNET will develop a museum construction and operation plan while collecting the opinions of the Academy, and with the cooperation of the MOEAS, will implement dissemination and enlightenment. International organizations will provide advice to these committees, including the exchange of opinions among paleontology experts and guidance on construction planning and maintenance. This spiral of information sharing and action can be repeated over and over to achieve high-quality museum operations.

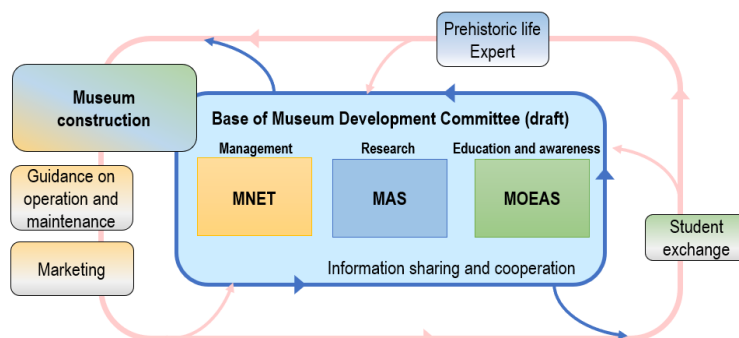


Figure 5-5 : Cross-agency committees and global cooperation and assistance

4) Make tourism development in Ulaanbaatar sustainable

[Laws and norms]

Replacement of the Ulaanbaatar Mayor has resulted in personnel changes and policy suspensions. Formulate a medium-term plan for capital tourism as soon as possible, and continue to implement the project regardless of who becomes mayor. This is essential for Ulaanbaatar tourism.

Action Plan (launched in December 2020 by the Ulaanbaatar City Tourism Department) pinpoints the challenges facing the city. In short, there is a lack of events, tourism products, services, communication, and MICE. Need to prepare these plans as soon as possible while sharing roles with the government.

And also, suspended “Tourism Fund” should be allocated to the development of tourism infrastructure and the boosting of external promotion.

5) Promote infrastructure development

[Infrastructure]

Most of the tourism infrastructure in the Ulaanbaatar area is being developed by the government. The key issues facing infrastructure development are the opening of the new Chinggis Khaan International Airport near Ulaanbaatar, the construction of more public toilets, the development of green facilities and national parks, the upgrading of sidewalks, and the establishment of a dinosaur museum. Since the new Chinggis Khaan International Airport near Ulaanbaatar, completed with the support of the Japanese government, opened on July 4, 2021, preparations should first be made to expand the number of flights and routes after the pandemic to make effective use of the terminal. At the same time, it is hoped that the paid airport shuttle service (transfer bus), the free ride tour bus (Hop on Hop out bus), and the tourist information center will be established.

Regarding the construction of tourist complexes along the main road (e.g., a roadside station) and the expansion of public toilets in tourist areas (e.g., in Terehj and Erdene Zuu Monastery, which are often visited by tourists), 20 to 30 places have been built with national and local budgets. In order to ensure the safety and security of tourists, priority should be given to identifying locations for installation, especially in the suburbs of Ulaanbaatar, where there is a lot of traffic moving by tourists.

Ulaanbaatar has few greening facilities and parks. In particular, it is desirable to develop tourist attractions such as nature parks for observing birds and wildlife, and trails for hiking. The Mt. Bogd Special Protected Area is the most important area from the ecological point of view, but since the trail is only partly on Zaisan Hill, those who step on it are getting off the trail, which has a negative impact on nature. Short, medium and long-distance hiking routes should be provided and footpaths should be established to ensure biodiversity in the vicinity of Mt. Bogd.

As is common with other routes, the construction of walking trails should be made available in places frequented by tourists. In the suburbs of Ulaanbaatar, the walking trails around the Selbe and Dund gol rivers needs to be improved. This will make it a place of relaxation not only for foreign tourists but also for Mongolian. It can also contribute to the education and awareness of sustainable tourism and environmental conservation by encouraging the separation of garbage (experts on the Mongol side proposed to develop a sustainable tourism master plan for Mt. Bogd, prioritizing the protection of nature and ecology of Mt. Bogd, and developing appropriate tourism).

The following image shows the development policy of public-private partnership unique to the central region, based on the understanding of its role as the gateway to Mongolia. The development of tourism resources, such as the dinosaur museum, will be carried out by the Mongolian government and related local governments. Hotels, cafeterias, entertainment, and other services will be provided by private companies and NGOs.

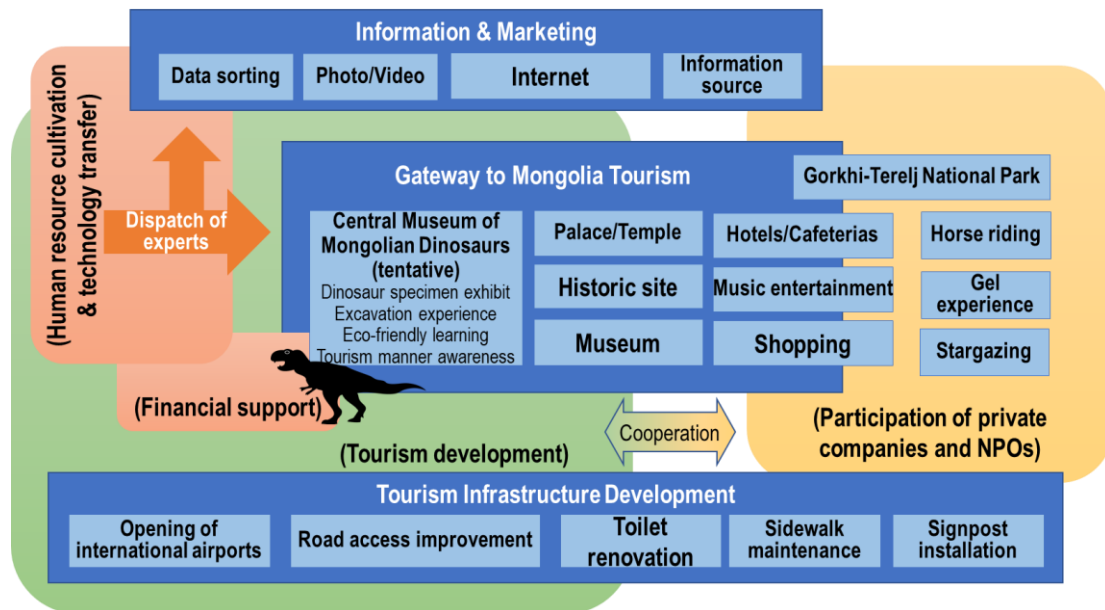


Figure 5-6 : Tourism development in Ulaanbaatar and Tuv aimag

5.3 Proposed Action Plan

5.3.1 Priorities for implementing the action plan

When considering an action plan to implement sustainable tourism development in the survey area, due consideration should be given to the policies and plans of the national and provincial governments. This section includes the action plans, which are directly or indirectly related to the Mongolian Sustainable Development “Vision 2050,” the National Policy for Tourism Development, and the tourism plans of each aimag. Or, from among challenges matching the policy, the Survey team picked the highest priority issues, and the solutions are the action plans.

Among the action plans presented in this section, those that can be considered as JICA projects are further examined and submitted as JICA cooperation program proposals in the next chapter. There are two things to note. (1) Road development (railroading and pavement) is underway as part of the national plan, and only those areas that are considered important for tourism development in the region are mentioned here, but this does not mean that other road development is unnecessary. (2) In the Kharkhorin region, which was the subject of the current survey, the MNET and the ADB are negotiating on the project implementation, and it is also reported that GIZ is also considering cooperation in the protection of cultural heritage in the Orkhon region. Therefore, when JICA cooperates in the region, it is essential to collect more detailed information from local officials on the status of collaboration with other donors and aid agencies.

As the basic concept of JICA’s tourism cooperation, the collaborative goal is “Helping to ensure that tourism economic and social impacts benefit the host country or region in a fair and sustainable way.” The cooperation menu includes the following four points: (1) Policy formulation and development as a basis for tourism sector development; (2) Protection, development, and management of tourism resources; (3) Human resource recruitment and organization for tourism sector development; and (4) Capacity building for planning, development, management, and operation of tourism-related infrastructure. (1) are matters that need to be discussed mainly at the national level, and are not specifically mentioned in this chapter as they relate to the region under survey. In developing countries, measures for the safety and security of visitors are extremely important as a necessary aspect for the healthy development of tourism. Since this is also compatible with the direction formulated by JICA, the key issue of “safety and security of tourists” was set in this section. Based on the above, the basic cooperation menu for the surveyed areas was categorized as follows:

Table 5-2: Priority issues and proposed cooperation to solve them

Order	Priority	Details of cooperation
Top	Bolster the tourism implementation structure	Creation of tourism councils, strengthening the capacity of public officers and NGOs
Top	Conservation and protection of tourism resources	Conservation planning, clarification of protected area guidance (walkway, signs), designated campsites, parking lots
Top	Security and safety of tourists	Standardized public toilets, road pavement, tourist information boards, designated campsites, parking lots, road signs, tourist information centers, roadside stations
Highest	Strengthen marketing and promotion	Helping to create marketing and promotion strategies (setting goals, analyzing/identifying targets, clarifying the competitive advantage of each region, examining and implementing specific promotional activities including ICT for the targets)
Highest	Development of tourism infrastructure	Road pavement, roadside stations, public toilets, campsites, parking lots
Normal	Event planning	Development of new plans and events
Normal	Development of tourism products	Development of new tourist attractions and specific products
Normal	Community-based Tourism (CBT)	Training for Ger house operation, new product development (new felt products, dairy products, stone and wood processing, etc.)

5.3.2 Action plan common to the survey area

Based on the above Table 5-2, the action plan common to the entire survey area is as follows: Checking for commonality. This is because it will be helpful to consider what kind of cooperation scheme can be utilized when considering the cooperation program implemented by JICA in the next chapter.

Table 5-3: Action plan common to the surveyed areas

Action Plan
<p>(1) Bolster the implementation structure</p> <ul style="list-style-type: none"> ○ Participation by Department of Nature, Environment and Tourism Department, accommodation facility managers, NGOs, and residents engaged in the tourism industry in each aimag. Develop criteria and action guidelines for the establishment of a tourism council to share information. ⇒ Establishing a collaborative information-sharing network ○ Training will be provided for provincial and NGO staff to acquire basic knowledge and expertise on tourism to improve their ability to formulate and implement tourism policies and plans.
<p>(1) Preservation and protection of tourism resources</p> <ul style="list-style-type: none"> ○ Conduct a survey to collect basic information on the state of conservation of tourism resources in national parks and protected area that are or have the potential to become tourist destinations in the region and define their capacity and limits. ○ According to the above survey, clarify a flow planning of tourists to conserve and protect the resources, and consider measures (installation of signs and information boards) to prevent tourists from straying from the plan. <p>Identify places where tourists could set up camp from the perspective of preserving and protecting resources. Provide specific specifications for facilities such as parking, water, public toilets to be installed.</p>
<p>(3) Ensure the security and safety of tourists</p>

Action Plan	
<ul style="list-style-type: none"> ○ Establish “Roadside Stations” or at least “Public Toilets” at resting points to or near tourist spots, with locations to be determined based on national plans. The specifications of the toilets need to be sustainable, comfortable for foreign tourists to use, and applicable to the cold climate of Mongolia. ○ Propose and prepare locations and specifications for road signs and billboards to tourist attractions, and install as appropriate. 	
<p>(4) Design and conduct marketing and promotion strategies</p> <ul style="list-style-type: none"> ○ With regard to marketing and promotion strategies, setting goals, analyzing/identifying targets, clarifying the competitive advantage of each region for the targets, examining and carrying out specific activities, including the use of ICT, for the targets, taking into account the resources of each region, and developing the system. 	
<p>(5) Resident participation and talent cultivation in rural areas</p> <ul style="list-style-type: none"> ○ The aimag and the new tourism council will provide advice and guidance in proposing measures to promote the understanding of tourism by the provincial residents. ○ Conduct training for tourism service workers (managers, cooks, waiters/waitresses, etc.) ○ Training for Ger accommodation operation (environmental protection, hygiene control, toilet standards, etc.) 	
<p>(6) Others</p> <ul style="list-style-type: none"> ○ Regarding tourism statistics, information gathering process, sorting/analysis of collected information, and establishment of a series of operational systems (e.g., consideration of how to disclose collected information) 	

5.3.3 Proposed action plan by route

The following are the proposed action plans for concrete issues for each of the surveyed regions. The goal is to solve as many problems as possible by differentiating between schemes (technical cooperation, grant aid, loan assistance, etc.). The funding provided is limited, thus which ones should be selected and what schemes must be implemented are discussed in the next chapter.

(1) Route of Umnugovi

More than 100 tourism-related business plans have been developed in Umnugovi aimag, prepared by the local government and NGOs. Various bodies carry out the project, including the government, aimags, joint research institutes and aimags, and NGOs. There are so many projects listed that it is not even clear whether or not they can be financed. However, the following are the projects that the Survey team judged to be of high priority.

Table 5-4: Action plan for Umnugovi tourism development

Theme	Action Plan	Implementing body
Conservation and protection of tourism resources	<ul style="list-style-type: none"> ① Detailed survey on the conservation and protection status of Khelmen tsav and other special protected area within aimags. Installation of tourist flow lines, walking trails, and information boards. Planning/installation of fences, etc. ② Tourism conservation measures around sightseeing areas (construction of public toilets, designated campsites, and installation of protection fences, guiding roads, signs, information boards, etc.) ③ Preparation of tourism resource management programs (Tost-Toson Bumba Special Protected Area, rare animal breeding and establishment, etc.) ④ Study on the possibility of management and protection by local 	<ul style="list-style-type: none"> (1) MNET, Aimags, NGOs (2) Ministry of Road and Transport Development, Aimags, NGOs (3) MNET, Aimags, NGOs, Specialized Organizations (4) MNET,

Theme	Action Plan	Implementing body
	residents in some protected area (rare animal habitats)	Aimags, NGOs
Infrastructure development	① Internationalization of Gurban Saikhan Airport (government plan) ② Completion of the paved road to Gurbantes (government plan until 2024) and the need for paving to Yoliin Am Valley (state budget)	(1) Government, Aimags (2) Ministry of Road and Transport Development, Aimags
Security and safety of tourists	① Construction of complex facilities (Mongolian Roadside Stations: Mandalgovi, Gurbantes, Tsogt-Ovoo, Dalanzadgad, Bayandalai, Bulgan, Tsogttsetsii, Khanbogd) ② Installation of public toilets (priority given to Mandalgovi, Bayandalai, Bulgan, and Dalan River)	(1) MNET, Ministry of Road and Transport Development, Aimags, Private investment (2) District in addition to (1) above
Resident Participation and Human Resource Development	① Training on “Omotenashi” (hospitality) for tourism industry workers ② Guidance and training for Ger house owners or potential managers (necessary to popularize Ger houses other than Yoliin Am) ③ Guidance on production technology of processed agate stone products, which are abundant as souvenirs (financing for prior workers) ④ Operation of new tourist information centers by local residents (establishment: Khongor Sand Dunes, Nemegtiin Khongil, Khermen tsav)	(1) Aimags, NGOs (2) Aimags, NGOs (3) Aimags, NGOs (4) Aimags, NGOs
Strengthen marketing and promotions	① Create marketing and promotion strategies (setting goals, analyzing/identifying targets, clarifying the competitive advantage of each region for the targets, examining and carrying out specific activities, including the use of ICT, for the targets, taking into account the resources of each region, and improving system development)	(1) Aimags
Development of new products	① Project to develop Dalanzadgai Park (as a bird observation point) ② Internationalization of the Umnugovi Museum (to be completed in 2021) and improvement of management capacity	(1) Aimags, NGOs (2) Aimags, NGOs
Development of tourism statistics	① Regarding tourism statistics, information gathering process, sorting/analysis of collected information, establishment of a series of operational systems (e.g., consideration of how to disclose collected information)	Aimags, Protected area management office

(2) Route of Dornogovi

Table 5-5: Proposed action plan for tourism development of Dornogovi route

Theme	Action Plan	Implementing body
Planning of tourism development plan	① Master plan for tourism in Govisumber and Dornogovi aimags (since tourism development in both prefectures is almost a new project and many people lack experience, it is highly necessary to conduct a comprehensive survey) ② Establish a tourism council under the provincial governor ③ Upskilling of tourism staff and NGOs	Both aimags
Conservation and protection of tourism resources	① Create a management program based on a basic survey of tourism resources in the aimag ② Installation of flushable public toilets at power spots, Khamar Monastery ③ Construction of designated campsites, and installation of	(1) Dornogovi and Govisumber aimags (2) MNET and Dornogovi

Theme	Action Plan	Implementing body
	<p>protection fences, guiding roads, signs, information boards, etc., in places where tourism has begun, such as (2) above and Ikh Nartiin Chuluu Nature Reserve.</p> <p>④ Areas targeted for installation of signs and information boards on tourist roads (restrictions on vehicle travel routes): Small gobi special protected area, Ikh Nartiin Chuluu, Tsonjiin Chuluu, Zagiin Us, Elgeliin Zoo, Fossil forests and sand dunes in Suikhent, Mt. Choiriin Bogd, Khaseg Bayshint, and Olon Bayshint, etc.</p>	(3) In addition to the above, Ministry of Road and Transport Development, Soums
Infrastructure development	① Pave from main roads to tourist areas	Government
Security and safety of tourists	<p>① Installation of at least two flushable public toilets in Choir City, a transit point from Ulaanbaatar to tourist destinations, and along the main road from Choir City to Sainshand and Zamiin-Uud.</p> <p>② Installation of flushable toilets in Mt. Choiriin Bogd (protected area) and transit point Choir, Khamar Monastery, power spots, Sainshand city and Ikh Nartiin Chuluu.</p> <p>③ Provide parking lots for tourists and designated campsites in the above areas</p>	(1) MNET, Ministry of Road and Transport Development, Aimags, Soums
Strengthen marketing and promotions	① Create marketing and promotion strategies (setting goals, analyzing/identifying targets, clarifying the competitive advantage of each region for the targets, examining and carrying out specific activities, including the use of ICT, for the targets, taking into account the resources of each region, and system development)	(1) Aimags (2) Aimags
New tourism development	① Tourism development management, rail-based tourism product planning, and tourist map design	Ulaanbaatar Railway, Aimags, and NGOs
Resident participation	<p>① List of nomads who offer horse and camel trekking services, and provide operational guidance</p> <p>② List of possible donors, including ethnic musicians</p> <p>③ Product development other than Khumuul, cashmere, precious stone processing, dairy product processing, training for Ger house operation</p>	Aimags
Human Resource Development	① Upskilling training for hotel staff, restaurant workers, guides, interpreters, and drivers; training on food safety measures	Aimags
Educational activities to promote tourism understanding	① Awareness-raising activities on the economics and significance of participation in tourism for residents and business owners in areas such as the area around Ikh Nartiin Chuluu, Zamiin-Uud free zone, and Mt. Choiriin Bogd other than Khamar Monastery and Mt. Bayanzurkh.	Aimags
Development of tourism statistics	① Information gathering process, sorting/analysis of collected information, establishment of a series of operational systems (e.g., consideration of how to disclose collected information)	Aimags

(3) Route of Kharkhorin

Table 5-6: Proposed action plan for tourism development of Kharkhorin route

Theme	Action Plan	Implementing body
Organization (strengthening cooperation among tourism industry)	<p>① Establishment of a tourism council under the provincial governor (including revitalization of existing councils)</p> <p>② Upskilling of planning for public officers and NGOs</p>	Arkhangai and Uvurkhangai aimags
Conservation and protection of tourism resources	<p>① Mapped cultural sites to survey their conservation and protection status</p> <p>② Construction of parking lots and designated campsites around protected areas and tourist destinations, installation of protection fences, guiding roads, signs, and tourist information boards, etc.</p>	Ministry of Culture, MNET, Uvurkhangai and Arkhangai aimags

Theme	Action Plan	Implementing body
	<ul style="list-style-type: none"> ③ (Regarding (1) and (2) above, overlaps with GIZ and ADB cooperation need to be avoided) ④ Standardization and installation of road signs and information boards on major tourist roads and routes in the region covered by the World Heritage Site “Cultural Landscape of Orkhon Valley” 	
Infrastructure development	<ul style="list-style-type: none"> ① Development of Kharkhorin airport and its internationalization ② Pavement from Khushuu Tsaidam to East-West road (completion of tourist roads in Uvurkhangai and Arkhangai) 	(1) Government, Uvurkhangai aimag (2) Government, Both aimags
Security and safety of tourists	<ul style="list-style-type: none"> ① Installation of flushable public toilets in major tourist destinations such as Erdene Zuu, Khushuu Tsaidam, Ugii Lake, Orkhon Falls, and Khar balgas ② Installation of road signs, parking lots, and designated campsites at major tourist destinations ③ Rating of tourist camp (issue certificate) and formulation of service improvement program by level 	(1) Uvurkhangai and Arkhangai aimags (2) Ministry of Road and Transport Development, Aimags, MNET (3) Aimags
Strengthen marketing and promotions	<ul style="list-style-type: none"> ① Create marketing and promotion strategies such as setting goals, analyzing/identifying targets, clarifying the competitive advantage of each region for the targets, examining and carrying out specific activities, including the use of ICT for the targets, taking into account the resources of each region and system development 	Uvurkhangai and Arkhangai aimags
New tourism development	<ul style="list-style-type: none"> ① Mapping of tourism for domestic visitors (to promote tourism resources not yet well-known) 	Both aimags
Development of souvenirs	<ul style="list-style-type: none"> ① Guidance on quality improvement of felt/dairy products, survey of new business possibilities 	Both aimags
Resident Participation and Human Resource Development	<ul style="list-style-type: none"> ① Training for Ger house operation and customer service ② Training for tourist workers ③ Seminars for local residents and elementary, junior high, and high school students on understanding tourism, and joint production of a tourism map as awareness-raising activities 	(1) Both aimags (2) Both aimags (3) Both aimags
Development of tourism statistics	<ul style="list-style-type: none"> ① Information gathering process, sorting/analysis of collected information, establishment of a series of operational systems (e.g., consideration of how to disclose collected information) 	MNET

(4) Ulaanbaatar and its suburbs

Table 5-7: Action plan for the tourism development in Ulaanbaatar and its suburbs

Theme	Action Plan	Implementing body
Policies and plans	<ul style="list-style-type: none"> ① Create a new master plan for tourism development in Ulaanbaatar (including a survey on sustainable tourism development of Mt. Bogd Khan and Selbe river headwater) ② Revival/continuation of “Hospitable Ulaanbaatar” Program ③ Boost UB tourism growth with Tourism Fund 	Capital
Conservation and protection of tourism resources	<ul style="list-style-type: none"> ① Preparation of tourism resource management programs (survey on the current situation of overdevelopment in Terelj, measures to protect the landscape of Mt. Bogd Special Protected Area) ② Hiking trails on Mt. Bogd (construction of public toilets, designated campsites, and installation of protection fences, guiding roads, signs, information boards, etc.) 	(1) MNET, Capital (2) Same as above
Infrastructure development	<ul style="list-style-type: none"> ① Maintenance of crossover bridges and sidewalks around the Selbe and Dund gol rivers, and installation of signboards 	MNET, Capital
Security and safety of tourists	<ul style="list-style-type: none"> ① Installation of flushable public toilets ② Establishment of parking lots and designated campsites 	(1) MNET, Capital (2) Same as above

	<ul style="list-style-type: none"> ③ Training on food safety measures ④ Understanding of statistical methods for tourism ⑤ Private investment to fund city tour buses 	<ul style="list-style-type: none"> (3) Ministry of Health (4) National Statistical Office, Universities
Marketing and promotion strategy design, statistical maintenance	<ul style="list-style-type: none"> ① Create marketing and promotion strategies (setting goals, analyzing/identifying targets, clarifying the competitive advantage of each region for the targets, examining and carrying out specific activities for the targets, taking into account the resources of each region, and improving system development) 	<ul style="list-style-type: none"> (1) Capital (2) Capital
New tourism development	<ul style="list-style-type: none"> ① Dinosaur museum construction and operational management improvement ② Support winter tourism as a key feature ③ World's Longest Natural Skating Rink on the Tuul River ④ Experience the extreme cold on a budget tour 	<ul style="list-style-type: none"> (1) Ministry of Culture and Institute of Paleontology (2) Ulaanbaatar city Tourism Department
Improved souvenir quality	<ul style="list-style-type: none"> ① Analysis and evaluation of souvenirs (tourist demands, production capacity, etc.) ② Product development for target groups, sales method analysis, and its guidance 	<ul style="list-style-type: none"> Capital, SME associations and souvenir producers
Human Resource Development	<ul style="list-style-type: none"> ① Upskilling of public officers responsible for tourism (training in Japan) ② Cultivation of teachers in universities and colleges ③ Upskilling of hotel staff, restaurant workers, guides, interpreters, and drivers ④ Guiding training for nature conservation management staff 	<ul style="list-style-type: none"> (1) Capital (2) Capital, School (3) Capital, Industrial groups (4) MNET
Educational activities	<ul style="list-style-type: none"> ① Nature and tourism education for children who will grow up to be potential domestic tourists in the capital (education on Mongolia's rich natural, cultural heritage, and travel etiquette, as well as modernization of educational facilities such as Kids International Village) 	<ul style="list-style-type: none"> (1) Capital, MOEAS
Development of tourism statistics	<ul style="list-style-type: none"> ① Information gathering process, sorting/analysis of collected information, establishment of a series of operational systems (e.g., consideration of how to disclose collected information) 	<ul style="list-style-type: none"> Capital, National Statistical Office

Chapter 6

Proposal of JICA cooperation program on Tourism Development

Chapter 6 Proposal of JICA cooperation program on Tourism Development

Based on the results of previous surveys and analyses and the tourism development policy (draft) by route, a JICA cooperation project proposal list considered to contribute to tourism development in Mongolia was prepared. On the premise that this project proposal is in line with Japan's assistance policy, its prioritized matters according to the following three items.

The project proposal developed by the JICA research team was submitted to summarize the previous research, conclusions and proposals in the tourism sector and to contribute to the development of tourism in Mongolia.

- ① Strength of on-site support needs and requirements
- ② The degree of contribution to the tourism sector through project Implementation
- ③ The degree of independence and willingness of local residents, communities, local governments, and other stakeholders involved in tourism

[Summary]

This survey found that there was only one local government official in charge of tourism except for the capital city of Ulaanbaatar, and that if Japan were to provide technical cooperation, it would be difficult considering the possibility of cooperation other than Japan from the perspective of the capacity of the recipient of cooperation. We submitted the JICA Cooperation Program proposal, in light of the current human constraints on the Mongolian side.

Taking into account the possibilities of future cooperation with ADB, GIZ, and the Turkish government in the Kharkhorin region among the surveyed regions, and implementation of some of JICA's 1999 proposals, we carefully narrowed down the cooperation project in comparison with other regions.

In Umnugovi and Dornogovi regions, we have implemented a comprehensive pilot program that envisions a program that protects highly vulnerable tourism resources, provides tourists with safe and secure travel, and encourages the participation of residents, and assumed that this would become a model for future tourism development.

Moreover, since the closure in 2013 of the Museum of Natural History where many foreign tourists visited, construction of similar museum has not been realized in metropolitan area. The present Dinosaur Museum has strong political implications because it aims to display smuggled dinosaurs recovered from the United States, and was not started by the consensus of the parties concerned. Against this background, the exhibits are limited and it is not something that can be called "Dinosaur Museum" for foreign tourists. The construction of a museum of dinosaur fossils which is one of the world's leading collections, has not only economic effects but also broad significance such as enhancement of research systems, resources conservation, education, and strengthening national pride. We are convinced that it will be a tourist spot that can attract customers in the metropolitan area since domestic and international researchers have pointed out the needs for many years and requested immediate response.

The survey confirmed that it was an urgent task to improve the expertise of officials in charge of tourism. It would be beneficial to participate in training on basic knowledge of tourism in Japan, an advanced country in tourism to see the quality of services and to visit the Mongolia ger hotel which has actually been successful in Japan.

Tables 6-1: JICA cooperation project proposal list

Region	Project name and overview	Support needs	Contribution to development	Regional independence
Nation-wide	Support for Mongolian Sustainable Tourism Development Policy (Dispatch of Individual Experts) <ul style="list-style-type: none"> • Send specialists to the Ministry of Nature, Environment and Tourism to make policy 	<ul style="list-style-type: none"> • Mongolia is trying to implement reforms, including the revision of the Tourism Law to develop tourism industry, and there is a need for support to learn the experience of Japan, which is implementing 	<ul style="list-style-type: none"> • In order to promote sustainable tourism development that makes the best use of Mongolia's tourism resources, it is necessary that the government examine development of laws and 	<ul style="list-style-type: none"> • Through the survey, it has been confirmed that the Ministry of Nature, Environment and Tourism has a positive attitude to cope with the reforms. The current

Region	Project name and overview	Support needs	Contribution to development	Regional independence
	<p>recommendations on tourism issues that Mongolia faces (various area including laws, dispatch of information, human resource development, souvenirs, statistics.)</p>	<p>various measures with the aim of becoming a tourism-oriented country.</p> <ul style="list-style-type: none"> It is the time to prepare for the after-COVID19. 	<p>promotion strategies as well as to strengthen the administrative capacity to support them. The supports such as policy proposals to the Ministry of Nature, Environment and Tourism which is in charge of tourism, contribute to establish foundation for sustainable tourism promotion in Mongolia, and the development effects are considered to be high.</p>	<p>prime minister (appointed in January 2021) has also announced that the government will focus on tourism sector.</p>
Cross-regional	<p>Gobi Region Sustainable Tourism Development Model Formulation Project (Technical Cooperation)</p> <ul style="list-style-type: none"> It aims for sustainable tourism development by protecting valuable tourism resources and ensuring the safety and security of tourists on Umnugovi route and Dornogovi route. It also aims for developing new tourism products and events and promotion of participation from local residents to tourism industry to enhance sustainability not only in terms of environment but also in terms of industry. 	<ul style="list-style-type: none"> Tourist resources in the Gobi region are highly vulnerable such as those related to dinosaur fossils and need protection. In addition, it is necessary to prevent adverse effects on the natural environment due to increase in the number of tourists in advance. Given the limited human resources of administrative agencies such as provincial governments, we believe that it is effective to create a system to enhance sustainability by having local residents and NGOs involved in the protection of tourism resources and positioning it as part of regional promotion. 	<ul style="list-style-type: none"> Although abundant tourism resources are scattered in various places, they had not been adequately protected and managed. From now on, the situation in which deterioration of tourism resources are concerned due to increase in tourists is a common issue found throughout Mongolia. In light of such situation, it is possible to contribute to the realization of sustainable tourism development in other regions by formulating a sustainable tourism development model in which local residents participate in addition to administrative agencies. 	<ul style="list-style-type: none"> The NGOs in Umnugovi aimag (province) described in this report are the most active in tourism development and conservation activities in the country, and are cooperating with the provincial government. They also show their interests in participating in JICA projects, and if implemented first in the aimag, it will make it more feasible in building a successful model.
Metro-politan area	<p>“Mongolia National Museum of Dinosaur” Construction Project</p> <ul style="list-style-type: none"> Constructed a museum as a venue for exhibition, research and learning of dinosaur fossils, which are the earth's property. Although Mongolia is one of the world's leading producers of dinosaur fossils, it does not have a dinosaur museum. It is highly competitive and effective as a tourism resource that attracts domestic and foreign tourists. 	<ul style="list-style-type: none"> The construction of a museum capable of research and preservation of fossils worth international conservation and exhibition to tourists and citizens are the wishes of many domestic and overseas researchers, as well as the Institute of paleontology. It also contributes to the establishment of sustainable protection and research system through its use as a tourism resource. JICA report in 1999 also referred to the development of fossil management program and a museum, and there is also a history of consultation with JICA regarding the possibility of facility construction. 	<ul style="list-style-type: none"> The metropolitan area lacks tourism resources that foreigners can enjoy. The construction of a dinosaur museum which displays Mongolia's world-class dinosaur fossils, is expected to attract a large number of visitors (The Kharakhorum Museum constructed in 2010 with JICA's grant aid, has become a representative tourism resource for Kharkhorin and attracts many foreign tourists.) By constructing the Dinosaur Museum in the capital city of Ulaanbaatar, it is expected to attract more customers than the Kharakhorum Museum, and it is also meaningful as a project with a visible Japanese face. 	<ul style="list-style-type: none"> The Institute of Paleontology is preparing a construction plan for the dinosaur museum, and full cooperation can be secured.

Region	Project name and overview	Support needs	Contribution to development	Regional independence
			<ul style="list-style-type: none"> As the number of tourists to Mongolia increases, the number of visitors to the museum is expected to increase, so this is a project that is expected to be profitable. 	
Cross-regional	<p>External communication of Cultural Heritage in the World Heritage Orkhon Valley ((Long-term) dispatch of Individual experts)</p> <ul style="list-style-type: none"> The Orkhon Valley National Park Administration Office to carry out marketing and promotion of tourism resources in the area. 	<ul style="list-style-type: none"> Information on tourism resources in the Orkhon Valley has not been fully communicated. 	<ul style="list-style-type: none"> Many cultural heritage, historical heritage and nomadic culture remain in the valley, which can promote the expansion of tourists and encourage residents' participation in the tourism industry in rural areas by enhancing external communications. 	<ul style="list-style-type: none"> As there are national park management offices and regional councils in the Orkhon Valley area, it may be able to cooperate and enhance information communication.
Region	<ul style="list-style-type: none"> Support for the internationalization M/P formulation of Kharkhorin Airport (development research type technical cooperation project) Further promote the tourism industry by internationalizing the existing airport in Kharkhorin, a well-known tourist destination. 	<ul style="list-style-type: none"> Promote the development of tourism industry by internationalization of the existing airport in Kharkhorin, the most popular destination among foreigners. Currently, there is only one international airport in Mongolia, and there is a need for a second international airport from the perspective of ensuring flight safety. 	<ul style="list-style-type: none"> It can contribute to expand Kharkhorin tourists by promoting the diversification of tourism plans. <p>As a result, it can contribute to higher income of local residents.</p>	<ul style="list-style-type: none"> The internationalization of airport routes has been taken up in the national plan, and expectations are high from tourism officials in Kharkhorin.
Cross-regional	<p>Conduct trainings by country for tourism officers</p> <p>Conduct trainings to the tourist officers from the Ministry of Nature, Environment and Tourism, the city of Ulaanbaatar, and six aimags covered by this survey on the basis of tourism policy, the current state of services for foreign visitors to Japan and the external communication, the current state of the tourism industry and support measures by the government and local governments. Based on the content and effects of the training, it is also possible to add not only administrative officials but also tourism association officials and NGO officials.</p>	<ul style="list-style-type: none"> The results of the survey revealed that tourism officials in Mongolia lack expertise and experience in tourism. Since there are few persons in charge who have come into contact on the actual situation in foreign countries and there is little knowledge on tourism promotion, they have indicated their intention to refer to Japan's initiatives and reflect them in Mongolia's policies. 	<ul style="list-style-type: none"> As the results of this survey show, Mongolia's tourism policy, administration, etc. have a wide range of issues. Japan's Efforts toward advanced tourism countries Since Japan has many examples that can serve as a reference for consideration of Mongolia's tourism policies, such as the foundation of regional revitalization (the conversion of tourism into a core industry, etc.) and the efforts and challenges to translate tourism contents into foreign languages, we believe that having people learn Japan's tourism policies, etc., will contribute to improvement in the operations under the jurisdiction of each Mongolian agency and will be highly effective. 	<ul style="list-style-type: none"> There are also strong requests from Mongolian government and each aimag.

Source: Prepared by survey team

Chapter 7

Project proposals

Chapter 7 Project proposals

The project summary table (proposal) of each project proposed in Chapter 6 is as follows.

Table 7-1 : Project Proposal 1

Project number	01 (Dispatch of Individual experts)	
Project Name	Support for Mongolian Sustainable Tourism Development Policy	
Purpose	Target area	
With the Tourism Policy Coordination Department of the Ministry of Nature, Environment and Tourism as the C/P, we will dispatch experts with tourism administration or practical experience in tourism to advise on various issues that the Department faces and contribute to the development of tourism in Mongolia.	Nationwide	
	Beneficiaries	
	Direct beneficiaries: Ministry of Nature, Environment and Tourism	
	Indirect Beneficiaries: Mongolian Tourism Organization of the Ministry, others	
Background and expected outcomes		
<p>Currently, in Mongolia, interest in tourism increases and the number of domestic tourists has soared. At the same time, the number of foreign tourists has steadily increased until 2019, up 27% from 2016 reaching approximately to 580,000. Economically, tourism accounted for about 6% of GDP, expected to be one of the areas that can be a key industry for Mongolia, which aims to diversify its industry to avoid excessive dependence on mineral resources. With the opening of the new Ulaanbaatar International Airport in July 2021 with loan aid, interest in the tourism industry has been increasing again. In addition, the tourism industry has been hit hard by the spread of the COVID-19, and the earliest possible recovery of tourism in Mongolia in the after-COVID era is expected.</p> <p>The government of Mongolia focuses on infrastructure development (road paving, etc.) for the development of the tourism industry, and is going to review widely the way of tourism such as revision of the Tourism Law. However, the Mongolia tourism sector faces wide range of issues such as the ideal form of tourism infrastructure to accommodate foreign tourists, the training and guidance of tourism operators, the way of dispatching tourism information, the development of tourism products, and the establishment of tourism statistics, in addition to the development of legal systems. Based on Japan's experience in all aspects of Mongolia's tourism development, we will provide advise to the Tourism Policy Coordination Department of the Ministry of Nature, Environment and Tourism and Mongolian Tourism Organization and it is expected that they will prepare for the advancement of Mongolia's tourism in the after-COVID era through further strengthening the Ministry's policy-making capacity.</p>		
Specific activities		
<p>In addition to making recommendations mainly on the following issues, we will give guidance and advice so that they will lead to concrete actions.</p> <ol style="list-style-type: none"> 1. Various initiatives toward the realization of the “National Policy on Tourism Development 2019-2026” (formulation of concrete development strategies, etc.) 2. Analyzing the current status of external information communication, initiatives of tourism promotion, etc., such as external communication at national and aimag (province) levels and external communication by private companies. 3. Formulation of plans to further strengthen safe and secure travel for foreign tourists, such as infrastructure development of roads, etc., and development of restrooms and toilets. 4. Measures for tourism resources and protection of the natural environment. Possibility of developing tourist products (tourist routes, winter tourism, souvenirs, etc.) that contribute to increase in tourists mainly from Japan and other third neighboring countries. Analyzing issues of tourism statistics to collect more precise and available to public tourism statistics data. 		
Input (Japan)		Input (Mongolia)
Dispatch of tourism development expert one person	<Overseas business strengthening expenses>	<Ministry of Nature, Environment and Tourism>
● Yen	● Yen	C/P arrangement
		Provision of office

Implementing Agency	Implementation Schedule
Ministry of Nature, Environment and Tourism	2 years
External conditions	
Convergence of the pandemic of COVID-19	
Points to note	
Although it assumes individual experts (dispatch of advisor), we believe it could be an idea to implement it as a combined technical project with Project No. 5, or as a combined technical project with Project No. 2, given the TOR (Terms of Reference) and resources of Japanese side.	

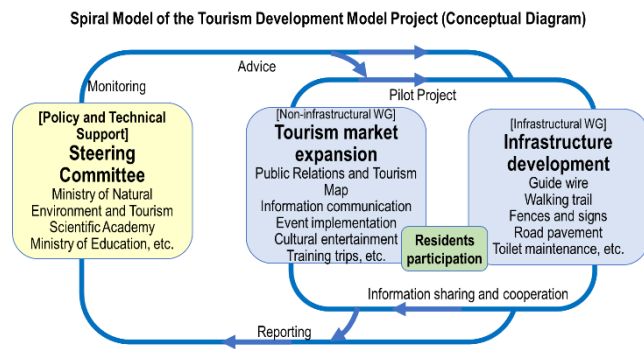
Source: Prepared by the survey team

Table 7-2 : Project Proposal 2

Project number	02 (Technical Cooperation Project)
Project Name	Gobi Region Sustainable Tourism Development Model Formulation Project
Purpose	Target area
<p>Building a model that promotes conservation of tourism resources and sustainable tourism development not only by the government but also by community participation. (Through this model, we will provide “Journey to feel the earth with nature and dinosaurs” to tourists from all over the world.)</p> <p>1) Preservation and protection of tourism resources 2) Initiatives toward ensuring safety and security of tourists (including simple facility development) 3) Strengthening information communication of the tourist destinations 4) Residents’ participation and human resource development in rural areas 5) Event development 6) Development of new tourism products</p>	<p>Phase 1 Umnugovi aimag, Dundgovi aimag From Phase2 Dornogovi aimag, Govisumber aimag</p>
	Beneficiaries
	<p>Technology Transfer: Direct beneficiaries 1) Ministry of Nature, Environment and Tourism 2) Aimag Indirect beneficiaries 1) Ministry of Culture 2) Ministry of Road and Transport Development 3) Travel agency 4) NGO / community residents 5) Institute of Paleontology</p>
Background and expected outcomes	
<p>Umnugovi aimag has abundant tourism resources such as dinosaur excavation sites, dunes and valleys. In addition, Dundgovi aimag, which is the middle point of land transportation, has scenic spots of giant rock groups and ancient rock paintings, and has tourism potential. However, it is first necessary to promote the conservation and protection of its tourism resources to promote sustainable tourism. Restrictions of entry and controlled-access to prohibited areas are ambiguous, and campgrounds are not designated. It could lead to destruction or deterioration of tourism resources. Therefore, first of all, it is necessary to urgently install protective fences to protect tourism resources, develop parking lots, and designate campgrounds.</p> <p>Moreover, since the access roads to the tourist destinations are underdeveloped and there are no toilet facilities, problems of vehicle running off the roads, environmental pollution and reduction of rare organisms caused by land degradation and leaving of garbage have emerged. Along with the tourism manner education, the maintenance of signs and toilets is urgently required.</p> <p>Regarding the benefits to the region, many tourists use tour companies in the capital city of Ulaanbaatar, limiting the participation of local residents, which raises the issue of not heightening motivation for tourism and conservation of tourism resources. Tourism resources in the Gobi region include not only nature and fossils, but also include intangible cultural assets such as folk performing arts and nomadic life, but their value is not fully utilized in tourism development.</p> <p>From the tourists’ viewpoint, there is uncertainty and lack of information, and more active information communication and public relations activities are required. Also, from the viewpoint of peace of mind, it is pointed out that there is no toilet.</p> <p>However, the target area is vast and it is difficult to solve everything at once. Therefore, it is desirable to develop a project aimed at narrowing down the target area and creating a model, and to establish a sustainable tourism development model plan in Mongolia to solve the above problems. Based on the survey results (the number of tourism resources, the status of tourism development initiatives, etc.) we will first implement comprehensive approaches in Umnugovi aimag and Dundgovi aimag to promote friendly competition by exchanging information with each other. The aimags share the sustainable tourism development model plans developed in the project and recommend their use to other regions of Mongolia. If possible, to implement, we would also like to propose cooperation in Dornogovi aimag and Govisumber aimag using the model plan developed as Phase 2. Dornogovi aimag is a religious power spot and is popular among domestic tourists, but it is still undeveloped as a tourism resource, so it is necessary to sort out issues and protect. In addition, although there are interesting ethnic materials in Govisumber aimag, we have limitation to collecting and organizing information as we could not travel to the site in this survey. Therefore, it is desirable to proceed with further research in pilot projects, etc.</p> <p>By sharing lessons learned from each other while simultaneously proceeding with infrastructure development, information and marketing, event planning and cultural entertainment introductions, it is expected that the quality and quantity of tourism development will be enhanced while deepening understanding of each other's activities and generating synergies.</p>	

Specific activities

- 1: Project design with a comprehensive approach
- Establishment of Steering Committee
 - Selection, evaluation, and decision of candidate sites in the target aimags (Umnugovi simag and Dundgovi aimag)
 - Decision of project plan and establishment of working group system, etc.
- 2: Project Implementation
- Establishment of tourism resources preservation and protection (operation, maintenance, and management) system and preparation of budgets and management plans for maintenance and management organization of the same
 - Installation of guidance lines, walking trail, fences, signs, and toilets to preserve and protect tourism resources (assuming simple arrangement as a model case)
 - Organizing tourism resource information and public relations planning, preparing tourist maps, communicating information (using the WEB),
 - Organize information about past events (including cultural entertainment), plan new events, and carry out event trials
 - Mutual visits and exchange of opinions with other tourist areas (such as Kharkhorin)
 - Training on gender consideration and safety management
 - Implementation of training in Japan
- 3: Recommendations for organizing the established sustainable tourism development model and utilizing it in other regions of Mongolia



Input (Japan)		Input (Mongolia)
<JICA consultants> <ul style="list-style-type: none"> - Operations Chief / Tourism Development - Infrastructure development 1 - Infrastructure development 2 - Tourism marketing - ICT and video production - Event planning and implementation - Participatory Development and Gender Consideration - Business adjustment 70MM + Travel expenses + Local personnel expenses + Expenses = ¥245,000,000	<Reconsignment, etc.> <ul style="list-style-type: none"> Pilot project Infrastructure = ¥50,000,000 (can be divided into lots) Tourist maps, video production, training and performance fees for events and cultural entertainment = ¥5,000,000 (can be divided into lots) Domestic training = ¥5,000,000 <Expenses for training in Japan> 4 persons = 10,000,000 yen 	C/P arrangement Project office
245,000,000 yen	70,000,000 yen	
Implementing Agency		Implementation Schedule
The Ministry of Nature, Environment and Tourism, and the Department of Nature, Environment and Tourism of the target aimags		4 years
External conditions		
Convergence of the pandemic of COVID-19		
Points to note		
It is desirable that the dispatch of consultants (experts) should be done in a system in which someone can take turns to be in the field. The project needs to unify the specifications of fences and signs and carefully discuss them so as not to damage the landscape. It should be standardized to use local operators as subcontractors to transfer technology by dividing into multiple lots. It is also necessary to arrange the allowances such as repair costs in the project.		
Also, for event planning, it is possible to employ eventer in Ulaanbaatar to provide guidance to local communities depending on the situation.		
As for ICT and video production, in addition to assigning local consultants by local employment, we will also consider the use of remote guidance and cooperation teams.		

Source: Prepared by survey team

Table 7-3: Project Proposal 3

Project number	03 (Project Loans)	
Project Name	“Mongolia National Museum of Dinosaur” Construction Project	
Purpose	Target area	
<p>A dinosaur museum that will be a base will be built to establish sustainable conservation and research system for dinosaur fossils, which are a legacy of the Earth, and to promote tourism manner education that protects the environment.</p> <p>1) Construct a museum 2) Construct a research building 3) Maintenance of surrounding parks 4) Maintenance of Satellite Exhibition and Research Museum (Umnugovi aimag)</p>	Tuv aimag	
	Beneficiaries	
	<p>Direct beneficiaries:</p> <p>1) Ministry of Culture 2) Institute of Paleontology 3) Ministry of Education and Science</p> <p>Indirect Beneficiaries:</p> <p>1) Mongolian people 2) Foreign tourists 3) Paleontological researchers in the world 4) Ministry of Nature, Environment and Tourism</p>	
Project Background and Contents		
<p>Mongolia is one of the few excavation sites of high-quality dinosaur fossils in the world. The whole-body skeleton, eggs, and footprints of dinosaurs have also been found, and academically valuable discoveries and research are being carried out. However, although dinosaur fossils, which can be called national treasures, have various potentials, they are hardly utilized for strengthening national power (science, education, culture, economy, etc.)</p> <p>Until 2013, the “Museum of Natural History” in Ulaanbaatar was a popular spot attracting the majority of foreign tourists, but it was closed due to aging. Currently, the Institute of Paleontology exhibits dinosaur skeletal fossils at “Hunnu Mall” near the airport. The dinosaur museum in Ulaanbaatar City also has exhibits of dinosaur skeletons illegally exported to the United States, but the exhibition contents are extremely limited and academic explanations by experts are also extremely inadequate.</p> <p>The Institute of Paleontology plans to build a facility with museums and research buildings near the new airport to promote conservation and research of the Earth's heritage dinosaur fossils. However, it has no experience in building and operating museums, and foreign technical and financial supports are indispensable for the realization. It is difficult to make it a world-standard dinosaur museum by implementing Mongolia's own plans, and if tourism development in Mongolia proceeds without sufficient preparation, there is a danger that the heritage of the earth will be lost.</p> <p>Therefore, we will construct a dinosaur museum to display and research dinosaur fossils, which are world heritage, while referring to the feasibility study of the dinosaur museum and research building devised by the Academy of Sciences Paleobiology Institute. Since the Institute of Paleontology is a research institute and is not in charge of tourism and education, the Ministry of Nature, Environment and Tourism will study monetization to optimize the functions of the museum, and the Ministry of Culture, the Ministry of Education and Science will coordinate involvement in educational activities related to environmental issues and tourism manners.</p> <p>In addition, although it is unclear whether it will be included in the scope of the preparatory survey for the cooperation, we will propose that cooperation be promoted with the Umnugovi aimag, which is the dinosaur fossil excavation site, and also with regard to the newly established museum in the aimag, we will form a concrete action plan regarding scientific perspectives and mutual cooperation in tourism businesses.</p> <p>In addition, given the dinosaur fossils are world heritage, it would be also beneficial to consider the possibility of collaboration between the completed dinosaur museum and related university institution in Japan and other international organizations. Especially, prominent Japanese dinosaur researchers have profound cooperative relationship with the Institute of Paleontology, and have been exchanging opinions on the concept of the Dinosaur Museum since the 1990s.</p>		
Specific activities		
<p>(1) Confirmation and examination of business background and necessity (2) Examination of business purposes and scope (facility planning, equipment specifications / scale, etc.) (3) Examination of ODA loan project implementation system, operation / maintenance management system (4) Implementation of outline design (maintenance plan of facilities and equipment, estimation of outline project cost of ODA loan project, confirmation of necessary licenses, etc., environmental and social consideration survey, natural condition survey, infrastructure survey) (5) Points to note for project implementation (examination of procurement method, arrangement of handling at the time of repayment of yen loan, procedures of design change) (6) Examination of investment and effect indicators (7) Proposals for cooperation with other businesses and other donors</p>		

- (8) Examination of ODA loan project implementation schedule
 (9) Examination of proposals for paid incidental technical cooperation
 The "structure of facilities" and "outline of buildings" of the dinosaur museum which the Institute of Paleontology currently assumes are as follows.

Location: Tuv aimag (suburb of Ulaanbaatar)
 Exhibition Department : 5,500 m²
 Research Institute : 2,280 m²
 Collection and Preservation Department : 5,350 m²
 Education Promotion Department : 960 m²
 Others : 2,110 m²

Outline of the building
 Site area : 10,000 m² (including 5,400m² of building, 1,000 m² of parking lot, and 2,000 m² of park)
 On-site roads : Walkway 500 m × 2 m, road 300 m × 8 m)
 Total Floor Space: 16,200 m² (90 × 60×3 stories)

For your reference, the dinosaur museum in Fukui prefecture has exhibition divisions (4,500 m²) and special exhibition rooms, with a site area of approximately 30,000 m² and a total floor area of 15,000m². It took building construction cost of ¥9.15 billion and exhibition construction cost of ¥3.1 billion, totaling approximately ¥14 billion (including other material maintenance costs and equipment). This museum was planned on the assumption of 400,000 visitors per year. The museum already has more than 930,000 visitors (in FY2018), compared to 250,000 in the first year, making it one of the Fukui prefecture's premier tourist attraction facility. As it became cramped, Fukui prefecture plans to expand it with an additional budget of ¥9.39 billion (see the Fukui Shimbun on January 21, 2019). The number of tourists visiting Mongolia from all over the world has increased by an average of 10.5% per year from approximately 390,000 in 2015 to 580,000 in 2019. It is estimated that it will take 5 to 6 years for the world tourism industry to return to 2019 levels. If it increases by 10%, which is the rate of increase from 2016 to 2019, it will exceed one million visitors in 2030. If 200,000 visitors, 20% of foreign tourists entered in 2030, the revenue of USD 4 million with the admission fee of USD 20 is expected. Given the closed Natural History Museum is said to have attracted many foreign tourists, the 20% prospect of attracting customers is a feasible figure. In addition, when we include souvenir sales and tours to South Gobi and other areas that spread from there, the economic effect will be significant.

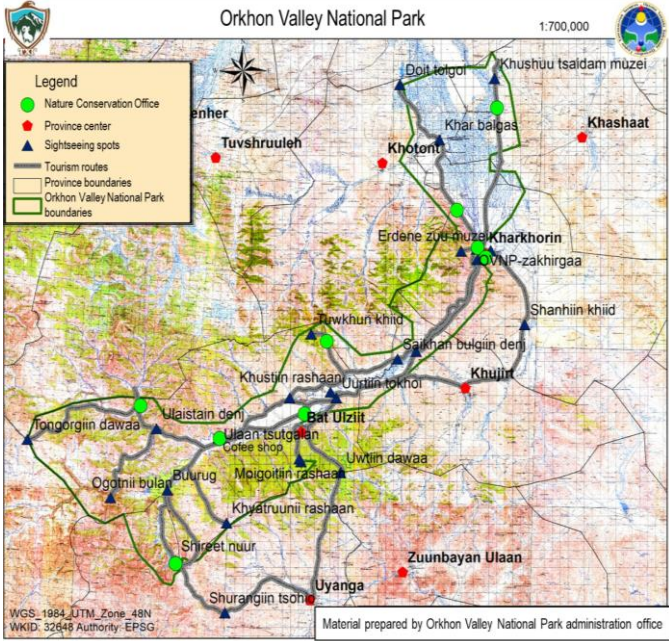
Considering not only economic effects but also scientific knowledge, tourism manners education, and conservation of fossils themselves, which are global resources, the value cannot be measured only by the internal rate of return. We believe that it is appropriate for the world to work together to conserve fossils rather than imposing the conservation burden only on Mongolia, the country that produces fossils.

Input (Japan)		Input (Mongolia)
<JICA consultants> 1) Operations Chief / Museum Management Plan 2) Facility planning / design 3) Architectural design (electrical equipment) 4) Architectural design (machinery, water supply and drainage, sanitation) 5) Equipment Planning (Advanced Engineering, Nanotechnology, Environmental Engineering, Social Infrastructure) 6) Equipment Planning (Life Science) 7) Museum operation and management 8) Financial Plan 9) Education Planning (Science / Tourism Manners) 10) Procurement Planning / Estimation of Operating Expenses 11) Economic and financial analysis 12) Survey of Natural Conditions / Environmental and Social Considerations 40MM = ¥140,000,000	<Reconsignment, etc.> Environmental Impact Assessment Boring survey <Expenses for training in Japan>	<Ministry of Culture>, < Institute of Paleontology> C/P arrangement Participation in the Steering Committee Project office Land acquisition
140,000,000 yen	10,000,000 yen	

Implementing Agency		Implementation Schedule										
Ministry of Finance Ministry of Nature, Environment and Tourism, regional offices in the target aimags Ministry of Culture Ministry of Road and Transport Development Institute of Paleontology		Preparatory Survey: Approx. 1 year Construction business: Approx. 3 years and 6 months (Refer to the schedule of notes for details.)										
External conditions												
Convergence of the pandemic of COVID-19												
Points to note												
Schedule of support projects related to the National Museum of Dinosaurs												
	Project	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
03	Preparatory survey for "the Central Museum of Mongolian Dinosaurs" construction project [Paid account technical assistance]			Exchange of notes, Bidding								
	"The Central Museum of Mongolian Dinosaurs" construction project [Loan aid]				Exchange of notes, Bidding			Inauguration				
	Short-term dispatch of a specialist in paleontology]					■	■	■	■	■		
	Long-term dispatch of a specialist in museum management							■				
	Dispatch of a specialist in digital support for the museum							■				
	Dispatch of a specialist in organizing museum's paleontological materials							■				
02	Gobi Region Tourism Development Model Planning Project [Technical support project]		■									

Source: Prepared by survey team

Table 7-4: Project Proposal 4

Project number	04 Dispatch of Individual Experts (Long-term)	
Project Name	External communication of Cultural Heritage in the World Heritage Orkhon Valley	
Purpose	Target area	
Support development and promotion to make it known of as an attractive destination for tourists of the Kharkhorin region.	Uvurkhangai aimag, Arkhangai aimag	
	Beneficiaries	
	Technology Transfer:	
	1) Orkhon Valley National Park Administration Office	
	2) Department of Nature, Environment and Tourism Association	
	3) Local government officials	
	4) Tour Operators	
Background and expected outcomes		
<p>The Kharkhorin region is popular among domestic and foreign tourists as it is based around Kharkhorin, the capital of the Mongol Empire, and easy to access nature and nomadic culture, such as Khujirt where hot springs are located, the falls of Orkhon, and cultural landscape of Orkhon Valley, which has been registered as the World Cultural Heritage site. In terms of policy, "Orkhon Valley Tourism Strategy-2020" and "Orkhon Valley National Park Management Plan 2017-2021" have been formulated to clarify tourism marketing and advertising strategies and to develop new markets by formulating marketing plans, but there is no stable source of information for tourists.</p> <p>Websites for tourists and information database sites related to tourism have been set up, but they are currently unavailable. It is necessary to promote as a tourist destination to push forward with sustainable tourism development in the future.</p> <p>It is expected that the dispatch of individual experts from JICA will provide the foundation for formulating marketing and promotion strategies at public institutions, further enhance the attractiveness as a tourist destination in the region, and increase its name recognition in the global tourism market as a result.</p>		
Specific activities		
<ul style="list-style-type: none"> - Understanding Marketing Needs - Preparation of promotional materials - Posting support to websites for foreign markets - Establishment of permanent public relations media and video production - Practical use of SNS - Training for people engaged in tourism 	 <p>The map displays the Orkhon Valley National Park area with a scale of 1:700,000. It includes a legend for Nature Conservation Office (green circle), Province center (red circle), Sightseeing spots (blue triangle), Tourism routes (grey line), Province boundaries (yellow line), and Orkhon Valley National Park boundaries (green line). Key locations marked include Kharkhorin, Khujirt, Ulaan tsutgalan, and various museums and historical sites. The map also shows surrounding provinces like Tuvshruuleh and Kharkhorin.</p>	
Input (Japan)	Input (Mongolia)	
Tourism marketing promotion Dispatch of one individual expert	Local operating expenses	<Nature, Environment and Tourism Department of the aimag Office

Accepting organization	Implementation Schedule
Orkhon Valley National Park Administration Office	2 years
External conditions	
Convergence of the pandemic of COVID-19 Financial resources for tourism marketing and promotion in each aimag are being secured Able to secure sufficient cooperation system	
Points to note	
It is desirable for individual specialists to engage only in the defined work content and tourism marketing and promotion. Since materials such as a personal computer capable of video editing are required to carry out the duties, it is desirable that JICA lend them.	

Source: Prepared by the survey team

Table 7-5 : Project Proposal 5

Project number	05 (Development Survey Type Technical Cooperation Project)
Project Name	Support for the internationalization M/P formulation of Kharkhorin Airport
Purpose	Target area
Contribute to sustainable tourism development in Mongolia by enhancing air transportation safety and promoting tourism and acquiring foreign currency through the internationalization M/P preparation of Kharkhorin Airport	Kharkhorin Route (Uvurkhangai aimag)
	Beneficiaries
	Direct beneficiaries: 1) Ministry of Road and Transport Development 2) Civil Aviation Office 3) Aimag
Background and expected outcomes	
<p>Kharkhorin Route is one of the most competitive tourist areas, popular with domestic and international tourists as a relatively close tourist destination from Ulaanbaatar. In addition to its natural resources including cultural landscape of the Orkhon Valley, which was registered as a World Cultural Heritage site in 2004, it also has the charm to attract tourists in terms of tradition, history and culture.</p> <p>Although it takes five hours by paved road to Kharkhorin, which is a tourist base with many repeaters of domestic tourists and its tourism development has progresses, and there is no option of air route, the “National Policy on Tourism Development 2019-2026” stipulates the internationalization of the airport in Uvurkhangai aimag as a national project.</p> <p>According to the information from the Ministry of Nature, Environment and Tourism, the implementation of Phase 3 of the ADB's Sustainable Tourism Development Project is planned in Arkhangai aimag and Uvurkhangai aimag. In Phase 1 and Phase 2 of the project, preparation of M/P and tourism development plan targeting other aimags, development of sports centers, tourist streets, information centers, parking lots, public toilets, roads, campgrounds, etc. as hard infrastructure, and businesses related to nature protection in special protected areas are planned. When the Sustainable Tourism Development Project Phase 3 of is implemented in Arkhangai aimag and Uvurkhangai aimag, it is expected that various projects will be implemented mainly for policy support, such as M/P preparation, and for resolving infrastructure development issues.</p> <p>On the other hand, the internationalization of Kharkhorin Airport plays an important role in "aiming at further heightening of the world heritage through sustainable tourism development" which is in the future prospects of 5.2.3. If it is possible to enter and leave the country directly from foreign airports, it would be possible to take a tour without necessarily making round trips between Ulaanbaatar, making tour more convenient, it is necessary to hurry up the planning and development projects. Kharkhorin is one of the World Heritage sites with the cultural landscape of Orkhon Valley, and is the most visited tourist destination for foreign tourists where Kharakhorum, the former capital of the Mongol Empire used to locate. Through the realization of an airport enabling direct access from foreign countries, it is expected to expand the capacity to accept foreign tourists in Mongolia and to decentralize them. The internationalization of Kharkhorin Airport is also necessary as a contingency plan in the event of an emergency at an international airport in Ulaanbaatar. It is also an issue from the perspective of national security that there is only one airport where international flights can take off and land within the country.</p> <p>The internationalization of airports in multiple aimags is planned in the government document, but its financial resources are not clearly stated. It may take a long time for the government to realize this and there are many issues, such as the priority for the implementation of internationalization.</p> <p>Under such circumstances, it is desirable to transfer technology related to internationalization of airports by dispatching the individual experts aimed at support for the internationalization M/P formulation of Kharkhorin Airport towards internationalization of airports that Mongolia plans.</p> <p>The experts are expected to contribute to the smooth implementation of the future internationalization project of the airports by preparing the internationalization M/P of Kharkhorin Airport in cooperation with the relevant ministries and agencies, and the relevant Provincial Department while transferring technologies.</p>	
Specific activities	
<p>First year:</p> <ol style="list-style-type: none"> 1. Advice on collection of existing data and survey of current status of existing airport <ul style="list-style-type: none"> - Analysis and evaluation of existing related reports - Collection, analysis and evaluation of existing data - Survey of the current status of existing airports (airport facilities, surrounding social and natural environments, traffic conditions) 2. Support for the airport development M/P formulation (including dispatch of research teams) <ul style="list-style-type: none"> - Forecast of aviation use demand (passenger flow, freight logistics) - Formulation of future airport development standards 	

<ul style="list-style-type: none"> - Examination of the possibility of improving existing airports <p>Second year:</p> <p>3. Implementation of training</p> <ul style="list-style-type: none"> - Domestic Training for people involved - Training in Japan for people involved <p>4. Environmental and social considerations</p> <ul style="list-style-type: none"> - Technical support for appropriate environmental and social considerations - Technical support for the implementation of environmental impact assessments <p>5. Overall Evaluation and Proposals</p>		
Input (Japan)		Input (Mongolia)
<p><JICA consultants></p> <ul style="list-style-type: none"> - Airport development <p>●MM + Travel expenses + Expenses = ● yen</p>	<p><Overseas business strengthening expenses></p> <p><Invitation> Training in Japan ● people = ● yen</p> <p><Reconsignment, etc.> Domestic training = ● yen</p>	<p>C/P arrangement Project office</p>
● Yen	● Yen	
Implementing Agency		Implementation Schedule
<p>Ministry of Road and Transport Development, and the local governments of the target aimags</p>		<p>2 years</p>
External conditions		
<p>The Mongolian government has secured financial resources for the internationalization of Kharkhorin Airport and has made concrete plans for internationalization. Convergence of the pandemic of COVID-19</p>		
Points to note		
<p>At the time of a courtesy visit of Zafer ATEŞ, Turkish ambassador extraordinary and plenipotentiary to Mongolian to T.Ayursaikhan, Vice Chairman of the State Ikh Khural of Mongolian (Chairman of the Mongolian-Turkey Federation of Congressmen), the Vice Chairman stated that he would "request cooperation for the construction of Kharkhorin Airport," and it was reported that the Turkish Ambassador replied that they are "interested in the advancement of cooperation in the field of civil aviation and other areas." https://www.montsame.mn/en/read/267408 (refer to June 28, 2021)</p>		

Source: Prepared by the survey team

Table 7-6: Project Proposal 6

Project number	06 (Technical cooperation of individual projects (Training by country))	
Project Name	Training in the field of tourism to the administrative officer in charge of tourism	
Purpose	Target area	
In Mongolia, where the tourism promotion is an important measure for economic development, provide with the status of tourism promotion in Japan, and comprehensive knowledge and basic skills for sustainable tourism development to targeted officials (administrative officers in charge of tourism) engaged in tourism promotion work at government agencies, etc. and provincial tourism officials, thereby contribute to the tourism promotion, as well as promote friendship and goodwill between Mongolia and Japan through information exchanges, etc. and strengthen cooperative relations in the future tourism sector.	Target area: Capital, 6 aimags (Umnugovi, Dundgovi, Dornogovi, Govisumber, Arkhangai, and Uvurkhangai)	
	Beneficiaries	
	Direct beneficiaries: Trainees from the Ministry of Natural Environment and Tourism, the Ulaanbaatar City Government, and the Nature, Environment and Tourism Department of the target prefecture	
	Indirect Beneficiaries: Ministries and agencies to which the trainees belong, such as the Ministry of Natural Environment and Tourism, Ulaanbaatar City and the Nature and Tourism Department of the target aimags	
Background and expected outcomes		
<p>The officials of the Ministry of Nature, Environment and Tourism assume every aspect including tourism policy, legal environment, development plan, external relations, external relations, external public relations, and their implementations with a small number of members. There is only one person in charge of tourism in each aimag, and the knowledge of tourism is not sufficient. In the future, there is a possibility that the authorities such as Tourism Bureau would be independent organization due to revisions to tourism-related laws such as the Tourism Act. To prepare for such situations, it is important to improve the expertise in relation to tourism of currently working staff and promote the development of human resources.</p> <p>In particular, administrative officials in charge of tourism policy in rural areas have little experience of visiting foreign countries, and lack of understanding of the tourism industry itself. It would serve as a useful reference if we let them see and hear directly the actual situation of Japan by visiting hotels and other tourism sites, as well as the policy issues such as tourism promotion measures implemented by central and local governments of Japan, services for tourists, and information communication for more effective performance of their duties as tourism officials after they returned to Mongolia. In addition, as a destination to visit, they should visit the local government that has a friendly sister relationship with Mongolia and exchange opinions on how to resume the intercommunion that had halted due to the spread of the COVID-19. We would like to use the opportunity to invite them to Japan to discuss the revitalization of inter-regional exchanges.</p>		
Specific activities		
<p>[Training in the field of tourism] It consists of lectures, visits, and training tours. The main training items are as follows.</p> <ol style="list-style-type: none"> 1) Tourism promotion policies and tourism industry 2) Coexistence of tourism development and environment / resources protection 3) Case studies of initiatives for maintenance management, and publicity of tourist facilities such as museums (practical techniques for collection, organization, preservation, exhibition, and education necessary for operation) 4) Visiting small and medium-sized hotels and Mongol ger camps in Japan (Mongolia Village Tenger, Tochigi prefecture, etc.) and dinosaur museums in Katsuyama, Fukui prefecture, etc. 5) Visits to local governments interacting with Mongolia 		
Input (Japan)		Input (Mongolia)
Round trip airfare Daily allowance and accommodation charges Overseas travel insurance Lecturer Honorarium Airport pickup Domestic travel expenses		
<Training by country> Trainees (short-term): 10 trainees/year • Ministry of Nature, Environment and Tourism • Mongolian Tourism Organization • Ulaanbaatar city Tourism	<Training expenses>	• Trainee • Costs for obtaining visas, etc.

Department • The Nature, Environment and Tourism Department in six target aimags In addition to the above, participation from NGO such as the Mongolian Tourism Organization (union), the Mongolia Tourism Association, etc. is also considered.		
● Yen	● Yen	
Implementing Agency		Implementation Schedule
[Candidates for training] Ministry of Land, Infrastructure, Transport and Tourism Japan Tourism Agency Center for Advanced Tourism Studies, Hokkaido University Hokkaido University Graduate School of International Media, Communication, and Tourism Studies		Frequency: Approximately once or twice a year Acceptance period: Approx. 3 weeks/time
Conditions		External conditions
Trainee Qualification Requirements: 1) Persons who are currently engaged in tourism promotion business in government-related or public organizations with practical experience of three years or more. 2) Persons 40 years old or younger in principle 3) Individuals who actively engage in activities in different cultures		Convergence of the pandemic of COVID-19
Points to note We believe it could be an idea and is effective to combine the "Support for Mongolian Sustainable Tourism Development Policy" proposed in the Project No. 01 with this proposal and implement it as a technical cooperation		

Source: Prepared by the survey team

Chapter 8

A proposal for collaboration between local governments in Japan and communities in the area under survey

Chapter 8 A proposal for collaboration between local governments in Japan and communities in the area under survey

8.1 Cases of current collaboration

We sent questionnaires to the local governments that have a relationship with Mongolia, focusing on the local governments implementing the sisterhood or friendship partnership and the host town project of the Tokyo 2020 Olympics and Paralympics to gather information on the current state of collaboration. The subjects of this survey are as follows.

Table 8-1: List of Host Town and Sister or Friendship Partnership Local Governments and Consulates

A. Host towns and sister / friendship municipalities

No.	Municipality name (Japanese side)	Sister / friendship municipality name (Mongolian side)	Host town (competition name)
A-1	Imabetsu Town, Aomori Prefecture	-	Fencing
A-2	Sakuragawa City, Ibaraki Prefecture	-	Shooting
A-3	Shirosato Town, Ibaraki Prefecture	-	Karate
A-4	Namegata City, Ibaraki Prefecture	-	Weightlifting
A-5	Musashimurayama City, Tokyo	Khan Uul District, Ulaanbaatar City (planned)	Interactions through sumo wrestling
A-6	Niigata Prefecture	-	Para archery
A-7	Niigata City, Niigata Prefecture	-	Para archery
A-8	Tsubame City, Niigata Prefecture	-	Para archery
A-9	Gosen City, Niigata Prefecture	Chingeltei District, Ulaanbaatar City	Para archery
A-10	Nagaoka City, Niigata Prefecture	-	Para archery
A-11	Yahiko Village, Niigata Prefecture	Erdene Village, Töv Province	Para archery
A-12	Saku City, Nagano Prefecture	Sükhbaatar District, Ulaanbaatar City	-
A-13	Shizuoka Prefecture	Dornogovi and Selenge Provinces	-
A-14	Izunokuni City, Shizuoka Prefecture	Songino Khairkhan District, Ulaanbaatar City	Judo, para competition
A-15	Yaizu City, Shizuoka Prefecture	Chingeltei District, Ulaanbaatar City	Wrestling, para athletics, 3x3 basketball, and para taekwondo
A-16	Shimada City, Shizuoka Prefecture	-	Boxing
A-17	Okazaki City, Aichi Prefecture	-	Archery
A-18	Izumisano City, Osaka Prefecture	Töv Province	Athletics (marathon)
A-19	Toyooka City, Hyogo Prefecture	Bogd County, Bayankhongor Province (currently suspended)	-
A-20	Tottori Prefecture	Töv Province	-
A-21	Matsuura City, Nagasaki Prefecture	Khujirt City, Övörkhangaï Province (currently interrupted)	-
A-22	Usa City, Oita Prefecture	-	Taekwondo
A-23	Miyakonojo City, Miyazaki Prefecture	Ulaanbaatar City	Wrestling

B. List of consulates

No.	Consulate name		
B-1	Honorary Consulate in Sapporo		
B-2	Consulate General in Osaka		
B-3	Honorary Consulate in Niigata		
B-4	Honorary Consulate in Nagoya		
B-5	Honorary Consulate in Tokushima		
B-6	Honorary Consulate in Fukuoka		

C. Others (municipalities surveyed other than A and B)

No.	Local government name	Sister / friendship municipality name (Mongolian side)
C-1	Hokkaido	
C-2	Sapporo City, Hokkaido	
C-3	Takikawa City, Hokkaido	Övörkhangaï Province
C-4	Mukawa Town, Hokkaido	(Institute of Paleontology and Geology of Mongolian Academy of Sciences: Partnership agreement)
C-5	Ishikawa Prefecture	
C-6	Oita Prefecture	
C-7	Okinawa Prefecture	
Added C.	Shiga Prefecture	(Khuvsgul Lake, Khuvsgul Province and Lake Biwa: Cooperation Project)
Added C.	Asahikawa City, Hokkaido	(JICA Grassroots: Urban Development Improvement Project in Cold Regions)

Note 1. Regarding the Japanese translation of the administrative divisions in Mongolia, "Aimag" is defined as "県 (Prefecture)", "Soum" as "郡 (county)", "Khot" as "市(city)", and "Duureg" as "区(ward)". However, as for A-11 Erdene Soum (county), the Japanese local government is used to saying 'Erdene Village,' we follow the notation by the Japanese local government. A-21 "Khujirt City, Uvurkhangai aimag" is 'Khujirt Soum (county), but we changed it to 'Khujirt City' in accordance with the notation by Matsuura City.

Note 2. Host towns are basically local government-unit based activities, but as for Niigata Prefecture, "Niigata Prefecture, Niigata City, Tsubame City, Gosen City, Nagaoka City, and Yahiko Village" are jointly registered as a host town for archery teams at the Paralympics. However, since the persons in charge and the content of exchange activities differ among these local governments, we numbered them individually in this listing (from A-6 to A-11) and conducted surveys for each.

In this report, we analyzed the information from 30 local governments and five consulates which responded to the questionnaire (as of February 26, 2021). In addition to cooperating with gathering information for the local governments in their jurisdiction, the consulates responded to some of their own exchange activities.

In recent years, it has been expanding between local governments in Japan and Mongolia. Some local governments have registered as host town projects on the occasion of the Tokyo 2020 Olympic and Paralympic Games, while others which have been interacting with each other for a long time.

12 local governments and 18 local governments have signed (or had) sister or friendship partnerships and host town registrations as identified in this survey. The timing when these local governments started exchange activities and the reasons for concluding the exchange are as follows.

Table 8-2: List of sister or friendship partnerships with local governments
(Year of exchange conclusion, Trigger for exchange activities, etc.)

Municipality name	Sister / friendship municipality name (Mongolian side)	Host town (competition name)	Types of conclusions	Year of conclusion	No. of years since the conclusion	CIR / Mongolian staff	Trigger
Matsura City, Nagasaki Prefecture	Khujirt City, Uvurkhangai aimag (currently interrupted)	-	Sister city partnership	1991/7/27	30		The town revitalization of Takashima in the city using the historical fact that the town is the "land of the end of the Mongol invasion."
Toyooka City, Hyogo Prefecture	Bogd soum, Bayankhongor aimag (currently suspended)	-	Friendship Exchange Treaty	1994/10/9	27		Exchanges through the former Osaka University of Foreign Studies Mongolian Study Department, Tanto Silk Road Plan
Tottori Prefecture	Tuv aimag	-	Memorandum of Understanding on Friendship Exchanges	1997	24	CIR	When a delegation was dispatched to Mongolia for the purpose of collecting the remains and visiting the graves of the deceased detainees in Mongolia, the delegation made a courtesy call to the governor of Mongolia's Central aimag, and requested to dispatch an entertainment delegation to the San-in Yume Minato Expo held in Tottori Prefecture.
Miyakonojo City, Miyazaki Prefecture	Ulaanbaatar City	Wrestling	Friendship-city partnership	1999/11/22	22	CIR	Exchanges in the private sector, such as through "Society of donating wind power generators to Mongolia" by National Institute of Technology, Miyakonojo College had continued.
Saku City, Nagano Prefecture	Sükhbaatar District, Ulaanbaatar City	-	Friendship cities	2008/8/4	13		Balloon calling for "Mongolian Year in Japan" (2006) and "Japanese Year in Mongolia" (2007) by the governments of both Japan and Mongolia.
Shizuoka Prefecture	Domogovi and Selenge aimags	-	Conclusion of the partnership agreement	2011/7/29	10	Staff	The prefectural governor desired to interact with Mongolia, and formed a relationship of trust with then governor of Domogovi, who can speak Japanese.
Izumisano City, Osaka Prefecture	Tuv aimag	Athletics (marathon)	Friendship cities	July 27, 2013	8	CIR	A new international airport was scheduled to be completed in Tuv aimag, and after that, both parties became cities with international airports.
Izunokuni City, Shizuoka Prefecture	Songinokhairkhan District, Ulaanbaatar City	Judo, para competition	Conclusion of the partnership agreement	August 2015	6	CIR	Consulate General of Mongolia in Osaka visited Izunokuni City and paid a courtesy call to the mayor. Later, the mayor received a private letter from the mayor of Songinokhairkhan via the Consul General.
Yahiko Village, Niigata Prefecture	Erdene Village, Tuv aimag	Para archery	Friendship exchanges	2016/8/9	5		Suggestions from Mongolian Somo wrestlers, introduction by the Embassy
Yaizu City, Shizuoka Prefecture	Chingeltei District, Ulaanbaatar City	Wrestling, para athletics, 3x3 basketball, and para taekwondo	Exchange program	2018/8/8	3	Staff	Recommendation from the chairman of State Committee For Physical Culture And Sports with whom the city had already interacted.
Takikawa City, Hokkaido	Uvurkhangai aimag	-	Friendship Exchange Declaration	2018/9/23	3	CIR	Yokozuna Hakuho became a tourism ambassador, and the city started accepting trainees for agricultural technologies to realize the dream of "rice cultivation in Mongolia."
Musashimurayama City, Tokyo	Khan-Uul District, Ulaanbaatar City (planned)	Interactions through sumo wrestling	-	Scheduled to be concluded in FY 2021	2 (from 2018)		Elementary school interactions through sumo wrestling, and introduction through the embassy

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

(NOTE) Of the 12 local governments with sister or friendship partnerships, listed 11 local governments which responded.

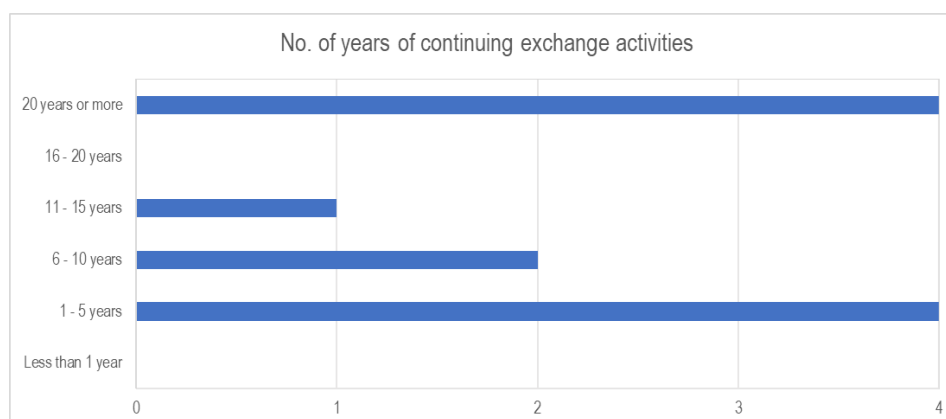
Musashimurayama City, Tokyo, has been included in the list because the partnership is scheduled to be concluded by the end of fiscal 2021, although the document has not yet been concluded.

Table 8-3: List of host town local governments
(name of competition, year of host town registration, triggers, etc.)

Municipality name	Host town (competition name)	Year of host town registration	Sister / friendship municipality name (Mongolian side)	CIR / Mongolian staff	Trigger
Imabetsu Town, Aomori Prefecture	Fencing	2016	-	CIR	Invitation of the town as a fencing town
Sakuragawa City, Ibaraki Prefecture	Shooting	2017	-		The coach for shooting is a citizen of the city.
Shirosato Town, Ibaraki Prefecture	Karate	2018	-		Activities of NPOs that support Mongolia
Nomegata City, Ibaraki Prefecture	Weightlifting	2019	-	Staff	Individuals mediated requests from the Mongolian National Olympic Committee.
Musashimurayama City, Tokyo	Interactions through sumo wrestling	2017	Khan-Uul District, Ulaanbaatar City (scheduled)		Introduction by the embassy
Niigata Prefecture	Para archery	2016			
Niigata City, Niigata Prefecture	Para archery	2016	-		
Tsubame City, Niigata Prefecture	Para archery	2016	-		Introduction by Niigata Prefectural Office
Gosen City, Niigata Prefecture	Para archery	2016	Chingeltei District, Ulaanbaatar City		
Nagaoka City, Niigata Prefecture	Para archery	2016	-		Inter-university and private-level exchanges
Yahiko Village, Niigata Prefecture	Para archery	2016	Erdene Village, Tuv aimag		Interactions with Mongolian sumo wrestlers
Izunokuni City, Shizuoka Prefecture	Judo, para competition	2016	Songinokhairkhan District, Ulaanbaatar City	CIR	Introduction by the Consul General
Yaizu City, Shizuoka Prefecture	Wrestling, para athletics, 3x3 basketball, and para taekwondo	2016	Chingeltei District, Ulaanbaatar City	Staff	Prefecture's efforts to attract, Wrestling is popular in the city
Shimada City, Shizuoka Prefecture	Boxing	2017	-	Staff	Exchanges of citizen groups
Okazaki City, Aichi Prefecture	Archery	2019	-		Intermediation by universities and goodwill associations
Izumisano City, Osaka Prefecture	Athletics (marathon)	2017	Tuv aimag	CIR	Developed a friendship city partnership
Usa City, Oita Prefecture	Taekwondo	2018	-		Interactions with sumo wrestlers
Miyakonojo City, Miyazaki Prefecture	Wrestling	2016	Ulaanbaatar City	CIR	Exchanges of private organizations

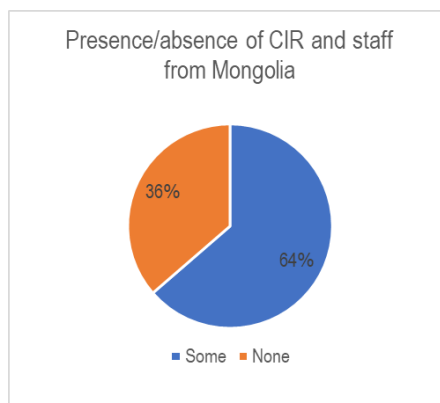
Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

The following graph summarizes the distribution of years of continuation of exchange activities and the ratio of the number of coordinators for international relations (CIR) and personnel from Mongolia to the sister or friendship partnership local governments shown above.



Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

Figure 8-1: Years of exchange activities that have continued



Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

Figure 8-2 : Existence or non-existence of coordinators for international relations (CIR) and personnel from Mongolia

The triggers which each local government entered into an exchange relationship are categorized as follows.

Table 8-4: Reasons for concluding an exchange relationship

Trigger for the conclusion of partnership agreement (classification)
• A case where exchanges began in the early 90's as part of the town revitalization and hometown creation project [Matsuura City, Toyooka City]
• A visit to Mongolia for activities to console the spirits of deceased detainees in Mongolia, and to collect their remains [Tottori Prefecture]
• Local universities, exchanges in the private sector, material support activities [Miyakonojo City, Toyooka City]
• Approaches from the government, embassy, consulates, etc. [Saku City, Izunokuni City, Musashimurayama City]
• Approaches from chiefs and local governments [Shizuoka Prefecture, Izumisano City]
• Interactions through sumo wrestling (Mongolian sumo wrestlers) [Yahiko Village, Takikawa City, Musashimurayama City]

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

<Cases of main exchange programs and local governments that implementing sustainable exchange programs>

Major exchange programs implemented by each local government (by sister or friendship partnership municipality and host town) are categorized as follows.

Table 8-5 : Major Exchange Programs by Local Governments

Sister / friendship municipalities	Official visits, citizen / youth exchanges (mutual visits), cultural exchanges (fairs / exhibitions), training / education, physical support, and tourism
Host towns	Sports exchanges, advance training camp, cultural exchanges (fair, exchange meeting), and material support

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

The background history of the agreement of exchanges between local governments, where the exchange programs have continued for more than 5 years, and cases of major exchange programs are shown below. Sources are responses to questionnaires and materials provided by local governments.

(1) Matsuura City, Nagasaki Prefecture and Khujirt City, Uvurkhangai aimag (currently suspended)

1) Background History of the Agreement of Exchanges

In 1974, on the Kozaki Coast of Takashima-cho, Matsuura City, Nagasaki Prefecture, the “Kangunsouhain (The seal for Government Army Soldiers)” at the time of Koan-Invasion (1281) was discovered. Taking this opportunity, it was proposed to revitalize the town with the concept of "Mongol invasion attempts against

Japan". It happened because the mayor of Takashima town made a courtesy call on the Embassy of Mongolia in Japan and asked their intentions regarding exchanges. In July 1991, the city concluded a sister city partnership with Khujirt City, Mongolia, which has the Kharakhorum region.

2) Major exchange programs

- June 1989: International Exchange Foundation was established with the Furusato (Hometown) Creation Fund, and the first delegation by town residents was dispatched to Mongolia. A delegation by town residents (including junior and senior high school students) is dispatched to Mongolia every year, based on profits from fruit management. By 2000, the delegation was dispatched eight times, and a total of 90 people visited Mongolia.
- November 1992: Mayor and chairman of the municipal assembly of Khujirt City visited Takashima Island for the first time.
- May 1993: Mongolian village opened (Mayor of Khujirt City and others, Mongolian Song and Dance Troupe)
- November 1994: The first Mongolian Festival was held (Vice-mayor and Director of the Secretariat of Khujirt City visited Takashima Island)
- July 2000: The 8th Delegation was dispatched and paid an official visit to the President of Mongolia.
- November 2003: The ceremony commemorating the 10th anniversary of the founding of Takashima Mongolian Village was held.
- November 2009: Many tourists visited Takashima Mongolian Village because famous sumo wrestler Hakuho participated in the Takashima Mongolia Festival.
- September 2013: The ceremony commemorating the 20th anniversary of the founding of Takashima Mongolian Village was held.

* Although exchange activities have been interrupted since then, they are currently requesting the Embassy of Mongolia in Japan to mediate for resuming these interactions.

Source: Responses to interviews and questionnaires conducted to the target local governments

(2) Toyooka City, Hyogo Prefecture and Bogd Soum, Bayankhongor Aimag (currently suspended)

1) Background History of the Agreement of Exchanges

In 1985, students belonging to the department of Mongolian study at Osaka University of Foreign Studies (now Osaka University) visited Tanto town because the town had been advocating the Tanto Silk Road Project at the time. After that, Tanto Town held "Mongolian Cooking Workshop" and "Nomad Culture Lecture" inviting Mongolian teachers from Osaka University of Foreign Studies and accepted young trainees of agricultural technology from Mongolia. Then, the leaders of regional revitalization in Tanto town participated for the first time in "Japan-Mongolia Joint Study of Nomad Areas" in 1990. In 1992, Mongolian government officials visited Tanto town, and in the following year, the "First Japan-Mongolia Friendship Delegation" visited Mongolia from Tanto town, and since then, mutual visits continued.

The mayor of Bogd soum in Bayankhongor aimag, who visited the "International Symposium Connecting Forests and Deserts & Music Festival in Tanto-Mongolia" held in Tanto Town (currently Toyooka City) from October 4 to 11, 1994, and the mayor of Tanto town signed a friendship exchange agreement. In November 1996, The Japan Mongolia Folk Museum opened.

2) Major exchange programs

Currently, there is no exchange program with Bogd soum and the "Mongolia-Toyooka Silk Road Friendship Association," based in the capital city of Ulaanbaatar, is the exchange partner.

Table 8-6: Children Exchange Program in Toyooka City

Mutual Exchange between children in Mongolia and Toyooka City: Until 2018	
Dispatched 12 times	Total of 127 people
Accepted 14 times	Total of 95 people

Source: Responses to interviews and questionnaires conducted to the target local governments

(3) Tottori Prefecture and Central (Tuv) aimag

(NOTE) The word “Tuv” in Mongolian means “central” and in Tottori Prefecture, the aimag is called “Chuo (Central) Aimag”, so we chose this writing style as it is.

1) Background History of the Agreement of Exchanges

When the Tottori Prefectural Assembly unit dispatched a delegation to Mongolia in 1994 for the purpose of collecting the remains of the deceased who were detained in Mongolia from Tottori Prefecture, they paid a courtesy call on the governor of Central aimag and asked him to dispatch an entertainment team to the San-in Yumeminato Exposition held in Tottori Prefecture. This was the starting point. Subsequently, two parties started exchanging visitors, and Central aimag exhibited at the San-in Yumeminato Exposition held in 1997. In the same year, they signed the Memorandum on Friendship and Exchange between Tottori Prefecture, Japan, and Central aimag, Mongolia, and began full-fledged exchanges.

2) Major exchange programs

- Scholarships for students from Central aimag in Mongolia (Enter Tottori University)
- Youth exchange programs (interactions with students who take Japanese at local high schools in Mongolia, homestays, and Mongolian cultural experiences)
- Medical exchanges (medical doctors and other medical professionals are accepted as trainees from Central aimag, while medical experts from Tottori prefecture are dispatched to Central aimag to provide guidance and follow-up)
- Administrative Internship (training for several officials from Central aimag)
- Agricultural exchange (accepting agricultural experts from Central aimag at Tottori prefectural agricultural university and affiliated institutions for training)

Source: Based on the official website of Tottori Prefecture instructed by responses of interviews and questionnaires conducted to the target local governments (Interaction between Tottori Prefecture and Central aimag, <https://www.pref.tottori.lg.jp/dd.aspx?menuid=37632> Final Reading 2021.2.26)

(4) Miyakonojo City, Miyazaki Prefecture and Ulaanbaatar

1) Background History of the Agreement of Exchanges

In December 1992, the “Association to donate wind power generators to Mongolia” was established to deliver lights from small wind power generators to nomadic Mongolians and children at elementary schools in Mongolia. In August 1993 and August 1994, members of the association visited Mongolia. They delivered a letter from the Mayor of Miyakonojo City to the Mayor of Ulaanbaatar City, the Mayor of Dalanzadgad City, Umnugovi aimag, and the President of the Mongolian University of Technology (now the Mongolian University of Science and Technology). In March 1995, National Institute of Technology, Miyakonojo College and Mongolian University of Technology (now the Mongolian University of Science and Technology) concluded an academic exchange agreement. Since then, private-sector exchanges have been held every year. In September 1999, a partnership plan for friendship and exchange between cities was approved at the Miyakonojo City Council. On November 22, 1999, the mayor of Ulaanbaatar city visited and signed the Partnership Agreement.

2) Major exchange programs

- Official visit

Since 2002, mayors, vice mayors, chairmen, and vice-chairmen of both cities have made mutual visits almost biennially.

- Acceptance of Coordinators for International Relations (CIR)
- Youth exchange (mutual visits)
- Wrestling Exchange. "Mongolia-Japan Wrestling Friendship Exchange" is held by inviting wrestlers' teams from Mongolia and Japanese Olympians.

- Sales Channel Expansion Overseas. Miyazaki beef from Miyakonojo was served at a party of the Japanese Embassy in Mongolia. They also hold promotional tastings and promote sales at Japanese restaurants in Ulaanbaatar.

(5) Saku City, Nagano Prefecture and Sukhbaatar district, Ulaanbaatar City

1) Background History of the Agreement of Exchanges

On the occasion of the "800th Anniversary of the Founding of Great Mongol Empire" in 2013, the Governments of Japan and Mongolia set 2006 as the "Mongolia Year in Japan" and 2007 as the "Japan Year in Mongolia," and the relevant organizations and friendship groups of both countries planned and implemented a number of friendship and exchange programs. The "Japan-Mongolia Friendship Year Executive Committee", which is organized by the Japan-Mongolia Parliamentary members and so on, requested the dispatch of hot-air balloons and pilots to Saku City, one of the nation's leading balloon cities, through the Saku Balloon Festival. For the cooperation for international friendship and the tourism promotion of the city by hot-air balloons, the city dispatched hot-air balloons and pilots for two times to Mongolia.

On August 4, 2015, in the presence of the mayor of Ulaanbaatar City, the Ambassador of Japan, and the Goodwill Association of Saku City and Mongolia, the mayor D.Miura of Saku City, the chairman E.Nishina of Saku City, the district mayor S.Amarsaikhan, and the chairman S.Batkhuuyag of the district assembly signed the Friendship Cities Agreement at the district office of Sukhbaatar and the city hall of Ulaanbaatar.

2) Major exchange programs

As part of human resource development program, they have conducted home stays and exchange activities at homes in Sukhbaatar district and nomadic residents' homes. They implemented this activity 10 times from 2010 to 2019 and canceled in 2020 due to the epidemic of COVID-19.

Children's exchange training in Sukhbaatar district. They accepted trainees from Sukhbaatar district to Saku City, and conducted activities to deepen friendship and understanding of Japanese culture, manners and customs through experiences such as homestays, trial enrolment for junior high schools, and children's exchange meetings.

(6) Shizuoka Prefecture and Dornogovi aimag and other aimags

1) Background History of the Agreement of Exchanges

When the governor visited Mongolia in August 2010, he met with governor P.Ganhuyag for Dornogovi aimag and exchanged opinions. In October, governor of Dornogovi aimag came to Shizuoka prefecture and agreed to conclude a memorandum on exchange with Dornogovi aimag on the occasion of the President's visit to Japan in November. In November, the First Lady visited the Shizuoka Cancer Center. The memorandum on cooperation has been signed between the Cancer Center and NPO "HOPE Cancer-Free Mongolia" represented by the First Lady. On November 19, governor H.Kawakatsu and governor P.Ganhuyag signed a memorandum on mutual cooperation between the two prefectures at the Geihinkan State Guest House in the presence of President of Mongolia Ts.Elbegdorj.

2) Major exchange programs

FY2011 Exchange activities

- The official delegation visited Mongolia and concluded a friendship agreement at the Dornogovi aimag Office (113 people)
- The prefecture invited school teachers from Dornogovi aimag to discuss exchanges for senior high school students (3 persons)
- General tourist tour from Mongolia to Shizuoka prefecture (total of 3 groups, 65 people)

FY2012 Exchange activities

- The Dornogovi aimag Economic Group visited Shizuoka Prefecture (20 people)

- The exchange delegation by people of Shizuoka prefecture was dispatched, headed by the prefectural council chairman (48 people)
- The friendship exchange delegation headed by the President of Prefectural Regional Development Center H.Yano was dispatched and participated in Japanese Culture Day
- Acceptance of high school students in Dornogovi aimag (30 students + 2 escorting staffs)

FY2013 Exchange activities

- The exchange delegation by people of Shizuoka prefecture was dispatched, headed by the governor (129 people)
- The delegation headed by Dornogovi governor visited Shizuoka (15 people)
- Acceptance of junior high school students in Dornogovi aimag (Shizuoka-Mongolia Goodwill Association) (20 students + 1 escorting staff)

FY2014 Exchange activities

- The economic exchange delegation headed by vice governor H.Taka was dispatched
- Acceptance of High School Students in Dornogovi aimag (50 students)
- The delegation headed by the Dornogovi governor and Junior High School Students were accepted, and a commemorative event for the 3rd anniversary of the Friendship Agreement was held (28 people).
- The opinion exchange meeting with governors of aimags in Mongolia was held at Nippondaira Hotel(22 people)

FY2015 Exchange activities

- A confirmation letter was signed with the Ministry of Health and Sports of Mongolia to attract pre-camps for the Tokyo Olympics. (4 persons)
- The delegation to Mongolia (leader: governor) was dispatched to Mongolia (56 people)
- The delegation signed a memorandum with the Ministry of Education, Culture and Science of Mongolia on exchanges in the fields of education, culture and science at the ministry office.
- The exchange group by high school students was dispatched. (35 students)
- The delegation including the Secretary-General of the Ministry of Education, Culture, Sports, Science and Technology and others visited Shizuoka Prefecture. They exchanged opinions on future exchanges
- Acceptance of the Governor's Delegation of Dornogovi aimag and Junior High School Students (10 people from the governor's and 20 junior high school students)
- The chairman of the Mongolian Paralympic Committee paid a courtesy call on the governor of Shizuoka Prefecture and visited Yaizu City. (2 persons)

FY2016 Exchange activities

- The delegation to Mongolia (leader: governor) was dispatched to Mongolia. (104 people)
- Attendance at the 5th Anniversary Ceremony of the Friendship Agreement with Dornogovi aimag
- Attendance at a ceremony for the first anniversary of the signing of the Memorandum between the Ministry of Education, Culture, Science and Sports of Mongolia and Shizuoka Prefecture
- A confirmation letter was signed between the Ministry of Education, Culture, Sports, Science and Technology of Mongolia and Shizuoka University to accept international students from Mongolia.
- The exchange group by high school students was dispatched. (35 students)

- University officials visited five universities in Mongolia and appealed about studying abroad in Shizuoka prefecture.
- Japan-Mongolia EPA (Economic Partnership Agreement) has come into effect. "Shizuoka Prefecture Trade Seminar" was held. Three companies and two organizations from Shizuoka Prefecture participated in this seminar and held business meetings with five Mongolian companies. Advisory meetings were held by SME management consultants to gain knowledge of Japanese business practices.
- A memorandum on agricultural cooperation was signed with Selenge aimag, Mongolia.
- Acceptance of High School Students in Dornogovi aimag

FY 2017 Exchange activities

- The delegation to Mongolia (leader: governor) was dispatched to Mongolia and trade promotion was done by the governor. (Approximately 120 people)
- The exchange delegation by high school students was dispatched. (25 students)
- Acceptance of High School Students in Dornogovi aimag

FY 2018 Exchange activities

- The delegation to Mongolia (leader: governor) was dispatched to Mongolia. Trade promotion was done by the governor. (160 people)
- The prefecture accepted 40 high school students from Mongolia, and they interacted with high school students from Shizuoka Prefecture.
- The Chairman of "Hunnu Air", an airline company, visited Shizuoka prefecture and came to pay a courtesy call on the governor.

FY 2019 Exchange activities

- The delegation to Mongolia (leader: Head of Regional Diplomacy Manager) was dispatched to Mongolia. (Approximately 160 people)
- The prefecture accepted 38 high school students from Mongolia, and they interacted with high school students from Shizuoka Prefecture.
- The prefecture dispatched the economic group by companies in Shizuoka prefecture to Mongolia and held a management seminar (165 participants) and a joint interview (340 participants) for university and graduate students who can speak Japanese.

FY 2020 Exchange activities

- Meetings with the Director of Mongolian State Teachers, Education and Training Center and the Director of Education and Culture of Dornogovi aimag (online)
- Donation of School Bags to Dornogovi aimag (online donation ceremony/ donated goods were mailed)
- Technical intern trainees from Selenge aimag started trainings.

Source: Based on "Exchange activities between Shizuoka Prefecture and Mongolia 20210212" provided by Shizuoka Prefecture

(7) Izumisano City, Osaka Prefecture and Tuv aimag

1) Background History of the Agreement of Exchanges

In 1997, exchanges began with Izumisano City and Mongolia because Izumisano City Hospital donated 100 items including beds and medical equipment to the First hospital in Mongolia. In addition, the opening of the new Ulaanbaatar International Airport on July 4, 2021 in Tuv aimag has made the aimag a city with an international airport. The Rinku Town in Izumisano City has been designated as a special medical zone, and the use of Kansai International Airport needs to be promoted. The city has a background of seeking exchanges with local governments in neighboring countries by comprehensively considering cross-cultural exchange

efforts such as a promotion of Izumisano City overseas and inbound tourism. Then, the Mongolia-Japan Relations Promotion Association introduced Tuv aimag, and the Mayor of Izumisano city visited the aimag in 2013. In July of the same year, the Memorandum on Friendship and Exchange was signed, and exchanges began. Since fiscal 2013, the city has been conducting exchanges in education, sports, culture and officials. July 7, 2017, the city has been registered as a host town for marathon events.

2) Major exchange programs

Exchanges with Tuv aimag

- The city has accepted Coordinator for International Relations from Tuv aimag, and in addition to coordinating with Mongolian officials, interpretation and translation, taught Mongolian culture at schools and introduced Mongolian culture (from FY2014-).
- Project to dispatch junior high school students (Project by Board of Education): The city dispatched 10 junior high school students to Tuv aimag to experience life in Mongolia and interact with local junior high school students from 2014 to 2019.
- Participation in the event: In FY2018, the delegation headed by vice governor of Tuv aimag took part in an event commemorating the 70th anniversary of the Izumisano city municipal system.

Host Town Project

- Acceptance of pre-training camps: Since Mongolia has severe winter temperature drops and it is difficult to practice outdoors, the city has been accepting training camps for marathon teams (for about a month) since 2017.
- The city accepted training camps for 8 people in 2017, 10 people in 2018, and 8 people (including coaches) in 2019. During the training camp, athletes participated in the marathon event "KIX Senshu International Marathon" held in the surrounding area and promoted the host town projects. In addition, they also participated in exchange programs with citizens such as kindergarten marathon meetings as guests, interacted with elementary school students, and joined joint training sessions with track and field clubs at Junior high schools.
- As for a training camp in 2019, the city originally planned a camp period from February 9th to March 17th, but during the period, the COVID-19 spread and there were no flights for athletes to return to Mongolia. Due to this situation, the city extended the training camp period for accepting them and continued to pick-up and drop-off athletes and support for the purchase of training shoes, daily necessities, and protein until their returning to Mongolia in June.
- The city has been invited by the Mongolian Athletics Association to dispatch runners to the Ulaanbaatar International Marathon in the capital city (one each since FY2017. No dispatches were made in FY2020).

Source: Responses to interviews and questionnaires conducted to the target local governments

(8) Izunokuni city, Shizuoka Prefecture and Songinokhairkhan district, Ulaanbaatar city

1) Background History of the Agreement of Exchanges

In August 2013, the Consul-General of Mongolia in Osaka paid a courtesy call on the governor of Shizuoka Prefecture, followed by a visit to Izunokuni city and a courtesy call on the mayor of the city. The city and the Songinokhairkhan district signed a memorandum on exchanges in 2015 after several mutual visits and discussions, initiated by a letter from the district mayor of Songinokhairkhan district to the Izunokuni city in 2014. In addition, a memorandum was concluded regarding the pre-training camp for the National Team of Judo in Mongolia for the Tokyo Olympic Games. Since fiscal 2017, the team has been holding intensive camps in Izunokuni City during international competitions in Japan.

2) Major exchange programs

FY2015

- 11 people, including the district mayor M.Chinbold from Songinokhairkhan district, visited Izunokuni City. The city also welcomed Consul-General Ch.Kulanda, and they had a city-sponsored reception, a courtesy call to the mayor and a city tour.

- Because of the invitation by Shizuoka Prefecture, four people visited as an observation team. The observation team visited Izunokuni City as a candidate site for the 2020 Tokyo Olympics pre-camp and conducted an inspection to accept the Mongolian judo national team.
- The Vice mayor, the Director of the Tourism Division, and the Director of the Urban Exchange Office of Izunokuni city visited Songinokhairkhan district to coordinate memorandum on "Acceptance of Preliminary Camps on the Tokyo Olympic Judo Games" and "Friendship City Exchanges with Songinokhairkhan district."

FY2016

- The mayor and the chairman of city council visited and signed a memorandum on the Tokyo Olympic Preliminary Camps.
- The mayor and the chairman of the city council visited and signed a memorandum on exchanges with Songinokhairkhan district.
- The delegation consisting of the mayor, the chairman of the city council and city council members visited by charter flight. As the first overseas training for junior high school students, a total of five people, four junior high school students in the city and one escorting staff, visited there. Nine people from the citizens' group visited there.

FY2017

- Two officials and three officials for international exchange visited Mongolia, exchanged working-level memorandums on official delegations and training groups by junior high school students, visited agricultural institutions, and discussed licensing of technology. The courtesy call was made on the Ministry of Education, Science, Culture and Sports.
- A total of seven visitors, including the director of education, the chairman of the city council, a member of the city council, and four city officials visited Mongolia. Two junior high school students and one escorting staff from the city visited Mongolia for the 2nd overseas training program for junior high school students. Seven citizens visited as the citizens' group.

FY2018

- The delegation of eight people, including the mayor, the chairman of the city council, a member of the city council, four city officials, and an international exchange member visited.
- A total of 21 people, including 20 junior high school students and one escorting staff visited for the 3rd overseas training for junior high school students.

FY2019

- The delegation of 10 people, including the mayor, the chairman, a member of parliament, 6 staff members, and an international exchange member, visited by charter flight. They held a signing ceremony with the Sports Agency of Mongolia regarding the Tokyo Olympics and Paralympics. A total of 20 people, including 18 junior high school students and one escorting staff visited for the 3rd overseas training for junior high school students and nine citizens visited as a citizens' group.

Source: From the table "History of exchange with Mongolia and Songinokhairkhan district" in the responses to the questionnaires and interviews conducted to the target local governments

(9) Yahiko Village in Niigata Prefecture and Erdene soum in Tuv aimag

1) Background History of the Agreement of Exchanges

On the occasion of the "Sumo Arena Opening" celebrating the 100th anniversary of the relocation of Yahiko Shrine in August 2015, famous Mongolian Sumo wrestlers, Yokozuna Harumafuji, and Ozeki Terunofuji visited Yahiko village. At that time, the two wrestlers told the village that they wanted to be a bridge between their homeland Mongolia and Japan, which initiated the exchange. Later, the Mongolian embassy introduced Erdene soum to Yahiko village.

2) Major exchange programs

FY2016

- Yahiko-Mongolia Friendship Association was established. The Ambassador of Mongolia to Japan and Coordinator for International Relations at Niigata Prefecture visited elementary schools.
- From Yahiko village, the director of the board of education and the director of the general affairs division visited Erdene soum.
- From Yahiko Village, the village chief, the director of the general affairs division, the director of junior high school, and six junior high school students visited Erdene soum.
- A Mongolian fair was held in Yahiko Village. “Mongolian gers” were exhibited in Yahiko Village. Ethnic costume rental. Performance of Morinkhuur by Mongolians, and Report of a visit to Erdene soum by junior high school students.

FY2017

- Donation of a fire fighting vehicle. Director of general affairs division and two members of the fire brigade visited Erdene soum for technical guidance.
- From Erdene soum, the village chief and two staff members and six elementary and junior high school students visited Yahiko village. Home stay experience was held.
- A Mongolian fair was held in Yahiko Village.

FY2018

- From Yahiko Village, the village chief, the director of junior high school, and six junior high school students visited Erdene soum. Home stay experience was held.
- A Mongolian fair was held in Yahiko Village.

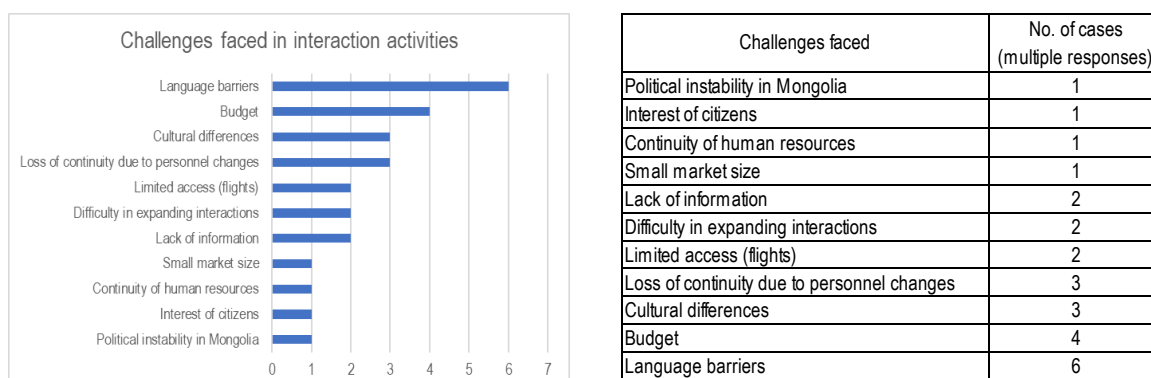
In 2019

- A Mongolian fair was held in Yahiko Village.
- From Erdene soum, the village chief, the director of junior high school, and five junior high school students visited Yahiko. Home stay experience was held.

Source: Responses to interviews and questionnaires conducted to the target local governments

8.2 Challenges faced by local governments in exchange activities

The following graph categorizes and organizes the responses given as issues faced by each local government.



Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

Figure 8-3: Challenges faced in Exchange Activities

Actual responses to the issues raised by many local governments are given below.

(1) Language barriers

Problems concerning "language barriers and interpreters" such as "language barriers (inability to speak English each other and fewer Mongolian interpreters)" by Tsubame City, Niigata Prefecture, were the most common problems. Six of the 22 local governments or consulates that responded raised similar issues.

(2) Budget

Especially in the host town municipalities, specific issues were raised as follows. "After the Tokyo 2020 Games, it is expected that the budgetary (public expense) measures for exchange programs will become stricter, and the out-of-pocket expenses for exchange programs participants from the city will increase, and the expenses for accepting from Mongolia to this city would become tough. There is a possibility that financial constraints will become an issue." (Yaizu City, Shizuoka Prefecture).

(3) Ensuring continuity

As a challenge for the Mongolia side, the transfer of personnel in charge and the loss of continuity due to the political situation have been raised as challenges. As a specific example, "The political instability of Mongolia and frequent transfers and retirement of administrative officers are troublesome as always. It is very annoying that they don't complete handover and cannot work continuously." (Shizuoka Prefecture).

(4) Confirming the results of training and human resource development

"We feel that it is difficult for Central aimag (Tuv aimag) to continue (sustain) and develop what they have learned through exchanges and trainings. In some cases, those who participated in training as agricultural trainees left the agricultural sector in a few years, so the issue is how to combine the results of their activities with the future without interruption." (Tottori Prefecture), There is the comment that it is difficult to link training and human resource development to results.

<What we want Mongolia to do>

For each local government to develop exchanges, the answers given as "what we want the Mongolian government and local governments to do and the issues we want them to solve" are categorized and shown below.

Table 8-7: What we want the Mongolian government and local governments to do

Policies	Continuity of policies, presentation of directions and plans, and promotion of personnel exchanges, exchanges between private companies, and mutually beneficial exchanges between Japanese and Mongolian municipalities
Financial affairs	Financial support (interpretation expenses, etc.)
Human resources	Improvement of staffing support and interpreters, and ensuring continuity of personnel in charge
Information	Improvement of coordination / communications, and provision of information
Infrastructure	Ensuring convenience of access (direct flights), and standards and maintenance of tourist facilities

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

Actual responses to the issues raised by multiple local governments are shown below.

(1) Enhancement of human resources

With regard to the development of exchanges, in response to the question "What do you want the Mongolian government and local governments to solve and what issues do you want them to solve?", there were multiple answers requesting the enhancement of human resources, such as "Although it is an issue for both of us, there are few human resources who can speak our both languages, and I feel that the development of human resources who will serve as a bridge is an issue in order to further develop exchanges between Central aimag and Tottori Prefecture." (Tottori Prefecture)

(2) Provision of Information

Based on the answers, it can be said that local governments which have a relatively short exchange period and wish to develop exchanges in the future struggle with the lack of related information. Specifically, "it would be very helpful for us to have a collection of case studies of local governments which interact with Mongolia in order to promote exchanges. Particularly, it is desirable to know cases of exchanges in small-scale towns and villages." (Imabetsu City, Aomori Prefecture), and "Providing information on Exchange activities with countries and local governments other than Japan" (Okazaki City, Aichi Prefecture) In this way, issues related to information provision are raised in the responses.

(3) Continuation of policy

Furthermore, "When the administration and heads changed due to the national elections in Mongolia, the election of the mayor of Ulaanbaatar and the city council election, most of the executives changed, and many of the officials retired, so the project we were working on stagnated and the relationships we had built up to that point were lost as well (Asahikawa City, Hokkaido). "Currently, there is no communication with Khujirt City, and we do not know the situation there. We would like to know the situation in Mongolia and the relationship between the country and Khujirt City" (Matsuura City, Nagasaki Prefecture) These answers are in common with the loss of continuity of human resources in the "challenges faced" mentioned above.

<Advice to other local governments>

The answers of the four local governments which answered "Points and advice which other Japanese local governments should keep in mind when interacting with Mongolia in the future" are shown below.

Table 8-8 : Points of Attention and Advice in Carrying Out Exchange Activities

Municipality name	Points to be noted and advice for other Japanese municipalities to launch exchange activities with Mongolia in the future
Yahiko Village, Niigata Prefecture	To have a meeting with Mongolians, it is advisable to ask an interpreter or a travel agency with connections with local residents to serve as an intermediary. This is because an attempt to have direct communications with them takes time to receive a reply.
Izunokuni City, Shizuoka Prefecture	Since regular flight services to Mongolia are usually offered from Narita Airport, and the time difference with Japan is one hour, it is relatively easy to come and go between the two countries. In addition, many people in Mongolia, feeling a strong affinity toward Japan, are friendly, and their appearance is similar to that of Japanese people, so it seems easy to have a sense of intimacy. In many cases, it is difficult to receive a response when contacting and coordinating with an exchange destination, or a schedule is often kept undetermined until just before the visit, so it is necessary to negotiate with them keeping those aspects in mind.
Izumisano City, Osaka Prefecture	I didn't feel there was anything that I needed to pay particular attention to, but I feel that the language barrier is higher than that in English-speaking countries, so I believe that coordination will proceed more smoothly if there are staff members who can speak Mongolian, such as coordinators for international relations. In addition, Mongolians have a meat-centered diet and, in many cases, do not eat fish or shellfish (especially raw fish and crustaceans), so I believe that those who serve meals at welcome parties and homestays should have taken those aspects into consideration. Also, in Mongolia, the seasoning is mainly salty and simple, so Mongolians may not eat sweet dishes (sukiyaki, etc.) much. Among the meals I have served so far, I believe that dishes such as yakiniku and shabu-shabu hot pot, in which they were able to adjust the taste themselves, were well received.
Miyakonojo City, Miyazaki Prefecture	Learn in advance about their habits, customs, and the history between the two countries.

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

What is common to the answers of the four local governments is the issue of "communication." Specific advice, such as "the use of international exchange staff and Mongolian-speaking staff" (Izumisano City) and "securing intermediaries such as interpreters and travel agencies connected to the local site" (Yahiko Village) are raised as the solutions.

8.3 Possibility of expanding collaboration in the future

The following table shows the responses of each local government regarding plans for future expansion and development of collaboration with local governments in Mongolia. In this case, we have sorted the municipalities which serve as sister partnerships (including plans) and host towns, the municipalities which serve as only host towns, and others.

Table 8-9: Plans to expand and develop future collaboration with local governments in Mongolia

Type of exchanges	Municipality name	Do you have any plans to expand collaboration with Mongolia in the future? How are you planning to develop it?	Summary
Sister city & Host town	Musashimurayama City, Tokyo	An international sister city agreement is scheduled to be concluded during FY 2021. After the conclusion, we will promote mutual exchanges centered on culture and sports.	Promotion of cultural and sports exchanges
Sister city & Host town	Yahiko Village, Niigata Prefecture	As usual, we will visit each other's countries every other year. Children will experience a homestay. In addition, although it is at the stage of desire, we believe that it would be good if we can have web exchanges between school sites.	Mutual visits as before
Sister city & Host town	Izunokuni City, Shizuoka Prefecture	(No response)	
Sister city & Host town	Yaizu City, Shizuoka Prefecture	We would like to continue the exchange program that we are currently conducting and have discussions with related organizations so that we can have various exchanges as a legacy of the Tokyo 2020 Games in the future.	Have exchanges as a legacy
Sister city & Host town	Izumisano City, Osaka Prefecture	Tuv aimag is our friendship municipality, and one of the purposes of the host town project is to interact with each other even after the Olympics, so we would like to continue exchanges and deepen the friendship with the aimag. I believe that both sides hope to collaborate with each other, and if there is a feasible project, we will collaborate for the project.	Feasible business collaboration
Sister city & Host town	Miyakonojo City, Miyazaki Prefecture	In the future, we expect the continuation of civic exchanges centered on youth exchanges and the development of academic exchanges between schools, civic groups, and companies. Regarding the legacy promoted by the host town, we are planning to resume the "Mongolia-Japan Wrestling Exchange Meeting" (3rd), which was held twice in the past (February 2018, February 2019), and are discussing the invitation of Mongolian wrestling representatives who participated in the Tokyo Olympics, and holding of an event.	Expectations for the development of academic exchanges as well as the continuation of civic exchanges
Sister city	Saku City, Nagano Prefecture	None in particular.	None
Sister city	Shizuoka Prefecture	In the future, we plan to expand exchanges with Mongolia in the economic sector. Introduction of a co-working system through long-term dispatch of staff members.	Expansion of economic exchanges
Sister city	Tottori Prefecture	We are currently considering exchanges between museums and between libraries of our partner aimag and our prefecture.	Considering exchanges among museums and among libraries
Sister city	Takkawa City, Hokkaido	The trainee acceptance project carried out by Takkawa City will end in FY 2021. Since 2015, the Takkawa International Association has continued to support agriculture in Mongolia through the JICA Grassroots Technical Cooperation Project, and after 2020, we will start to provide cooperation to Tuv aimag. In addition, we are planning to accept technical interns from Uvurkhangai aimag from FY 2020 (however, it is delayed due to the influence of the new coronavirus infection).	Agricultural support
Sister city (suspended)	Toyooka City, Hyogo Prefecture	We have several plans still in the idea stage, but they vary from realistic to non-realistic ones. They are not at the level that we can leave comments about here, so I will refrain from detailing them. However, in the future, there will be an increasing number of situations in which young Mongolians will play an active role in various fields in Japan. To this end, I believe that not only our city but also any people of local governments and groups, as well as individuals throughout Japan who have promoted friendly exchanges with Mongolia have headed in almost the same directions for the idea of what kind of exchanges and measures are required for that purpose.	At the idea stage
Sister city (suspended)	Matsura City, Nagasaki Prefecture	Currently, we are coordinating our plans toward resuming our exchanges.	Currently coordinating the resumption of exchanges
Host town	Imabetsu Town, Aomori Prefecture	At present, we have exchanges through fencing alone. The basic agreement also describes exchanges in the fields of culture and tourism, cooperation in the fields of economy and industry, etc., but the situation is that we have yet to have exchanges in the tourism sector and the economic and industrial sectors. Our town also hope to consider various possibilities and expand our exchanges, but we have no plans.	Hope to expand our exchanges but we have no plan.
Host town	Sakuragawa City, Ibaraki Prefecture	Exchanges after the Olympics are currently undecided.	Undecided
Host town	Shirosato Town, Ibaraki Prefecture	We have no plans yet.	Undecided
Host town	Namegata City, Ibaraki Prefecture	I would like to promote personnel, physical, and cultural exchanges with Mongolia, taking the opportunity of exchanges at the Olympic Games. Currently, discussions are underway with the Mongolian Embassy in Japan in order to form a friendship city tie-up with a local government of the country.	Under discussion
Host town	Niigata City, Niigata Prefecture	Exchanges with people and players from Mongolia.	Interactions with people and players from Mongolia
Host town	Tsubame City, Niigata Prefecture	Through archery, we would like to promote our interactions and collaborations as a legacy in the future.	Exchanges and cooperation as a legacy
Host town	Nagaoka City, Niigata Prefecture	During and after the Tokyo Olympics and Paralympics, we plan to implement exchange programs and cultural introductions at elementary and junior high schools.	Exchange program and cultural introduction after the Games
Host town	Shimada City, Shizuoka Prefecture	We will further develop exchanges centered on our sister schools.	Development of exchanges of sister schools
Host town	Okazaki City, Aichi Prefecture	Looking ahead to the 2026 Asian Games to be held in Aichi Prefecture, we plan to promote exchanges through archery.	Exchanges through competition
Host town	Usa City, Oita Prefecture	We plan to have a camp immediately before the Tokyo 2020 Olympics (July).	Camp immediately before the Olympics
Other	Hokkaido	We will promote exchanges with Mongolia in collaboration with the Hokkaido-Mongolia Economic Exchange Promotion Study Group, which is the center of exchange development with Mongolia.	Collaboration with private organizations
Other	Sapporo City, Hokkaido	By introducing the experience and technologies of business operators in Sapporo, Hokkaido along with the development activities planned to be carried out in Ulaanbaatar City, we plan to develop them into climate change countermeasures in Ulaanbaatar.	Technical cooperation
Other	Mukawa Town, Hokkaido	We will promote regional revitalization in line with economic collaboration and exchanges with private companies.	Cooperation with companies
Other	Ishikawa Prefecture	We are aware that the Ishikawa Mongolian Friendship Association is active as part of the private sector-driven exchanges, but there are no exchanges between municipalities of our prefecture and those of Mongolia.	No exchanges
Other	Oita Prefecture	We have no schedules at this time.	No schedule
Other	Okinawa Prefecture	We have no specific plans at this time.	No plan
Other	Shiga Prefecture	While positively promoting academic and personnel exchanges regarding Lake Biwa and Lake Khövsgöl, we would like to share the values of lakes and marshes with the world.	Academic / personnel exchanges
Other	Asahikawa City, Hokkaido	We have no plans at this point.	No plan
Consulate	Honorary Consulate in Nagoya	<ul style="list-style-type: none"> We will continue to prepare for the free support to Mongolia and the holding of the Mongolian Japan Medical Dentistry Forum after assessing the shift of measures against new coronavirus infection. We will continue to support the acceptance of patients from Mongolia. We plan to increase the number of affiliated medical institutions in order to strengthen the acceptance system. 	Continuation of support / acceptance
Consulate	Honorary Consulate in Tokushima	In the future, we would like not only to promote collaboration in the activities of the Honorary Consulate in Shikoku, but also to act as a bridge with each administrative agency as necessary.	Bridging with government agencies
Consulate	Honorary Consulate in Fukuoka	To develop a federation with Mongolia in the future, it seems necessary to have a plan of information flow + flow of people + business matching + business seminar. Especially, in order to expand the flow of people, it is of utmost importance to stabilize tourism programs. In the Kyushu area in particular, there are many aspects that can be triggers to attract Mongolian tourists, such as tourist attractions and hot springs with which those tourists can follow the traces of the Kublai Khan empire's invasion. It is also necessary to systematically contribute to the Industrial Revolution in Mongolia with a view to the development of technological exchanges.	Business collaboration / technical exchange development

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

While sister partnerships municipalities generally show the directions of "promotion of exchanges," "continuation," and "expansion," there are multiple "no plans" and "undecided" in the host town-only municipalities, indicating that collaboration after the Olympic Games is uncertain.

The following is the responses from the municipalities that responded to the question of whether it is possible to collaborate with Mongolia outside of the host town project or sister or friendship partnerships.

Table 8-10: Potential partnerships with Mongolia (other than host town projects and sister partnerships)

Municipality name	Is there a possibility of being able to collaborate with Mongolia outside the host town projects and sister city programs? If any, what are the details?
Namegata City, Ibaraki Prefecture	Sports exchanges (Mongolian athletes' Japanese camp)
Yahiko Village, Niigata Prefecture	Exchanges for industrial purposes. Although it has not been materialized yet, it would be great if Yahiko Village has agricultural exchanges.
Yaizu City, Shizuoka Prefecture	I believe that there is a possibility that private organizations can cooperate with each other by business establishments in the city to exchange human resources via Chambers of Commerce and Industry, etc. As a result, the relationship between the two countries will be deepened, and exchanges can be regarded as a countermeasure for the future population decline and human resources shortage for Yaizu City.
Izumisano City, Osaka Prefecture	I can't think of any specifics, but we believe that there is a possibility of collaboration if both parties wish for collaboration and there is a feasible project.
Miyakonojo City, Miyazaki Prefecture	Private organizations other than local governments proactively hold PR events and sell their special products and specialties. Sightseeing tours held in collaboration with travel agencies (HIS agency is located in Ulaanbaatar City.)

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

<Mongolia's attractiveness indicated by local governments>

The following table summarizes the parts which describe "Mongolia's Goodness and Attractiveness" from the responses of each local government.

Table 8-11: Mongolia's Goodness and Attractiveness

Municipality name	Charms of Mongolia (Why Mongolia?)
Imabetsu Town, Aomori Prefecture	I felt that Mongolia was a nice place with a fine climate.
Yahiko Village, Niigata Prefecture	Sumo wrestling and rich nature
Saku City, Nagano Prefecture	Gentle personalities, approachable, and friendly
Shizuoka Prefecture	Mutually reliable, and great possibility for development
Izunokuni City, Shizuoka Prefecture	Relatively easy to mutually visit, pro-Japanese, friendly, and approachable
Yaizu City, Shizuoka Prefecture	Familiar and bright personality, hospitality, best nature unique to the country, cultures such as of grasslands and nomadic gels
Shimada City, Shizuoka Prefecture	Morin khuur (stringed musical instrument of Mongolian origin), culture, direct flight services, and no time difference
Izumisano City, Osaka Prefecture	Quickly amicable ethnicity, approachable, friendliness, shopping at UB, rich nature and landscape, and possibility of future economic development
Toyooka City, Hyogo Prefecture	Intuitive impression that relates to Japanese people, approachable, do not forget people whom they have met once, a culture of respecting older people and friends, and maintaining the values that Japanese people are losing.
Tottori Prefecture	Geographical benefits, nomadic culture, existence that feels like one's hometown, warm and kind, friendly, positive and active for interactions, sumo wrestling, and hospitality (when we visit the country, they prepare opportunities for us to experience Mongolian culture, etc.)
Matsuura City, Nagasaki Prefecture	Historical romance
Shirosato Town, Ibaraki Prefecture	Asian region, and pro-Japanese
Namegata City, Ibaraki Prefecture	Relatively close, similar in appearance, approachable, sumo wrestling, and learning of Japanese language is thriving.
Musashimurayama City, Tokyo	Sumo wrestling and rich nature
Tsubame City, Niigata Prefecture	Friendly, and actively trying to learn Japanese culture
Honorary Consulate in Tokushima	Friendly, children's purity and single-mindedness, possibility of market development, and sumo wrestling
Mukawa Town, Hokkaido	The distance from Japan is close, and developability of dinosaur research
Oita Prefecture	Sumo wrestling
Asahikawa City, Hokkaido	Mother nature

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

From the above table, we classified the "goodness" which each local government recognized through exchanges with Mongolia as follows.

(1) Familiarity

It was related to the personality and nationality of the Mongolian people, such as being friendly with Japan, hospitality, and honoring the elders and friends (number of answers 24).

(2) Pro-Japanese attitude

There are comments such as "Positive and Proactive in Exchange," "Active in Japanese Language Learning," and "Proactive in Learning Japanese Culture". These comments demonstrate that the attitude of the Mongolian people in exchange has had a positive influence on the activities with Japanese local governments (number of replies: 4).

(3) Learning from Mongolia

There are comments such as "Mongolians keep the values that Japanese people are losing" (Toyooka City, Hyogo Prefecture), "I feel the purity and dedication that Japanese children do not have today" (Honorary Consulate in Tokushima). It can be said that the Japanese side has built a mutual relationship to learn from Mongolia through exchanges from these comments.

(4) Others

Many local governments cited "Great Nature and Climate" (number of replies: 6) and "Unique History and Culture (nomadic, morinkhuur and ethnic musical instruments)" (number of replies: 4), and also many local governments cited "Geographical Benefits (Asian region, relatively close, no time difference)" of Mongolia (number of replies: 7). Some local governments cited Mongolia's "Potential for future market and economic development" (number of replies: 3). This view shows that some local governments expect future-oriented exchange development.

The remarks made by Yahiko Village mayor Toyohiko Kobayashi in the article "Trip for Erdene soum, Mongolia for 4 nights and 5 days [11]" dated September 17, 2018, from the Sanjo Shimbun, a local newspaper in Niigata Prefecture, are specifically quoted below.

"The three reasons why Village mayor Kobayashi decided on a friendship city agreement with Erdene soum are that Mongolia is making progress in economic development due to mineral resources such as rare metals, that regular flights to Niigata Airport are expected to increase tourists from Mongolia in the future, and that he wanted the children of Yahiko Village to experience international exchange. Village mayor Kobayashi said "Once regular flights go into service at Niigata Airport, we can visit each other in 4 hours. Exchanges become easier because Niigata is the gateway." To that end, he explains the importance of exchange from an early stage, saying, "Mongolia won't treat us as a partner after becoming a rich country."

8.4 Tourism Exchange Programs and Plans

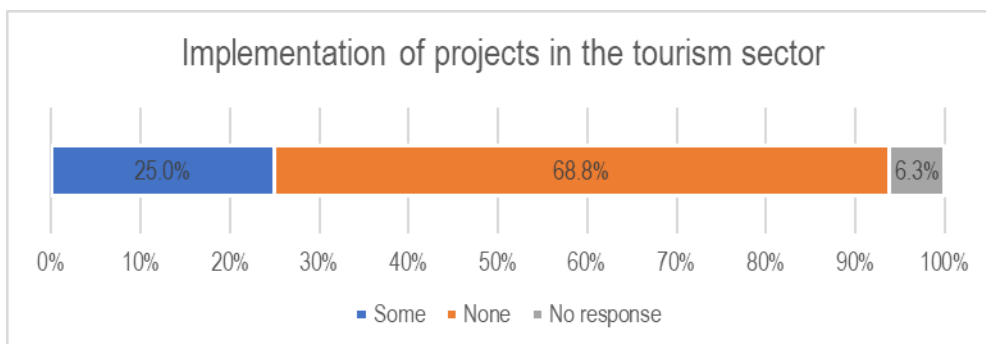
Regarding local governments which responded that they have a track record or plans for exchanges and business activities with Mongolia in the tourism sector, the following are the details of their implementation and answers for future plans.

Table 8-12: Results and Plans of Exchange and Business Activities in the Tourism Sector

Municipality name	Whether you have currently conducted exchange activities and business activities with Mongolia in the tourism sector, such as planning of Mongolian tours, and if any, describe the details (purpose, content, achievements (impact on both Japan and Mongolia), issues, etc.)	Are you planning exchange activities or business activities in the tourism sector in the future?
Shizuoka Prefecture	Every year, we charter MIAT Mongolian Airlines planes (air plains of private airlines twice), and dispatch citizens of the prefecture and exchange missions. We have accepted the Mongolian Tourism Association and had tourism exchanges with them. When they sent a tourist from Mongolia to our prefecture, we provided a support fund for them.	We will continue the above-stated exchanges.
Izunokuni City, Shizuoka Prefecture	Although we have no plans for a Mongolian tour, as a project of the Izunokuni City Friendship City Exchange Association, we have recruited citizens' delegations every year and dispatched them to Mongolia.	We plan to dispatch a citizen visit group to Mongolia and to provide overseas training for junior high school students as before, when the circumstances allow us to go to Mongolia in the future.
Yaizu City, Shizuoka Prefecture	In 2018, in line with the Yaizu City Host Town Promotion Council's visit to Mongolia, we recruited citizens for a tour in Mongolia, and we had two applicants. During the visit, we paid a courtesy visit to the Chingeltai district of Ulaanbaatar, which had exchanges with Yaizu City, and the Olympic Committee, etc., and also experienced lodging in a ger (yurt) at a tourist camp.	Undecided at the present time
Izumisano City, Osaka Prefecture	We used to line up a tour to participate in the Mongolian International Steppe Marathon held in Tuv aimag as a return offering for hometown tax payment in the past, which is currently no longer offered, and donors participated in the marathon.	Since there are no regular flight services to Mongolia due to the COVID-19 crisis, the only way to travel to Mongolia is to board a government charter flight, and the situation continues that foreigners cannot enter the country due to epidemic prevention measures. Mongolia has taken stricter epidemic prevention measures than Japan, and it is difficult to plan exchanges and activities in the tourism sector, as there is no prospect for lifting the measures.
Matsura City, Nagasaki Prefecture	We opened "Takashima Mongolia Village", an accommodation facility with grasslands, gers, restaurants, hot spring facilities, etc. that reminds us of Mongolia with the motif of Mongolian nomads. We were developing a tourism project aimed to attract tourists. (The village has closed since November 2016.)	Currently, we have no plans for exchanges or activities in the tourism sector.
Asahikawa City, Hokkaido	On September 15, 2011, Mr. Baatarsaikhan Tsgaach (President of Tavan Bogd Group) became the Tourism Ambassador of Asahikawa.	We have no plans.
Honorary Consulate in Tokushima	Mongolian boys participated in the Japan National Youth Baseball Tournament. We hosted the Japan Mongolian Exchange Youth Baseball Tournament in Mongolia. We also held public performances of the Mongolian Singing and Dancing Troupe, focusing on Sosorbaram, four times in Tokushima, Kochi, and Anan City, etc.	1. Prefecture-city cooperative inspection tour participated in by Tokushima Prefectural Government, Prefectural Governor, Anan City councilors, Tokushima City councilors. 2. In the future, we will plan and hold joint sightseeing tours to four prefectures of Shikoku.
Honorary Consulate in Fukuoka	We have conducted such activities. Due to the high handling fees of major tour companies, we have collaborated with small and medium-sized tour companies in Mongolia, and have asked them to propose tour products. At a group company with a tourism-related business on the Japanese side, we have established a mechanism to sell and promote products of the company. The aim is to develop business with the aim to expand economic exchanges in Mongolia for owners of small and medium-sized enterprises. We have them go on tours at our various facilities through tour products to Mongolia, and let them experience the goodness of Mongolia in the remaining time of their visit.	We are planning such activities. Toward the 50th anniversary of the establishment of diplomatic relations, we are planning an activity to relearn the history of the 13th century, when Kyushu had a deep connection with Mongolia. As part of this, we have started an activity to restore historical monuments managed by Fukuoka City. As part of the activity, we participated in the Mongol Invasion Summit held last year through collaboration among Tsushima City, Iki City, and Matsura City, and we are currently formulating a tourism route plan by cooperating with each other also in the tourism sector in the future. With the start of operation of a new airport in Mongolia, we expect that the tourism sector will be developed further if they start to provide regular flight services between Fukuoka and Ulaanbaatar.
Sapporo City, Hokkaido	None particularly	<World Winter Cities Association for Mayors> In the 2021 Mayors' Summit, we are planning to hold a practitioner-level policy study group meeting on tourism. Participation of Ulaanbaatar City in the summit is undecided.
Mukawa Town, Hokkaido	None	We would like to discuss a dinosaur fossil excavation site experience tour.
Namegata City, Ibaraki Prefecture	Currently we have conducted no activities.	We have not implemented such activities at present, but we would like to discuss the possibility of implementing them.
Tsubame City, Niigata Prefecture	None at present	We would like to consider conducting such activities in the future.
Takikawa City, Hokkaido	No exchanges in particular in both our tours and the tourism sector, including schedules	High schools and junior colleges in the city are considering conducting study tours for students.
Tottori Prefecture	Although we have no exchanges or activities in the tourism sector, we have opened an official account of Tottori Prefecture for Mongolia and disseminate tourist information of Tottori in Mongolian.	We plan to create a pamphlet in Mongolian containing tourist information of the prefecture during this fiscal year.

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

In the past, 25% (eight cases) of the local governments (32 cases) answered "yes" to questions about if they had exchange activities or business activities with Mongolia in the tourism sector.



Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

Figure 8-4: Business implementation in the tourism field (with or without of actual results)

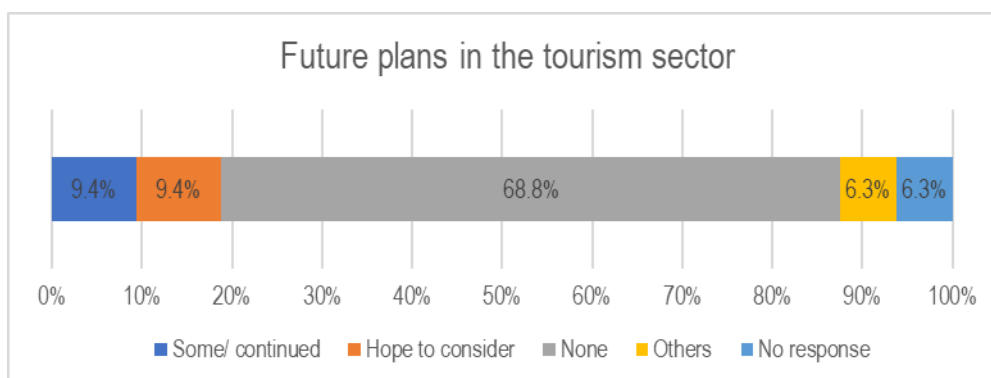
The specific activities of the local governments that answered "yes" in the above questions are shown below.

Table 8-13: Examples of Business Implementation in the Tourism Field

Implementation examples of tourism projects
• Dispatch of citizens of the prefecture, acceptance of the Mongolia Tourism Association's delegation, tourism support subsidies [Shizuoka Prefecture]
• Citizen tour dispatch, overseas training for junior high school students [Izunokuni City, Shizuoka Prefecture]
• Citizen tour dispatch [Yaizu City, Shizuoka Prefecture]
• Mongolian International Steppe Marathon participation tour (return offering for hometown tax payment) [Izumisano City, Osaka Prefecture]
• Takashima Mongolia Village (closed from 2016) [Matsuura City, Nagasaki Prefecture]
• Asahikawa Tourism Ambassador by Mongolian residents [Asahikawa City, Hokkaido]
• Dissemination of Tottori tourism information online in Mongolian [Tottori Prefecture]
• Cultural exchanges (holding of the Mongolian Singing and Dancing Troupe's concert) [Honorary Consulate in Tokushima]
• Sports exchanges (Japan-Mongolia exchange youth baseball tournament, held in Japan and Mongolia) [Honorary Consulate in Tokushima]

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

When asked if there are plans for exchange activities and business activities with Mongolia in the tourism field in the future, 3 out of the target local governments (32 cases) answered "yes", and 3 out of the local governments answered "want to consider", and 22 out of the local governments answered "none".



Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

Figure 8-5: Future plans in the tourism field

The plans of the local governments that answered "Yes", "Want to consider" or "Other" in the above questions are shown below.

Table 8-14: Future plans in the tourism field

Contents of future plans
• Dispatch of citizens of the prefecture, acceptance of the Mongolia Tourism Association's delegation, and continuation of tourism support subsidies [Shizuoka Prefecture]
• Citizen tour dispatch continuation of overseas training for junior high school students [Izunokuni City, Shizuoka Prefecture]
• Under discussion of study tours for high school and junior college students [Takikawa City, Hokkaido]
• Hope to discuss a dinosaur fossil excavation experience tour [Mukawa Town, Hokkaido]
• Planing a prefecture-city cooperative inspection tour, and joint sightseeing tours to four prefectures of Shikoku [Honorary Consulate in Tokushima]
• Participating in the Mongol Invasion Summit and formulating a sightseeing route plan [Honorary Consulate in Fukuoka]
• Scheduling to hold a tourism policy study group meeting at the World Winter Cities Association for Mayors [Sapporo, Hokkaido]
• Preparation of Mongolian version of Tottori tourist information pamphlet [Tottori Prefecture]
• Hope to discuss such activities [Namegata City, Ibaraki Prefecture, Tsubame City, Niigata Prefecture]

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

<Awareness for Mongolian Tourism>

The following are the answers to the question, "What people who visited Mongolia in the framework of exchange activities noticed (about tourism), had troubles, and thought that they should be improved" categorized and organized as follows (multiple answers).

Table 8-15: What people noticed when visiting and what need to be improved (especially tourism)

Field	Contents	No. of cases (multiple responses)
Environment / Infrastructure	Roads undeveloped (local)	5
	Traffic jam (UB)	3
	Access (flights) convenience and prices	3
	Air pollution (UB)	3
	Access / travel time (local)	2
	Expectations for the operation of the new international airport	1
Tourism resources	Toilet maintenance / improvement	4
	There are few tourist facilities.	1
	Standard development/maintenance of tourist facilities	1
	Creation of Wi-Fi environment	1
	Enhancement of souvenir sales (accommodation souvenir shops)	1
Services / Information	Improvement of customer services (airport staff support, etc.)	2
	Safety, risk management (local)	2
	Establishment of tourist windows	1
	Experienced guides required	1
	Language barrier (interpretation)	1
	Establishment of travel insurance	1
Others	Climate difference, cold, dusty	2
	Necessary to pay attention to the differences in diet and hygiene and physical condition management.	2
	Bad manners of other tourists	1
	Differences in human relationships and cultural education	1

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

This table shows that when Japanese local government officials visit Mongolia in the framework of exchange programs, they notice inadequacies in infrastructure and facilities in many cases such as underdeveloped roads, traffic congestion, and whether airlines are convenient and their price is adequate.

<The impact of exchange and collaboration on Tourist for Mongolia>

When asked whether the number of tourists to Mongolia has tended to increase through collaboration with Mongolia, or whether it had an impact on the tourism sector, most of the local governments responded that they "do not know" or "do not have anything in particular." The responses of the three local governments that received specific responses were as follows.

Table 8-16: Impact on tourism through collaboration

Municipality name / consulate	Did the number of tourists to Mongolia tend to increase through collaboration with Mongolia, or did it have an impact on the tourism sector?
Shizuoka Prefecture	Had a great impact.
Tottori Prefecture	There is an example of a host family that accepted a youth from the Central aimag of Mongolia. In addition, exchanges with Mongolia are expanding, with new Mongolian international exchange members being newly assigned to local governments in the prefecture. We would like to try to expand exchanges to the tourism sector in the future.
Honorary Consulate in Fukuoka	It is expected that the number of tourists to Mongolia will increase. We believe that if the number of Mongolian tourism companies that can be introduced with security increases, the services and responses will be improved in competition.

Source: Prepared by the survey team based on responses to interviews and questionnaires conducted to the target local governments

The answer "Had a great impact" from Shizuoka Prefecture is influenced by the fact that the prefecture has organized a group of visitors from the prefecture by operating charter flights every year as a result of collaboration. As Shizuoka prefecture takes the initiative, mutual visits and exchanges among Izunokuni City and Yaizu City and others in the prefecture are expanding.

8.5 Toward Proposals for Collaboration

(1) Relationships between people and relationship of trust are key

When promoting exchanges and collaboration, several local governments have raised the challenges of securing personnel capable of interpreting and translating Mongolia and retaining staffs serving as a contact point in Mongolia. It is reconfirmed that the connection between people and the relationship of trust are important to continue and develop exchanges. Local governments in Japan, where Mongolian officials and coordinator for international relations (CIRs) conduct activities, develop exchanges relatively well (Tottori Prefecture, Shizuoka Prefecture, Miyakonojo City, Izumisano City, Yaizu City, Izunokuni City, etc.).

(2) Cancellation of exchanges with host town municipalities due to COVID-19

In 2020, mutual visits became impossible due to COVID-19, and in particular, the host town municipalities which tried to develop exchange programs in response to pre-training camps of the Mongolian national athletes participating in the Olympic and Paralympic Games almost disrupted exchanges and collaboration. The period during which the Mongolian athletes come to Japan for a preliminary training camp is an important opportunity to hold exchange events with the citizens for host town municipalities. It is extremely difficult to promote exchanges without that. On March 20, 2021, during the period of the survey, it was officially decided to forgo the acceptance of general spectators from overseas to the Olympic and Paralympic Games. As a result, it became practically impossible "to promote human, economic, and cultural exchanges between local governments nationwide and the countries and regions participating in the Games, and to promote regional revitalization with the visit of many athletes and spectators thanks to the holding of the 2020 Tokyo Olympic and Paralympic Games", which is indicated in Article 1 of the "Host Town Promotion Guidelines". Since May 2021, after this hearing survey, the planned pre-training camps in the host town municipalities for athletes from Mongolia have been cancelled one after another (Sakuragawa City, Shirosato town in Ibaraki Prefecture, Imabetsu town in Aomori Prefecture, Izunokuni City in Shizuoka Prefecture, Usa City in Oita Prefecture, Okazaki City in Aichi Prefecture, Tsubame City in Niigata Prefecture, Izumisano City in Osaka Prefecture, and so on.).

(3) There are some local governments wishing to interact regardless of the Olympic and Paralympic Games

In examining the possibility of cooperation in the tourism sector between the local governments of Mongolia and the Japanese local governments surveyed, proactivity and willingness of these local governments in two countries are important factors. Answers reveal that the local governments of Japan, which have been continuing exchanges with the local governments of Mongolia since before the host town project, plan to continue exchanges regardless of the Olympic and Paralympic Games, and that they are eager to do so (Yahiko Village, Shizuoka Prefecture, Tottori Prefecture, Izumisano City, Saku City, etc.). Several host town governments raised the issue of how to secure the budget for exchanges after the Olympic and Paralympic Games. When considering plans for collaboration, it is essential that local governments in Japan recognize

the positive significance for exchanges with local governments in Mongolia.

(4) Exchange Programs Have Not Linked to Municipal Cooperation in the Tourism Sector

Under these circumstances, when considering a plan for collaboration in the tourism sector, it is appropriate to focus mainly on local governments which have been continuing to interact with each other for a long time before the host town project, and on local governments which plan and are motivated to promote exchanges with the host town project as an opportunity. However, even in local governments with a long history of exchange, exchange programs haven't produced "the possibility of cooperation between local governments in two countries in the tourism sector". Given that there are not many local governments with such directions in the future, it is extremely difficult to propose collaborative proposals with effectiveness in a short period of time.

In a hearing (held on June 4, 2021) with the Director of the Policies Implementation Division of the Tourism Department in Ulaanbaatar, the capital city which has the most experience in exchanging with local governments in Japan, she didn't name the local governments which they had relationships in Japan in response to the question of "Is there any collaboration with local regions in Japan in the tourism sector?" She stated that they constructed a trekking course called "Olle" originating in Jeju Island, South Korea, and that an event on foot was held in Ulaanbaatar, which was positioned as a sister event alongside "Kyushu Olle" and "Miyagi Olle." The counterpart of the concrete collaboration for this is South Korea, and KOICA (Korea International Cooperation Agency) and Jeju Tourism Corporation support the event. 70 tourists from South Korea participated in the 2019 event, but there were no participation or collaboration from local governments in Miyagi Prefecture or Kyushu.

(5) Many local governments have held visits and exchanges for children and youth

Many local governments (Tottori Prefecture, Miyakonojo City, Saku City, Izumisano City, Izunokuni City, Yaizu City, Yahiko Village, etc.) have continuously implemented visiting exchanges for children and youth (including junior and senior high school students). According to the reports and comments of the children who participated in overseas training and friendship exchange programs, it is understandable that visiting exchanges have an extremely strong educational effect on children from their comments.: "I want to spend my days without forgetting this valuable experience," "It was really nice to be able to go to Mongolia because I could experience having an international perspective on seeing Japan from Mongolia.," "I will continue to actively challenge everything by making use of what I have been to Mongolia," "What I learned through my visit to Mongolia is that we can communicate with each other even if we don't understand our language.," "My sense of value has expanded," "The experience of actually seeing, smelling, listening to sounds, eating food, and touching with my skin is a great treasure for me." It is expected that exchanges between children, who will lead the next generation, will lead to long-term and sustainable local collaboration.

8.6 Proposal for collaboration between local governments in Japan and communities in the survey area

We would like to propose a plan for regional collaboration to be considered in relation to the project proposed in Chapter 6 for the purpose of resolving some of the challenges faced by the tourism sector in Mongolia, and to contribute to future feasibility studies. In addition, the "Initiative of the Children's Forum for the Global Future in Mongolia", which is described in Chapter 9 proposes a philosophy which includes sustainable tourism development. The "Initiative of the Children's Forum for the Global Future in Mongolia" can be used as a concept for Japanese local governments to make citizens understand the significance of the youth dispatch project to Mongolia and to expand the number of people who wish to participate in projects. It is necessary to accumulate projects for a long time in order to link exchanges with collaboration. The aim is to lead to long-term sustainable tourism development by accepting the "initiative of the Children's Forum for the Global Future in Mongolia" by the communities in the survey area and implementing continuous projects.

< Regional Collaboration Plan Concerning Project Proposals >

(1) Proposal for Regional Collaboration for the "Gobi Regional Tourism Development Model Project"

The project proposals are for Umnugovi aimag, Dundgovi aimag, Dornogovi aimag, and Govisumber aimag, and in Japan, Shizuoka Prefecture has a track record of wide-ranging collaboration with Dornogovi aimag. The year 2021, the 10th anniversary of the conclusion of the Friendship Agreement with Dornogovi aimag, is designated as the "Shizuoka Mongolia Year," and various exchange events are being held. Sustainable

collaboration can be expected in the future. In the past, the “Project for Improvement of Sewerage Management” was implemented within the framework of the “Grassroots Technical Cooperation Project” and the prefecture has experiences such as dispatching water and sewerage engineers and checking the status of environmental education. One of the activities of the proposed project proposals is to conduct training and tours in Japan. At that time, for example, the various collaboration can be considered: visiting Shizuoka Prefecture, mainly inspecting tourism resource conservation methods and roadside stations, and acquiring know-how such as promotion and marketing, event planning and holding, and tourism maps.

(2) Proposals for Regional Collaboration Related to Preparations for the “Mongolian National Dinosaur Museum” Construction Project

The town of Mukawa in Hokkaido is advancing “town planning using dinosaur fossils” and signed a collaboration agreement with the Institute of Paleontology of Mongolian Academy of Sciences in September 2020. The restored skeleton (replica) of “Mukawa Ryu” was exhibited at “Dinosaur Expo 2019” held at the National Science Museum in Ueno, Tokyo in 2019 and had a large number of visitors. Gobi Support Japan Ltd., which produced this, is deeply involved in the dinosaur-related business in Mongolia and has been expanding its factory in Mukawa Town since 2017. Mukawa Town has been using dinosaurs as a tourist resource to attract tourists, such as planning and operating a fossil excavation experience tour “MUKAWA Dinosaur Adventure” since 2018. In collaboration with Mongolia, academic exchanges are being implemented using dinosaur fossils, and they are also eager to promote regional revitalization through private companies. The dinosaur research in Japan also has a wide range of base and strong mutual networks. At the 2021 Annual Meeting of the Palaeontological Society of Japan, which was held online with Okayama University of Science as the host school, a symposium was held under the theme of “Forefront of Mongolian Dinosaur Research”, and the Institute of Paleontology of Mongolian Academy of Sciences also participated in this meeting. We can expect the collaboration of the dinosaur researcher network in Japan for the construction of the dinosaur museum in Mongolia.

(3) Proposals for local cooperation in the field of tourism training for government officials in charge of tourism

As described in the project proposal, when the relevant ministries and agencies in Mongolia and the administrative officers in charge of tourism in the survey area participate in the tourism sector training, it is meaningful to visit the local governments in Japan, which interact with Mongolia, to share the Mongolian issues recognized by the local governments in Japan. In addition, it is expected that this will have the positive effect as a new opportunity for exchanges to host town municipalities whose exchange programs after the Tokyo Olympics and Paralympics are unclear. Hokkaido, for example, is expected to contribute to formulate tourism promotion policies in winter as an advanced tourism region in cold areas.

<Proposals for Regional Collaboration Related to the Initiative of the Children’s Forum for the Global Future in Mongolia>

(1) Proposals for Regional Collaboration Related to the Creation of "Children's Global Village Forests"

As part of the forestation campaign as a practice for children to think and value the global environment, encourage children visiting Mongolia from Japanese local governments to participate in tree planting projects. As a way of implementation, for example, the "Long-term Plan for Tourism Promotion 2019-2029" in Umnugovi aimag, which is the survey target area, includes the Dalanzadgai Park Development Project in Dalanzadgad City, where the provincial office is located, and collaboration with this project is considered possible. The budgets are being implemented by the aimag, and the implementing entity is NGO organized by local residents, and there is a need for collaboration with the community. As there are no cases in which children dispatched from local governments in Japan visit Umnugovi, it is a prerequisite to establish a local acceptance system.

(2) Proposals for Regional Collaboration Related to Hosting the Children's Forum for the Global Future

In order to make the visiting exchanges and overseas training programs for children and youth (including junior high school and high school students) implemented by many local governments more meaningful, link them with holding the "Children's Forum for the Global Future" It is expected that the establishment of an executive committee mechanism in both countries will contribute to expanding the base of human resources who participate in exchanges and collaboration.

(3) Promotion of International School Trip Exchanges

The local governments would consider conducting school trips to Mongolia by developing the current visiting exchanges between children and youth. At this time, the local governments will collaborate with the Children's Global Village Forestation Campaign (tree planting) and the Children's Forum for the Global Future. If this exchange programs can be used as an opportunity to collaborate with the private sector and NGOs, and if local governments in Japan can accept school trips for junior high and high school students in Mongolia, this could become a mutually beneficial exchange programs and could become a regional revitalization business through new inbound.

Chapter 9

Analysis and Recommendations for the Post-COVID tourism sector

Chapter 9 Analysis and Recommendations for the Post-COVID tourism sector

9.1 Prospects for the Post-COVID international tourism

The impact of COVID-19 on tourism around the world goes beyond the economic dimension to encompass not only the way humans live, but also the way they interact with society itself. Although tourism is inevitably reassessed during a period of major transformation that humanity has to experience once every century, when we organize opinions on the prospects for Post-COVID tourism of tourist experts around the world, we can find a broad range of ideas, from relatively optimistic to prediction of drastic changes, despite their common assumption that COVID-19 will bring about major changes. What is common in their opinions is that ① while they recognize the importance of tourism as internationalization will not stop and a curiosity as part of human instincts cannot be erased, ② they predict a new form of tourism on the grounds that fundamental changes have already occurred in the various conditions around tourism due to the COVID-19 crisis.⁵⁷ In any case, the pandemic of the COVID-19 has made traveling for long periods of time and contact with other people part of routine. As experts point out from the experience of people's interest in health and medical care strengthened unprecedentedly, the following points are important in considering Post-COVID tourism.

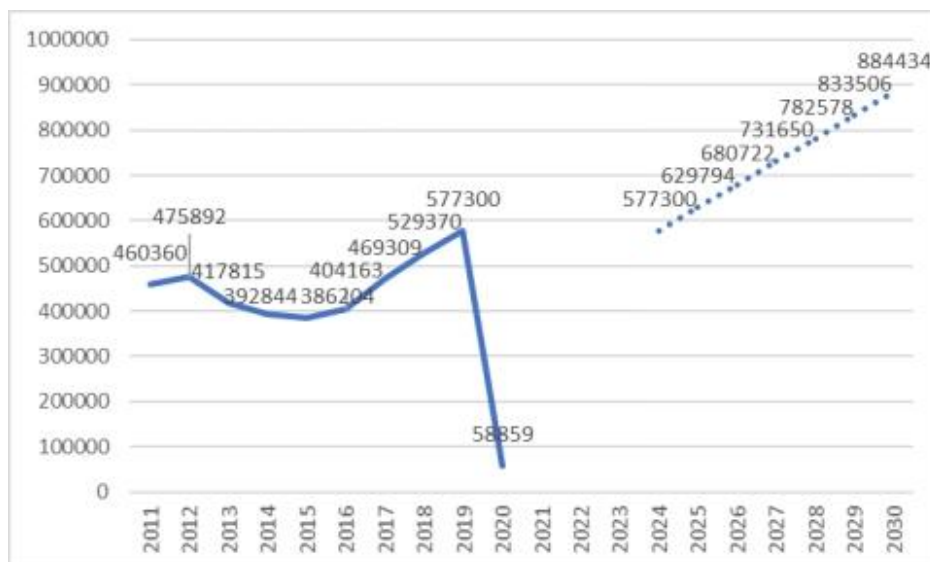
- ① It is difficult to increase the frequency of elderly people's sightseeing unless safety and security are ensured. In particular, countries suffering from the infectious disease or countries where adequate measures have not been taken will not be selected as travel destinations.
- ② In recent years, overtourism in famous sight-seeing areas has become a problem, but due to the pandemic this time, the frequency of sightseeing in hot spots may tend to decrease from the viewpoint of avoiding overcrowding.
- ③ Each country's citizens will shift their choice to a familiar and safe domestic trip, rather than traveling in foreign countries.
- ④ There may be an increase in the number of leisurely-staying resort-type trips in a single location (or staying in one location to pursue a particular theme), rather than mobile tourism in which tourists travel around many spots in a single trip.
- ⑤ Since market competitions are expected to be intensified after the COVID-19 crisis, it is necessary to establish a recovery plan for inbound tourism from now to prepare for the Post-COVID situation.

9.2 Forecast for the future of tourism in Mongolia

1) Changes in the number of foreign tourists and forecasts for the future

The number of tourists visiting Mongolia grew steadily from 2015 to 2019, but in 2020 it fell to one tenth of that of 2019 due to COVID-19. According to the COVID-19 RESPONSE of the UNCTAD (United Nations Conference on Trade and Development), Mongolia was a country that experienced the largest decrease in the number of tourists in 2020, an 89% decrease from that of 2019 (source: UNTWO Tourism Dashboard). According to the OECD's forecast, the number of tourists around the world will return to its 2019 level in 2024 at the earliest. The table below shows the results of estimating the number of tourists from 2025 based on the average rate of increase from 2015 to 2019.

⁵⁷ Foreign policies for future travel after the coronavirus pandemic, June 13, 2020



Source: Prepared by the survey team based on materials from the National Statistical Office

Figure9-1: Shift in the number of foreign tourists and the prospect for 2030

The annual average growth rate of the number of foreign tourists from 2015 to 2019 before the COVID-19 situation became more serious was a 10.5% increase. UNWTO assume that the Post-COVID tourism industry will take at least four years to return to 2019 levels. Considering the heightened sense of anxiety about health among people, Mongolia, a country adjacent to the origin of the COVID-19 outbreak without a high level of medical care, may require more time for recovery. The impact of the COVID-19 infectious disease is essentially different from and far more serious than the economic crisis caused by the Lehman crisis. However, it is not an exaggeration to say that the future of tourism in Mongolia depends on how to prepare for the Post-COVID situation and making it an attractive country for tourists during this period when the world's tourism industry is stagnant.

2) Shift in the number of domestic tourists

In Mongolia, the number of domestic tourists has increased sharply in recent years. Under the COVID-19 crisis, as pointed out by many people, the tendency to shift to domestic tourism will appear, but Mongolia has another background. Since the statistics are not fully developed, all we can do is to guess based on the number of visitors to specific areas of major sightseeing areas or tourist spots, but we can see that the number has increased sharply in recent years as indicated below. As soon as COVID-19 in Mongolia settles down, the number of domestic tourists is expected to further increase in the future.

Table 9-1: Shift in the number of tourists in major sight-seeing areas in the area to be surveyed

Sight-seeing area name		Comparative fiscal year and No. of visitors		No. of visitors in 2019
Gobi Gurvansaikhan National Park	Foreign passengers	2015	14,982	42,132
	Domestic tourists	2015	5,257	12,955
Khamar Monastery	Foreign tourists	2013	2,500	2,182
	Domestic tourists	2013	40,200	67,838
Erdene Zuu Monastery	Foreign tourists	2019	27,919	(2020) 326
	Domestic tourists	2019	31,950	(2020) 33,195

Source: Prepared by the survey team

Tax revenues in the tourism sector in 2019 amounted to approximately 7.3 billion MNT (approximately 2.65 million USD) from approximately 570 thousand foreign tourists. Although the tax revenue decreased to 5.2 billion MNT in 2020, despite a decrease of the number of foreign tourists to one tenth, tourism revenues have not decreased much. The cause of this is considered to be attributed to a significant increase in the number of domestic tourists. As of April 30, 2021, the tax revenue was 1.4 billion MNT (interview with the Director of the Ulaanbaatar Tourism Policy Division).

9.3 Analysis and recommendations of tourism in Mongolia in the Post-COVID situation

1) Major markets and Post-COVID situation in Mongolia

In terms of the share of foreign tourists in Mongolia by country, the shares of the top three countries alone accounted for 71.3% of the total, with 29.2% from China, 24.6% from Russia, and 17.5% from South Korea. If the Japanese share of 4.2% is added, the four countries' share reached two-thirds of the total.⁵⁸ The total share of foreign tourists from European countries and USA, which is said to provide a high profit margin for local travel agencies, and where there are many long-stay tourists, is merely less than 10%. From the viewpoint of market expansion, it will become important to increase the number of tourists from Japan, a country with few visitors compared to its population, and Southeast Asian countries, which are located in short distances from Mongolia, as well as to attract tourists from European countries and the United States, countries with many long-stay visitors. On the other hand, since nearly half of the tourists to Mongolia are in their 40s or older, people in this generation are expected to be careful with their choice of foreign travel destinations after the end of the COVID-19, and competition is expected with Southeast Asian and Oceanian countries, which have other resort-stay-type tourist destinations. It seems urgent to strengthen competitiveness in terms of appropriate information dissemination, inexpensive price offer, and assurance of security and safety.

2) Progress and challenges in domestic tourism

Domestic tourism is active also in the COVID-19 crisis, but it is expected to expand further after the end of the crisis. Since many domestic tourists in Mongolia bring their tents with them without using travel agencies, it seems that the degree of their contribution to the local economy is not necessarily high. However, it is extremely meaningful for them to experience their own culture by walking around to visit their country's scenic and historic places that they were not easily to visit. In the background of domestic tourists arranging their trips by themselves are composite factors that travel agencies themselves have neglected to develop products with low-margin for domestic tourists, that they can freely camp putting up their tents in national parks and reserves, which are not properly regulated, and that there are no accommodation facilities that they can be fully reassured in their local areas. In addition to the economic aspect of domestic tourists no spending money in their domestic trips, some have begun to report on problems with toilets and adverse impacts on the environment caused by a sharp increase in tourists. If we do not take measures such as the installation of public toilets and the designation of camping places as soon as possible or establish a system in which domestic and foreign tourists can travel with peace of mind, we may lose the competition for choosing travel destinations in the Post-COVID world.

3) Recovery time of international tourism and Mongolia

Although Oxford Economics has announced its view that international tourism will reach the 2019 level in 2020, there was a view that international tourism would recover moderately with an initial recovery expected in the second half of 2020 (as the COVID-19 situation is stabilized) and downward revisions of their premise to be made from 2021. However, the COVID-19 situation has continued to be severe in 2021. Especially in Mongolia, the number of infected persons has rapidly increased since the beginning of 2021. Given these circumstances, it is expected that the revival of inbound tourism in Mongolia will be more likely to be delayed than in other countries.

4) Prospects for recovery of international tourism in Mongolia

Unfortunately, as of July 2021, the situation of COVID-19 in Mongolia is the world's highest or second highest in infection rates. Therefore, despite the positive news that the New Ulaanbaatar International Airport opened, future progress depends on whether Mongolia can suppress the infectious disease. On top of that, the key to the development of tourism in Mongolia in the post COVID-19 world is what kind of approach Mongolia will take for the situation described from 1) ~ 3) above. In the capital city of Ulaanbaatar, one of its goals is to revitalize MICE, but due to the impact of the COVID-19 crisis, but the nature of MICE has fundamentally changed after shifting to online hosting, and the significance of holding MICE, such as economic ripple effects to international exchanges and the host city, may be lost.

⁵⁸ National Statistical Office of Mongolia, 2019

In light of the situation of COVID-19, it is necessary to first disseminate information on safe and secure tourism in Mongolia, and immigration information, etc. to foreign travel agencies, then, by expanding the transmission of image information on traveling in Mongolia, to start full-scale promotion in a phase where the immigration restriction is lifted, and to take an action to expand the number of foreign tourists through joint promotions with travel agencies and airlines and a project to invite travel agencies and mass media.

9.4 Recommendations toward the Post-COVID tourism

- 1) Promotion of the recovery of the tourism industry in the Post-COVID world and establishment of a support system for people engaging in the tourism industry

In Mongolia, while it is highly likely that the tourism industry will be developed as one of the three economic pillars established by the government, as the industry was recognized to account for more than 6% of GDP in 2019, the industry has taken an economic blow most easily as evidenced by the spread of the COVID

-19 this time. In a tourism conference hosted by the Prime Minister in February 2021, it was announced that the persons concerned did not believe that the government relief and support measures were sufficient for the measures for the unemployed, the number of which is said to have exceeded 80,000, and for measures for accommodation operators, who have lost their customers, as well as guides and interpreters. Consequently, assuming that a serious infectious disease like this time will occur again in the future, it is desirable that a certain percentage of the tax revenue be set aside as part of the Tourism Promotion and Protection Fund, that the national government pool the portion for tourism-related infrastructure development and as the budget for the tourism industry economic measures, and that the purposes of using the pooled fund be managed under the supervision of the Tourism Agency which will newly be established. Governments need to coordinate with private stakeholders at all levels to prepare for the future, to recover trust of tourists and business traders, and to establish a tourism revival strategy intended to make efforts to recover the tourism industry.⁵⁹The role of the government is extremely important.

- 2) Establishing a Post-COVID market strategy

In the tourism in Mongolia, the winter tourism product development bears a handicap of severe climatic conditions. In addition, Mongolia became the country most affected by the COVID-19 in the world, with the number of foreign tourists in Mongolia in 2020 decreasing by at least 90% from the previous year, and the infection rate of COVID-19 becoming the highest in the world in 2021. OECD and UNWTO believe that it will take about four years for the number of tourists around the world to return to its 2019 level, in the assumption that vaccines will be able to control COVID-19 in the future. In Mongolia, where the conditions surrounding tourism are the most severe in the world, it can be predicted that it will take even a longer time for recovery. With the outlook that the COVID-19 crisis will largely change people's approach to sightseeing trips, Mongolia is required to thoroughly analyze its approach to external marketing and its responses to the needs of new tourists, and to explore tourism in a new era by combining the power of the public and private sectors. There have been surveys by the National Bank of Mongolia and the National Tourism Organization on the preferences, needs, and characteristics of foreign tourists, as well as research reports by various tourism experts from inside and outside Mongolia. Based on these surveys and reports, it is necessary to clarify the ideal way of tourism in Mongolia in the new Post-COVID era. The safety and security of tourists (environmental improvement, information dissemination) and the strengthening of digitalization in the tourism industry seem to be the top priority challenges to be tackled.

- 3) Change in policies from numbers to quality

Limited growth in the number of foreign inbound tourists means a decrease in tourism revenues, but in the case of Mongolia, there seems to be a possibility to expand revenues in the tourism-related fields by raising the level of undeveloped fields. For example, one of them is ① development of souvenir products. Even if you make a lot of products and arrange them at a store blindly, it doesn't lead to the products being purchased. It is urgent to develop products that sell well. ② Target tourism should be promoted targeting people with specific hobbies. For instance, we can organize the Grassland Marathon and the Great Grassland Hot-air Balloon experience, which were initiated mainly by Japanese people with tourists in mind, and promote tour

⁵⁹ OECD Policy Responses to Coronavirus (COVID-19), Rebuilding tourism for the future, Dec.14, 2020

plans focusing on specific themes, such as dinosaurs, alpine plants and flowers, rare wild animals, butterflies, fishing, and Tibetan Buddhism, in cooperation with foreign travel agencies. There are many lovers of fishing in Japan, but few people know that they can catch taimen in Mongolia. It is important to strengthen information transmission. ③ More active work needed on the development of tourism in winter. For example, it seems that we should devise topical matters, such as creating the world's longest natural skating rink.



Mongolian Grassland Marathon



Hot-air balloon experience



Fishing (Mongolian taimen)



Journey to appreciate alpine plants and flowers

9.5 Initiative of the Children's Forum for the Global Future in Mongolia

—Making Mongolia a hub for world children's friendship exchanges

Globalism brought about the era of great global exchanges in which people, goods, money, technologies, and information are freely distributed around the world. That is, the earth has become smaller, and people have come to have closer relationships with each other.

The technological innovation has not only changed lifestyles, lengthened the average life span, and improved convenience and productivity, but also largely evolved communications and work styles.

On the other hand, there are many challenges that must be solved for the survival of the Earth, such as climate changes, natural destruction, air pollution and industrial waste, population explosions, food shortages, resource depletion and the chain of widening the gap.

The COVID-19 gave us a chance to fully realize that it is impossible to solve these challenges unless the whole world tackles them together. It also gave us a trigger to think about essential and fundamental issues, such as the origin of life, the origin of the Earth, and SDGs. And after the onset of the COVID-19 crisis, people around the world might have renewed their recognition to live together as global citizens.

Stated below is an initiative of "Let's make Mongolia a hub for world children's friendship and exchanges" through cooperation between Japan and Mongolia on the occasion of the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia in 2022. The vision is presented as our consideration for the Post-COVID world under the concept of "Children, the Earth, and the future".

(1) For children who are to bear the responsibilities of the future

The challenges that cannot be solved without the universal responses of all nations and people on the planet will have the greatest impact on children who are to bear the responsibilities of the future.

How must the children around the world live in the Post-COVID era?

Provide an opportunity to gather in Mongolia on a school trip, etc., and for everyone to think together. This is the Initiative of Children's Forum for the Global Future in Mongolia.

If children with diverse cultures and national backgrounds can recognize and respect each other's differences in values and promote grassroots exchanges, new cultures will be created and will contribute to a brighter future for children and world peace.

For children, traveling abroad is a perfect opportunity to learn about the nature, culture, lifestyles, and customs of the destination country, and to come across new discoveries about the differences between countries, and meeting and bonds of people. Traveling abroad must provide opportunities for them to renew awareness of themselves, their home countries, diverse ethnic groups, and the Earth as a whole through these experiences.

(2) Feeling the Earth's past, present, and future in Mongolia

When children experience Mother Nature under the star-filled sky in the midst of a great plain seeing the ever-expanding horizon, explore the origins of the Earth, and talk about "Where did we come from and where will we go?" in Mongolia, a country of Mother Nature, their trips to the country will become a valuable experience that will raise awareness of diverse issues related to human beings, the Earth, nature, and the environment, which will in turn lead to a deep interest in the "future of the Earth."

Located in the center of Asia and in the highlands of 1500 meters above sea level, Mongolia is a country with rich nature characterized by river-and lake-rich mountains, the Gobi Desert, and grasslands. In addition, the country is attractive with large differences in temperature depending on the season, and changes in inland climate. Furthermore, Mongolia is one of the world's most important places where fossils of dinosaurs have been discovered, and has a mystical and massive unspoiled land which many rare animals inhabit. There is no doubt that the country can capture the imagination of children.

Originally, Mongolian people were migratory nomadic tribes, and although their traditional lifestyles have partly changed at present, they have been adapting to the seasonal changes while valuing nature in nature, receiving nature's bounty. This experience should also be irreplaceable for children.

Mongolia is a perfect place for children to experience the past and present of the Earth and mankind and to think about the future. The country is particularly suitable for experiencing the "past," "present," and "future" of the Earth.

Children who have visited Mongolia will pass on their good experiences in the country to their parents, families, friends and people in their local community after returning to Japan. Children who have experienced the magnificent nature of Mongolia must hope to visit the country again. Also, Mongolia has a charm that makes people want to visit the country after coming of age and to get involved in exchanges with Mongolia.

(3) Mongolia Children's Global Village Development Project

In 2022, the year to commemorate the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, the Japanese government will propose the "Mongolia Children's Global Village Development Project" under the "Initiative of the Children's Forum for the Global Future in Mongolia." In particular, both the Japanese and Mongolian governments will recognize 2022 as the "Year of the Promotion of Japan-Mongolia Children's Exchanges" and launch commemorative projects.

To realize this project, the governments and the Diets of Japan and Mongolia are requested to actively cooperate with each other.

The proposed project plan is presented below.

① Children's Global Village Development Project

1) Children's Earth Village Forest

Forestation Activities by Children Around the World (tree planting)

- 2) Develop facilities where children can gather from around the world and interact with each other in the midst of Mother Nature (development of dinosaur museums, camping grounds, training camp centers, training facilities, sports and cultural facilities, etc.)
- ② Holding the Children's Forum for the Global Future
- 1) Establish the Children's Conference on the Global Future.
 - 2) Hold the Children's Forum for the Global Future (exchange convention in each field, such as sports, culture, arts, music, IT/robotics, manufacturing, etc.)
- ③ Promotion of international school trip exchanges
- 1) Accept students on school trips from around the world, and plan and promote expeditions in Mongolia and exchange events, etc.
 - 2) Collaborate with the Children's Global Village Forestation Campaign (tree planting) and the Children's Forum for the Global Future.
 - 3) Create a system for Mongolian children to participate in international school trip exchanges.
 - 4) In 2022, the year of the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, sister municipalities in both Japan and Mongolia will take a main part in implementing the "Program for the Year of the Promotion of Japan-Mongolia Children's Exchanges" as part of the project for regional revitalization.

Chapter 10

Contents of the Mongolia Tourism Seminar

Chapter 10 Contents of the Mongolia Tourism Seminar

Based on the results of the survey, we held the Mongolia Tourism Seminar as follows:

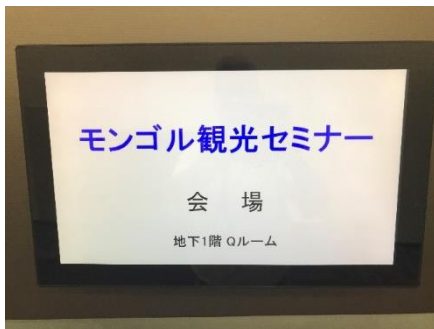
Date and time	September 9 (Thu), 2021, 14:00 ~ 15:00 (Japan time)
Form of the seminar	Online
Distribution media	Using Zoom Webinar
Distribution venue	AP Shinagawa Annex "Q Room" (Shinagawa Center Building 1F and B1F, 3-23-17 Takanawa, Minato-ku, Tokyo)
No. of applicants	107 people (Affiliation: travel agencies, municipalities in Japan, Japanese companies in Mongolia, and others)
Attendance on the day of the seminar	94 people
Purpose of the seminar	To provide assistance for tourism promotion in the target areas of the survey.
Seminar program	14:00: Opening address Taiji Nakazato, Director, East and Central Asia Department, Japan International Cooperation Agency (JICA) 14:05: Report on the related operations (including a Q&A session for about 10 minutes) Takenori Shimizu, Former Ambassador Extraordinary and Plenipotentiary of Japan to Mongolia and Chief Operating Officer of the "Information Collection and Confirmation Survey Related to Sustainable Tourism Development in Mongolia" operation 14:55: Closing address Teito Yamuki, Director, East Asia Division, East and Central Asian Affairs Department, Japan International Cooperation Agency (JICA) 15:00: End of the seminar
Summary of the report	1. Location and overview of Mongolia 2. Relationship with Japan, the current state of exchanges, and traffic 3. Attractiveness of tourism in Mongolia, major tourist spots in the areas surveyed (1) Capital of Ulaanbaatar and its suburbs (2) Kharkhorin (Kharakhorum) region (3) Umnugovi region (4) Dornogovi region 4. Proposal of a plan of tourism in Mongolia in the area surveyed 5. Travel information tailored to tourists' special tastes 6. Mongolia's major tourist agencies and exclusive travel agencies for special trips
Announcement method	<ul style="list-style-type: none"> • Information to members of the Japan Association of Travel Agents (JATA) • Publishing information on "Travel Vision," an information and communications media related to the tourism industry • Guidance to cooperative Japanese municipalities to this survey • Guidance to Japanese companies in Mongolia through the Mongolian National Chamber of Commerce and Industry

After the end of the seminar, we received the following comments from participants in the seminar (excerpt of some examples):

- It was a very instructive seminar. I realized that Mongolia would be able to attract more tourists if access to tourism resources become more convenient. I believe that it has become much easier to come from Japan to Mongolia than it used to be.

- I hope that the air fare to travel between Japan and Mongolia will be reduced with many more airline companies providing flight services in order to increase the number of tourists in the future.
- As I felt the affection of people concerned for Mongolia and was drawn into their speeches with very easy-to-listen tones, my impression of and interest in Mongolia changed dramatically. Thank you for the wonderful seminar. If you plan to provide another seminar, please allow me to participate in it.
- I was newly appointed to be in charge of Mongolia at a travel-related information website, and the seminar was instructive because I was able to learn a lot of valuable information. Mongolia, in which visitors can experience nature on a large-scale, impressed me as a very attractive destination, partly because our self-restrained lives have continued in the COVID-19. The access to rural areas seems difficult, but I thought that we will be able to have a memorable trip including the difficulty.
- I wanted to learn more about JICA survey results.
- As the only mode of transportation is automobiles, our travel to Mongolia, which will take about five hours, should be a tough one even with paved roads, because they are not brand-new. It would be nice if we could travel while taking a rest on our way at tourist attractions.
- I was able to see things related to tourism in Mongolia from a different perspective than usual, and the contents of the seminar were very interesting and gave us an instructive and valuable experience. I hope that the seminar contents will be used as a reference in future exchanges with Mongolia.

<Distribution venue>



▲ Signboard for the distribution venue



▲ Report from the General Manager



▲ Opening address



▲ Online distribution venue ①



▲ Online distribution venue ②



▲ Closing address