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## U.S. TRADE AND DEVELOPMENT AGENCY

**FOR IMMEDIATE RELEASE:**

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### **USTDA GRANT PROMOTES RAIL INFRASTRUCTURE DEVELOPMENT IN MONGOLIA**

ULAANBAATAR, MONGOLIA - (March 4, 2008) Supporting mining sector expansion in Mongolia through enhanced rail transportation linkages is the goal of a USTDA grant awarded yesterday to Sharyn Gol Energy LLC, a leading private Mongolian mine operator. The \$391,550 grant will partially fund a feasibility study on a proposed 86-kilometer branch railroad line that would connect Sharyn Gol's existing coal mining operations in southern Mongolia to the main North-South rail line. The objective is to allow Sharyn Gol to expand its operations and provide for more efficient means of transporting its coal to customers in Mongolia, China and elsewhere.

The grant was conferred during a signing ceremony held at the U.S. Embassy in Ulaanbaatar. The grant agreement was signed by U.S. Ambassador to Mongolia Mark C. Minton and Sharyn Gol Board Chairman Batmunkh Batkhoo, on behalf of the U.S. government and Sharyn Gol, respectively. USTDA Director for Policy and Program and Regional Director for East Asia Geoffrey Jackson signed as a witness to the agreement.

While Mongolia's transportation infrastructure is expanding across all sectors, rail transportation is increasingly dominating other modes in terms of shipping tonnage. Rail transport has become the primary method of moving heavy and bulk freight and plays a significant role in Mongolia's mining industry, where 28 percent of coal extracted is exported to neighboring countries, primarily Russia and China. However, a relatively limited rail network, especially in rural areas with limited rail access, has hampered expansion of the sector, Mongolia's main export industry.

Sharyn Gol has selected TERA International Group, Inc. (TERA) of Sterling, Virginia, to conduct the study, which will contain a detailed technical analysis, market survey, economic and financial analyses, and environmental and development impact assessments on the implementation of this new line. In addition to the USTDA grant, TERA will provide additional resources towards the completion of the study.

(More)

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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