

China and Russia Compete for Mongolian Coal

By [The Moscow Times](#)

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Mongolia said Thursday that it has halved the number of shortlisted bidders seeking to develop the prized Tavan Tolgoi coking coal mine to three, and Chinese and Russian groups are still in the running.

Results of the bid will be announced within days, the Mongolian government said in a statement.

It did not give the names of the bidders who have been shortlisted. However, the Mongolian ambassador to China said separately in Beijing that the government would consider the interests of its two neighbors and that the groups including Chinese and Russian firms were still in the running.

That means two consortiums — Shenhua Energy with Japan's Mitsui and the group comprising Russian Railways, POSCO, utility KEPCO and others — would likely be the final

winners.

The Tavan Tolgoi coal deposit, in Mongolia's south Gobi region, has estimated reserves of 6 billion tons of coal, including the world's largest untapped deposit of steelmaking coking coal, which is increasingly hard to find.

Mongolia, which has a gross domestic product of about \$6 billion, is hoping to use Tavan Tolgoi to bankroll its long list of infrastructure investments around the country.

The government has previously said more than one winner may be picked to develop the project. The shortlisting came after 18 rounds of talks with all six bidders over issues such as pre-payment, mine management and environmental concerns.

ArcelorMittal, Vale, Xstrata and U.S. Peabody are the remaining contenders.

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