



*The **AMERICAN CHAMBER** of Commerce in Mongolia*

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# **GUIDE ON THE U.S. - MONGOLIA COMMERCIAL RELATIONSHIP**



## Guide on the U.S. - Mongolia Commercial Relationship

### Background

This Guide provides some background on the U.S.-Mongolia commercial relationship, emerging policy issues, and basic information about how to do business in the U.S. This is for general informational purposes only and is not intended to serve as a definitive reference for companies interested in doing business in the United States.

### U.S. - Mongolia Commercial Relationship

The United States established formal [diplomatic relations](#) with Mongolia in 1987, and this year marks the 30th anniversary of relations being established. However, commercial relations between the two countries dates back to [100 years ago](#), when American businessmen frequently visited Mongolia in the 1900s and brought with them Mongolia's first imported car – a Model T Ford.

The United States is recognized in the revised [Foreign Policy Concept](#) of Mongolia (2011) as a “third neighbor”, a foreign and economic policy relationship designed to counterbalance relations with Mongolia's two geographic neighbors.

Although the United States and Mongolia do not have bilateral tax or free-trade agreements, the two countries concluded a [Bilateral Investment Treaty](#) in January 1997 to protect American investors, improve Mongolia's investment climate, and promote sustainable growth.

In 2015 the United States and Mongolia signed a bilateral [Transparency Agreement](#). This agreement covers transparency in the formation of trade-related laws and regulations, the conduct of fair administrative proceedings, and measures to address bribery and corruption. In addition, it requires commercial laws and regulations to be published in English, making it easier for all international investors to operate in Mongolia.

Bilateral commercial relations highlights:

- [U.S. exports to Mongolia](#) grew from just over 40 million USD in 2009 to over 650 million USD in 2012, but fell to 285 million USD in 2013.
- Major U.S. exports to Mongolia include passenger cars, excavating equipment, trucks and buses, industrial machinery, civilian aircraft and parts, telecommunications equipment, meat and poultry, and some consumer items such as household appliances, pharmaceuticals, cosmetics, apparel, music, and films.
- Mongolian exports to the U.S. include steelmaking and ferroalloy materials, sulfur, non-metallic minerals, art and antiques, knit apparel, and jewelry.
- As of 2015, the number of U.S.-invested joint companies in Mongolia reached 305, and total U.S. investment reached 308 million USD from 1990-2013. U.S. investment in the extractive industry reached 7 million USD from 2011-2015.
- In the first two months of 2017, exports from the USA to Mongolia equaled 9.6 million USD and imports from Mongolia amounted to 0.9 million USD, with a trade balance of 8.7 million USD.

### Doing Business in the USA

The U.S. economy, with a GDP of more than 16 trillion USD for a population of over 318 million, offers a wide range of opportunities for Mongolian investors and businesses.

The [SelectUSA](#) initiative was created to showcase the United States as the world's premier business location and to provide easy access to federal programs and services related to business investment.

The World Bank ranked the USA 7th out of 189 countries in 2014 and 2015 in its [Doing Business report](#).



**Doing  
Business  
in the USA**

**Registering a business in the United States:**

- The incorporation of foreign business entities is regulated at the state level in the United States. The application process varies from state to state. There is a list of [State Business Development Offices](#) that are responsible for the registration of a business.

**Import procedures:**

- The [Department of Commerce's International Trade Administration Bureau](#) provides information and links to websites that detail importation procedures.
- The U.S. Customs Service provides an overview of the importing process and requirements for foreign commercial operations. For more information, refer to [Commercial Importing Procedures and Requirements](#).

**Taxation system:**

- The U.S. has a complex tax system with federal, state, and local taxation mechanisms.
- The individual circumstances and objectives of foreign businesses either currently doing or looking to do business in the United States vary greatly. Each foreign company will have a particular set of requirements for commencing operations in the United States.
- [The Inbound Guide to U.S. Corporate Tax](#) prepared by Ernst & Young provides a comprehensive overview of the U.S. tax landscape.

**About  
AmCham  
Mongolia**

The American Chamber of Commerce (AmCham) in Mongolia is an independent membership-driven organization that seeks to build, strengthen, and protect business between the United States and Mongolia, and to actively promote Mongolia as a destination for American investment.

**Access**

AmCham Mongolia is affiliated with the [U.S. Chamber of Commerce](#) and the [Asia-Pacific Council of American Chambers of Commerce](#). AmCham Mongolia can communicate with other Chambers for references, facilitate access to available resources, and mediate in establishing initial contacts with U.S. businesses on an individual basis.

The U.S. Chamber of Commerce, based in Washington, D.C., is the largest business federation in the world with over 3 million member companies. AmChams have been established in over 100 countries around the world.

**Trade Mission to the United States**

AmCham Mongolia organizes annual trade missions to the USA to provide opportunities for first-hand exposure to the U.S. business environment, to establish contacts with leading business representatives and decision-makers, and senior officials from government offices including but not limited to the U.S. Trade Representative Office, the U.S. Department of State, and the U.S. Department of Commerce.

**Emerging  
Policy  
Issues**

AmCham Mongolia's 2017 priorities are to contribute to Mongolia's development through unleashing the potential of the private sector, advocating for a level playing field for American businesses in Mongolia, and advancing commerce and trade between the United States and Mongolia.

AmCham Mongolia advocates for the promotion of free trade and free enterprise to regain investor confidence, and to promote the economic diversification of Mongolia.

AmCham Mongolia is committed to continuing its advocacy efforts for the full enforcement of the U.S.-Mongolia Transparency Agreement in order to foster greater bilateral economic and commercial relations.



**References  
and  
Useful Links**

**Official website of the Embassy of the USA in Mongolia**

- <https://mongolia.usembassy.gov/30th-anniversary.html>

**Foreign Policy Concept of Mongolia**

- [http://www.mfa.gov.mn/index.php?option=com\\_content&view=category&id=36&Itemid=55&lang=mn](http://www.mfa.gov.mn/index.php?option=com_content&view=category&id=36&Itemid=55&lang=mn)

**Official website of the U.S. Department of State**

- <http://www.state.gov/r/pa/ei/bgn/2779.htm>
- <http://www.state.gov/e/eb/cba/faq/179.htm>

**Official website of UNCTAD**

- <http://investmentpolicyhub.unctad.org/IIA/CountryBits/139>

**Text of the Transparency Agreement Between Mongolia and the United States**

- <https://ustr.gov/sites/default/files/US-Mongolia%20Transparency%20Agreement-English-Final-As%20Posted.pdf>

**World Bank's Ease of Doing Business Guide to the United States**

- <http://www.doingbusiness.org/data/exploreeconomies/united-states>
- <http://www.doingbusiness.org/data/exploreeconomies/~media/giawb/doing%20business/documents/profiles/country/USA.pdf>

**Official website of SelectUSA**

- <http://selectusa.commerce.gov/why-select-usa.html>

**U.S. Inbound Brochure by Ernst & Young**

- [http://www.ey.com/Publication/vwLUAssets/EY\\_US\\_Inbound\\_brochure\\_en/\\$FILE/EY-US-Inbound-brochure-en.pdf](http://www.ey.com/Publication/vwLUAssets/EY_US_Inbound_brochure_en/$FILE/EY-US-Inbound-brochure-en.pdf)

**Official website of the U.S. Department of the Treasury**

- <https://www.treasury.gov/Pages/default.aspx>

**Official website of the U.S. Department of Commerce, International Trade Administration Bureau**

- <http://trade.gov/>

**U.S. state and county government agency website locator**

- <http://www.statelocalgov.net/>

**Official website of APCAC**

- <http://apcac.org/>

**Official website of the U.S. Chamber of Commerce**

- <https://www.uschamber.com/>

**Official website of the U.S. Census Bureau**

- <https://www.census.gov/foreign-trade/balance/c5740.html>





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