



The **AMERICAN CHAMBER** of Commerce in Mongolia

# AMCHAM NEWSLETTER

January 2018 | Issue 1

**AmCham is your Voice - AmCham is your Network - AmCham is your Face**

[www.amcham.mn](http://www.amcham.mn)

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. AmCham Mongolia is an official affiliate of the Washington, D.C. based U.S. Chamber of Commerce, the largest business federation in the world with over 3 million member companies. AmCham Mongolia is also a member of the Asia-Pacific Council of American Chamber of Commerce, consisting of 29 American Chambers of Commerce in the Asia-Pacific region.

## AmCham Welcomes New Leadership



**Mr. Steve Potter**  
Chairman

**Mr. Oybek Khalilov**  
Vice Chairman

AmCham Mongolia is pleased to introduce you to our new management: Mr. Steve Potter, CEO of Taskonir Trading LLC, serving as AmCham's Chairman and Mr. Oybek Khalilov, CEO of Tenger Insurance, serving as AmCham's Vice Chairman.

## Become an AmCham Member

Our aim is to accelerate your company's growth, promote your business, and improve the business environment in Mongolia.

Our aim is to accelerate your If your organization or company is interested in joining one of Mongolia's leading business organizations and strengthening your network, become an AmCham member and expand your business ties and profile.

**JOIN US**

## AMCHAM MONGOLIA WELCOMES NEW BOARD MEMBERS

During AmCham's 2017 Annual General Meeting, five new members were elected for AmCham's Board of Directors. The newcomers are representatives from sectors that play a vital role in the business and economic development of Mongolia. The AmCham Board of Directors is now composed of 11 directors, whose role will be to define AmCham's policy and advocacy interventions and decisions aimed to support members' efforts to contribute to business development and strengthen trade and commercial relationships between the U.S. and Mongolia. AmCham is pleased to welcome aboard the newly elected members serving on the Board of Directors in 2018. The newly elected board members include:



**Jelena Pesic**  
Director, PwC Mongolia



**N. Munkhnasan**  
CEO, Monpolymet Group



**Randolph Koppa**  
Executive Vice Chairman, TDB



**Ch. Munkhbat**  
President and  
Executive Director, SGS LLC



**Scott Schlink**  
Senior Associate,  
Minter Ellison

[You can find details about AmCham's Board of Directors here](#)



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AmCham is pleased to offer you an exciting opportunity to sponsor AmCham's Networking Night (NN), organized on a monthly basis for our members and friends.

As a sponsor, your company's name and logo will be prominently featured in NN announcements shared on the AmCham website and via AmCham's social media platforms, reaching over 19,300 subscribers.

We believe sponsorship of our NN will help your company increase its visibility among the business community, not only in Mongolia but also in the region and beyond.

Please contact us at [ec@amcham.mn](mailto:ec@amcham.mn) for more details about AmCham events and sponsorship opportunities.

**Member's Promo corner**



Established in 2015, Mongolian Artisan Cheesemakers' Union (MACU) is a team of passionate cheese lovers whose goal it is to make Mongolian artisanal cheeses recognized around the world.

MACU is producing over 20 unique varieties of cheese using milk from Mongolian animals. Currently, MACU is building a prototype small cheese plant expected to launch in February, and will establish four additional plants with local partners this year. In 2016, MACU received the Silk Road Award for innovation. Its goal is a network of 100 small cheesemaking plants capable of producing about 1,000 tons of cheese each summer.

[www.mongoliancheesemakers.com](http://www.mongoliancheesemakers.com)



The American Chamber of Commerce (AmCham) in Mongolia hosted its January Monthly Meeting with Gombojav Zandanshatar, Minister and Chief of the Cabinet Secretariat, on Tuesday, January 23, at Shangri-La Hotel Ulaanbaatar.

The meeting convened over 60 attendees representing AmCham members, Cabinet Secretariat, The Ministry of Finance, The Ministry of Foreign Affairs, the Ministry of Justice and Internal Affairs and other government organizations and national and international businesses. The meeting's attendees exchanged views on issues affecting the business community and Minister Zandanshatar provided updates on key legal reforms and actions of the Mongolian government to bolster private sector development and promote investment in Mongolia.

The meeting also included a comprehensive Q&A session on key topics of interest and was featured on various media outlets, including Bloomberg TV Mongolia and Mongolian National Broadcaster. [read Press Release](#)

**AMCHAM JANUARY NETWORKING NIGHT HELD**



AmCham's January Networking Night, the first event of 2018, was held at Soup Bar and Restaurant on Wednesday, January 17. The event's theme was New year - New Network foreseeing more networking opportunities for our members and friends, leading to more business growth and partnership. During his Welcome remarks Chairman of AmCham Mongolia Steve Potter highlighted our members' active participation, commitment, and continuous support. AmCham was pleased to see everyone again!

[You can find NN pictures here](#)

**AMCHAM DECEMBER NETWORKING NIGHT GRAND FINALE**

There are several activities hosted regularly by AmCham for its members, including Monthly Meetings (MM) and monthly Networking Nights (NN). Culminating the year's NNs on December 8, 2017, AmCham organized December Networking Night Grand Finale (our 30th NN), sponsored by AmCham members Oyu Tolgoi LLC (Gold Sponsor) and Southgobi Sands LLC (Silver Sponsor).

AmCham would like to express our deepest gratitude to our sponsors, as well as to AmCham members Altai Holding, BTF, Herbalife Nutrition, MACU, Oriflame, Shangri-La Hotel, Tushig Group, and MSM, who generously donated gifts for our special honorees. We wish you business prosperity and success in 2018.



[You can find pictures from the December NN Grand Finale here](#)

## AMCHAM'S 2018 ROADMAP FOR GROWTH

The Roadmap for Growth outlines AmCham's 2018 policy priorities that will further advance its mission to build, strengthen, and protect businesses to actively promote Mongolia as a destination for American investment.

In 2018, AmCham will mainly focus on four strategic areas, including facilitating greater access for businesses to competitive financing; encouraging economic diversification through the promotion of renewable energy and agriculture, as well as U.S. franchising; working to develop a well planned, strong, consistent, transparent, and enforceable legal and regulatory environment; and advocacy for and promotion of AmCham members' success stories to attract foreign investment. [read full version here](#)

## BUSINESS FORTUNE with CEO of Monpolymet Group N.Munkhnasan

[www.monpolymet.mn](http://www.monpolymet.mn)

### How did you get where you are today, and who or what helped you along the way?

I spent my adolescent years trying to help my mother form our family business during the nation's transition to democracy. My mother was a geological engineer, and I joined the family business to work on new projects that could have an impact on the country's economic diversification, creating jobs, and introducing modern technological innovations.

### What are the principles you mostly adhere to in business?

Kindness is not the worst principle in business. Being caring toward the environment, the community, and employees can help shape a great corporation with a sustainable future. I focus on being responsible, and always at top efficiency.

### What is a shortcoming that has been the most challenging for you in business?

Geopolitical tensions and underdeveloped infrastructure are slowing down our efforts to increase exports.

### After all your success, what do you struggle with now?

Political instability and the inconsistencies of investment laws remain major obstacles for the private sector.

### What is the most recent business achievement you would like to highlight right now?

As **Moncement LLC**, we built Mongolia's first waste heat recovery system for power generation. We were awarded the Sustainability Award for Best Social and Environmental Practice by the EBRD. [read full interview here](#)

## AMCHAM MEMBERS' UPDATES



Khan Bank is launching a project to diversify the economy and increase the employment rate by supporting a loan guarantee scheme being implemented in cooperation with ADB and the Loan Guarantee Fund. Khan Bank and the Loan Guarantee Fund will be working together to allow SMEs to receive loans of up to 1 billion MNT with a 15% interest rate over 10 years, with up to 60% of the loan guaranteed.

For three consecutive years, on the occasion of National Giving Day, BTF LLC has donated gifts to infants. On New Year's Eve, BTF presented 4 million MNT in infant clothing to 40 newborns. A 14 million MNT donation of brand new clothing and other items were presented to underprivileged children and children vulnerable to domestic violence who are living at Magic Kingdom Child Protection and Development Center (Ид шидийн орон), hoping for better lives and looking for care.



Since 2005, **MCS Coca-Cola LLC** has been continuously on the frontline for supporting the development of team sports by organizing and sponsoring national basketball tournaments. As a result of 12 years of devotion and the efforts and commitment of young athletes, a Mongolian basketball team won the 2017 Asia Cup (FIBA 3x3), proudly representing the country and the talent of Mongolian youth.

## AMCHAM POLICY AND ADVOCACY

### Addressing the controversial taxation of license sales

AmCham led policy advocacy actions with other business associations to address an adopted package of law amendments, initiated by the Ministry of Finance (MoF), which include taxes on mining and land license sales that may seriously affect Mongolia's investment opportunities.

AmCham emphasizes that the amendments clearly bring about a greater disincentive for foreign businesses to

invest in Mongolia and, at the same time, underscore the importance of the Transparency Agreement signed between the USA and Mongolia, which entered into force on March 20, 2017.

The MoF argues that the amendments were submitted as part of the 2018 state budget, therefore, delaying the implementation of new taxes is not feasible. The MoF has developed two detailed regulations that outline the implementation mechanisms for the

amendments. AmCham and other business associations continued advocacy and sent an official letter to the Prime Minister of Mongolia, reiterating the concerns of investors and urging to take actions to this issue, which is likely to have a negative impact on the investment climate of Mongolia.

*For information about AmCham Policy and Advocacy please contact [policy@amcham.mn](mailto:policy@amcham.mn)*



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AmCham published its 2017 Annual Report, reviewing our achievements and performance in the past year. The report includes insights about AmCham interventions in support of our members' efforts to establish business networks and provides detailed figures demonstrating AmCham's achievements in 2017. We would like to thank our dedicated members for their great commitment, active participation, and continuous support, which was fundamental for the AmCham team to succeed, enhance rapport with its members, and increase exposure.

*You can find the AmCham Annual Report [here](#)*

## AMCHAM COMMITTEE UPDATES

AmCham's Auto and Machinery Committee met on December 12, to review 2017 milestones and to define priorities and major policy interventions for 2018. In the coming year, the Committee will work to identify existing challenges in the auto industry and to develop an advocacy strategy with viable solutions.

The Auto and Machinery Committee is composed of representatives from companies who are actively engaged in the automotive and machinery industry, including Wagner Asia Equipment LLC, Cummins Mongolia, MSM Automotive, Porsche, Transwest Mongolia, General Electric Mongolia.



## AMCHAM MEMBERS' CORPORATE SOCIAL RESPONSIBILITY PROJECTS

The section below will be used to promote our members' corporate social responsibility (CSR) projects. If your company is interested in profiling its best CSR projects, achievements, and awards, please send a summary of your projects and photos to [communications@amcham.mn](mailto:communications@amcham.mn).

If you would like to have CSR exposure for an upcoming project, simply use below link to input event details. AmCham will be happy to send a representative to your event for documentation.

<https://goo.gl/zkNZyQ>

### WAGNER ASIA LLC



#### A kindergarten of dream

With the help of many local companies such as Wagner Asia LLC, Veloo Foundation has built and currently operates a kindergarten for 150 children who scavenge in the garbage dump at Ulaanchuluut to survive. The Children of the Peak Sanctuary Kindergarten has become a second home, a place where children are fed, educated and kept safe and warm. For the past two years, with continued support and assistance from Wagner Asia, the Peak's school bus has been bringing 28 children from across the garbage dump to the kindergarten. Veloo Foundation is working to build a second kindergarten in 2018, and is looking for additional partners to help. More about the project and donation, go to <http://www.veloofoundation.com/new-kindergarten-info.html>

### OYU TOLGOI LLC



#### Supporting Ecobus manufacturing and green development

Mongolian engineers will be manufacturing eight new energy efficient buses to improve public transportation services in Dalanzadgad soum. The production of the buses will be financed by the [Gobi Oyu Development Support Fund](#) and produced by the engineers of Ecobus LLC. Ecobus won an open tender announced by the local government to produce ecologically-friendly and affordable buses. The company's J-800EV-B model electric buses will be vital to reducing air pollution and improving access to remote ger districts. Transportation services will be free for people with disabilities and seniors, and the local government will be responsible for bus maintenance costs.

THANK YOU



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