

1<sup>th</sup>  
Anniversary



ANNUAL REPORT  
**2021**

NOVEMBER 2021

# BACKGROUND

The year 2021 continued to be challenging, with a mix of positive milestones (a national COVID-19 vaccination campaign and the gradual reopening of businesses) and missteps and confusion concerning government actions taken to address the pandemic in Mongolia. AmCham Mongolia has been committed to supporting its members in dealing with issues related to the quasi-lockdowns and restrictions, and serving the mission of the organization. AmCham Mongolia remains the nation's leading business association, protecting the interests of its members and promoting an enabling business environment.

In 2021 AmCham Mongolia is celebrating its 10th anniversary but due to the pandemic situation, celebratory events will be held next year.

# POLICY AND ADVOCACY

Making an impact and bringing about real policy change is of paramount importance for AmCham's policy advocacy efforts, through our regular platforms (the AmCham Committees) or directly engaging with government stakeholders and providing input during the legislative process by working on draft legislation.

## AmCham Roadmap 2021

This is the guiding strategic framework for all AmCham policy initiatives throughout the year. The themes and speakers for the year's Monthly Meetings were closely aligned with the key priorities outlined in the AmCham Roadmap 2021.

## COVID-19 policy advocacy efforts

Addressing COVID-19's economic implications for businesses has been an important milestone and AmCham Mongolia took a few policy actions to advocate on behalf of our members:

**2021 online survey "Impact of COVID-19 on AmCham Mongolia members":** In February 2021, AmCham Mongolia completed its second online survey to assess the impact of COVID-19 on our members. Most of them stated that they are facing many challenges, including the loss of customers, reduced businesses hours, negative cash flow, etc.

**Border bottleneck issues:** On June 21, 2021, AmCham submitted an official request to the Prime Minister and the Minister of Road and Transport to resolve the bottleneck in the shipment of heavy equipment and spare parts through Tianjin Port to Mongolia's southern border due to the pandemic.

## High-level policy and advocacy engagements

**In October, AmCham Mongolia met with Speaker of Parliament G. Zandanshatar, agreeing to hold a public consultation on the investment environment.** The Speaker emphasized that it was important to maintain momentum for the public to better understand the importance of foreign direct investment (FDI), its impact on our economy, and—ultimately—Mongolia's national security. AmCham Mongolia updated the Speaker on the implementation of the U.S.-Mongolia Transparency Agreement, which is an important prerequisite for establishing a free trade agreement with the United States, as well as recent court proceedings, the multi-stakeholder campaign for FDI promotion, and the latest global trends and best practices concerning national investment policies and legislation.



**The Parliament Secretariat and AmCham Mongolia co-organized the Legal Reform to Promote Investment consultation.** AmCham took the lead by delivering the consultation's keynote statement and moderating the discussion. AmCham Mongolia urged the pursuit of FDI from third neighbor countries, including the United States, by adopting the latest technology, know-how, and equipment. AmCham Mongolia proposed detailed policy recommendations to improve the investment climate and environment.

In collaboration with the government, AmCham Mongolia initiated the development of a public **FDI promotion campaign** to change public perceptions of foreign investments. A detailed workplan, milestones, and specific actions are being agreed upon to roll-out the campaign in partnership with various stakeholders.





## Committees

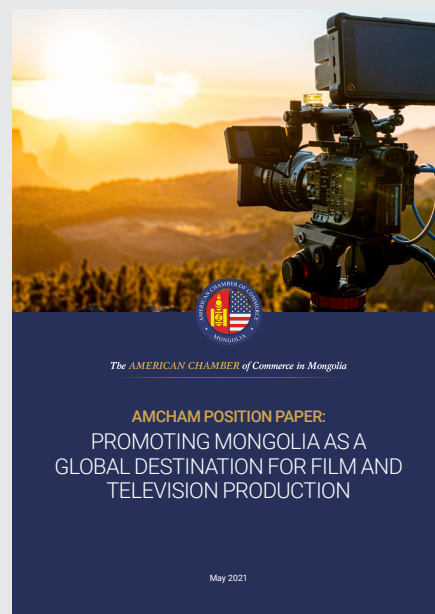
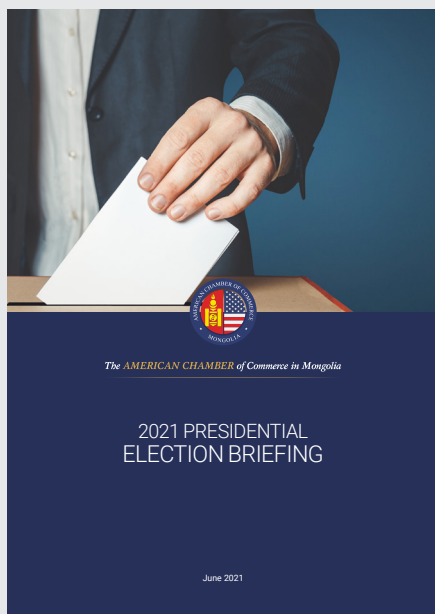
Seven AmCham Committees, under the leadership of dedicated committee chairs, functioned as effective mechanisms for gaining broad support for key issues and acknowledgement from the wider business community:

Due to COVID-19 restrictions, AmCham Committees continued holding meetings in hybrid formats (virtual and in-person) and discussed specific policy actions concerning agriculture, mining, infrastructure, heavy industry, trade, ICT, the digital economy, and corporate social responsibility (CSR).

## Position papers

Four Position Papers were developed and presented to government stakeholders and follow-up actions were taken to bring about policy change:

- 2021 Presidential Election Briefing
- Position Paper on Promoting Mongolia as a Global Destination for Film and Television Production
- Position Paper on Supporting Innovation and Technology Through U.S.-made Products in Mongolia
- Position Paper on Mongolia's Business and Investment Climate and Global Best Practices



## Weekly Policy Note

AmCham Mongolia continues to develop quality weekly policy notes reaching out over 1,200 subscribers. The WPN provides the latest updates on policy and legislative reforms, overview of political and economic developments that may impact members, findings from prominent international studies and analyses, and geopolitical perspectives that affect the business environment in Mongolia.



## Advocacy on draft legislation

In 2021, AmCham Mongolia took policy and advocacy action on key legislation being drafted, which resulted in the following outcomes and policy changes:

**AmCham actively advocated for the passing of the Law on the Promotion of the Film Industry and developed a position paper that** provided a review of the global regulatory environment surrounding the film and production industry, and a set of recommendations that Mongolia's policy makers should consider putting in place so the world's top studios will choose Mongolia as a location for their film and television projects. This policy action contributed to the parliament's adoption of the Law on the Promotion of the Film Industry on July 2, 2021.

**The Auto & Machinery Committee has been actively working on solutions to traffic congestion in Ulaanbaatar, including banning right-hand drive (RHD) and older vehicles. Our policy and advocacy efforts carried out in conjunction with the Mongolian Automobile Distributors' Association (MADA) are finally yielding results:** In August a working group led by the Deputy Mayor of Ulaanbaatar presented 15 short-term proposals for resolving traffic congestion in Ulaanbaatar. The working group also proposed allowing only left-hand drive cars in Ulaanbaatar by 2028, raising the import tax on vehicles used for more than seven years by 2022, and improving loan terms for buying new cars next year. The government also officially announced that resolving traffic congestion was a top priority for the government, and that it would spend most of its budget on this issue next year.

In mid-January, AmCham Mongolia submitted proposals for the **revised version of amendments to the Labor Law** and organized the virtual Roundtable on Developing a Competitive Labor Market in Mongolia with MP Ts. Munkh-Orgil, who chaired the parliamentary task force on the amendments, to reiterate our position on this critical legislation. The amendments to the Labor Law were adopted on July 2, 2021. AmCham and its members raised concerns regarding the capacity of the government and the private sector to be able to fully implement changes to the law starting on January 1, 2022, and proposed postponing the date of enactment. However, the working group did not agree with this proposal and the date of enforcement remains unchanged.

**Investment Law:** AmCham Mongolia submitted its comments and proposals for amendments to the Investment Law. A group of MPs drafted amendments to the Investment Law, with a few clauses resulting in major public outcry. The opposition claims that these amendments will threaten national security. AmCham Mongolia does not consider the current draft of amendments to be comprehensive, but the government has stated that it is drafting comprehensive amendments that are not yet available for public review. This piece of legislation is a priority for continued AmCham policy actions in the coming months.

Several policy engagements were organized with the Deputy Minister of Mining and a sub-working group on mining. Detailed comments were submitted related to legislative developments in the mining industry and initiatives related to promoting sustainable and responsible mining in Mongolia. A newly proposed draft of **amendments to the Law on Minerals** is another priority for AmCham to focus on to represent the interests of its members.

As a member of the sub-working group on laws covering digital issues, AmCham Mongolia virtually participated in various working group meetings and shared our comments and feedback on four timely laws: **Law on the Protection of Personal Data, Law on Public Information, Law on Digital Signatures, and the Law on Cyber Security**. During these meetings, we proposed that legislators include provisions for the use of digital and e-sig-

natures in order to obtain permission for the use of data; to ensure the confidentiality and safety of personal data; increase the number of days allowed to respond to complaints from data owners; and emphasized that the safety and confidentiality of digital signatures are essential to avoid crimes related to the hacking of personal and biometric data.

In September, AmCham Mongolia organized a roundtable discussion with Member of Parliament D. Unurbolor **on the new Trade law and a bill on public-private partnership (PPP)** for representatives of foreign business chambers to better understand the conceptual frameworks of the drafts. AmCham Mongolia stated that it has developed a position paper on supporting innovation and technology by seeking government support through tax incentives for the import of U.S.-made equipment that uses the latest technology, including robotics, AI, and remote automation solutions.



### Select cases of member-based advocacy:

#### RE/MAX

On February 19 and September 14, in collaboration with AmCham member RE/MAX, we organized roundtable discussions with key stakeholders, including the Financial Regulatory Commission (FRC) and the U.S. Embassy, to discuss critical issues in the real estate sector and define ways forward. The discussions focused on challenges in abiding by the reporting requirements in the sector for anti-money laundering and combating the financing of terrorism (AML/CFT) measures, and a bill on real estate that is currently being drafted. The meeting's participants agreed that there has been impressive progress made in Mongolia's real estate sector in the last two years, thanks to the new legislative environment and changes made to the FRC's licensing requirements. However, there are still more issues that need to be addressed by the FRC, real estate brokers, and agents. The bill on real estate is expected to be finalized by the end of 2021.



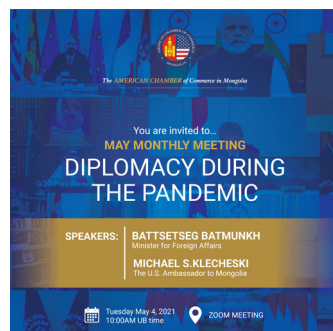
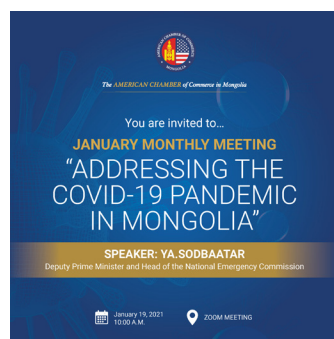
# EVENTS

In 2021, AmCham was unable to organize in-person events due to the government's ban on public events and the continued deterioration of the pandemic situation. The year presented an interesting situation with double standards, with some large events and forums allowed if organized by the government, and restrictions and confusing protocols applied to businesses.

Nevertheless, 14 virtual Monthly Meetings, webinars, committee meetings, and roundtables were organized to discuss issues of interest to AmCham members. A virtual format for events helped to encourage international participation—for instance, the President of AmCham China and other speakers—and to enable broader participation by AmCham member executives stuck overseas during the pandemic.

## Monthly Meetings

In 2021, AmCham hosted the following Monthly Meetings in a virtual format:



### JANUARY MONTHLY MEETING

Addressing the COVID-19 Pandemic in Mongolia

Ya. Sodbaatar, Deputy Prime Minister and head of the National Emergency Commission

### FEBRUARY MONTHLY MEETING

Promoting a Transparent Legislative Process in Mongolia

Minister of Justice and Home Affairs Nyambaatar Khishgee, U.S. Ambassador to Mongolia H.E. Michael S. Klecheski

### APRIL MONTHLY MEETING

How to Restore Investor Confidence

Amartuvshin G., Member of Parliament, Batjargal Kh., Chairman of the National Development Agency, Jigjidaa D., Senior Private Sector Specialist at International Finance Corporation

### MAY MONTHLY MEETING

Diplomacy During the Pandemic

Battsetseg Batmunkh, Minister of Foreign Affairs, U.S. Ambassador Michael S. Klecheski

### JUNE MONTHLY MEETING

Post-pandemic Economic Recovery

Dr. Khashchuluun Chuluundorj, independent economist, Michael J. Woods, CEO/COO of Big Sun Holdings Group Corporation, Seok Hyun Yoon, Resident Representative of the International Monetary Fund

### SEPTEMBER MONTHLY MEETING

Addressing City Development Issues

Governor of the Capital City and Mayor of Ulaanbaatar D. Sumiyabazar

## AmCham webinars, roundtable discussions, and workshops

The following table lists meetings that were organized in a virtual format this year. The turnout for these meetings was good, as we focused on having timely and relevant discussions with our stakeholders.



### FEBRUARY 18

#### What's Next?: Embracing the New Normal with Technology Webinar

Tulga Sukhdorj, CEO and founder of GrapeCity, Eja Batbold, CEO and cofounder of TomYo EdTech, Len Ball, General Manager of Steppe Group North American Operations, Gerelmaa Batchuluun, CEO and founder of Steppe Group, Bolor-Erdene Battengel, Chairwoman of the National Agency for Information and Technology



### MARCH 5

#### Digital Transformation Webinar

Gankhuyag, Chairman of Ard Financial Group, Byambajargal Ayushjav, Country Representative of Facebook Inc. in Mongolia and CEO and cofounder of Faro Education Institute, Naranbat Battulga, CEO and founder of Sendly.mn and Hi-Pay

### MARCH 18

#### COVID-19: China's Economic and Business Prospects Webinar

Alan Beebe, President of AmCham China

### APRIL 3

#### Developing a Competitive Labor Market in Mongolia Roundtable Discussion

Munkh-Orgil Tsend, Member of Parliament, Gregory May, Deputy Chief of Mission, U.S. Embassy Mongolia, Jay Liotta, Chairman of AmCham Mongolia, Munkhnasan Narmandakh, Vice Chairwoman of AmCham Mongolia



### MAY 28

#### Personal Finance and Wealth Management Webinar

Amarbayasgalan Enkhsaikhon, Principal Investment Banker at Ard Financial Group, Naranbat Battulga, Founder & CEO of HI Payment Solutions LLC, Tuvshinbileg Ganzorigt, CIO & cofounder of Orda Wealth Tech



### JUNE 10

#### Access to International Financing Roundtable Discussion

Geoffrey Tan, Managing Director at U.S. International Development Finance Corporation, Douglas Frye, Senior Business Development and Loan Officer at U.S. EXIM Bank, U.S. Ambassador Michael S. Klecheski

### JUNE 16

#### Cybersecurity in Financial Services and Blockchain Applications Workshop

Gerelmaa Batchuluun, CEO of Steppe Group, Amy Zhang, VP of Sales Asia at Fireblocks, Joshua Foo, Regional Director of South Asia at ChainAnalysis, Pelle Braendgaard, CEO and cofounder of Notabene



### NOVEMBER 9

#### Mongolia in 2022: What is Next? Webinar

Seok Hyun Yoon, Resident Representative of the International Monetary Fund, N. Enkhbayar, independent economist





# VIRTUAL WASHINGTON DOORKNOCK

June 23-25, 2021

For the first time, a virtual U.S. Doorknock was organized in June, which enabled the delegates to virtually meet with representatives from the U.S. Chamber of Commerce, the U.S. Department of Commerce, Department of State, U.S. Trade Representative, Department of the Treasury, National Security Council, and members of Congress Don Young and Dina Titus.

The main objective of this mission was to reinforce policy dialogue with U.S. stakeholders on a range of issues of common interest: a bilateral tax treaty and feasibility of a free trade agreement, the U.S. Mongolia Transparency Agreement, and the Mongolia Third Neighbor Trade Act. The Doorknock wasn't organized in 2020 due to lockdowns in Mongolia and the U.S.





# MENTOR DAY 2021

KHAN BANK TOWER, DATE: SATURDAY, OCTOBER 23, 2021

The first in-person event of the year was Mentor Day, held in October. Due to the government's restrictions on public events, the number of students attending was limited to 30 and AmCham followed all COVID-19 safety measures. The event was sponsored by Barloworld Mongolia, Herbalife, and Khan Bank.

AmCham Mongolia followed strict safety and health protocols taking rapid tests during event registration, and providing face masks and sanitizers to students.



# COMMUNICATIONS

The Communications Division leads the organization's communication strategies, social media, and other media relations, as well as marketing to promote the organization's advocacy efforts, events, and member organizations. The division has collaborated with the Policy & Advocacy and Events divisions on events, policy papers, press releases, interviews, and other activities, and produced "Humans of AmCham" articles, "Insight" video projects, a Mentor Day promo video, and CSR e-Journals.

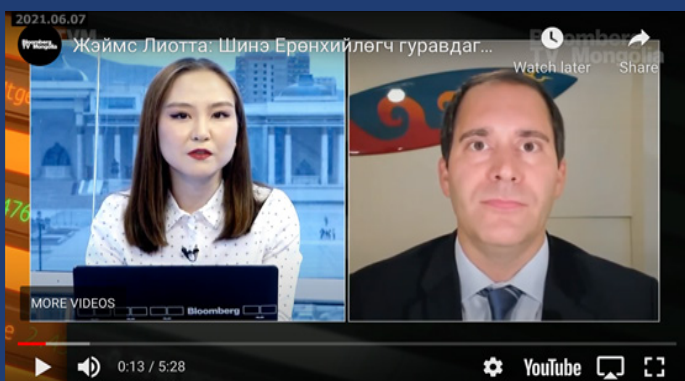
## Press releases

Over 25 press releases were published in Mongolian and English on the website, major online media, and traditional print media to promote our high-level meetings and webinars. In addition, we gained two new media partners, The UB Post and Mongolian Economy Magazine. Both of them publish articles in English; therefore, these outlets are likely to help us reach more expat readers.



## Interviews

We organized two interviews with Jay Liotta and Munkhnasan on Bloomberg TV Mongolia, and one interview with Mongolian Economy Magazine. The topics of discussion were related to the current business environment and investment climate, which intersect with the promotion of FDI.



## Women Business Leaders' TV talk show

Due to COVID-19 restrictions, we were unable to host a Women's Day luncheon this year, as originally planned. Therefore, a new format for the event—a talk show-style TV interview with female entrepreneurs in the tech industry—was successfully organized for the first time. The show was aired four times on Bloomberg TV Mongolia. AmCham Vice Chairwoman Munkhnasan Narmandakh hosted the interviews with Facebook Country Director Byambajargal Ayushjav, Founder and Board Member of Gerege Systems Enkhjargal, CEO of Itools B. Tamir, and CEO of Ardshop B. Ariunaa.

## AmCham Mentor Day

A promo video for Mentor Day and a 5-10 min video to use for next year's event were produced.



## CSR e-Journal

The CSR Committee agreed on publishing the CSR e-Journal on a quarterly basis; this quarter's journal is scheduled to be published in mid-November.

## AmCham Website

A new website is being developed to upscale visual appeal and to address some technical issues with the current platform. It will be launched in mid-November.

## Daily News Wire

The AmCham Daily News Wire (DNW) is sent out every weekday, highlighting the most relevant, critical, and unbiased news updates. Drawing from the most highly circulated newspapers and online media outlets in Mongolia, the Daily News Wire is an up-to-date, fact-based overview of current political and economic news.



## AmCham Insights

The videos are published via AmCham's social media channels, including Facebook, Twitter, LinkedIn, Instagram, and YouTube. "Insight" has received a large amount of positive feedback and comments, and we have received requests from our members to be in future videos. On average, the videos reached 10.1K viewers, 100 likes, and 15 comments.



## Humans of AmCham

"Humans of AmCham" is a project inspired by "Humans of New York" to showcase the human side of the AmCham community. The project is text-based content that highlights the unique hobbies, inspirational achievements, or life stories that our members wish to share with our audience. In 2021, a total four profiles have been published through our social media channels and we are currently in the process of publishing our 5th profile featuring Ms. Munkhjin of EY Mongolia. On average, the posts reach 2,357 viewers, eight shares, and more than 15 comments.

## Social media channels

We are proud to share that our social media channels are consistently gaining new followers. With a growing number of video content, AmCham's YouTube channel has been revamped to increase the visibility of AmCham initiatives and membership.



Facebook  
**22,900**  
likes  
(+1K)



Twitter  
**4,910**  
followers  
(+784)



LinkedIn  
**7,631**  
followers  
(+1208)



Instagram  
**1,734**  
followers  
(+190)



Youtube  
**44**  
subscribers

# MEMBERSHIP

As of November 2021, AmCham Mongolia membership stands at 71 members.

In 2021 we were able to recruit three new members, including domestic businesses: Tanan Express, Gund Investment, and Hi-Pay Solutions. We should note that we lost five members due to financial challenges and changes in the management team and policy.

We fully understand how hard the pandemic has hit many of our members. We are pursuing as flexible a policy as possible in response to the challenging financial situation to encourage them to renew their memberships.

One of the priorities maintained during this challenging time, when businesses are looking to optimize and reduce costs to adjust to new realities, is to retain existing members and remain relevant and essential to each and every one of them.

In order to do so, AmCham Mongolia is making all possible efforts to continuously engage with its members on a regular basis, and to listen to their needs on a collective and individual basis.

## NUMBER OF MEMBERS

71