



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

ROADMAP FOR GROWTH 2016



AmCham Mongolia
Policy and Advocacy Priorities

Ulaanbaatar

THE AMERICAN CHAMBER OF COMMERCE IN MONGOLIA 2016 ROADMAP FOR GROWTH

Background

AmCham Mongolia's 2016 action plan is to encourage Mongolia's development through private sector led economic growth, advocating for a level playing field for American businesses in Mongolia, and advancing commerce and trade between the United States and Mongolia. To better achieve these goals in 2016, AmCham Mongolia is focusing on the following strategic objectives:

Ensure Rule and Stability of Law and Policy

Private sector development, whether through foreign or domestic investment, requires the rule of law and stability of policy.

Cornerstones of the Rule of Law include due process, separation of powers, an independent, fair and impartial judiciary, openness and transparency, predictability, equal application of the law, and accountability for everyone.

Actions regarding the below matters will help to bolster Mongolia's reputation as a rule of law jurisdiction and investment destination:

- Fully implement and comply with the principles of the U.S. - *Mongolia Economic Transparency Agreement*.
- Improve the substance and enforcement of the *intellectual property rights legislation* – including Mongolia's strict compliance with its obligations as a signatory to numerous international intellectual property agreements and treaties, and a commitment to increase public awareness.
- Introduce *tax reforms* focusing on the development of comprehensive and official interpretations of tax legislation to ensure openness, transparency and predictability.
- Legislate restrictions on the use of *exit bans* such that they are a method of last resort and based firmly upon overwhelming evidence and a high probability, and not based on mere suspicion and possibility.
- Ensure openness and predictability of legislation and its application, sanctity of contract and enforcement of arbitral awards and court decisions – including the post-election Parliament and Government's adherence to the legal obligations and agreements of the pre-election Parliament and Government.



Promote Economic Diversification

The minerals resources sector is the backbone of Mongolia's economy and this is not expected to change anytime soon. Economic diversification is vital to Mongolia's long-term economic growth. Sustainable growth requires the clear policy guidelines on how to diversify, firm commitments, sound macroeconomic policies, investments in infrastructure and strong institutions. Economic diversification requires the state to remove itself from business and overregulation and to provide incentives to attract investment and create a strong private sector driven economy. Furthermore, economic diversification refers to diversification of markets for exports and imports and diversification of income sources away from domestic economic activities (i.e. income from overseas investment).

Actions regarding the below matters will help to bolster Mongolia's economic diversification

and create sustainable, long-term economic growth:

- Elevate the development of other sectors, such as the agriculture industry and energy sector (renewable and non-renewable), by utilizing American innovative and advanced technologies, machinery and knowhow.
- Take bold actions to deregulate the economy and reduce or eliminate government involvement in business to minimize bureaucracy and red tape. Furthermore, government interference with the market economy and with business activities (e.g. commodity price controls) must be discouraged.
- Lead a trade mission to the United States and participate in the Asia Pacific Council of American Chambers of Commerce's regional conference.
- Urge for the equal treatment of businesses operating in economically diverse sectors (e.g. auto importers - address serious public safety issues related to the auto industry including the modernization of Mongolia's emission standards and preventing the import of vehicles with right-handed steering wheels.).
- Identify key export opportunities and lobby the United States for inclusion into the Generalized System of Preferences. The inclusion into this system enables duty-free exports of selected products to the US and thus provides opportunities for countries to increase exports and expand into new markets.
- Expedite Mongolia's efforts to join regional and bilateral platforms, such as TPP and APEC. Joining these platforms will ensure conditions for Mongolia to beneficially engage internationally by applying international norms, strengthening governance of public institutions and providing opportunities for the private sector to expand operations at a regional level.





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