



The AMERICAN CHAMBER of Commerce in Mongolia

ROADMAP FOR GROWTH 2019



AmCham Mongolia
Policy and Advocacy Priorities

Ulaanbaatar

THE AMERICAN CHAMBER OF COMMERCE IN MONGOLIA 2019 ROADMAP FOR PRIVATE SECTOR-LED GROWTH

Background

AmCham Mongolia aims to build, strengthen, and protect business between the United States and Mongolia, and to actively promote Mongolia as a destination for American investment via the direct involvement of American-owned businesses and Mongolian companies representing American brands, operating across all sectors of the economy.

AmCham Mongolia firmly believes that Mongolia's current social and economic issues can be addressed through the growth of a strong and competitive SMEs and private sector. Moreover, a private sector-led economy will provide sustainable development for the country and for the well-being of current and future generations of Mongolians.

AmCham Mongolia is committed to build a framework for economic growth that is private sector-led, and promote a governance emphasis that encourages private-sector growth by making economies open, transparent, and rules-based.

Therefore, AmCham Mongolia will continue its support and partnership with the Government of Mongolia and other key stakeholders to promote a strong and vibrant private sector in Mongolia. We believe that evidence-based, well thought out, well communicated, and well promoted policy and advocacy work can contribute substantially to an improved climate for investing and doing business in the country. As a result, the country's developmental growth will be secured and sustained.

This Roadmap presents a high-level framework for AmCham Mongolia's policy and advocacy priorities in 2019, by building on the interests and needs of its members, the Government, and other stakeholders to promote a vibrant private sector and to make the country an attractive investment destination.

Policy and Advocacy Priorities for 2019

AmCham Mongolia's 2019 priorities are to support the country's private sector-led economic growth by assisting the government in regaining investor confidence, resulting from systemic policy reforms and the implementation of major economic and infrastructure projects. The priorities will also include supporting the mining and non-mining sectors, and promoting the competitiveness of the private sector not only in the country but also in the region and beyond.

AmCham Mongolia will strongly advocate for and showcase the success stories of its members' businesses in Mongolia. It will act as an effective bridge and platform for its members with other businesses, the Government of Mongolia, and other key stakeholders who can improve the business environment and help attract investment to the Mongolian economy.

Policy framework:

- A Roadmap for Expanded Economic Partnership between the United States of America and Mongolia, September 20, 2018
- Investment Reform Map for Mongolia, June 2018, report published by World Bank Group
- Investment Climate Statements for 2018 issued by the U.S. Embassy in Ulaanbaatar
- Mongolia Third Neighbor Trade Act, introduced on July 26, 2018 by Representative Ted Yoho and nine other members of the U.S. House of Representatives
- Agreement on Transparency in Matters Related to International Trade and Investment between the United States of America and Mongolia

Within this policy framework, the overall focus of AmCham Mongolia's policy and advocacy for 2019 will be supporting private sector-led economic development.

Key priorities are:

1. Improving the investment climate for both local and foreign investors;
2. Supporting a competitive mining sector as the engine of the economy;
3. Encouraging economic diversification and the growth of non-mining business;
4. Strengthening U.S. - Mongolia bilateral trade and investment and regional connectivity.

The focus: supporting private sector-led economic development

We believe that private sector-led economic growth is the healthiest model: market-driven, transparent, and financially sustainable. The growth of a strong private sector is not only in the interest of our members but also the Government of Mongolia and all stakeholders who want to advance the country's development.

AmCham Mongolia will continue to advocate for the promotion of free trade and free enterprise to regain investor confidence.

With stakeholders and partners, AmCham Mongolia will support the Government of Mongolia in its efforts to create an improved economic policy framework to address fundamental issues in the economy and its structure. AmCham Mongolia will continue its advocacy efforts for the enforcement of the U.S.-Mongolia Transparency Agreement in order to foster greater bilateral economic and commercial relations.



1. Improving the investment climate for both local and foreign investors

AmCham Mongolia believes strongly that a transparent, consistent and enforceable legal and regulatory environment, with strong commitment to fight corruption is the cornerstone to growing business and attracting investment.

AmCham Mongolia will continue in its efforts to create a more favorable investment climate and tax regime, and promote the country as a destination for potential investors, both from overseas and within the country. These efforts will be coordinated with the government, as well as with other business and industry associations and partners.

Some specific areas of focus for AmCham in 2019 will be:

- Support and promote an investor and business-friendly climate and tax regime in the country through the Investment Protection Council and other effective platforms;
- Promote technical discussions and consultations on the most pressing issues affecting the business environment to improve the legal and regulatory framework;
- Fully implement and comply with the principles of the U.S.-Mongolia Economic Transparency Agreement;
- Promote the sanctity of contracts through a stronger legal and regulatory framework to ensure the compliance of all parties to contractual obligations in Mongolia.

Mongolia's mining sector is the engine of the country's economy. AmCham Mongolia believes firmly that developing a responsible and competitive mining sector will create a strong foundation for economic growth and the country's development.

AmCham Mongolia members are major investors and suppliers to Mongolia's mining industry. By sharing and showcasing our members' best practices and successes, AmCham Mongolia will support the development of a competitive mining sector in Mongolia.

AmCham Mongolia will advocate for and support the creation of an effective and attractive legal and policy framework that ensures the investment necessary for the development of both existing and future mining projects. AmCham's efforts to enrich the industry will be undertaken through the actions stated in the position paper of the AmCham Mongolia Mining Committee.

Mongolia's economy is largely dependent on commodity exports. However, with its geographical location, natural resources, and well-educated, young population, the country has huge potential to advance the development of other sectors of the economy, such as agriculture, tourism, finance, cashmere, renewable energy, and ICT.

AmCham Mongolia members are strongly interested in investing and doing business in non-mining activities in Mongolia. Our members utilize some of the most innovative technology, machinery, equipment, and best practices available, which give these sectors the capability to become more internationally competitive and attractive to foreign investment.

AmCham Mongolia will continue its commitment to advancing opportunities in agriculture, financial services, micro power and renewable energy by attracting investment to its members by bringing advanced technology and know-how to Mongolia. AmCham Mongolia's committees on Financial Services, Agriculture, the Auto and Machinery Industry, and Community and Social Responsibility (newly established committee) will take a leading role in assisting the government in its efforts to foster economic diversification and social and economic sustainability.

Strong bilateral ties between Mongolia and U.S. is critical to AmCham's mission – especially the ties between policy makers and key investment, policy, and diplomatic constituencies in both capitals.

AmCham Mongolia is affiliated with the U.S. Chamber of Commerce, the world's largest business federation with over 3 million-member companies, as the local affiliate of the Asia-Pacific Council of American Chambers of Commerce (APCAC). AmCham Mongolia can communicate with other Chambers for references, to facilitate access to available resources, and to mediate in establishing initial contacts with U.S. businesses on an individual basis.

Some specific activities will include:

- Establishing connections for its members with their peers and markets in the region and the USA;
- Organizing inbound and outbound trade missions and the hosting of high-level U.S. government officials;
- Annual U.S. Expo in Mongolia;
- Leading and supporting a Mongolian delegation to attend the APCAC regional conference to gain insight on regional perspectives and to learn best practices used in the Asia-Pacific region for building an enabling business environment in Mongolia;
- Engaging the U.S. Congressional Caucus on Mongolia;
- Promoting Mongolia Third Neighbor Trade Act through various forums. The proposed Mongolia Third Neighbor Trade Act seeks to promote Mongolia-U.S. trade by authorizing duty-free treatment for certain imports, like cashmere and textile materials. The Mongolia Third Neighbor Trade Act would play a crucial role in Mongolia's overall economic development, increasing exports-led businesses as well as diversifying its markets.

2. Supporting a competitive mining sector as the engine of the economy

3. Encouraging economic diversification and the growth of non-mining business

4. Strengthening U.S.- Mongolia bilateral trade and investment and regional connectivity





The *AMERICAN CHAMBER* of Commerce in Mongolia



www.amcham.mn