



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

2023 ROADMAP FOR PRIVATE SECTOR-LED GROWTH

January 2023

Background

The Roadmap for Growth is a strategic framework for AmCham Mongolia's policy priorities and activities, designed to build an enabling business environment and create a level playing field for American businesses and our membership in Mongolia.

Policy and Advocacy Priorities for 2023

1. Supporting private sector-led economic recovery and growth in Mongolia.
2. Prioritizing greater commerce and trade integration with the U.S. and "third neighbors".
3. Tailoring support for our members' interests and elevating their brand recognition.

Details of the priorities include:

- 1. Supporting private sector-led economic recovery and growth through a more focused third neighbor investment policy, and in sectors where our members operate, including minerals, agriculture, financial services, digital transformation, trade and commerce, energy, and auto and air transportation.**

The COVID-19 pandemic highlighted Mongolia's economic dependence on the policy decisions of its two neighbors. It underscored the need for a policy that will grow the economy by encouraging greater investment with third neighbors.

The zero-COVID policy in China and continued geopolitical challenges have brought additional issues to the country. Mongolia is facing shrinking foreign exchange reserves, a skyrocketing inflation rate, and limited foreign investments.

It is essential for Mongolia to vigorously pursue its third neighbor policy to attract and retain investments from other countries. The Government of Mongolia should have a policy statement that explicitly advocates for promoting investment and facilitating trade with third neighbors while pursuing balanced relations with its two immediate neighbors.

The American Chamber of Commerce in Mongolia (AmCham Mongolia) believes that a solution to ending this heavy dependence on its neighboring countries is increasing FDI from third neighbors and developed nations. These efforts will be coordinated with the government, as well as with other business and industry associations and partners.



Specific goals and activities include:

1 Supporting private sector-led economic recovery and growth through a more focused third neighbor investment policy.			
	Goals	Specific actions	Expected outcomes
a	Upscaling AmCham’s policy advocacy initiatives and key policy messages to remain the leading business association contributing to a favorable investment climate in Mongolia	<ul style="list-style-type: none"> • Organize Monthly Meetings • Identify and secure relevant speakers for Monthly Meetings – development of an annual plan for speakers • Hold public-private dialogues on critical issues in key sectors, • Continue our engagements with Parliament and government agencies at all levels 	<ul style="list-style-type: none"> • Our key policy messages, including three pillars for policy reform, are conveyed to the relevant policymakers • Active engagements and follow-up actions on key policy and advocacy issues • Promote private sector-led economic recovery and growth • Maintain our position as a leading business association in policy and advocacy
b	Creating greater participation in a more transparent and inclusive legislative process	<ul style="list-style-type: none"> • Organize public consultations on the following legislation: <ul style="list-style-type: none"> • Amendments to the Investment Law • Amendments to the Minerals Law • Amendments to tax laws • Trade law • Consolidate comments from our members to share with the relevant stakeholders • Active engagements and follow-ups on our comments • When necessary, call for the repeal of objectionable provisions in proposed legislation 	<ul style="list-style-type: none"> • Ensure that our key comments are reflected in legislation • Ensure that proposed legislation is pro-FDI and encourages private sector growth
c	Effectively managing AmCham Committees: 1. Financial Services 2. Agriculture 3. Trade and Investment 4. Auto and Machinery Industry 5. ICT and the Digital Economy 6. CSR 7. Mining	<ul style="list-style-type: none"> • Organize a minimum of quarterly committee meetings • Set up working groups on amendments to the investment and minerals laws • Actively involve our members in committee activities • Develop position papers on selected issues to be presented to the responsible government agencies • Appoint new chairs, when necessary 	<ul style="list-style-type: none"> • Active involvement of the members in committee activities • Active engagement and policy advocacy action from the committees
d	Build coalitions and alliances with other critical stakeholders	<ul style="list-style-type: none"> • Partner with business chambers, including the MNCCI, BCM, EuroChamber, and AustCham, on common issues of policy and advocacy by submitting joint proposals to the relevant government stakeholders • Coordinate our policy and advocacy efforts with business chambers and diplomatic missions from the third neighbor countries • Meet and exchange information with business chambers and diplomatic missions from third neighbors on a quarterly basis • Partner with champions for reform within the Mongolian government 	<ul style="list-style-type: none"> • Quarterly meetings with other business chambers and diplomatic missions from third neighbor countries • Joint proposals submitted to Parliament and Cabinet • Coordinated policy and advocacy efforts with other business chambers and third neighbor diplomatic missions • Ad hoc meetings with champions for reform within the Mongolian government



2. Prioritizing greater commerce and trade integration with the U.S. and third neighbors

Strong bilateral ties between Mongolia and the U.S. are critical to AmCham’s mission, especially the ties between policymakers and key investment, policy, and diplomatic constituencies in both countries’ capitals. There is an opportunity to utilize and build upon the existing legislative framework between both countries and to create a more coherent and focused third neighbor trade policy addressing the short, mid, and long-term goals for developing greater bilateral trade and investment.

Strong commercial and advocacy ties between businesses operating in Mongolia, the U.S., and the region are essential for increasing business and trade, developing private sector-led growth, and strengthening the Mongolian economy. AmCham Mongolia is affiliated with the U.S. Chamber of Commerce, the world’s largest business federation, with over 3 million member companies. AmCham Mongolia is a member of the AmChams of Asia Pacific (AAP), consisting of 28 Chambers of Commerce throughout the Asia-Pacific. AmCham Mongolia is also a member of the American Association of the Indo-Pacific (AAIP).

Through our affiliations, we will have the opportunity to address the Biden Administration’s Indo-Pacific Economic Framework; engage with policymakers in Washington and the region; connect global, regional, and local businesses; and garner resources to develop and advise on a third neighbor trade policy.

According to the 2022 Mongolia Investment Climate Investment Statement, “Mongolia attracts investors’ attention but has trouble converting interest into actual investments. Unless and until Mongolia embraces a stable business environment that both transparently creates and predictably implements laws and regulations, many investors will find its market too risky and opt for more competitive countries.

“An essential step to mitigating these risks is for Mongolia to implement the U.S.-Mongolia Agreement on Transparency in Matters Related to International Trade and Investment (known as the Transparency Agreement), which requires a public comment period before new regulations become final. Mongolia has implemented some of this agreement but is five years behind full implementation of public notice commitments.”¹

¹ <https://mn.usembassy.gov/2022-investment-climate-statement-mongolia/>



Specific goals and activities include:

2 Prioritizing greater commerce and trade integration with the U.S. and third neighbors			
	Goals	Specific actions	Expected outcomes
a	Exploring opportunities under the existing legislative framework to support greater trade and investments between the U.S. and Mongolia	<ul style="list-style-type: none"> Organizing inbound and outbound Doorknocks and Trade Missions 	<ul style="list-style-type: none"> Our key policy messages are conveyed to the relevant U.S. policymakers Active engagements and follow-up actions on key policy and advocacy issues
b	Identifying and promoting bilateral cooperation between private businesses	<ul style="list-style-type: none"> Initiate and organize Investor Forum 2023 along with pitch sessions to bring in global investors, including American investors, in collaboration with relevant government and private sector stakeholders 	<ul style="list-style-type: none"> Successful execution of Investor Forum 2023
c	Continuing more active and productive engagements and joint initiatives with the U.S. Embassy and U.S.-based stakeholders through a regular information exchange	<ul style="list-style-type: none"> Hosting of visits by high-level U.S. government officials to Mongolia and high-level Mongolian government officials to the U.S. Actively engaging with the U.S. Congressional Caucus on Mongolia and Mongolia-U.S. parliamentary group in the Mongolian Parliament 	<ul style="list-style-type: none"> Our key policy messages are conveyed to the relevant U.S. policymakers Active engagements and follow-up actions on key policy and advocacy issues
d	Upscaling policy dialogues and forums, engaging with and inviting regional and global business leaders and other stakeholders	<ul style="list-style-type: none"> Leading and supporting a Mongolian delegation to attend the annual meeting of AAP to gain and share insights on regional perspectives, and to learn and share best practices used in the Indo-Pacific region that can be used to build an enabling business environment in Mongolia 	<ul style="list-style-type: none"> Up to three virtual sessions organized with regional and global business leaders, including AAP

3. Promoting our members' interests and visibility

AmCham members are investing and doing business in Mongolia's minerals and non-minerals sectors. Our members utilize some of the most innovative technology, machinery, equipment, and best practices available. These sectors have the potential to become more internationally competitive, generate greater revenue, protect the environment, create jobs, develop a modern workforce, and attract investment. Moreover, our members promote anti-corruption efforts, and many are bound by the U.S. Foreign Corrupt Practices Act.

AmCham will continue its commitment to advancing opportunities for our membership and American companies in agriculture, financial services, micropower, renewable energy, and other sectors in which they operate, and work to attract greater investment and bring advanced technology and know-how to Mongolia through our members.

AmCham will also tailor support to our members and seek more ways to elevate their brand recognition.



Specific goals and activities include:

1 Promoting our members' interests and visibility			
	Goals	Specific actions	Expected outcomes
a	Undertaking member-based advocacy through customized policy and advocacy efforts tailored to the needs of our members	<ul style="list-style-type: none"> Respond to the needs of our members in a timely manner by contacting relevant government stakeholders Conduct rigorous follow-ups 	<ul style="list-style-type: none"> Member satisfaction with AmCham's customized policy and advocacy efforts Resolution of the members' key issues and needs
b	Providing members with timely and high-quality intelligence and analysis regarding political, economic, and policy developments	<ul style="list-style-type: none"> Development of Weekly Policy Notes that will be qualitatively improved throughout the year based on member feedback 	<ul style="list-style-type: none"> Ensure that our key comments are reflected in legislation Ensure that proposed legislation is pro-FDI and encourages private sector growth
c	Elevating our members' brand recognition	<ul style="list-style-type: none"> Promoting their brands through different communications channels and recognizing their contributions to our committees, events, meetings, Networking Nights, etc. 	<ul style="list-style-type: none"> WPN to emerge as one of the leading policy references Development of up to five policy notes and briefings on emerging political, economic, and business issues for member reference
d	Promoting corporate and social responsibility culture within the Mongolian business community	<ul style="list-style-type: none"> Publicizing and showcasing our members' best practices and successes through our Corporate & Social Responsibility Committee and annual CSR Awards Night 	<ul style="list-style-type: none"> Successful organization of the CSR Awards Night Publishing of a press release about CSR award winners in mainstream media outlets

