



AmCham News

JUNE 2019

AMCHAM POLICY AND ADVOCACY EFFORTS

AmCham June Monthly Meeting hosted H.E. Michael S. Klecheski

On June 3, AmCham Mongolia hosted the newly appointed U.S. Ambassador to Mongolia, His Excellency Michael S. Klecheski, to meet with foreign investors and members of the business community. AmCham members, foreign investors, and embassy representatives attended the event, and had informative and constructive discussions on ways to strengthen U.S.-Mongolia bilateral and commercial relations. The U.S. Ambassador presented the embassy's policies on furthering U.S.-Mongolia relations, the Mongolia Third Neighbor Trade Act, the Transparency Agreement, UN Peacekeeping operations, the U.S. Department of State's Investment Climate Statements, and the upcoming AmCham Doorknock 2019 to Washington D.C. "AmChams throughout the world are close partners of the U.S. embassy," Mr. Klecheski quoted. He continued, "In 2018, total trade rose 47% compared to the previous year with the sum of USD 121,000,000. But in 2011, our commercial relations peaked at around USD 700,000,000. Evidently, there is much room for improvement, and everyone gathered here today is strongly committed to seeing those improvements."



AmCham Aviation Week in collaboration with The Wicks Group

From June 3-7, AmCham Mongolia launched Aviation Week, organized in collaboration with The Wicks Group, a Washington, D.C. based law-firm, in order to explore opportunities to launch direct air services between Mongolia and the U.S. During Aviation Week, AmCham met with key stakeholders in the aviation industry and airlines operating in Mongolia. On June 6, AmCham Mongolia organized an Aviation Roundtable with U.S. and Mongolian representatives and aviation specialists. Constructive discussions were held about the various challenges and milestones that must be overcome before Mongolia can be authorized to launch a direct air carrier service to the U.S. Vice Chairman of AmCham Mongolia Gary Biondo stated in his opening remarks that the U.S. fully supports the launch of a direct flight between the U.S. and Mongolia when MIAT Mongolian Airlines is capable of performing direct flights and meets class one qualifications, by improving its technology and human resources. Ronce Almond, from The Wicks Group, introduced direct flight licensure requirements and procedures. MIAT Mongolian Airlines officials stated that they are working to meet these requirements and have some projects planned to make further progress. Deputy Director of MIAT Mongolian Airlines N. Ganbold noted that by 2021, MIAT would be able to start direct flights to the U.S.



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AMCHAM POLICY AND ADVOCACY EFFORTS

Asia Foundation Project: Promoting Good Business Ethics

On June 13, AmCham Mongolia successfully conducted the last round of training sessions on codes of ethics and business conduct, jointly organized with the Asia Foundation and Oyu Tolgoi LLC. More than 60 people representing 40 companies attended the training session. During the training session, AmCham presented the latest results of the Asia Foundation study on private sector perceptions of corruption, an overview of the legal environment for corruption, and shared sample templates of codes of ethics with the participants. Representatives from Oyu Tolgoi LLC introduced their compliance and procurement related procedures. AmCham Mongolia has recently received requests from Mongolian Banker's Association and Khan Bank to conduct similar ethics training with their members.



Development of Strategies for Attracting and Promoting FDI to the Agriculture Sector

Representing the private sector, AmCham Mongolia as a member of the Task Force of the Ministry of Food, Agriculture and Light Industry participated in the development of strategies of 2019-2023 for attracting and promoting Foreign Direct Investments to the agriculture sector. Several other organizations including World Bank, IFC, ADB, National Development Agency are members of the Task Force. Together we developed a draft version of the strategy by identifying ways to attract FDI, including milk & dairy products, farming, meat processing, and processed cashmere products.

AmCham Position Papers

AmCham Mongolia, in collaboration with IFC, FAO, and Mercy Corps, developed the "Position Paper on Competent Beef and Dairy Sectors", in English and Mongolian, outlining key challenges in Mongolia's beef and dairy sectors, and proposing policy recommendations based on local and international best practices in handling these issues. The challenges and recommendations were developed with input from key stakeholders, discussed during the Pioneers in Beef and Dairy Development in Mongolia Forum, held in March. In collaboration with the Asia Foundation, AmCham Mongolia also developed the "Position Paper on Promotion of Good Business Ethics in Mongolia" in English and Mongolian, based on information about best practices provided by our members to address such issues as codes of ethics; regulations on gift giving and government relationships; the management of conflicts of interest; corporate transparency; and reporting. Visit our website for more information.

AMCHAM DOORKNOCK 2019

AmCham Doorknock 2019, AmCham Mongolia's annual Trade Mission to Washington D.C., was successfully completed between June 23-26. The goal of the Doorknock is to promote bilateral relations between the U.S. and Mongolia, and to address and advance issues that impact our members, where the U.S. government has a role: Mongolia Third Neighbor Trade Act (MTNTA), tax reform for Americans abroad, trade policy, and banking policy. On the first day of Doorknock 2019, delegates were hosted by the U.S. Chamber of Commerce, U.S. Department of State, U.S. Department of Commerce,

U.S. Department of Agriculture, and U.S. Trade Representatives to discuss the various ways Mongolia-U.S. bilateral and commercial relations can be strengthened. Specifically, the newly passed BUILD Act and MTNTA were examined in detail. On the second day of Doorknock 2019, our delegates were welcomed by Overseas Private Investment Cooperation Bank (OPIC), the U.S. government's development finance institution, and Export-Import Bank of the U.S. (EXIM), the official export credit agency of the U.S. federal government. During these meetings, Doorknock delegates, and OPIC and EXIM

representatives discussed financing opportunities, the BUILD Act and how the new Act is a reform as a part of a decision to align with USAID. AmCham Mongolia also organized a Roundtable Discussion on U.S.-Mongolia Relations, and hosted influential figures, such as Congressman Ted Yoho and Congresswoman Dina Titus. Doorknock delegation was also welcomed by the Mongolian Ambassador to the U.S., His Excellency Otgonbayar Yondon, at the Mongolian Embassy. Thank you to our member Woodmont International for sponsoring the Welcome Reception and Seruun Group for sponsoring the Networking Reception.



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FXB Project



Since 2016, Badrakh Energy has been sponsoring the implementation of the FXB project in Dornogobi aimag. The sponsored 200 families are educated on areas such as nutrition, lodging and employment. They are distributed seed money to cultivate independent gardens, in addition to practical advice to start income-generating activities. At the end of the 1st program, 100% of the families became able to sustain themselves financially through their various income-generating activities and 80% of them now have savings. Association François-Xavier Bagnoud (FXB) is an international organization with 30 years of experience in breaking the cycle of poverty.

Rural Development Program



With the goal of developing human capital and unlocking the potential of rural citizens, Philip Morris launched its Rural Development charitable program in Kazakhstan in 2014. Over the past 5 years of project implementation, more than 1000 people were trained on the basics of vegetable growing, 600 people on the basics of doing business in rural areas, 300 people in computer literacy and accounting. Farmers were trained not only on how to grow vegetables using modern technologies, but also on how to manage farm business effectively. Now farmers' products compete in supermarkets by price and physical characteristics, quality and taste, while still remaining environmentally friendly. In 2019, the project has been extended with a construction of bio-gas plant for recycling of organic waste to be generated into soil fertilizers. The project received numerous recognitions, including an award from AmCham Kazakhstan and an international CSR Excellence Award in London.

#Яараадяхавдээ



Oyu Tolgoi LLC signed a Memorandum of Understanding to implement a Traffic Safety Project in collaboration with the National Police Agency and Mobicom Corporation. Approximately, 500 people die from car accidents annually, and 10 percent of them are children in Mongolia. Furthermore, thousands of people become disabled because of road accidents. Thus, Oyu Tolgoi and Mobicom are co-sponsoring a road safety program by investing 280 million MNT as part of their social responsibility. As part of this project, the nationwide campaign titled #Яараадяхавдээ is being organized until Jul 9th, establishing speedometers at Sainshand road in order to decrease speeding in that area. Safety is Oyu Tolgoi's first and foremost priority.



MSM attends Tree Planting hosted by Oyu Tolgoi LLC

MSM representatives attended Tree Planting event at Botanical garden organized by Oyu Tolgoi company on May 18th. Trees clean the air by releasing oxygen and absorbing CO2, and they prevent soil erosion. Furthermore, trees reduce stress and encourage healing; studies have shown that patients with views of trees out their windows heal faster.

Starchase's Safe Children program

On May 22, Starchase Mongolia and the State Police Department of Mongolia jointly organized "Safe Children" event focused on preventing kids from traffic accidents and educating them on the importance of traffic lights and seatbelts. Starchase Mongolia has been cooperating with the State Police Department of Mongolia since 2016 and organizes its Kids Driving School event every year where they do classroom learning sessions for traffic rules and safety precautions and do driving sessions with Porsche GoKarts.





One Employee-One Tree

TransBank has implemented a new CSR project “One Employee-One Tree” that obliges all of their employees to plant trees at Ulaanbaatar’s National Park. “Responsible bank, responsible citizen” is their motto. To fully commit to their responsibility, TransBank has extended their CSR to create a greener and healthier city. As Ulaanbaatar’s soil, air and water contamination has been intensely increasing over the recent years, it is crucial for us to tend to these problems. The simplest, yet the most effective way towards that is the cultivation of plants and trees. TransBank will now actively implement various initiatives into their policy to tend to these environmental issues.

Gerel Children's Care Center

For International Children's Rights Day, TransBank visited Bayanzurkh District's Gerel Children's Care Center. In 2015, TransBank committed themselves to UN's “Sustainable Development” framework, and has been satisfying 17 of the guidelines through their CSR projects. For 2019, 50% of their CSR projects are focused on the future of Mongolia- our children's education and development. So then, for Children's Day, they donated hygiene products, groceries, household items, school supplies, as well as presents for Gerel's children. The children were also entertained with Pororo and his friend Crong.



Wagner Asia's Children's Day

As our tradition to honor International Children's rights day, we have been making kids happy every year. This year we have delivered 1300 gifts, out of which 926 kids are our employees' children, and 150 kids of “Relationship” development center, 64 kids of the “Opportunity” project participants, and 160 kids of target groups in Bayangol district, Zaamar sum of Tuv province, Zamiin Uud port, and Darkhan – Uul province. First 15 participants of the “Opportunity” project have successfully completed their training and are now ready to be employed as a Heavy Machinery operator. We are cooperating with employers to provide jobs for our participants.

Mongolian Artisan Cheesemakers Union

MACU and MACU affiliates are transforming the nomadic traditional dairy processing to fine artisan cheese making in rural areas of Mongolia

