



The **AMERICAN CHAMBER** of Commerce in Mongolia

AMCHAM NEWSLETTER

February 2019

AMCHAM POLICY AND ADVOCACY EFFORTS

Reinforcing AmCham Mongolia's Policy and Advocacy Initiatives: Committee Meetings

AmCham Mongolia held its first meetings with the Mining, Infrastructure, and Heavy Industry Committee (MIHI) and Auto & Machinery Committee (AM). The MIHI committee members discussed policy actions for 2019, and agreed to organize a public forum on responsible mining, working in partnership with the Ministry of Mining and Heavy Industry. In addition, they discussed to review the State Minerals Policy for 2014-2025 with key stakeholders to assess its implementation, and to provide input on amendments and updates if necessary. The MIHI committee members will participate in a knowledge sharing session with the ministry staff. AmCham will also collaborate more closely with other stakeholders to increase credibility in the mining sector.

Auto and Machinery Committee members agreed to partner with the Mongolian Automobile Distributors' Association (MADA) on solutions for current and emerging issues in the sector, to engage with the new Minister of Road and Transportation Development, and to organize a forum with MADA and the ministry on pressing industry issues and solutions, which includes revising tax structures and local standards for vehicle maintenance and repairs.

Some of the MIHI and Auto Machinery Committee policy actions will build on recommendations and conclusions from the Position papers on "Developing an Environmentally Friendly Auto and Machinery Industry" and "Supporting a Competitive Mining Sector in Mongolia".

As a follow-up action for the previous meeting of the Agricultural Committee, on February 22, 2019 members of the AmCham Agriculture Committee met with Ch.Ulaan, Minister of Food, Agriculture, and Light Industry, and agreed on specific steps of collaboration to address issues in the agricultural sector.

Meeting with the President of Mongolia

On February 27, AmCham Mongolia met with President Battulga as a courtesy call and expressed its commitment to support Third Neighbor Trade Act. The Third Neighbor Trade Act introduced on July 26, 2018 by Representative Ted Yoho and nine other members of the U.S. House of Representatives will allow Mongolian cashmere duty-free and quota-free access to the U.S. market. The passing of this act will also promote the inflow of American investments into Mongolia, help to create jobs, and empower women in Mongolia.



MEMBER UPDATES



Anderson & Anderson represents a Mongolian mining company at an arbitration centre

Anderson & Anderson LLP represented a Mongolian mining company in an arbitration proceeding at the Hong Kong International Arbitration Centre regarding a dispute with respect to an acquisition of a mining company, where the seller's estimate of mineral reserve in the mine did not meet the expectations of the acquirer. The estimate and feasibility study provided by the seller appears to have been partialized. Before investing in the mining sector, one should know how to estimate the impact of pricing risk, and foresee the dangers of making decisions based on a single evaluation. Evidently, the buyer should not entirely rely on the seller's estimate of reserves, and hence, the dispute was resolved before an objective third party.



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Golomt bank hosts Golomt Gold Forum and LuxLife events in February 2019

Golomt Gold Forum was a huge success for the second year running, taking place on 22nd of February 2019. Participation included top 100 gold mining companies along with world-renowned mining equipment suppliers such as Wagner Asia, Caterpillar, Transwest Mongolia, Monnis Mining Equipment and AODE Machinery.

Partnering with the LuxLife's communications sector, Golomt bank organized an event whereby they presented luxury housing projects for the second year, running on 24th of February 2019. The event aims to promote high-end housing projects in partnership with Golomt Bank to enable customers to make informed and realistic comparisons between projects.

Partners of Melville Erdenedalai receive awards

Within one year of operation, partners of Melville Erdenedalai law firm, Mr. Chris Melville and Mr. Erdenedalai Odkhuu, have been ranked as Leading Individuals in the Legal 500, Asia Pacific 2019. Congratulations to the partners for their achievements!

Melville Erdenedalai LLP was founded by former Hogan Lovells partners Chris Melville and Erdenedalai Odkhuu, following the legacy firm's retreat from the Mongolian market in 2017.



TDB introduces a 3-word address for its every branch and ATM locations

Trade and Development Bank of Mongolia (TDB) signed a memorandum of understanding with What3Words, and added a 3-word address for its every branch and ATM locations. What3Words is a geological system which divides the world into a grid of 3m x 3m squares, and assigns each one a unique 3-word address. Meaning, anyone can accurately find any location and share it more quickly. With What3Words, customers of the bank can now easily find exact location of the bank branches and ATMs wherever they go.

MEMBER CSR



Cummins takes part in a food drive

Cummins employees donated necessary food items to the annual Tsagaan Sar Food Drive organized by Veloo Foundation. Before Tsagaan Sar, the food hampers contributed by Cummins' employees were distributed to around 140 people at the Ulaanchuluut community. Those who cannot afford to celebrate were blessed with strangers' generosity to greet the new year with ease.

Energy Resources provides permanent living accommodations to their employees

Energy Resources, a subsidiary of MCS Holding, maintains a policy to provide its employees and their families with suitable living conditions by establishing 5 to 10-year employment contracts. Last February, long-term 21 employees of the company working on Ukhaa-Khudag site were awarded full ownership of accommodations in Tsetsii apartment complex. Over 400 people on the site are now working under the same contract.





Jacobs donates gers to families in need

Recognizing the challenging winter, Jacobs Mongolia supported several vulnerable families by providing them with brand new gers and enough coal to surpass the season. Ten families were given coal to last the winter, two families were provided with new gers and three families had their existing gers better insulated. These improvements would not have been possible without the support and cooperation of NBIK, a Mongolian construction company, who physically built the gers and delivered coal in bulk. Both Jacobs Mongolia and NBIK closely collaborated to provide warm housing for those in need.

Khan Bank contributes CISCO computers to NUM

Khan Bank contributed CISCO networking hardware to the National University of Mongolia's computer networking laboratory, giving students an opportunity to have more practical training during their studies. Up to 100 students can simultaneously use the CISCO network system at the laboratory now. CISCO is globally known for its guaranteed network security and fast data transfers between servers. This initiative is a testament to the Khan Bank's commitment to support national development by improving educational facilities.



Moncement constructs a pipeline to deliver fresh water to Urgun sum

Since establishment, Urgun sum residents have relied on water supply from a well located 2 km from the settlement, with a system that delivers water by a truck every 3 hours. In 2018, Moncement plant, in collaboration with the local communities resolved this issue by investing in, and constructing a fresh-water pipeline, which now allows constant water supply to Urgun sum's households. Urgun sum is rapidly developing as permanent residents are increasing to work at the Moncement plant and its suppliers. Along with the permanent fresh water supply infrastructure commissioning in Urgun sum, the community also greeted the new year with the construction of new 24 family residential apartments by the UB Railroad company. In addition, bio composting toilets have been installed in the centre of Urgun, improving the comfort of the residents of Urgun village.

Oyu Tolgoi implements road safety project for children

Oyu Tolgoi has implemented a road safety project for school children with the collaboration of Traffic Safety Association. OT decided to implement this project considering the high fatality rate caused from car accidents and the average loss of 500 lives per year. 10 secondary schools with the highest number of traffic accidents near the school zone were targeted in the project. The association executed road safety training workshops by collaborating with 10 schools, and organized a series of interactive trainings directly with the students at car showrooms. This project contributed to the development of new methods of teaching road safety contents to children. OT will continue the project in a broader scope in 2019.



Skytel supports youth sports development

Skytel LLC, a subsidiary of Altai Holding Group, announced its corporate social responsibility projects underway in the first two months of 2019. The company will carry out CSR projects with the aim of promoting sports-based youth developments for 2019. Skytel LLC sponsored a live broadcast of IBO Association's regional championship contest. The broadcast was viewed by approximately 600,000 people both online and on television.



Starchase Automotive Limited LLC co-organizes “Tsagaan Sar Food Drive”

Starchase Automotive Limited LLC, an official distributor of Porsche, Audi, Jaguar & Land Rover, in collaboration with Veloo Foundation, once again organized a successful Tsagaan Sar Food Drive Campaign. Generous individuals and companies, worked together to reach 144 families of the Ulaanchuluut garbage dump and community. We want to thank companies such as Cummins Mongolia, Wagner Asia Equipment LLC, American School of Ulaanbaatar, British School of Ulaanbaatar, and many more individual donations for participating to make a difference.

FOR YOUR KNOWLEDGE

The top ten 'at risk' organizational capabilities relate to the people experience and use of analytics

PwC interviewed 1,246 executives in more than 10 industry sectors across 79 countries. Fifty-nine percent of the respondents were HR professionals and 41% were business executives, of which 13% were C-suite-level leaders.

The top ten capabilities ranked by risk, high to low

Question: How important are the following to the future of your organization? ('Extremely High Importance' or 'High Importance') and

Question: To what extent do you agree or disagree with these statements right now? (those who do not agree). We calculated 'at risk' as the percentage of respondents who say a capability is important but are not taking action today.

01. Data-driven decisions

We use insights from big data and advanced analytics in workforce decision making **(41%)**

02. Skill gaps

We use data analytics to predict and monitor skills gaps in our workforce **(34%)**

03. Remove bias

We use data analytics to de-bias hiring and rewards **(34%)**

04. Tech-savvy HR

Our HR leaders have a depth of understanding and insight into the technological landscape **(34%)**

05. Flexible talent

We are able to engage easily with flexible talent as and when they are needed **(34%)**

06. Manageable workloads

The workload is manageable enough at our company that employees are able to make full use of their vacation allowance and relax away from work pressures most evenings and weekends **(33%)**

07. Advanced workforce planning

We use sophisticated workforce planning and predictive analytics **(33%)**

08. Modern career paths

We have moved away from an 'up-or-out' career model towards multiple career paths that cater to diverse employee needs and aspirations **(32%)**

09. Adaptability

Our talent practices and processes (e.g., rotations, secondments, learning and development opportunities) are designed to nurture employee agility and adaptability **(32%)**

10. Ecosystem of work-spaces

We have designed work-spaces to promote well-being, for instance, with spaces for relaxation, recuperation and to accommodate a variety of working styles **(31%)**

Check out PwC Academy's 2019 training schedule [here!](#)



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