



# AmCham News

MAY 2019

## AMCHAM POLICY AND ADVOCACY EFFORTS

### AmCham May Monthly Meeting Hosted Country Representatives of IIFC, IMF, WB

AmCham hosted a meeting with representatives of international financial institutions to discuss Mongolia's current financial and economic situation, and the nation's economic outlook for 2019 and beyond. The panelists were Neil Saker from IMF, Andrei Mikhnev from World Bank, and Rufat Alimardanov from IFC. The panelists emphasized the importance of a private sector-led economy in moving forward to secure current economic growth and to foster continuous, long-term economic development. Although public investment and public sector jobs are helpful in the short-term, they are not sustainable in the long-term. The panelists and AmCham members asked a range of questions, including questions about the IMF's extended fund facility (EFF) program, legislation concerning putting a cap on the interest rates of banks and NBIs, the rule of law, the dangers of populism, strategies for the Mongolian banking sector to compete at the regional level, and the impact of potential amendments to the OT agreements.

In responding to these questions, Neil Saker stated that the economic situation in Mongolia prior to enrollment in the EFF program was very difficult, and program enrollment resulted in economic recovery and growth. He said that the IMF is very pleased with the outcome of the program, but the program will end in March 2020. Responding to the question regarding the banking sector, Andrei Mikhnev said that if the economy is the human body, then the banking sector is its blood, which needs to be healthy. Neil Saker added that Mongolian banks need to support economic growth in Mongolia, and that there is lots of potential for growth in the Mongolian banking sector, including fintech, innovation, and mobile banking. Saker stated that he is encouraged by the widespread use of mobile banking in Mongolia, even in remote areas of the countryside, while some other advanced economies still use paper checks for transactions. Rufat Alimardanov stated that Mongolia has great potential for development, and the IFC aspires to work in collaboration with the government and the private sector to open up new business opportunities in Mongolia, thereby creating new opportunities for its people.



### AmCham Mongolia Meets Chairman of the Economic Standing Committee

On May 1, AmCham Mongolia met with H.E. D. Damba-Ochir, Chairman of the Economic Standing Committee, regarding FDI promotion, particularly protecting existing investors in the country by respecting contractual obligations, such as the Oyu Tolgoi agreements. During the meeting, Chairman D. Damba-Ochir briefed AmCham on several policy measures being taken by Parliament and the Economic Standing Committee in relation to the private sector and attracting FDI to Mongolia. AmCham Chairman Oybek Khalilov encouraged MPs to ensure that constructive discussions are held on the findings of the Oyu Tolgoi Parliamentary Working Group, to avoid jeopardizing the project's ongoing operations and underground mine development. Chairman Damba-Ochir stated that although there are some issues that need to be resolved in terms of the Oyu Tolgoi investment and shareholders' agreements, the issues should not be politicized by populist politicians, noting that the negative impact of irresponsible remarks made by politicians can lead to concerns among investors.



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## AMCHAM POLICY AND ADVOCACY EFFORTS

### AmCham Chairman moderates a panel discussion at Bloomberg New Economic Forum

On May 13, AmCham Chairman Oybek Khalilov moderated a session on the "Impact of SMEs on the Mongolian economy" during the New Economic Forum, organized by Bloomberg TV Mongolia in collaboration with business associations including BCM, MNCCI, AmCham, AustCham, the German Business Association of Mongolia, and the France-Mongolia Chamber of Commerce. In his opening remarks, Oybek stated that AmCham Mongolia is a strong advocate of private-sector led economic development in Mongolia, and believes that most development efforts can and should be addressed by the private sector, and that SMEs directly address these issues. The panelists spoke about various policy topics and actions to strengthen the economy, including expanding SME access to finance, shifting from sales to innovation, the importance of investing in human resources, and policy stability.



### AmCham participates in Foreign Trade, Foreign Investment and Challenges Forum

On May 21, AmCham Mongolia participated in the Foreign Trade, Foreign Investment and Challenges forum organized by the Bank of Mongolia and the Ministry of Foreign Affairs. Enkhbold V., Director General Department of Foreign Trade and Economic Cooperation with the Ministry of Foreign Affairs, gave a presentation on Mongolia's export diversification strategies and pointed out that there are positive economic indicators, such as FDI increasing by 18 percent from 2017 and independent crediting agencies upgrading Mongolia's credit rating and outlook.

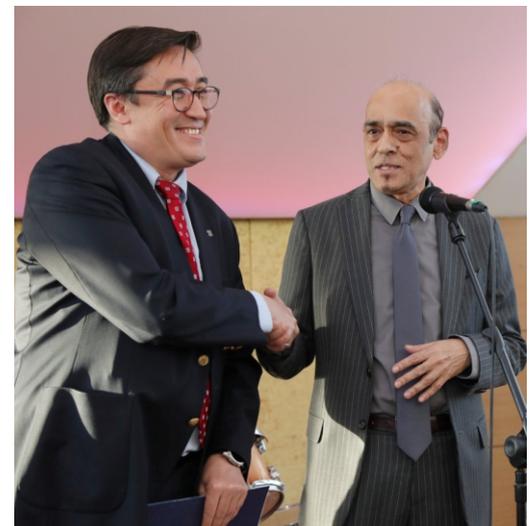
### Promoting Good Business Ethics in collaboration with the Asia Foundation

On May 24, 2019, AmCham Mongolia organized the training session on Code of Ethics and Business Conduct among auto companies including StarChase Automotive, Mongol Hiyundai Automotive, Bavaria Motors, Och Motors, Russo Motors, Kia Motors Mongolia, and MCS. During the training session, Mr. Steve Potter, Managing Director, StarChase Automotive Limited LLC, presented about core values and code of ethics and business conduct of the StarChase Automotive based on his years of personal experience in business, particularly in the auto industry. The participants learnt about on code of ethics and legal environment of corruption, assessed their company situation in terms of anti-bribery management systems, and shared their views on the ways how to prevent corruption in auto industry and overall business community. This workshop was a part of an ongoing project AmCham is implementing in collaboration with the Asia Foundation.



## AMCHAM EVENTS

AmCham May Networking Night was held at the Blue Sky Lounge. Thank you to our valuable member Blue Sky Hotel & Tower and their staff for your sponsorship and warm hospitality! We appreciate your constant support and cooperation!



## MEMBER'S UPDATES

### Invest in international markets with Golomt Bank

Golomt Bank's "Global Invest" event was organized for the first time for capital market investors with an aim to introduce different ways individuals and corporations can invest in the international financial markets through Golomt Bank. Attended by more than 200 investors and participants from capital markets, the event was a success. During the event, professional and institutional investors shared their best practices and success stories. At the event, Golomt Bank introduced the "Hybrid Saving" policy, which was initially launched in October 2018, and has reached 18.9% return, which is 5.7% higher than traditional deposit saving rates.



### Jackson Cox hosted by the Minister of Foreign Affairs

Founder of AmCham Mongolia Jackson Cox was hosted by the Minister of Foreign Affairs His Excellency Tsogtbaatar Damdin to discuss about the Mongolia Third Neighbor Trade Act; its potential benefits, obstacles in finalizing the Act, and the mandated process the Act is going through. The MTNTA will allow tax-free, quota-free Mongolian cashmere into American markets, thereby allowing the Mongolian cashmere industry to reach its true potential.



### Mongolia's TOP 100 Enterprises

On May 17, 2019 the Government of Mongolia and Mongolian National Chamber of Commerce and Industry announced 2018 Mongolian TOP 100 Enterprises. Congratulations to AmCham Mongolia members who have been selected in the TOP 100: Oyu Tolgoi, Khan Bank, Trade and Development Bank, Golomt Bank, XacBank, Wagner Asia Equipment LLC, Gobi Cashmere, MCS Group, Jacobs Engineering Mongolia, Magnai Trade LLC, Transwest Mongolia, GEM International LLC, MSM Group LLC, and Monpolymet Group. AmCham is much honored to have you as a member and we highly appreciate your constant support and collaboration!



### TransBank attends "UB Marathon 2019"

The annual "Ulaanbaatar Marathon" is gaining more support and popularity over the years. In 2014, the turnout was 16,000 people, while this year 32,000 people participated in the marathon. 62% of TransBank's staff joined the "Ulaanbaatar Marathon 2019" and successfully completed the 5km track. TransBank will now be implementing the Marathon into their annual agenda every year.

## MEMBER'S CSR

### Badrakh Energy's Participatory Environmental Monitoring program

Participatory Environmental Monitoring program has been successfully implemented since 2013 by Badrakh Energy LLC with local authorities and citizens from Sainshand and Ulaanbadrakh soums of Dornogobi aimag. The water samples were extracted from six spots, are jointly identified, and are sent to laboratories chosen by locals. Radioactivity measurements were also made in the field. The results were presented and reported to stakeholders. To increase the participation of junior rangers in the environmental protection and monitoring, this campaign welcomed school children from the Ulaanbadrakh soum schools in 2015. In 2017, the students specializing in nuclear technology of NUM contributed to the research. More than 15 campaigns have been conducted since 2013.



**DB&GTS hosts “Legal Job Fair 2019”**

DB&GTS LLP, as its part of CSR and mission to contribute to the development of the next generation of legal professionals, successfully organized the very first comprehensive “Legal Job Fair 2019” at Tuushin Hotel. The first of its kind, the event connected graduating and recent graduates from law schools with the most reputable employers on the market and provided them the opportunity to obtain career advice directly from the law professionals. A total of 22 employers consisting of Mongolia's top law firms, commercial banks, administrative and civil courts of first instance, and other major companies as well as 250 graduates and young lawyers participated in the “Legal Job Fair 2019”. The event program included panel discussions regarding legal job description and requirements, presentations about resume development and interview strategies.



**MSM Group sponsors Lotus Spring Gala Dinner**

Betastar LLC, a subsidiary of MSM Group LLC, sponsored Spring Gala Dinner organized by The Lotus Children's Centre. The Spring Gala hosted 200 guests and raised about 30 million MNT for The Lotus Children's Centre, which is an active centre that supports children in need. Betastar is an app developed by MSM through which customers can purchase, review and get updated on all MSM products. The app is accessible to all smart-phones.



**SSG Sands LLC shapes the future of Gobi**

One of SouthGobi Sands LLC's CSR priorities is the education of our youth. Within this development pillar, English Olympiad for school children has been organized successfully for the 6th year. The total of 290 students from four soum schools including Gurvantes, Noyon, Sevrei, and Bayandalai of the western Gobi region have taken part in the Olympiad. SGS sponsored English Olympiad to incentivize Gobi children to better learn English and to find out their level of English proficiency.



**TransBank in collaboration with JCI implement a “First Aid” project**

The future and safety of our children must be everyone's foremost priority. Thus, TransBank and JCI Ulaanbaatar collaborated to implement a “First Aid” project to campaign the idea that every citizen is a rescuer, and an active participant. In case of natural disasters, crisis, attacks or hazards as such, the project aims to train teachers and students in crisis management, emergency facilities, and first aid care. TransBank sponsored the project to be implemented in Nalaikh, Soginokhairkhan, and Khan-Uul districts' schools, and thereby trained over 1,600 students, 8 kindergartens, and 360 teachers.



**Transwest Trains Future Engineers**

For their 60th Anniversary, Transwest Mongolia sponsored Darkhan-Uul province's College of Technology's "Automation of Energy and Mining Industries 2019" forum. The forum aims to standardize the energy and mining industries and share the expertise of international institutes and corporations. Transwest conducted workshops and shared their research and findings with students majoring in Engineering.

Previously, Transwest Mongolia collaborated with the Mongolian University of Science and Technology's College of Geology and Mining by signing an agreement on their commitment to cooperate in various fields. Transwest assists in the training of students to become specialized professionals in the mining industry, and also hires them upon graduation. This May, Transwest has organized training seminars for over 50 students with various professions such as Heavy Machinery Engineers, Energy Engineers, and Operation Engineers.



**Wagner Asia's "Opportunity" Project**

Wagner Asia Equipment's "Opportunity" project is being successfully implemented. There are eight women in this year's project, and 14 participants are taking the "B" class to learn to drive large trucks. Wagner Asia sponsored 12 participants to complete "C" and "M" class driving courses and now those participants are taking heavy machine operators' course. After on-site training, first round of participants will get vocational certificates and will be ready for employment. In addition, Wagner Asia has supported the LEAD Mongolia program "Our Dream Playground", which constructs proper playgrounds for children in the ger districts.

