



The AMERICAN CHAMBER of Commerce in Mongolia

AMCHAM NEWSLETTER

FEBRUARY, 2018

AMCHAM FEBRUARY MONTHLY MEETING WITH HIS EXCELLENCY D. SUMIYABAZAR



AmCham's February Monthly Meeting, held on February 13 with His Excellency Sumiyabazar Dolgorsuren, Minister of Mining and Heavy Industry, was another exceptional opportunity for AmCham members and guests to obtain comprehensive information about current advancements in Mongolian mining and heavy industry sector development. In his speech Minister Sumiyabazar noted: "I, as the minister, representing the Government of Mongolia, am very much adhering to a principle of undertaking a stable and open policy for investors who are demonstrated great commitment and responsibility. Sustainability in the legal and policy environment and the proper implementation of existing laws and policies will be at the center of the ministry's attention."



The Minister supported AmCham's initiative to establish a new Mining, Heavy Industry and Infrastructure Committee in order to build and implement policies and suggestions aimed at providing tangible support to responsible domestic and foreign investors. For further enhancement of the bill, the ministry is welcoming inputs on best practices AmCham Mongolia's Mining, Infrastructure and Heavy Industry Committee.

AmCham Chariman Steve Potter while delivering his speech acknowledged the Ministry's attempts to update major policy documents relevant to mining production and heavy industry, which will have the potential to contribute to reviving investor confidence and attracting more foreign investment.

AMCHAM FEBRUARY NETWORKING NIGHT, SPONSORED BY BLOOMBERG TV MONGOLIA

On February 13, AmCham Mongolia held its February Networking Night, sponsored by AmCham member Bloomberg TV Mongolia. Our sponsor featured a variety of its popular media products and introduced its priorities for 2018.

Bloomberg TV Mongolia is one of the media streams of National News Corp., which was founded in 2011 and currently owns several media outlets that have gained great popularity, including The Official Gazette, Forbes Mongolia Magazine, Bloomberg TV Mongolia, Financial Times, and Asia Mining Magazine, its newest media stream featuring mining sector developments in Mongolia and internationally. Thank you, Bloomberg TV Mongolia, for your support and continued cooperation.



AmChamMongolia



@AmChamMongolia



AmChamMongolia



+976 70003437

MEMBER UPDATES

MCS International LLC - Upgrade of state-owned Thermal Power Plant 4

Since January 2016, MCS International LLC has been working on the technical and technological renovation and upgrade of state-owned Thermal Power Plant 4, in collaboration with a Japanese company.

The project team includes over 100 technical staff and the project is at 68% completion as of today. In total, 24 ash blowing equipment, air and steam pipe, stair, electrical panel, insulation, and calibration projects have been completed. The team has worked for 1,904 hours without accident.



Khas Bank cooperates with Green Climate Fund

XacBank is the first Mongolian bank to finance renewable energy development in Mongolia. With the signing of a Funded Activity Agreement (FAA) with the Green Climate Fund (GCF) in late 2017, the GCF can now provide USD 8.7 million in loans to cover a portion of a USD 17.6 million project to build a 10 MW solar plant.

The project will reduce greenhouse gas emissions by 12,270 tons annually, supply approximately 15,395 Mwh of electricity annually to the grid, and lead to approximately 4.3 billion liters of water usage reduction and 384,434 tons of



Moody's upgrades XacBank's issuer rating to B3 from Caa1

Moody's Investors Service (www.moodys.com) has upgraded Xacbank's issuer rating to B3 from Caa1 with a stable outlook, which makes XacBank one of Mongolia's top-rated banks. The report highlights that XacBank's B3 issuer rating is in line with the Bank's B3 Baseline Credit Assessment.

The rating upgrade is amongst others a reflection of improvement of the bank's asset quality and recent upgrade in the Government of Mongolia's rating to B3. Fitch Ratings Agency revised the outlook on XacBank's Long-Term Issuer Default Rating (IDR) to Positive from Stable in November 2017 as well.



AMCHAM POLICY AND ADVOCACY

AmCham sets up a Mining, Infrastructure and Heavy Industry Committee

In March 2018, AmCham will officially launch its new Mining, Heavy Industry and Infrastructure (MHII) Committee. The scope of the committee's activities will be strongly aligned with the government's priorities and programs for the development of mining, infrastructure, and heavy industry, as well as the interests, needs, and potential of our members in regard to investing and doing business in these industries in Mongolia.

AmCham firmly believes that developing a responsible and competitive mining sector will create a strong foundation for economic growth and the country's development. AmCham members are major investors and suppliers to Mongolia's mining industry, and by sharing and showcasing our members' best practices and successes,

Through the MHII Committee, AmCham will advocate for and support the Government of Mongolia in establishing an effective and attractive legal and policy framework that ensures the investment necessary for the development of both existing and future mining projects in the country.

AmCham's Financial Services Committee meeting held

On February 27, AmCham's Financial Services Committee (AFSC) met to discuss ways to apply best international practices in Mongolia's banking and financial sector through the gradual introduction of IFRS9 standards and enhanced corporate transparency to contribute to attracting strategic investors to Mongolia.

During the meeting, the Committee finalized AmCham's Position Paper on Corporate Transparency and Financial Reporting, which includes international best practices and standards to improve the transparency of corporate institutions in Mongolia, especially publicly listed companies.

The AFSC's members also shared their views on the upcoming Conference on Investment Opportunities in Mongolia and Global Export Credit Agencies, tentatively scheduled for the end of April. The conference is being initiated by the Committee and will be organized in partnership with the government and other key stakeholders.



WE ARE PLEASED TO ANNOUNCE THE RECRUITMENT OF 3RD AND 4TH YEAR STUDENTS FROM LOCAL UNIVERSITIES TO PARTICIPATE IN AMCHAM MENTOR DAY 2018, SCHEDULED FOR MARCH 31

If you care about your career's starting point, are able to receive and express ideas confidently in English, but somehow lack the technical skills and expertise to demonstrate your full potential, your skills, and true passion for becoming a committed employee, AmCham Mentor Day 2018 is here to inspire you and provide access to skills and tips that are crucial for young professionals.

Registration for AmCham Mentor Day 2018 is available at www.amcham.mn. Please note that while completing the registration form, you will be asked to include a personal statement of up to 200 words describing why you are a perfect candidate for participation.



PANEL DISCUSSIONS WITH BUSINESS LEADERS

TECHNICAL BREAKOUT SESSIONS



WORKSHOP SESSION

DISCOVERY ZONE

#AmChamMentorDay



The AMERICAN CHAMBER of Commerce in Mongolia

AmCham Mentor Day 2018

Khan Bank Tower - March 31, 2018

Participate in a day-long mentoring event to learn from the nation's top business leaders and attend workshops on career development, teamwork, and resume development led by human resource professionals from Mongolia's leading companies

OPEN TO:
3rd and 4th year university students

TO APPLY:
Submit the online application posted on AmCham Mongolia's website

APPLICATION DEADLINE:
6PM on March 16, 2018

CONTACT:
info@amcham.mn or 7000-3437

www.amcham.mn/mentor-day-2018

BUSINESS FORTUNE with Mr. Oybek Khalilov, CEO at Tenger Insurance and AmCham Vice Chairman



Mr. Oybek Khalilov, CEO at Tenger Insurance and AmCham Vice Chairman

How did you get where you are today, and who/what helped you along the way?

Knowledge comes with experience: for over 20 years I have taken senior roles in the world's leading insurance organization - American International Group, Inc. Managing AIG operations in different countries and jurisdictions I have gained invaluable professional experience and an in-depth knowledge of property, casualty, and financial insurance products.

In 1995 joined American International Group as CEO of political risk insurance JV and spent four years at AIG in London. And later, I was in charge of AIG general insurance operations in Central Asia and Caucasus from 2000 to 2015. I've learned a lot from both peers in the AIG as well as from leading players and regulators of local insurance markets.

What are the principles you mostly adhere to in the business?

I believe professionalism and integrity are the most important principles. Professionalism, being versatile and skilled in all business areas, effective networking and communication, leading by example is essential. I highly appreciate integrity and always trying to share good governance practice and high ethical standards to affect those around me positively.

What was the shortcoming that was the most challenging for you in the business?

Lack of relevant market intelligence, ambiguous legal and regulatory environment, changes in political environment, lack of professionally trained local staff: in the insurance industry key local staff have been working for many years in banking industry but do not have adequate insurance professional training and always at a loss when dealing with unexpected issues and resilient to changes. Continue reading...



The section below is to promote our members' corporate social responsibility (CSR) projects. If your company is interested in profiling its best CSR projects, achievements, and awards, please send a summary of your projects and photos to communications@amcham.mn

KHAN BANK

The National Campaign Against Cancer is a health project being implemented for its 7th year across all of Mongolia, by the Khan Bank Foundation, the National Cancer Hospital and Mongolian National Broadcaster.

In 2017, J. Gerel, a citizen of Govi-Altai Province, underwent a health screening offered by the campaign and has since recovered his health. He just celebrated Lunar New Year with his children, grandchildren and family, healthy and happy.

J. Gerel is only one of the over 115,000 participants who were gifted with happiness and health by the National Campaign Against Cancer. Khan Bank Foundation has been implementing Khan Bank's corporate social responsibility programs since 2007, and has consistently carried out and contributed to several annual projects and programs for society and the public.

OYU TOLGOI LLC

Oyu Tolgoi donated 23 high quality air purifiers to the National Center for Maternal and Children Health and School No. 116 for the blind and visually impaired, which are both located in one of the most polluted areas of Ulaanbaatar.

Air pollution affects a child's ability to learn and development of the respiratory systems of children between the ages of 0-7, resulting in signs of immune deficiency and frequent respiratory infections.

With ever increasing cases of flu caused from indoor air pollution, Oyu Tolgoi was very happy to support the school and hospital to create a healthier environment for child development. This contribution is a great example of Oyu Tolgoi's efforts to enhance human welfare and the environment.

MEMBER PROMO CORNER

Ta Yu MART



TaChi Mart LLC was founded in 2016, after signing a distributorship agreement with Fruit of the Earth, Inc., the world's leading producer of consumer personal care products.

TaChi Mart LLC has introduced a wide spectrum of internationally recognized brands and products to the Mongolian market, and are continuing to provide first class services to their customers. In addition to offering healthy aloe vera juice, the company provides reliable and high quality after-sales services.

TaChi Mart LLC has introduced a wide spectrum of internationally recognized brands and products to the Mongolian market, and are continuing to provide first class services to their customers. In addition to offering healthy aloe vera juice, the company provides reliable and high quality after-sales services.

