The AMERICAN CHAMBER of Commerce in Mongolia

AMCHAM NEWSLETTER

JULY & AUGUST , 2018

AMCHAM AUGUST MONTHLY MEETING

AmCham hosted its August Monthly Meeting with a panel of leaders in digital economy on Tuesday, August 21, at Shangri-La Hotel in Ulaanbaatar. The meeting was attended by representatives from AmCham member organizations, foreign diplomatic missions, as well as individuals from local and international businesses. The panel included Mr. Bayarsaikhan Volodya, founder and COO at AND Global and LendMN; Mr. Erdenebat Tsenddorj, CEO at Gerege Systems; Mr. Lkhamsuren Ganbold, CEO at ICT Group; Mr. Michael Richmond, senior commercial specialist at the U.S. Embassy in Ulaanbaatar; and Mr. Zolboo Batbileg, CIO at Ard Holdings. The panelists shared their perspectives and exchanged ideas with the meeting's attendees about the current state of the digital economy in Mongolia, its future potential, and the role of the private sector in its development.

Chairman of AmCham Mongolia Mr. Steve Potter delivered opening remarks, stating: "AmCham Mongolia works to promote the growth of a strong and competitive private sector across all industries, and believes that Mongolia's current social and economic issues can be addressed with the private sector as the backbone of the economy. As such, our priorities include encouraging economic diversification and strengthening regional and global connectivity. Today's panel discussion will address the current state of the global digital economy and how Mongolia can join the conversation."

AND Global and LendMN COO Mr. Bayarsaikhan shared his perspectives on the future of Mongolia's digital economy, stating, "The digital economy and relevant technologies need to be created and designed in a way that ensures inclusivity and encompasses the rural parts of the country as well."

CEO of Gerege Systems Mr. Erdenebat Tsenddorj addressed the challenges of doing business in the digital economy, saying, "The progress is somewhat slowed down and hindered by gaps in cooperation between various stakeholders in the economy, but this does not imply that there won't be advancements."

Mr. Lkhamsuren Ganbold, CEO of ICT Group, shared his thoughts on the outlook for the digital economy and said, "All sectors are looking towards digital solutions and, therefore, it is essential for all businesses to start their integration into the digital economy."

Senior Commercial Specialist at the U.S. Embassy in Ulaanbaatar Mr. Michael Richmond emphasized the need for a regulatory policy in Mongolia's movement towards a robust digital economy, and highlighted that strong foundations in a higher-level policy are key.

Mr. Zolboo Batbileg, CIO at Ard Holdings, highlighted the significance of cooperation among the businesses leading the digital economy in Mongolia to promote the country's progress in the digital era.

AMCHAM JULY NETWORKING NIGHT – INDEPENDENCE DAY SPECIAL SPONSORED BY HERBALIFE

To celebrate the American Independence Day, AmCham Mongolia hosted its July Networking Night on July 4, sponsored by our member Herbalife.
Denzen Ganbold, Business Development Manager at Herbalife, joined AmCham Chairman Steve Potter in delivering welcome remarks for the guests and presented brand gift baskets to the lucky winners of the lottery draw.

Herbalife's nutrition, weight-management, energy and fitness, and personal care products are available exclusively to and through dedicated Independent Herbalife Members in more than 90 countries. It is committed to addressing the global obesity epidemic by offering high-quality products, one-on-one coaching with an Herbalife Member and a community that inspires customers to live a healthy, active life.

Thank you, Herbalife for your support and cooperation!

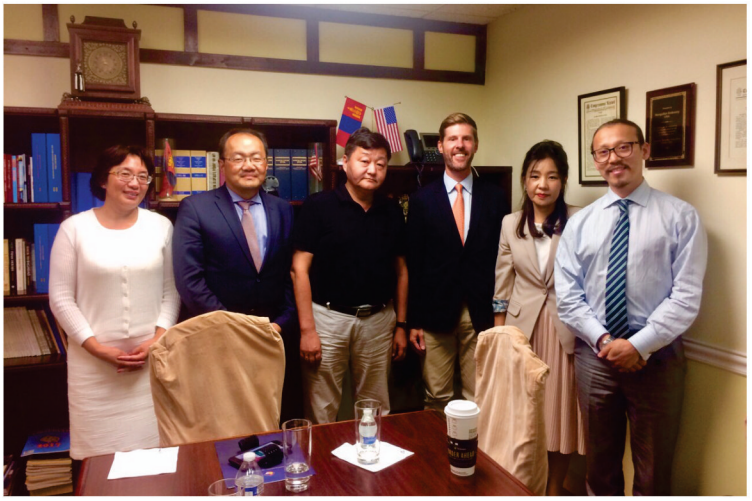
AMCHAM AUGUST NETWORKING NIGHT SPONSORED BY PORSCHE

On August 29, AmCham Mongolia held its August Networking Night, sponsored by our member Porsche Centre Ulaanbaatar.
Russell Whitlow, Managing Director at Porsche delivered sponsor remarks and welcomed the guests. The sponsor presented awarded gift vouchers to the lottery winners.

The Porsche Centre serves as a one-stop facility for Sales, Service, Porsche equipment and Porsche Driver's Selection merchandise with a team of passionate individuals who wish to share their exceptional knowledge of Porsche and accompany you on your journey of building the sports car of your dreams.

Thank you, Porsche for your support and cooperation!

AMCHAM 2018 U.S. TRADE MISSION



The fifth annual U.S. Trade Mission to Washington, D.C. was successfully organized from July 15-19, 2018. This year's Trade Mission was rich in terms of its program and the level of engagements. The mission was a combination of APCAC Doorknock and a Mongolia-specific program in Washington, D.C.

Throughout both the APCAC Doorknock and Mongolia-specific program, the delegation from Mongolia provided updates on the Mongolian economy and progress made in the commercial and trade relations between the two countries. The meetings also addressed challenges in expanding the U.S. commercial presence in Mongolia, and discussed possible ways to address these challenges and some concrete initiatives that can be taken to promote the bilateral commercial relationship.

An official report for the AmCham Mongolia 2018 U.S. Trade Mission will be available on our website.

MEMBER UPDATES

Altai Holding subsidiary sponsors Mongolia team at Asia Games

The Asian Games 2018 is being held in Jakarta and Palembang, Indonesia from August 17 to September 2 with over 10,000 athletes from 45 countries. The athletes are competing in 40 sets of sports for a total of 465 sets of medals.

Altai Holding subsidiary Sky Hypermarket LLC, in charge of operating Emart, signed a cooperation agreement to support the Mongolia team at the Asian Games 2018 as its Official Sponsor. There are 286 Mongolian athletes competing in 30 sports and to date have qualified for a total of 10 medals in 3 sports.

Deloitte Onch organizes second CFO Forum

On July 5, 2018, Deloitte Onch successfully organized its second annual CFO Forum. The CFO Forum is one of the key initiatives of the Deloitte CFO Program, which is intended to deliver forward thinking perspectives and fresh insights to help CFOs manage the complexities of their role, drive more value in their organization, and adapt to the changing strategic shifts in the market.

This year Deloitte invited two special guests from their Hong Kong office to share their knowledge and insight on IFRS Updates and Internal Audit Challenges, which were most discussed among the CFOs of Deloitte's top clients in Mongolia.

AMCHAM POLICY AND ADVOCACY EFFORTS

AmCham Position Paper on Maintaining Access to USD Clearing

Mongolia's open and export-oriented economy, with a cumulative trade turnover of 10.5 billion USD (as of December 2017), a foreign trade surplus of 543 million USD paid in hard currency in the first four months of 2018, and its capital flow and economic growth prospects depend on reliable access to USD clearing.

However, Mongolian banks face increasing challenges maintaining access to USD clearing services due to recent de-risking by international banks, which have pulled back from offering USD clearing services. On a global scale, Mongolian banks do not generate enough transaction fees to justify the compliance risks and potential fines.

Through its Financial Services Committee, AmCham Mongolia has developed a policy paper on "Maintaining access to USD clearing". The policy paper outlines key challenges in regard to maintaining access to USD clearance, and suggests solutions to the government and regulators to address these issues in order to maintain, or even increase, access to USD clearing.

To address these challenges and minimize the associated risks for Mongolian banks, as well as for the economy as whole in terms of FDI and further economic growth, the paper provides recommendations and possible solutions to be considered and necessary actions to be taken by the state's authorities.

AmCham Mongolia and its Financial Services Committee are engaging with the relevant authorities and policy makers to explain these issues and suggested solutions for timely action.

MEMBER CSR

Golomt Bank contributes to the recovery efforts in Bayan-Ulgii

Due to the floods caused by heavy rainfall in Bayan-Ulgii province in mid-July, 600 families lost their homes. The 2500 people who lost their homes are now living in dormitory rooms at kindergartens and schools. Golomt Bank donated 50 million MNT to the cause and are 70 percent complete with building new dwells for the province so the people have access to clean water.

Golomt Bank not only helped 53 of its customers, four employees, and 140 individuals in Bayan-Ulgii province with cash and material aid, it is also assisting public and private organizations working on-site as part of the recovery efforts.

Khan Bank enrolling university freshmen in youth program: RISE

Under Goal 4: "Quality Education" and Goal 11: "Sustainable cities and communities" of the UN's Sustainable Development Goals, Khan Bank Foundation (KBF) is launching a new program for student development, Rise, for the 2018-2019 academic year to help students prepare for life, improve their study habits, and become more self-driven and organized.

Participants will gain study skills, personal development and financial education, tips on living in UB and learning to study in an urban environment, participation in sports, art and cultural events, and attend lectures to enrich personal development. KBF's program partner is Unread.today and we will enroll up to 1,000 students in the program this year.

Wagner Asia supports local NGO for disabled seniors

Wagner Asia has fully furnished two rooms at a care center operated by Achlalt Huuhduud NGO. The care center was recently completed in Bayanhoshuu, to the northeast of UB, and is currently serving over 30 disabled seniors.

Wagner Asia consistently targets different groups of the society with its corporate social responsibility initiatives and aimed to reach out to the disabled elderly community with this project. In supporting the Achlalt Huuhduud NGO, Wagner Asia fully furnished two rooms at the care center with all the necessary furnishings to allow for the elderly to receive care in a comfortable and professional manner.

MEMBER PROMO

Kempinski Hotel Khan Palace

One of our members, Kempinski Hotel Khan Palace's "Dixieland Jazz Brunch" is set to offer quality and luxury with a focus on European buffet brunch, combined with sparkling wine and champagne packages. Additionally, we will be offering live music by the Dixieland jazz band and a kids room with nanny service. Join us and enjoy a fun and informal vibe in a beautiful setting every Sunday.

FOR YOUR KNOWLEDGE

Covering the HR issues that matters to you

3 reasons why performance management is at the top of the people agenda

1) The nature of work has changed. It is increasingly apparent that the work we do is not constrained by an annual cycle. More often than not, we do not report into just one boss – and, in the new digital age, we often work on global projects in collaborative networks, not just a single team. The conventional model of PM with an annual appraisal and rating from a single line manager no longer fits.

2) The workforce is evolving.
As employees, we are looking for a different relationship with our employers, framed around opportunity, development and coaching. We are less interested in measurement and rankings. Millennials in particular have different expectations and priorities in their working lives. They are more digitally savvy and expect the technology that they use at home to be mirrored in their working lives. Therefore, our current and existing PM processes need to be updated and modernized to make sure they are fit to manage our future employees

3) Technology allows us to measure performance differently.
People working on projects can register their contributions on an ongoing basis instead of waiting until the end of a period. Some organizations now use internal social media and crowdsourcing approaches to recognize individual's efforts outside of the traditional cycle. Others have found ways to measure genuine value generation and map this into incentives.

Effective performance management system requires time and resources and therefore, the approval and support of the senior executive level is required.

Source: PwC people agenda blog