



The **AMERICAN CHAMBER** of Commerce in Mongolia

# AMCHAM NEWSLETTER

October 2018

## AMCHAM OCTOBER MONTHLY MEETING: MONGOLIA'S 2019 FINANCIAL AND ECONOMIC OUTLOOK



AmCham Mongolia hosted its October Monthly Meeting, Mongolia's 2019 Financial and Economic Outlook, with a panel of leaders on October 30, 2018 at the Shangri-La Hotel Ulaanbaatar. The meeting was attended by representatives from AmCham member organizations, international organizations, government officials as well local and international businesses. The panelists included Mr. Delgersaikhan Jamsrandorj, economist and lecturer at the University of Finance and Economics; Mr. Ganhuyag Chuluun, CEO at Ard Financial Group; and Mr. Jean-Pascal N. Nganou, senior economist and acting country manager at the World Bank. The panel discussion was led and moderated by AmCham Financial Services Committee Chair Mr. Erik Versavel, country representative of the ING Bank office in Mongolia. The panelists shared their perspectives and exchanged ideas with the meeting's attendees about the future of Mongolia's financial and economic outlook.



Ard Financial Group's Mr. Ganhuyag Chuluun stressed the need for collaboration between the public and private sectors, stating, "The private sector needs to become more proactive. The local and central governments need to establish channels to consult with researchers and the private sector, where our voices are heard in decision-making process."

Mr. Delgersaikhan Jamsrandorj, economist and lecturer at the University of Finance and Economics, addressed Mongolia's 2019 outlook, saying, "On one hand, the 2019 prospective is positive, since the budget deficit is projected to be lower than previous years'. However, the governance side of the IMF's extended fund facility program's implementation must improve in order to improve budgetary policies for the future and address the lack of debt management."

The World Bank's Mr. Jean-Pascal N. Nganou shared his thoughts as a member of the international community, and said, "The outlook for 2019 seems generally positive, but there are two types of risks to watch out for: domestic uncertainty, due largely to politics, and external pressure from demand. In order to navigate the uncertainties, Mongolia must stick to the reform program and ensure its close implementation."

## AMCHAM OCTOBER NETWORKING NIGHT

AmCham Mongolia hosted its October Networking Night on October 24 at the Tegri Restaurant on the seventh floor of Zaisan Hill Complex, sponsored by our member Khan Bank.

Ms. Erdenebileg, Vice President of Corporate Banking at Khan Bank presented information on trade financing and Khan Bank's projects in the field. The sponsor also awarded prizes to the lucky winners of the lottery draw.

Khan Bank values their customers as their number one priority and their customers are at the core of everything they do. Khan Bank works to be the country's most trusted financial institution, and to benefit people's lives and Mongolian society. Therefore, they provide customers with the highest level of financial services based on strong capital with a commitment to transparency and fairness.

Thank you, Khan Bank for your continued support and cooperation!



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## MEMBER UPDATES



### Monpolymet hosts demonstrative seminar on rehabilitation concept

As a leading rehabilitation company, Monpolymet have successfully organized a demonstrative seminar on rehabilitation concept and practice, called "Professional Mining And Environment – Monpolymet 2018", for the fourth time. The Toson mine in Tuv province's Zaamar soum successfully conducted a technical rehabilitation at 90 percent of the mining site encompassing 931 hectares and biological rehabilitation at 60 percent, totaling 14 billion MNT spent in this sector.

For the first time in Mongolia, Toson mining established 17 hectares of artificial lake with different types of fish, which was officially registered as one of the national surface water resource in 2011.

### XacBank awarded the Best Bank of Mongolia by Global Finance Magazine

The Global Finance magazine annually publishes a "World's Best Banks" list. These awards have become a recognized and trusted standard of excellence, as it does for XacBank, who were named Best Bank of Mongolia for 2018. XacBank was awarded with the honor for a total of four times and this year marks the third consecutive year of the bank's distinctive achievement.

XacBank's Chief Risk Officer Torsten Kleine Buening received the award on behalf of XacBank in Bali, Indonesia on October 13, 2018. In order to select the best banks and financial institutions, the magazine evaluates over many criteria such as, adaption to digital technology, and corporate governance.



## AMCHAM ORGANIZES A TRADE MISSION FROM THE U.S.

AmCham in Mongolia hosted its first-ever incoming Trade Mission certified by the U.S. Department of Commerce, on October 15-17, 2018, in Ulaanbaatar. Five American companies operating in agriculture, ICT and telecom, and environmental technologies took part in the AmCham Trade Mission.

The Trade Mission was a first for AmCham Mongolia, and the first certified trade mission from the U.S. in almost a decade. The official trade mission was a key advancement for the commercial relationship between Mongolia and the U.S., and followed significant progress made in bilateral relations in recent months. The Trade Mission provided a rare opportunity for the participating American companies to develop strong networks; attend special events with influential policy makers and businesses; identify financing opportunities; and for AmCham Mongolia to advocate for Mongolia as a destination for American investment.

The delegation was joined by U.S. Department of Commerce International Trade Administration officials Alan Turley, the Deputy Assistant Secretary of Commerce for China and Mongolia, and Zhen Gong Cross, Head of Mongolian Affairs. The representatives from the U.S. Department of Commerce and representatives from Ag World International, The Blueshirt Group, Danaher Corporation, Global Star Inc., and Waters Corporation held a series of productive engagements with key Mongolian stakeholders.



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## AMCHAM POLICY AND ADVOCACY EFFORTS

### AmCham Board of Directors meet with PDAS Patrick Murphy on his visit from the U.S.

AmCham Mongolia Board members hosted Mr. Patrick Murphy, Principal Deputy Assistant Secretary of East Asia Pacific at the U.S. Department of State, Mr. Manuel Micaller, Chargé d'Affaires at the U.S. Embassy in Mongolia, and embassy officials for a meeting and discussed bilateral commercial and economic relations.

The meeting attendees discussed the importance of private sector-led development in Mongolia and the Expanded Comprehensive Partnership of the two countries.

### AmCham Financial Services Committee hosts an extended meeting with the First Deputy Governor of The Central bank of Mongolia

Committee members Ard Holdings, Deloitte Mongolia, Ernst & Young, Golomt Bank, Khan Bank, MCS Group, Trade and Development Bank, Tenger Insurance led by Committee Chairman Erik Versavel, ING held a constructive discussion about emerging issues related to the financial sector and discussed ways to effectively address them.

Mr. Neil Saker, Resident Representative of International Monetary Fund in Mongolia and Ms. Irina Kravchenko, Head of European Bank for Reconstruction and Development in Mongolia attended the meeting upon invitation of the AmCham Financial Services Committee. Mongolia's Mining and Heavy Industry Committee Mr. Ch. Munkhbat.

### AmCham Agriculture Committee releases a Position paper

Through its Agriculture Committee, AmCham Mongolia has developed the position paper "[Export Potential of Mongolias Agriculture Sector](#)" The paper presents an overview of the sector and its export potential by showcasing stories and identified opportunities. It will also suggest ways forward to unlock potential and provides some models for scaling up potential.

The paper was prepared by the AmCham Agriculture Committee and valuable inputs from all members under the leadership of the Chairman of AmCham Mongolia's Agriculture Committee Mr. Michael Morrow.

### AmCham Mining, Infrastructure and Heavy Industry Committee releases a Position paper

Through its Mining and Heavy Industry Committee AmCham Mongolia has developed a policy paper titled "[Supporting a Competitive Mining Sector in Mongolia](#)" to present and discuss major policy issues to support the development of a competitive mining industry in Mongolia. The Position Paper outlines key challenges in the mining industry and proposes some policy recommendations based on international best practices in handling these issues.

The paper was prepared by the AmCham Committee and valuable inputs from all members under the leadership of the Chairman of AmCham Mongolia's Mining and Heavy Industry Committee Mr. Ch. Munkhbat.

### AmCham Financial Services Committee releases a Position paper

Through its Financial Services Committee AmCham Mongolia has developed a policy paper on the [Draft Laws on the Currency Regulations](#).

When it came to the attention of AmCham's Financial Services Committee (AFSC) that a Draft Law on Currency Regulation was being prepared for discussion in Parliament, the committee held a number of meetings with senior representatives of the financial sector and of the international financial community. AFSC collected views and opinions and compiled them in a comprehensive document recommending extensive changes.

## MEMBER CSR

### Jacobs joins a fundraising trip for the National Cancer Council of Mongolia



Nearly 40 employees and family members of Jacobs joined members of the National Cancer Council of Mongolia, foreign diplomatic mission employees and volunteers on a fundraising train trip to the Energy Center in Dornogovi province on the southern border of Mongolia at the end of September.

The trip was an initiative by the National Cancer Council of Mongolia, a non-profit, non-government organization committed to providing cancer support services to all Mongolians fighting cancer. A percentage of each traveler's ticket is donated directly to the Cancer Council and supports their mission to provide a greater level of support for cancer patients and their families.

## MEMBER CSR

### Khan Bank supports youth programs

Khan Bank Foundation is the main executor of Khan Bank's social responsibility efforts.

Khan Bank Foundation was established in February 2007 to implement projects for social well-being by efficiently integrating education, culture, art, rural development, and environmental projects, as well as efforts to decrease poverty.

Khan Bank Foundation is a unit of Khan Bank, managed and controlled by its Board of Directors, and its projects are carried out by bank management team members.



### Oyu Tolgoi donates state-of-the-art machinery to the Kidney Center



Oyu Tolgoi donated a state-of-the-art ultrasound machine for kidney imagery to the Kidney Center at State Hospital No. 1. Due to the absence of proper early diagnostic imaging machinery, many prospective patients have been unable to receive early detection, leading them to develop end-stage kidney diseases.

With the newly donated ultrasound machine, the Kidney Center is now able to combat kidney diseases on a more advanced level and save many lives. Representatives of the Ministry of Health, doctors at the Kidney Center and patients receiving care from the center expressed their gratitude for Oyu Tolgoi for the donation.

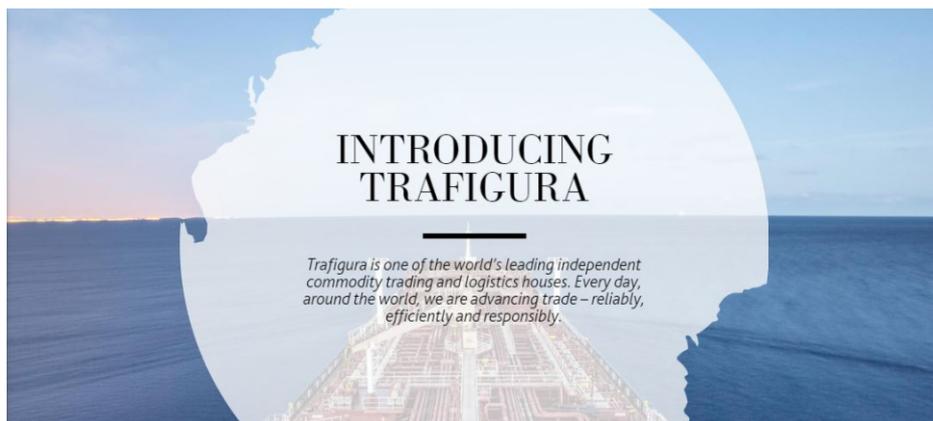
### Southgobi Sands grants its annual scholarship to twenty students



Southgobi Sands has recently awarded 20 students from the Gurvan Tes, Noyon, Servei, Dalanzadgad, and Bayandalai soums of Umnugovi aimag with its annual scholarship.

The company scholarship program has been implemented since 2009 under its commitment to support the education of local people. Furthermore, the scholarship helps prepare the most demanding professionals in local areas such as a veterinarians, dentists, primary school teachers and many more thanks to its dedication to giving back to the local communities. Through its social responsibility initiatives, Southgobi Sands has donated about 8.5 billion MNT in Umnugovi aimag.

## MEMBER PROMO



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