



AmCham News

JULY/AUGUST 2019

AMCHAM POLICY AND ADVOCACY EFFORTS

AmCham August Monthly Meeting

During its Monthly Meeting, held on August 26, AmCham Mongolia hosted President Battulga Khaltmaa and U.S. Ambassador Michael S. Klecheski under the theme 'Mongolia-U.S. Relations: Moving Forward with Strategic Partnership'. AmCham members, representatives of IFIs and foreign embassies, and other business leaders attended the meeting, and held informative and constructive discussions on the impact of the strategic partnership on Mongolia's business and investment environment.

The President quoted, "The U.S. is our important 'third neighbor' and a close political and economic partner. We give priority to taking our trade and investment ties with the U.S. to a higher level, the world leader in technology, a major player in trade, and a source for large foreign investments."

President Battulga spoke about his policies, stating that the U.S. has become Mongolia's fifth strategic partner, and that this elevated partnership will be important leverage for expanding and strengthening bilateral relations in all sectors, especially in the areas of trade, investment, and economic cooperation. During his meeting with U.S. President Donald Trump, views were exchanged on pragmatic solutions and ways to quantitatively improve economic ties. Mongolia is keen on having the United States act as an important trade partner and a major investor. The strategic partnership has set the foundation for drawing long-term, strategic investments from the U.S. to large projects and programs that could affect Mongolia's economic growth.

President Battulga emphasized to the investors that their investments and businesses have greatly contributed to the development of economic cooperation between Mongolia and the U.S. and stated, "As we focus on attracting new investors, we are still committed to providing investors and businessmen, who have overcome difficult challenges with us, with support for creating a favorable and stable business environment. As the environment has been set for further expanding our bilateral ties, it is our goal to carry out substantive work based on this." President Battulga also encouraged Mongolian and American businesses to make use of the opportunities that the Overseas Private Investment Corporation and the Better Utilization of Investments Leading to Development (BUILD) Act provide, and to implement specific projects and programs in Mongolia, as there are many opportunities to strengthen cooperation in agriculture, energy, and small and medium-sized enterprises. Finally, President Battulga reconfirmed his commitment to and support for the Third Neighbor Trade Act, and underlined that President Trump and members of both houses of the U.S. Congress have expressed their support for the adoption of this law.



AmCham Financial Services Committee

The Financial Services Committee hosted the CEO of Mongolian Stock Exchange Kh. Altai and COO D. Enkhzul on August 20 to discuss various issues, including an overview of SMEs and capital market growth potential. In her speech, Enkhzul stated that the SMEs had a record year in 2019 with a market capitalization of USD 942 million, 198 listed companies, and a record number of IPOs and high equity turnover. Although participation of foreign investors in the market sharply increased in 2018, there is still a need for attracting more investors. Some of our committee members asked questions related to corporate transparency, AML, compliance issues, and FATF grey listing.

The Financial Services Committee organized an all-member session to present the Committee's policy initiatives on August 30. The meeting featured guest speakers IMF's Country Representative Seok Hyun Yoon, who provided the latest update about the IMF program, Chief Economist of XacBank S. Bold, who presented the macroeconomic situation and major challenges to address in our economy, and Head of Compliance and Department of Khan Bank Adam Anklewicz, who shared Khan Bank's best practices in compliance. Thank you to Erik Versavel, Chair of the Financial Services Committee, for sponsoring refreshments and drinks!



AmCham Mining, Infrastructure and Heavy Industry Committee

The Mining, Infrastructure and Heavy Industry Committee convened its quarterly meeting on August 28. The committee's members discussed a number of issues related to the mining sector, including recent actions of the government on mining licenses, and agreed on policy actions to promote responsible mining in Mongolia. The committee's members highlighted the importance of clear distinction between responsible miners and irresponsible miners, including artisanal and small-scale miners, and agreed to organize a series of sessions on responsible mining to send consistent key messages about responsible mining.

AmCham Auto and Machinery Committee

The Auto and Machinery Committee met with J. Bat-Erdene, Member of Parliament and Chair of the Working Group on Draft Law of Auto Transportation on July 31. On behalf of AmCham members, namely Starchase Automotive Limited LLC, Wagner Asia Equipment LLC, Monnis Group, and MSM Group LLC, AmCham conveyed a request to limit the use of older vehicles by increasing taxes, and promoting new cars by reducing taxes on new cars. By doing so, traffic congestion and air pollution will be significantly reduced, and ultimately, create a safer environment in Ulaanbaatar. The Mongolian Automobile Distributors' Association, consisting of 14 member companies, also support these proposals, and they presented an alarming and convincing study that shows the detrimental and environmentally unfriendly effects of old cars. We agreed with MP J. Bat-Erdene that a dialogue should continue regarding these critical issues in the auto industry, including specific suggestions for proposed amendments to the Law on Auto Transportation.

AMERICAN DAYS EXPO 2019

Held on August 24-25 at Misheel Expo, AmCham American Days Expo 2019 was a great success. AmCham gathered 60 businesses, companies, and over 100 brands to showcase their products, services and expertise. In his opening speech, AmCham Vice Chairman Gary Biondo expressed his gratitude to our corporate sponsors-Oriflame Mongolia, Oyu Tolgoi, and Trade & Development Bank, as well as our Media Sponsors- Bloomberg TV Mongolia, Forbes and MNB World. The Minister of Foreign Affairs, Tsogtbaatar Damdin as well as the U.S. Ambassador Michael S. Klecheski delivered speeches in which they highlighted the importance of the expo following the newly declared Strategic Partnership, how the Partnership will entail new potential markets, bonding of American-Mongolian businesses and improved bilateral and commercial relations. Thank you to everyone who contributed!



AMCHAM EVENTS

American Independence Day Celebration - Sponsored by Cielo Food N' Bar



August Networking Night - Sponsored by Urgoo Cinema



AMCHAM MEMBER UPDATES

SPS HD TV

English Football Premier League 2019-20 has started on August 10, with the match of European Champions Liverpool F.C. vs. Norwich City. The Premier League is the most-watched sports league in the world, broadcasted in 212 territories and to an audience of 4.7 billion people. EPL seasons run from August to May with each team playing 38 matches. 2019-20 season is the first Premier League to have a mid-season break in February and the first season to use "Video Assistant Referee" system. SPS HD Television will officially broadcast Premier League live in Mongolia for the seventh year.



Turkish Airlines' Golf Tournament

Turkish Airlines hosted its third Turkish Airlines World Golf Cup on July 27 at Mt. Bogd Golf Club. 72 players participated from Mongolian and international top corporations- executives and representatives from the financial, business and diplomatic sectors. Turkish Airlines Ulaanbaatar General Manager Ali Özdemir gave opening remarks at the beginning of the tournament and at the awards ceremony. Samadi Batbold won the individual competition with 42 points and will be attending the Grand Final in Antalya. Altangerel Bat-Erdene came in second with 40 points, Erdenebaatar Nyamtseren came in third with 39 points. Munkjargal Sedbazar and Solongo Khishigsaikhan won the nearest pin prizes. Tae Gyun Shin got the cross score award with 80 points. The tournament received positive feedback, highlighting Turkish Airlines' professionalism, as well as their warm hospitality.



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“Once Upon a Time... in Hollywood” in Urgoo Cinemas

Urgoo Cinema is operated by New Tour Safaris LLC, the leading and largest chain of exhibition and entertainment centers in Mongolia. They opened a movie theater under Warner Bros' standard on April 17, 2009. Their mission is to provide their customers the best possible out-of-home entertainment experience, as well as other variety of alternative entertainments inside their facilities. They have 20 world standard screens, a total of 3000 standard, and 100 VIP seats. Legendary film maker Quentin Tarantino's “Once Upon a Time ... in Hollywood” was released at Urgoo Cinemas on August 23. Movie tickets can be purchased at www.urgoo.mn and SocialPay App services to enable your financial transactions the easiest and most efficient way possible.



AMCHAM MEMBER CSR

Ernest & Young's 'Financial Literacy'



Since 2015, Ernst & Young Mongolia Audit LLC (EY) has been sponsoring auditing services to the Christina Noble Children's Foundation (CNCF), who supports vulnerable children in Vietnam and Mongolia. With the help of sponsors around the world, CNCF ensures highly vulnerable children are in protected healthy learning environments through their sponsorship programs. Currently, there are 850 students in Mongolia who are a part of CNCF. Expanding the cooperation with the foundation, EY recently started training sessions for students from the sponsorship program of CNCF. In July 2019, the very first session of the training was held under the topic of “Financial Literacy”, hosting 40 students from high school and early college years. The main purpose of the training was to teach the students how to manage their expenses and motivate them to start a savings habit.

Badrakh Energy's scholarship program



Since 2010, Badrakh Energy has been granting scholarships to outstanding students from Ulaanbadrakh soum and Zuunbayan bagh of Sainshand, located in Dornogobi aimag. The Badrakh Energy scholarship program covers the entire period of their bachelor's degrees. The students who wish to apply for the scholarship issue a request to their school and local governance, after which the company carefully selects the students based on relevant criteria. A total of 39 students from Ulaanbadrakh soum and Zuunbayan bagh benefitted from the program since 2010. This year, in collaboration with local schools, Badrakh Energy has selected 8 more students who will benefit from the scholarship program. Badrakh Energy recognizes that investing in education and the future of our children should be our foremost priority.

Khan Bank joins the fight against cancer



Khan Bank joined the National Campaign Against Cancer health project, and successfully participated in the “Kick-Off Against Cancer 2019” Football Tournament on August 24. The event was a friendly tournament to raise funds, and awareness about cancer. The tournament was organized by the National Cancer Center of Mongolia, the bank's key partner in the National Campaign Against Cancer,, and Bayangol Football Club. A total of eight teams from local organizations and foreign countries (Peru and Scotland) participated in the event and made contributions. Funds raised from this tournament will be used for the national research and study program on preventing cancer. Khan Bank was grateful to contribute to a great cause in such an active way that involved its employees. The Khan Bank team also won the tournament.

MSM for children

MSM Group raised 8.9 million MNT for Merciful World NGO for disabled children during its annual MSM and Partners Golf Tournament held on August 24. As requested from Khan-Uul district Traffic Police Department, MSM Group donated car seats to random parents who transport their children without car seats. Proper use of car seats can effectively prevent injury during accidents. Lack of awareness of car seats in Mongolia is a prominent issue.





Deloitte's Global Mobility Program

Deloitte Mongolia is delighted to announce that three managers from our Audit team have embarked on a great journey to Australia (Brisbane and Perth offices), while one of our senior managers have recently joined the Risk Advisory team in London, as part of the Global Mobility Program. The secondments are part of our ongoing effort to promote talent development across global Deloitte offices. It is also a way for us to reinforce one of Deloitte's 5 Shared Values, "Collaborate for measurable impact". We're excited for all of our secondees to use this opportunity to learn and deliver more positive, widespread impact to our clients across the world.



TransBank's Add Color Project

With the aim to be an ethical, sustainable bank, Transbank joined the waste management project called 'Add Color', and started working with 'Mongolian National Association for Waste Management' NGO. According to statistics, 2.3 tons of trash is generated in Mongolia per year. In Ulaanbaatar city alone, 1.4 tons of trash is produced by consumers and factories. The general objective of Transbank's involvement in 'Add Color' is to provide their employee's with basic knowledge about reducing their environmental footprint, and also implement good waste management systems in their facilities to make a significant contribution to reducing waste and eliminating toxins in the environment.

Starchase's Land Rover Golf Cup 2019

Starchase Mongolia held its annual Land Rover Golf Cup 2019 for the 6th year. It is known as one of the most prestigious Golf Cups among Mongolian golfers and our customers. This year, Starchase added a charity part to the event, for which they chose Majic Mongolia to contribute the funds to. Majic Mongolia started in 2017 to build a "Children Protection and Development Center" in a ger district, and is currently building a second center. Majic Mongolia is known for being reliable, transparent and helpful to children who have endured abuse. Both centers serve to over 500 children from the ger district and provides shelter for children who were abused or are in threat of abuse. Starchase asked the golfers to contribute to the charity, and in return they will match the total amount. As a result, 70 golfers raised 3.09 million MNT in 30 minutes, and Starchase additionally contributed the same amount.

