



Press Release

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AmCham Mongolia hosts How to Restore Investor Confidence Meeting

ULAANBAATAR, Mongolia – The American Chamber of Commerce in Mongolia (AmCham Mongolia) held a virtual April Monthly Meeting titled “How to restore investor confidence” on the 13th of April 2021.

Panelists for the event were Mr.Amartuvshin, Member of Parliament, Ms.Bulganchimeg, Deputy Chairwoman of the National Development Agency (NDA) and Ms.Jigjidmaa, Senior Private Sector Specialist at the International Finance Corporation (IFC).

The meeting was attended by representatives of the AmCham community, foreign and national investors, and representatives of the embassies.

The Executive Director of AmCham Mongolia Mr.Adiya opened the meeting by highlighting the importance of gaining investors confidence which was a topic of discussion for years. The purpose of this meeting is to discuss concrete short to medium term policy actions and specific initiatives made by the parliament and the government to attract the international community to revive investment in Mongolia.

MP Amartuvshin noted that investor confidence is a long running topic among investors, the parliament and the government of Mongolia. Last year, the parliament initiated a proposal to start a sub-committee on foreign investment and trade, also several rounds of consultations were held with the business community and investors. During these meetings the following issues were emphasized to a question why Mongolia lost investor confidence:

1. Stable economic growth, directly tied to the government policy
2. Investor protection, lack of transparency of the judicial system
3. Tax legislation

Mongolia did not do a great job in retaining investors but has an opportunity to get back on the investor map. MP Amartuvshin also highlighted that the on-going negotiations with Rio Tinto are a benchmark on how the foreign investors are treated in Mongolia.

Amartuvshin emphasized that the due amendments to the current Law on Investment is one the immediate priorities to change the legal framework for the investors.

Vice Chairwoman Bulganchimeg stated that the NDA is initiating pro-investment climate reforms. The current economic situation is struggling in the middle of the pandemic like any other country but Mongolia did relatively okay.

From 2010 to 2020, the top 5 FDI countries that invested in Mongolia were Canada, China, Netherlands, Luxembourg and Singapore. The majority of investments, about 70 percent, are in the geology and mining sectors. In 2020 the FDI in Mongolia was at 2.5 billion, a 20% drop from the previous year. The NDA is trying to revive the situation through five different fronts: enabling the legal environment, investor protection reform, promotion to attracting FDI, service reform, measures taken in the times of the pandemic and a path forward. Based on the assessment of the implementation of the investment law and the research of International Policy, the NDA is working to create a more favorable environment by amending the law.

Ms .Jigjidmaa noted that the most important thing is to define where Mongolia is located on the map for investors, that's why it's important for the government to come up with a policy statement. This statement shall define the short to mid-term goals, which sectors Mongolia wants to attract investment in and how Mongolia wants to work with existing investors. The OT project is one of the benchmarks for investors of Mongolia, but it doesn't mean that Mongolia is closing down on other sectors.

She further stated that the government not only needs to focus on macroeconomics but also work with the community to make it more investor-friendly and increase the general public's understanding of the economic impact that comes from FDI.

The Global investment report of 2020 predicted an overall 40% decline in FDI and that the Asian continent will be most affected, but there is still hope that the region will recover soon if the governments take necessary action. For example, in this region, particularly China has been quite good in terms of attracting investment and has received 149.2 Billion USD of investment. It was done thanks to the revision of the investment legal framework, adopted a new investment law, they opened up earlier restricted economies in the automotive business and the financial sector.

The panelists responded to a number of questions from the participants.

About AmCham Mongolia

The American Chamber of Commerce (AmCham) in Mongolia is an independent membership-driven organization that seeks to build, strengthen, and protect business between the United States and Mongolia and to actively promote Mongolia as a destination for American investment. AmCham Mongolia is accredited by the U.S. Chamber of Commerce as its official affiliate in Mongolia. Based in Washington D.C., the U.S. Chamber of Commerce is the largest federation in the world with over 3 million members.