



*The **AMERICAN CHAMBER** of Commerce in Mongolia*

**AMCHAM POSITION PAPER:**  
2021 ROADMAP FOR  
PRIVATE SECTOR-LED  
GROWTH

January 2021

## Policy framework:

- A Roadmap for Expanded Economic Partnership between the United States of America and Mongolia, September 20, 2018;
- “Investment Reform Map for Mongolia”, June 2018, report published by World Bank Group
- Investment Climate Statement for 2020 issued by the U.S. Embassy in Ulaanbaatar;
- Mongolia Third Neighbor Trade Act, introduced on July 26, 2018, by Representative Ted Yoho and nine other members of the U.S. House of Representatives;
- Agreement on Transparency in Matters Related to International Trade and Investment between the United States of America and Mongolia, signed on September 24, 2013, and ratified by Mongolian Parliament in December 2014;
- Declaration on the Strategic Partnership between the United States of America and Mongolia, July 31, 2019.

## Policy and Advocacy Priorities for 2021

The COVID-19 pandemic and unprecedented precautionary measures are having a major impact and bringing significant challenges to businesses, their supply chains, employment, cash flows, and contractual obligations. In 2020, AmCham served as the primary means of communication between its members and the Government of Mongolia to ensure smooth and continued business operations.

**In 2021, AmCham further commits to supporting a private sector-led economic recovery and development, and to helping our members adapt to the unique challenges of doing business in and with Mongolia during the COVID-19 pandemic.**

We will continue to prioritize support for the minerals sector and economic diversification in other sectors, such as the digital economy, e-commerce, and agriculture, and to promote U.S.-Mongolia bilateral trade and investment, as well as regional connectivity. In 2021, we will place an even stronger focus on promoting the acquisition and use of goods, works, and services from the United States.



## **Key priorities are:**

1. Supporting the rule of law by taking steps to improve the business and legal environment and investment climate for private sector businesses operating in Mongolia;
2. Supporting economic growth through an open, competitive, private sector-driven minerals sector;
3. Supporting economic diversification in other sectors, such as the digital economy, e-commerce, and agriculture through digital transformation and trade and commerce opportunities;
4. Promoting U.S.-Mongolia bilateral trade and investment, and regional connectivity, with other U.S. private sector entities through our Trade Committee and Washington Council.

AmCham Mongolia will also provide greater advocacy for our members' businesses in Mongolia by establishing a new committee, the Trade Committee of the American Chamber of Commerce in Mongolia (the Trade Committee). The Trade Committee will promote international trade and investment, with U.S.-Mongolian bilateral trade and investment as top priority, particularly promoting the acquisition and use of goods, works and services from the United States and other countries which our members trade with, by removing tariffs and non-tariff barriers for trade and commercial activities.

AmCham Mongolia will continue to advocate for the promotion of free trade and free enterprise to regain investor confidence. We believe that private sector-led economic growth is the healthiest model: market-driven, transparent, and financially sustainable. The growth of a strong private sector is not only in the interest of our members, but also the Government of Mongolia and all stakeholders who want to advance the country's development.

With its stakeholders and partners, AmCham Mongolia will support the Government of Mongolia in its efforts to create an improved economic policy framework to address fundamental issues in the economy and its structure. AmCham Mongolia will advance its advocacy efforts for the full implementation and enforcement of the U.S.-Mongolia Transparency Agreement in order to foster greater bilateral economic and commercial relations, and to improve the business and investment environment in Mongolia.

## **Macro-level Initiatives:**

- Assign the Financial Services Committee with taking the lead on banking reform – through outreach, advice, and advocacy– and to keep our members informed.
- Assign the Trade Committee with taking the lead on increasing and promoting the acquisition and use of goods, works, and services from the United States.
- Increase accountability, through monitoring and advocacy, for the full implementation and compliance with the principles of the U.S.-Mongolia Economic Transparency Agreement.
- Increase policy and advocacy efforts to address the extensive growth of state-owned enterprises (SOEs) in the Mongolian economy, and to promote a private-sector led



economy and good corporate governance.

- Increase public private dialogues (PPDs) to promote an investor and business-friendly climate.
- Promote the sanctity of contracts through a stronger legal and regulatory framework (including a focus on enforcement and accountability), rule of law, and judicial independence as a means to increase investment and encourage doing business in Mongolia.
- Conduct active engagements with Parliament and Cabinet members, key government agencies, and other private sector stakeholders to promote our key policies outlined in the Roadmap.

### **Micro-level Initiatives:**

- Streamline an “issue watch” to track and manage the stages of critical issues relevant to our members and actively use it for advocacy efforts.
- Undertake member-based advocacy through customized policy and advocacy efforts tailored to the needs of our members.

### **1. Supporting the rule of law by improving the business, legal environment, and investment climate for private sector businesses operating in Mongolia**

AmCham Mongolia will continue its efforts to create a more favorable investment climate and tax regime, and promote the country as a destination for potential investors, both from overseas and within the country, by promoting the rule of law and the sanctity of contracts. These efforts will be coordinated with the government, as well as with other business and industry associations and partners. AmCham Mongolia strongly believes that a transparent, consistent, and enforceable legal and regulatory environment committed to fighting corruption is the cornerstone to growing business and attracting investment.

### **2. Supporting economic growth through an open, competitive, private sector-driven minerals sector**

AmCham Mongolia firmly believes that developing a responsible and competitive minerals sector will create a strong foundation for economic growth and the country’s development. AmCham Mongolia members are major investors and suppliers to Mongolia’s minerals industry. By organizing a series of forums on responsible prospecting, exploration, and mining, and sharing and showcasing our members’ best practices and successes, AmCham Mongolia will support the development of a responsible and competitive minerals sector in Mongolia.

AmCham Mongolia will have effective public-private dialogues on critical issues in the minerals sector and for our members by continuing our monthly meetings with the Ministry of Mining and Heavy Industry. AmCham’s specific efforts to enrich the industry will be undertaken through the actions stated in the Position Paper of the AmCham Mongolia



Mining Committee.

### **3. Supporting economic diversification in other sectors, such as the digital economy, e-commerce, and agriculture through digital transformation and trade and commerce opportunities**

Mongolia has huge potential to advance the development of other sectors of the economy, such as agriculture, tourism, finance, cashmere, renewable energy, and ICT and digital businesses.

AmCham Mongolia members are interested in investing and doing business in non-minerals activities in Mongolia. Our members utilize some of the most innovative technology, machinery, equipment, and best practices available, which gives these sectors the capability to become more internationally competitive and attractive for foreign investment.

AmCham Mongolia will continue its commitment to advancing opportunities in the agriculture, financial services, micro power and renewable energy sectors, and work to attract greater investment and bring advanced technology and know-how to Mongolia through our members. AmCham Mongolia's committees on Financial Services, Agriculture, Trade, Auto and Machinery Industry, and ICT and the Digital Economy will take a leading role in fostering economic diversification and social and economic sustainability.

### **4. Promoting U.S.-Mongolia bilateral trade and investment and regional connectivity with other U.S. private sector entities through our Trade Committee and Washington Council**

Strong bilateral ties between Mongolia and the U.S. are critical to AmCham's mission – especially the ties between policy makers and key investment, policy, and diplomatic constituencies in both capitals.

AmCham Mongolia is affiliated with the U.S. Chamber of Commerce, the world's largest business federation, with over 3 million-member companies, and is the local affiliate of the AmChams of Asia Pacific (AAP), consisting of 28 Chambers of Commerce throughout the Asia Pacific. AmCham Mongolia can communicate with other chambers for references, to facilitate access to available resources, and to mediate in establishing initial contact with U.S. businesses on an individual basis.

#### **Some specific activities will include:**

- Active advocacy efforts in promoting the Mongolia Third Neighbor Trade Act: The proposed Mongolia Third Neighbor Trade Act will promote Mongolia-U.S. trade by authorizing duty-free treatment for certain imports, like cashmere materials. The Mongolia Third Neighbor Trade Act would play a crucial role in Mongolia's overall



economic development, increasing export-led businesses, as well as diversifying its markets;

- Establishing connections for AmCham members with their peers, as well as markets in the region and the USA;
- Organizing inbound and outbound Doorknock and Trade Missions and the hosting of visits by high-level U.S. government officials;
- Organizing the annual American Days Expo in Mongolia;
- Leading and supporting a Mongolian delegation to attend the annual conference of the AmChams of the Asia-Pacific region to gain insight on regional perspectives and to learn from best practices used in the Asia-Pacific region to continue building an enabling business environment in Mongolia;
- Engaging actively with the U.S. Congressional Caucus on Mongolia and Mongolia-U.S. parliamentary group in the Mongolian Parliament.

**Finally, AmCham Mongolia's Corporate & Social Responsibility Committee will continue to promote CSR culture within the Mongolian business community by publicizing and showcasing our members' best practices and successes.**

