



AmCham News

May/June 2020

AMCHAM POLICY & ADVOCACY UPDATES

AmCham Mongolia Position Paper on the Economic Impact of COVID-19 on Businesses and Ways Forward

The global outbreak of COVID-19 and unprecedented precautionary measures around the globe, and in Mongolia, have had a major impact and brought significant challenges to businesses, their supply chains, employment, cash flows, and contractual obligations.

AmCham Mongolia, based on input from its members, developed a position paper that reviews the pandemic situation in Mongolia, highlights AmCham Mongolia's policy efforts to support its members during this challenging time, and defines ways forward in operating in the post-COVID-19 world, based on international experience and best practices.



Survey: Listening to the Needs of Members

AmCham Mongolia conducted a survey among its members to assess the impact of COVID-19 and identify the challenges they've encountered during the pandemic.

According to the survey results, 35 percent of the survey participants stated that they had lost customers and saw declining demand for their services and products; 10 percent said that they were short of cash flow; 20 percent said that they were experiencing logistical challenges; 25 percent said that they were facing all of above challenges; and 10 percent said that they were facing other challenges during the COVID-19 pandemic.

The survey data showed that 60 percent of the participants were expecting significant economic effects from COVID-19 in the second quarter of 2020; 35 percent stated that they expect an impact in the third quarter; and five percent said that the impact of COVID-19 will come in the fourth quarter.

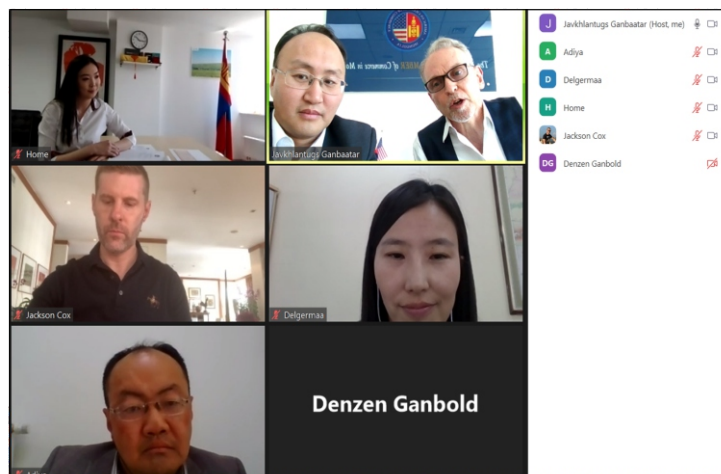
The survey results clearly indicated that COVID-19 has had a very high impact on AmCham Mongolia members, particularly in disrupting their businesses, customers, and supply chains, and the majority of them need additional support from the Mongolian government, Parliament, and banks.

AmCham Committee Initiatives

Launch of the Corporate Social Responsibility (CSR) Committee

AmCham Mongolia organized a launch event for the new committee, elected a chairperson, and exchanged views on ways to move forward.

AmCham members bring the highest international standards, technology, and know-how to Mongolia, and significantly contribute to the addressing of Mongolia's socio-economic issues by implementing various projects. The newly launched CSR Committee will contribute to the development of the CSR culture in Mongolia by promoting its members' CSR activities and projects. Setting up this mechanism is a timely initiative for member support.



The CSR Committee held a follow-up meeting after the launch, discussing some specific actions that the committee can take in the second half of the year. AmCham CSR Awards Night is proposed as the year-end event to recognize members with strong CSR performance and to extend appreciation for their service to their communities.



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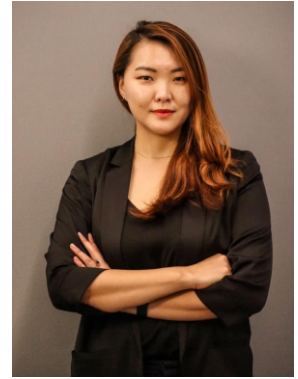
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Launch of the AmCham ICT and Digital Economy Committee

Based on insightful discussions held during the Digital Transformation webinar and continued interest from members, AmCham Mongolia launched a new committee to bring this interesting subject into broader policy discussion and to undertake concrete action.

The new committee will advance the development of information and communications technology (ICT) infrastructure and services in Mongolia, and will promote cooperation, information sharing, and the development of effective ICT policies and regulations.

The ICT and Digital Economy Committee will also provide guidance on key areas and actions to facilitate technological and policy exchanges among members, and to promote innovative, inclusive and sustainable growth, as well as to bridge the digital divide in Mongolia.

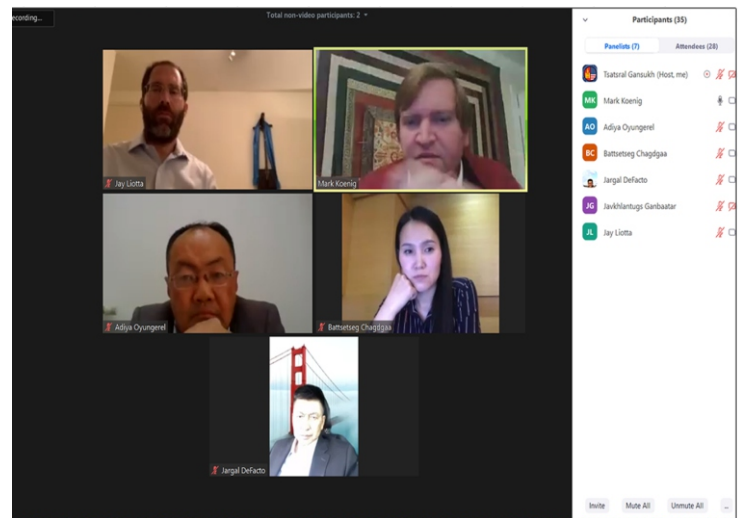


AMCHAM EVENTS

May Monthly Meeting

AmCham Mongolia organized its May Online Monthly Meeting as part of the "Ensuring Fundamentals" initiative and discussed Mongolia's fight against corruption. The panelists were Mark Koenig, Country Representative of The Asia Foundation; Jargalsaikhan D., founder of DeFacto Institute; and Battsetseg Ch., founder of OneAct, a civic anti-corruption initiative.

The panel discussion was moderated by Jay Liotta, Chairman of AmCham Mongolia's Board of Directors, and a Letterhead Partner at Mahoney Liotta LLP. Over 40 attendees participated in the online discussion, including representatives of AmCham member companies, and domestic and international businesses, discussing current perceptions of corruption in Mongolia, and sharing personal stories and experience with corruption.



June Online Monthly Meeting

AmCham Mongolia organized its June Online Monthly Meeting on Economic Outlook of Post-Election Mongolia. The panelists were Andrei Mikhnev, Country Manager of the World Bank, Ekhtuvshin D, Vice President of MCS Holding, Bilguun A, Board Member of the Mongolian National Mining Association, and Dr. Khashchuluun Ch, an Independent Economist.

The panel discussion was moderated by Jay Liotta, Chairman of AmCham Mongolia, and the Letterhead partner of Mahoney Liotta LLP. Around 70 attendees participated in the online discussion representing AmCham member companies, and domestic and international businesses.



Development Solutions

Chemist and eco-friendly product maker Nomintsetseg B. began her own path to business in 2015, after realizing how precious fat was labeled useless waste in Mongolia. She shared this feeling of guilt with her university classmate. She says that the conversation they had that night ultimately led to a solution for making something valuable from that "waste". Now, her company makes eco-friendly, non-toxic soaps and toothbrushes that cause no harm to the environment. Visit the Эко саван (Eco Soap) Facebook page to purchase her soap and toothbrushes.



Golomt Bank

The Government of Mongolia and the Mongolian Chamber of Commerce and Industry have announced the top 100 companies making significant contributions to social and economic development in Mongolia. Golomt Bank received this prestigious award for the 17th time. Golomt Bank was named "Top Employing Business Entity" for providing employment through 2,819 jobs in 2019; "Best Taxpayer" for contributing 103 billion MNT in tax revenue to the state; and "Best Social Insurance Payer", with a total of 8.6 billion MNT paid for social insurance fees.



MSM customer trip to USA

At the beginning of 2020, MSM Group organized its Agriculture Division's Loyalty Customer Trip to the USA, as part of the company's Loyalty Customer program and to strengthen the capacity of Mongolia's agriculture industry. The long-term partnership between MSM Group and John Deere has successfully continued for its 6th year. MSM Agriculture Division's customers and managers visited John Deere and HARDI factories, and also attended the 2020 Farm Machinery Show, which is one of the largest agricultural equipment and machinery shows in the United States. MSM has represented the Danish sprayer brand HARDI in Mongolia since April 2019. MSM Group believes that the experience of this trip was not only valuable for the development of the Mongolian agriculture industry, but also valuable in contributing to their long-term client partnerships.



MSM Group successfully organized training for the installation of the world's toughest floor, Ucrete, with full support from the Master Builders Solutions of BASF, designed for Mongolian architects and construction businesses. The training was led by Mr. Philip van den Berg, a Master Builders Concrete Coating Inspector, and MSM Chemical Division managers, both in a classroom setting and on-site. Ucrete has been the preferred brand for industrial flooring since 1969 and is well known for its being tough, and being the first antistatic, hygienic, non-tainting terrazzo material, as well as for its rapid curing system. MSM is proud to represent the world's top quality brands in the Mongolian market. Training was provided to 20 architects and engineers from 12 Mongolian construction companies. MSM would like to thank all of the participants and the BASF training team for their support.



TDB fully repays its fifth medium term notes

In 2015, when Mongolia's economic growth declined, Trade and Development Bank (TDB) successfully issued 500 million USD in government-guaranteed notes with five-year terms. This successful issuance was of significant importance and supported the country's foreign exchange reserves and stabilized local currency rates.

In this time of the global spread of the novel coronavirus, every country is experiencing difficulties in their economy and trade. TDB's successful repayment of its fifth medium term notes highlights Mongolia's reputation in the international market and restores investor confidence.



TDB REPAID ITS FIFTH MEDIUM TERM NOTES WITH AN AMOUNT OF USD 500 MILLION WHOLLY WITH ITS INTERNAL LIQUIDITY.

MEMBER CSR STORIES

Khan Bank

On every first Saturday of May, all of Mongolia celebrates National Tree Planting Day, raising awareness about environmental protection and contributing to creating a greener planet.

Every spring, Khan Bank celebrates National Tree Planting Day by planting and enriching the environment through the [Khan Bank Forest program](#), which has planted nearly 23,000 trees and bushes all over Mongolia. This year, Khan Bank brought the number of trees planted up to 24,200 by planting trees at five children's care, development and protection centers in Ulaanbaatar, and at sites selected by its 24 rural branches, all while adhering to COVID-19 outbreak prevention measures.

Khan Bank Foundation prepared an informative animated video to teach people about proper tree planting steps and to spread the message that aftercare is more important than just planting trees. You can watch the video [here](#).

Khan Bank remains committed to benefitting the communities of Mongolia.



Shangri-La Hotel

Hospitality from the heart goes a long way and Shangri-La Hotel, Ulaanbaatar is committed to doing their part. As part of their social responsibility to benefit the local community, the Shangri-La team thanked the frontline healthcare officials at the National Center of Communicable Diseases by delivering meals for a whole week to express the depth of their gratitude. They would like to thank everyone at the NCCD for their dedication and hard work to keep Mongolia safe and calm.



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