



AmCham News

OCTOBER 2019

AMCHAM POLICY AND ADVOCACY EFFORTS

AmCham October Monthly Meeting

AmCham October Monthly Meeting on "Leveraging Export Opportunities for Mongolia" hosted panelists Economic and Commercial Section Chief at the U.S. Embassy Benjamin Le Roy, Private Sector Development Senior Expert at EU TRAM Project Carl Krung, Deputy Director of Economic Cooperation and Foreign Trade Department at the Ministry of Foreign Affairs Ulziisaikhan Ganbold and as moderator the CEO of Bloomberg TV Mongolia Dolgion Erdenebaatar.

The panelists discussed export opportunities and challenges, and agreed on different barriers (tariff and non-tariff barriers) for export promotion, such as hygiene requirements, certificates of origin, transportation costs, and the need for better Mongolian strategies for branding, market research, supply chain management, and quality control, including establishing modern labs.

In 2017, Mongolia exported 6.88 billion USD and imported 4.5 billion USD, resulting in a positive trade balance of 2.39 billion USD. Mongolia's top exports are coal, copper ore, gold, crude oil, and iron ore. Mongolia's top export destinations are China, United Kingdom, Switzerland, Russia, and Italy.

According to the Ministry of Foreign Affairs, the Government of Mongolia is currently implementing export diversification strategies. Mongolia's export strategy is to tackle key challenges and enable better access to foreign markets. In September 2019, Cabinet approved the Mongol Export Program (2019-2023) to promote non-mining export development and diversify export markets. In terms of export market diversification, the government is conducting free-trade agreement (FTA) negotiations.

U.S. Embassy representatives stated that total trade with the U.S. in 2018 rose by 47 percent compared to 2017, reaching 121 million USD. The U.S. government supports Mongolia's export in various ways, including the Mongolia Third Neighbor Trade Act (MNTA) and the General System of Preferences. The MNTA will grant Mongolian cashmere duty-free access to the United States – creating great potential for growth in Mongolia's cashmere and textile industry. The representative from the EU's TRAM project stated that the 4.8 million EUR project in Mongolia commenced in March 2017. The project aims to contribute to economic growth by supporting an increase in non-mining sector exports.

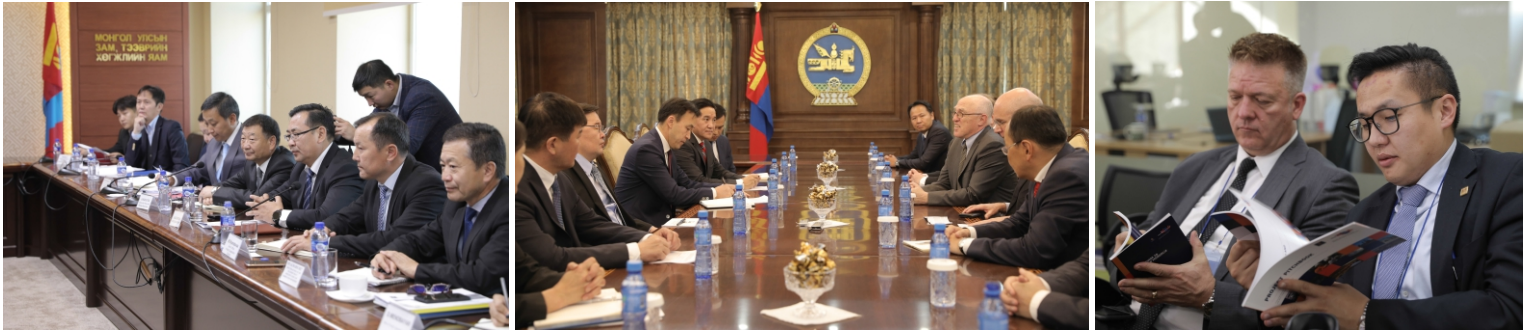
AmCham's ongoing collaboration with The Asia Foundation

On October 17, AmCham in collaboration with Mongolian Bankers' Association (MBA), organized a round of training sessions on business ethics for banking professionals. During the training session, the members of the MBA discussed ethics issues and risks related to corruption and bribery in the banking sector, and identified potential solutions to address them. It was noted that the main obstacle for banks is a lack of political stability and red tape in working with government stakeholders. The participants stressed the need for better partnership between the public and private sectors in terms of adopting new laws and regulations, stronger internal control and audits, better online monitoring of business processes for banks, and more active advocacy through the MBA. AmCham's Sample Template for Code of Ethics and Business Conduct were shared with the participants.



AmCham Certified Trade Mission 2019

During its second annual Certified Trade Mission (CTM), AmCham Mongolia hosted a delegation of representatives from number of leading American companies, including Boeing, Dow Chemicals, Wabtec, Caterpillar/Wagner Asia, and Monsoon Blockchain Storage, led by Mr. Alan Turley, Deputy Assistant Secretary on China and Mongolia at the U.S. Department of Commerce, from October 28-30. During the CTM, the business delegation met with high-ranking Mongolian officials, including President Kh. Battulga, Speaker of Parliament G. Zandanshatar, State Secretary of the Ministry of Foreign Affairs D. Davaasuren, and State Secretary of the Ministry of Road and Transport Development S. Batbold.



During the meeting with Mongolian officials, Mr. Turley noted that the meeting was being held to start potential collaboration projects, following the two countries' presidents' recent agreement on strategic partnership and collaborating in the economic and trade sectors. The Deputy Assistant Secretary further stated that the U.S. Department of Commerce is looking for potential collaboration with Mongolia in agriculture and animal husbandry, as well as railway, air transportation, digital consumer-based businesses, and other new opportunities. President Kh. Battulga introduced the nation's current development projects, and noted the importance of effective technology and financing regardless of the sector for potential economic cooperation. During the meeting, Speaker G. Zandanshatar stated that the government is looking forward to collaborating with the U.S. at all levels, as it leads in technology production, trade, and investment. He noted that the Government of Mongolia is paying close attention to significant economic projects, specifically in oil, gas pipelines, and information flow that will be transferred through Mongolia, serving as a transition network between Asia and Europe. The sides exchanged views on creating a suitable legislative environment to attract more investment, the negative impacts of FATF grey-listing, and creating beneficial bilateral collaboration in the economy, investment, banking and financial sector, and trade. The business delegation also had individual B2B meetings in their relevant sectors and visited the state of art Maintenance/Rebuild Workshop Center of Wagner Asia Equipment LLC.



Information Session on MCC Water Compact

AmCham Mongolia organized an information session in collaboration with Millennium Challenge Account, also known as the MCC, on the Procurement Opportunities for Mongolia Water Compact. The MCC signed a 350 million USD compact with the Government of Mongolia in 2018. The Compact aims to address the imminent shortage of water that threatens our city. Water is life, thus this is a life threatening issue we need to address urgently. The MCC aims to supply for Ulaanbaatar's projected demand for water for residential consumers and industrial needs through their "Water Supply Project". This project will offer numerous procurement opportunities in the coming years and AmCham invited its members to inform them about ways to leverage business opportunities.



OCTOBER EVENTS

AmCham Networking Night for CTM



The U.S. Ambassador's Reception for CTM



AMCHAM MEMBER UPDATE

Steppe Group seeks global expansion

Steppe Group, a financial services group based in Mongolia, is planning to expand its real estate investment business to Brazil and the U.S. Along with the Mongolian Fintech Association, Financial Regulatory Commission and Ministry of Foreign Affairs, Steppe Group co-hosted the first Frontier Fintech Summit in Mongolia. It has recently finished building its online platform for trading real estate-backed security tokens, and is planning to launch its first product by the end of 2019. Steppe Group is also seeking to expand its business globally by launching assets in Brazil and the U.S. Its mission is to evolve fintech to solve inefficiencies in capital markets and ultimately develop sustainable and healthy economies in emerging regions.



AMCHAM MEMBER CSR



Badrakh Energy LLC's Cooperation Council

Badrakh Energy LLC established the Cooperation Council in 2013 jointly with Ulaanbadrakh soum and Zuunbayan bagh in Sainshand soum of Dornogobi province, where it is currently operating. The purpose of the Council is to encourage an open and transparent relationship with local communities and cooperate with them on projects and programs towards their development. The Cooperation Council consists of 15 members- representatives from the local administrative institutions, non-governmental organizations, herders and Badrakh Energy LLC employees and the Council convenes every quarter. Badrakh Energy LLC guides the Council on future agendas, deliberation of annual plans, reports and other studies. The Council serves as the main intermediate between the company and the community. Since 2013, the Cooperation Council convened for 45 meetings.

Golomt Bank's commitment to UNEP FI's "Principles for Responsible Banking"

On 23 September 2019 during the UN General Assembly held in New York, UNEP FI's 'Principles for Responsible Banking' was officially adopted by their 30 Founding Banks, one of which is Golomt Bank. This milestone signifies that Golomt Bank reinforces its business strategies towards the shaping of a sustainable future and the alignment of its operations with the objectives of the "UN Sustainable Development Goals" and "Paris Climate Change Agreement". Golomt Bank has duly affirmed its commitment to a sustainable future and has united with 130 member banks with total assets of USD 47 trillion.



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+976 70003437



Naran Mandal distributes school supplies in Bayankhongor

Naran Mandal is an internationally managed Mongolian gold mining company. Its project in Bayankhongor is an underground, hard rock, narrow-vein gold mine that employs almost 400 Mongolian workers and is in production year round. Naran Mandal is a strong supporter and champion of local students in Bayankhongor. Recently they completed its annual contribution of school supplies to 220 students in Bayan-Ovoo soum. Naran Mandal believes that education and human capital, not resources, are the future of Bayankhongor and Mongolia. For this reason, the company supports education initiatives of all types.

Naran Mandal organizes medical examination in Bayankhongor

In late September, Naran Mandal organized a three-day medical examination program for over 600 citizens living in Bayan-Ovoo soum in Bayankhongor. The examination program was carried out by a team of Mongolian and Korean professional doctors and involved seven medical specializations: including internal medicine, general surgery, traditional medicine, dentistry, ophthalmology, ultrasonography and X-ray.

Starchase's day of Plogging



Starchase's community members cleaned up litter while jogging, adding a virtuous and environmentally helpful element to the sport. Cleaning litter while exercising is called 'plogging'. Starchase sees their events as purposive to take care of its employees, enhance customer relations and give back to their community. Starchase added a charity part to the event, for which they chose Veloo Foundation's new kindergarten project to contribute the funds to. Veloo Foundation is dedicated to helping orphans and other similarly disadvantaged children in the developing world through a series of Educational, Employment, Infrastructure Development and Relief Initiatives. As a result, 40 participants raised 650 million MNT, while picking up litter and jogging.



SouthGobi Sands LLC



SGS LLC held its bi-annual community meetings in the past few months. The company's executive team, including the President and Executive Director Munkhbat Chuluun, and other managers, have visited five soums that are included in the company's CSR Program. These soums are Gurvantes, Noyon, Bayandalai, Sevrei and Dalanzadgad. While the company representatives listened to the local communities and their needs, Mr.Munkhbat handed over Funding Certificates for projects to be realized in the new year. The company signed agreements with these five soums to fund crucial projects for the communities such as public toilets, a biology classroom, a new museum, and a sports center for a public school.



Transwest Mongolia LLC



As a community project, Transwest Mongolia LLC has successfully completed a reconstruction overhaul and a complete appliance refurbishing of the kitchen at the Technical Vocational Education Center (TVET) located in the Nalaikh district of Ulaanbaatar. TVET at Nalaikh district is celebrating its 65th anniversary this year. This organization is known as the pioneer school of the very first geology, mining, industrial and energy sector professionals. As of today, there are over 700 students from 18 provinces enrolled in 19 different majors.



TransBank's Educated Citizen Program

For 'World Savings Day', TransBank initiated an Educated Citizen Program for students. Through the program, TransBank donated more than 100 books to students and over 70 books worth 300,000 MNT to Majestic bookstore. TransBank is now planning to allocate 3 million MNT in donations to the secondary school of Songino Khaikhan district, 29th school of hearing disability in Sukhbaatar district and to Bumbardai Children's Libraby in Bayanzurkh district that was founded by a 60-year-old resident S.Khishigt.



Brought to you by...

WINE & CHEESE

Lavish Cheese buffet
Free flow of selected wines
MNT 70'000 per peson

EVERY TUESDAY 19:30 - 21:30