



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

ANNUAL REPORT

2020

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AMCHAM MONGOLIA'S CHAIRMAN'S MESSAGE

2020 was a year that changed the world. For AmCham and its members, this meant changing the way we do business, the way we relate to one another, when and how we travel and gather, and re-prioritizing. It meant AmCham providing up-to-the-minute information and acting as an important nexus between the Government of Mongolia and the private sector.

AmCham focused on “change as a means for growth and to better serve our members”. We held several in-person meetings and networking events, and when that was no longer possible, we were one of the first organizations to implement online meetings, webinars, and B2B meetings. Our committees continued their important work virtually in the agriculture, auto and machinery, financial services, and mining and infrastructure sectors. We held our first ever Mentor Week and engaged in a first of its kind Virtual American Days Expo in Mongolia. We also took center stage in our virtual advocacy efforts.

In 2021, we will further leverage our new platforms by using the knowledge and experience we gained and the successes we had in 2020 – including the launch of a new Trade and Commerce Committee – and by engaging in the AmChams of Asia Pacific Virtual Business Summit with a focus on digital and industry transformation.

Of course, none of this would have been possible without your active membership, our dedicated committee chairs, and tireless support from the AmCham team.

I am confident that AmCham and its member companies will beat these challenging times and thrive as we lead the recovery of Mongolia's private sector driven economy.

A handwritten signature in black ink, reading "James P. Liotta". The signature is fluid and cursive, with a long, sweeping underline.

James Liotta

WHO WE ARE

BOARD OF DIRECTORS

The American Chamber of Commerce in Mongolia (AmCham Mongolia) is led by a governing Board of Directors with diverse professions and experience in local and international markets. The Board of Directors (BoD) is responsible for making critical decisions that guide AmCham Mongolia's long-term success and strategies. The Advisory Board is to advise the BoD on the selection of an AmCham Chairman, to review financial plans, and to revise the AmCham Constitution. In 2020, AmCham Mongolia's Board of Directors consisted of the following individuals:



CHAIRMAN: JAMES LIOTTA
PARTNER AT MAHONEYLIOTTA LLP



**VICE CHAIRPERSON:
MUNKHNASAN NARMANDAKH**
CHAIRPERSON OF MONPOLYMET GROUP



DIRECTOR: CHRIS MELVILLE
PARTNER AT MELVILLE & ERDENEDALAI LLP



**DIRECTOR: ENKHTSETSEG
DAMDINSUREN**
VICE PRESIDENT OF MCS HOLDINGS LLC



DIRECTOR: GARY BIONDO
CHAIRMAN OF INTERNATIONAL SCHOOL OF
ULAANBAATAR



**DIRECTOR: GERELMAA
BATCHULUUN**
CEO OF STEPPE GROUP



DIRECTOR: JOHN BELL
CEO OF KHAN BANK



DIRECTOR: MARYNA TARNAVSKA
SENIOR MANAGER AT PWC MONGOLIA



DIRECTOR: MICHAEL FISCHER
CEO OF NARAN MANDAL



DIRECTOR: NICK COUSYN
CO-FOUNDER OF TERRA EXPLORERS LLC



DIRECTOR: SUNJIDMAA JAMBA
GENERAL MANAGER OF EXTERNAL AFFAIRS AT
OYU TOLGOI LLC

WHO WE ARE

ADVISORY BOARD



JACKSON COX
CEO OF WOODMONT INTERNATIONAL



MAGNAI GANZORIG
CEO OF MAGNAI TRADE LLC



DAVID REINER
CEO OF MSM GROUP



JAMES LIOTTA
PARTNER AT MAHONEYLIOTTA LLP



BENJAMIN LEROY
ECONOMIC/COMMERCIAL SECTION CHIEF
AT THE U.S. EMBASSY

EXECUTIVE TEAM



EXECUTIVE DIRECTOR:
ADIYA OYUNGEREL



DIRECTOR OF POLICY & ADVOCACY:
JAVKHLANTUGS GANBAATAR



DIRECTOR OF COMMUNICATIONS:
NAMUUN KHURTS



DIRECTOR OF EVENTS:
TSATSRAL GANSUKH



FINANCE & ADMINISTRATIVE OFFICER:
BAASANTSETSEG BAATAR



PROGRAM COORDINATOR:
BATTSETSEG TOLYA

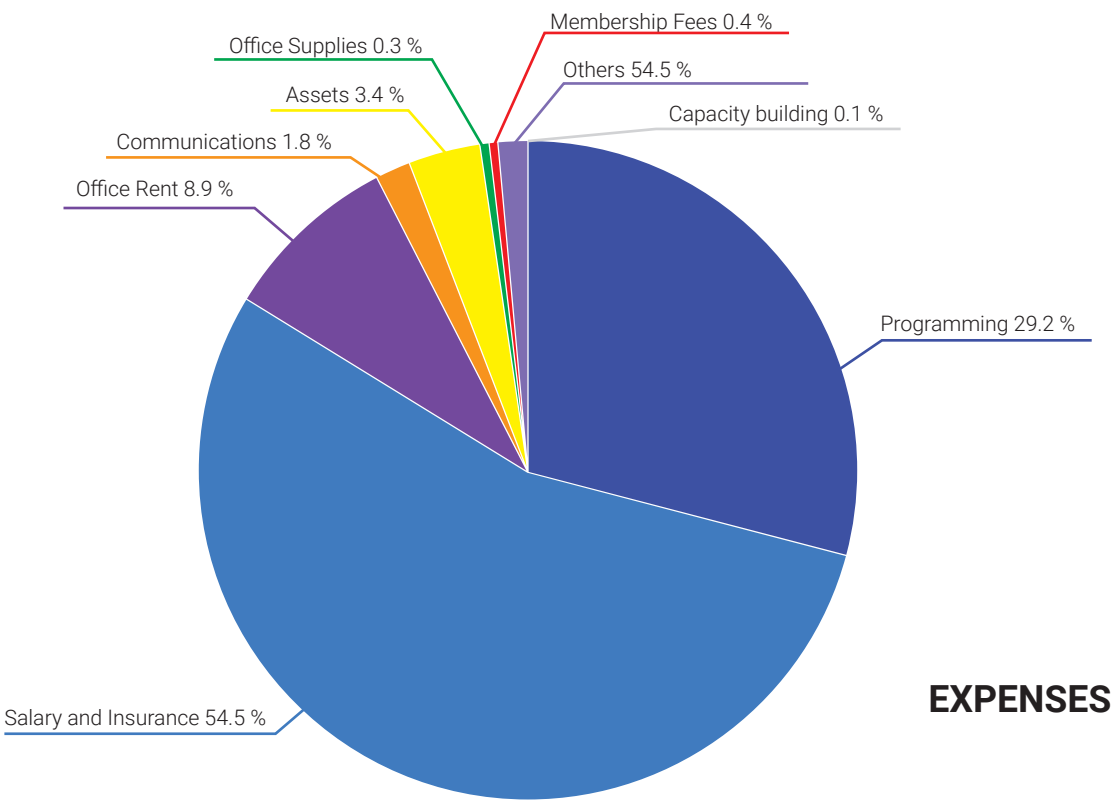
INTRODUCTION

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 promote Mongolia as a destination for American investment actively. The U.S. Chamber of Commerce accredits AmCham Mongolia 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.

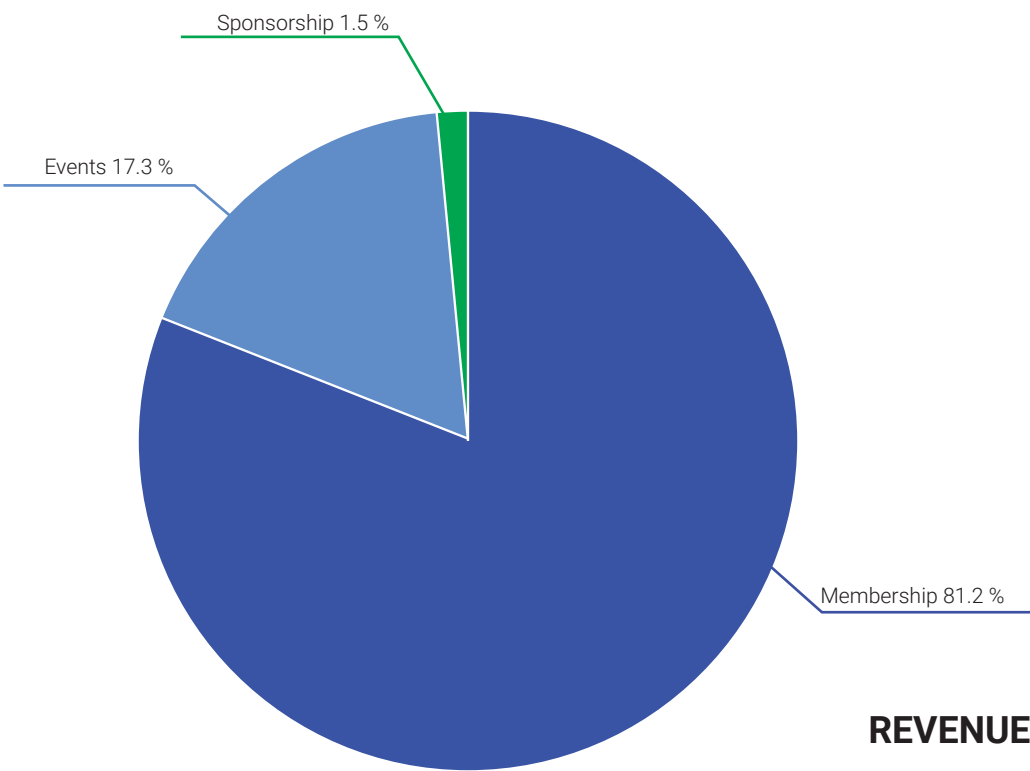
Due to the novel pandemic, AmCham Mongolia's events, meetings and other operations were all organized virtually until August 2020. We maintained our strong support for our members, and tried our best to adapt to the "new normal".



FINANCE



EXPENSES



REVENUE



MEMBERSHIP

AmCham Mongolia's members include both local and international companies who are leading organizations in their respective industries. In 2020, around 90 percent of members renewed their membership. AmCham Mongolia's members are listed below:

NEW MEMBERS:

1. Development Solutions
2. Facebook
3. Erdene Resource Development
4. Nomin & Advocates LLP
5. Nano International
6. MIK Holding
7. Mandal Insurance
8. SAL - Synergy, Advisory, Link
9. S&Royal Group
10. SKYtel
11. Ulaanbaatar Investment Management LLC

MEMBERSHIP RENEWALS:

1. Altai Holding
2. Anderson and Anderson LLP
3. Ard Daatgal
4. Badrakh Energy
5. Bavaria Motors
6. Bloomberg TV Mongolia
7. Blue Sky Hotel
8. BTF
9. Crown Worldwide Group
10. Cummins Mongolia
11. DB>S Advocates
12. Deloitte
13. Ernst & Young
14. Forever Living
15. General Electric
16. Gem International
17. Gobi Cashmere
18. Golomt Bank
19. Golomt Capital
20. Herbalife
21. Hunnu Coal
22. International School of Ulaanbaatar
23. Khan Bank
24. Khaliun Tugul
25. MACU
26. MahoneyLiotta LLP
27. MCS Holding
28. Melville Erdenedalai LLP
29. Minter Ellison
30. Monnis Group
31. Monpolymet Group
32. MSM Group
33. MT Group
34. Naran Mandal
35. Oriflame Mongolia
36. Oyu Tolgoi
37. Petro Matad
38. Philip Morris International
39. Porsche Mongolia
40. PwC Mongolia
41. RioTinto
42. Redpath Mongolia
43. Seruun Group
44. Shangri-La, Ulaanbaatar
45. SouthGobi Sands
46. Steppe Group
47. Ta Chi Mart
48. TDB
49. Terra Explorers
50. Transwest Mongolia
51. Transbank
52. Trafigura
53. Tushig Group
54. Turkish Airline
55. Urgoo Cinema
56. Visa
57. Wagner Asia Equipment
58. Woodmont International
59. XacBank

HONORARY MEMBERS:

1. Australian Embassy in Ulaanbaatar, Mongolia
2. British Embassy in Ulaanbaatar, Mongolia
3. Canadian Embassy in Ulaanbaatar, Mongolia
4. Ch. Khashchuluun, Executive Director of the National Council for Private Sector Support
5. Ch. Saikhanbileg, Former Prime Minister
6. D. Chojjamts, Abbot of Gandantegchinlen Monastery
7. D. Tsogtbaatar, Minister of Foreign Affairs, Member of Parliament
8. Donald Rumsfeld, Former Secretary of Defense of the United States
9. N. Altankhuyag, Former Prime Minister
10. Ts. Gombosuren, Former Minister of Foreign Affairs
11. U.S. Embassy in Ulaanbaatar, Mongolia
12. Tuvshinzaya Gantulga, Former Executive Director of AmCham Mongolia
13. Tricia Barth Turbold, Former Executive Director of AmCham Mongolia
14. Stephen J. Potter, Former Chairman of AmCham Mongolia
15. Oybek Khalilov, Former Chairman of AmCham Mongolia



MEMBERSHIP



POLICY & ADVOCACY

AmCham Mongolia's Position Paper Publications of 2020:

- AmCham Mongolia's Roadmap for Growth 2020
- AmCham Mongolia's Position Paper: Economic Impact of COVID-19 on Businesses and Ways Forward
- AmCham Mongolia's Position Paper: Proposals for Cabinet's 2020-2024 Action Plan
- AmCham Mongolia's Position Paper: Digital Transformation & Economy
- AmCham Mongolia's Position Paper: Recycling Old Car Batteries



In 2020, AmCham Mongolia, similarly to others around the world, faced a major challenge – COVID-19 pandemic. Despite this global challenge, AmCham Mongolia stayed as the nation's leading business association protecting the interests of its members and promoting an enabling business environment. During the reporting year, the following major policy initiatives were undertaken:

- **AmCham Roadmap 2020** served as a guiding strategic framework for all AmCham policy initiatives throughout the year. The themes and speakers for the year's Monthly Meetings were closely aligned with the six key priorities outlined in the AmCham Roadmap 2020.
- **COVID-19 policy updates and member engagements:**
 - » Since February, Policy division began to share with our members COVID-19 related important resources from the U.S. Chamber of Commerce and AmCham China on the best practices in coping with the pandemic in regular

basis, which our members really appreciated. AmCham reached out to our members on regular basis and checked on their current status and safety and asked for any concerns for us to address during this pandemic.

- » Online survey "Impact of COVID-19 on AmCham Mongolia members" – In April, 2020 AmCham Mongolia completed its online survey to assess an impact of COVID-19 on our members, which stated that they are facing many challenges including loss of customers, reduced working hours, lack of cash flow, etc.
- » In December, during the restrictions and lockdown, AmCham Mongolia worked hard on obtaining operational and vehicle permits for the mining companies and suppliers, which many of the members including TransWest, BarloWorld, MSM, etc., really appreciated.

- **Policy advocacy efforts for COVID-19:** Addressing COVID-19's economic implications for businesses, AmCham Mongolia took several policy actions to advocate on behalf of our members.
 - » We sent a letter to Prime Minister U. Khureslsukh on March 16, requesting the Mongolian government's strategy for keeping businesses and the economy healthy and strong, and in particular, what economic stimulus packages may be forthcoming.
 - » On April 3, the Joint Foreign Chambers of Commerce Initiative, led by AmCham Mongolia, including Australian Chamber of Commerce in Mongolia, British Business Group (BBG) Mongolia, the German-Mongolian Business Association, and EuroChamber Mongolia, issued a joint-statement on economic stimulus for Mongolia. In the statement, JFCCI made the policy recommendations for policy makers and the government in the areas of easing liquidity pressures and unemployment pressures, addressing the capacity of the Mongolian economy and the domestic banking system, and implementing programs for maximizing current opportunities. Official letters with these recommendations have been sent to the Prime Minister and Speaker of Parliament.
- **Engagements with new parliament and government:**
 - » After parliamentary election, as new government is established, AmCham Mongolia started its engagements with new Parliament and government.
 - » Early August AmCham Mongolia submitted its proposals for Cabinet's action plan 2020-2024 to the Prime Minister's Office based on suggestions and feedback from our members.
- **Six AmCham Committees**, under the strong leadership of dedicated Committee chairs, functioned as effective mechanisms for gaining broad support and acknowledgement from the wider business community:
 - » **This year we established two new committees- CSR committee and ICT and digital economy**
 - » Five Position Papers were developed and presented to government stakeholders and follow-up actions were taken to bring about policy change:
 - * Position Paper on Economic Impact of COVID-19 on businesses and ways forward
 - * Position Paper on Digital Transformation & Economy
 - * Position Paper on Proposals for Cabinet's 2020-2024 Action Plan
 - * Position Paper on the Environmental damage of old car batteries and Recommended Solutions
- Throughout this year, despite the pandemic, AmCham Committees met in person or online format to push our policy agenda forward:
 - » **AmCham Agriculture Committee members met with the officials of Minister of Food, Agriculture and Light Industry and Ministry of Foreign Affairs** expressing commitment to continue policy dialogue on ways to advance the agriculture sector development in Mongolia including draft of mid-term strategic plan for promoting export and attracting FDI in food, agriculture and light industry of Mongolia.
 - » **Auto and Machinery Committee had numerous engagements with the senior officials of the Ministry of Road and Transport Development (MRTD) and Ulaanbaatar City Mayor's Office** regarding various pressing issues of the sector including reducing city traffic congestion and air pollution by increasing taxes for old and RHD vehicles, developing infrastructure and charging stations for electric cars, introducing American technology and know-how in the locomotive industry. The committee also organized its annual policy forum in collaboration with MADA and MRTD on environmental damage of old car batteries. As a result of these engagements and public pressure, on November 5, Prime Minister U.Khurelsukh as head of the National Council of Traffic Safety mandated the officials of the Ministry of Road and Transport Development to come up with a timeline for banning import of RHD vehicles and 7-years old or older vehicles that had previously been involved in the car accidents.
 - » **In October, Financial Services Committee had lunch meeting with Mr. Sonor, Head of Financial Markets and Insurance Division, Ministry of Finance, who gave us an extensive update on outcome of FATF mission to Mongolia.** On October 23, Mongolia was officially removed from FATF grey list.
 - » In October, **Mining, Infrastructure, and Heavy Industry Committee held a roundtable discussion with Deputy Minister of Mining and Heavy Industry O. Batnairamdal** and discussed pressing issues of the industry including transparency in law making process, coal export, copper smelter, and tax concerns for the oil sector. As a specific outcome of the meeting, the Deputy Minister agreed to host a monthly meeting the AmCham members to address specific issues to promote mining sector development in Mongolia.
 - » **The ICT and Digital Economy Committee met with Member of Parliament N.Uchral, Chairman of the**



Parliament's Innovation and Digital policy standing committee, and discussed ways for constructive partnership in the development of digital transformation and economy in Mongolia. We also presented our latest position paper on "Digital Transformation and Economy". Mr. Uchral thanked AmCham Mongolia for its initiatives and expressed commitment to collaborate with the private sector by actively involving them in the legislative processes and by collecting the best international experiences in the digital economy. He welcomed our members to get involved in the task force meetings for draft laws and provide their technical expertise.

Select cases of member-based advocacy:

E&Y and Deloitte

At the request of AmCham member auditing firms Ernst & Young, Deloitte Onch, and KPMG, AmCham Mongolia submitted a letter to the Bank of Mongolia requesting a possible 30-day extension for licensed banks to delay the public announcement of their audited financial statements due to disruptions in normal business activities and limitations in performing their professional services due to the COVID-19 outbreak prevention measures in Mongolia.

Nano International (RE/MAX)

On February 19, we organized a round-table discussion with key stakeholders including Financial Regulatory Commission (FRC), the U.S. embassy, and the U.S. Department of Treasury, along with the National Association of Realtors, the Real Estate Academy, and other reps of real estate agencies to discuss the critical issues of the sector and define ways forward. As a result of this discussion, the real estate agencies agreed to meet as soon as possible to form their professional association.

MSM Group

On behalf of MSM Group, we submitted our comments and feedback on Law of combating alcohol abuse and controlling the circulation of alcoholic beverages to the Minister of Justice & Internal Affairs along with the Position paper on the draft law on controlling the circulation of alcohol and combating alcoholism, produced by The Asia-Pacific International Spirits and Wine Alliance.

Other select advocacy efforts:

BEST program

On September 16, AmCham Mongolia participated in the BEST program's Forum, hosted by our member Development Solutions NGO, in partnership with USAID. AmCham Director of Policy and Advocacy presented on U.S. financing options for Mongolian businesses and SMEs through Development Finance Corporation and U.S. EXIM bank.

Discover Mongolia 2020

On October 30, AmCham Mongolia co-organized Discover Mongolia Forum 2020, key policy dialogue and international mining investors' forum, in collaboration with Mongolian Mining Association and other business chambers. During her keynote address, AmCham's Vice Chairwoman N.Munkhnasan presented on current investment climate in Mongolia by highlighting Mongolia's performance by international indexes in terms of economic freedom and doing business ranking, critical issues and challenges for investment policy. In order to improve investment climate and environment, AmCham Mongolia proposed four policy recommendations.

EVENTS

MONTHLY MEETINGS:

MARCH MONTHLY MEETING

Economic Implications of COVID-19 and Policy Measures of the Government

Vice Minister of Finance Kh. Bulgantuya and Advisor to the Governor and Chief Economist of Central Bank of Mongolia D.Gan-Ochir

APRIL MONTHLY MEETING

Best Practices of Businesses Operating in China

President of AmCham China Alan Beebe

MAY MONTHLY MEETING

Ensuring Fundamentals: Mongolia's Fight Against Corruption

Country Representative of the Asia Foundation Mark Koenig, Founder of DeFacto Institute Jargalsaikhan D., Founder of "One Act Against Corruption" civil initiative Battsetseg Ts.

JUNE MONTHLY MEETING

Economic Outlook of Post-Election Mongolia

World Bank Country Manager Andrei Mikhnev, Board member of Mongolian National Mining Association Bilguun A., Vice President of MCS Holding Enkhtuvshin D., and Independent Economist Dr. Khashchuluun Ch. The meeting was moderated by AmCham Mongolia's Chairman Jay Liotta.

JULY MONTHLY MEETING

Fostering Mongolia's Third Neighbor Support

U.S. Ambassador to Mongolia Michael S. Klecheski

SEPTEMBER MONTHLY MEETING

Priorities of Mongolia's Mining Sector in 2020-2024

Minister of Mining and Heavy Industry Yondon G.

OCTOBER MONTHLY MEETING

Government Priorities and the Role of Foreign Investment

Chief of Cabinet Secretariat of Government of Mongolia Oyun-Erdene L.

EVENTS

MONTHLY MEETINGS:



Minister of Mining and Heavy Industry Yondon G.



Chief of Cabinet Secretariat of Government of Mongolia Oyun-Erdene L.



EVENTS

NETWORKING NIGHTS

- AUGUST NETWORKING NIGHT**
Khaliun Tugul LLC
Bankers Club, Galaxy Tower
- SEPTEMBER NETWORKING NIGHT**
AmCham Mongolia
Naadam Restaurant, Shangri-La Hotel
- OCTOBER NETWORKING NIGHT**
Facebook/Faro Education
Faro Rducation Office, Central Park Tower



EVENTS

VIRTUAL EXPO

Due to COVID-19 restrictions, we were unable to host our expo this year. But throughout the month of September, we highlighted our members in short videos and posters on our social media channels. The contents were very well received.



EVENTS

MENTOR WEEK

This year, due to the global pandemic and the restrictions on public gatherings imposed by the Mongolian government, our plans to launch AmCham Academy had to be pushed back to the next year. Instead we decided to host a Mentor Week from October 26-31, 2020. Each day focused on a different industry featuring the best employees of our member companies to give students a more in-depth know-how into their chosen field. On average 20 students attended inspirational talk, panel discussions and presentations for a half-day. Over a span of 5 days we hosted a total of 66 students for a total of 5 full day event. Feedback from our students were overwhelmingly positive. Herbalife Nutrition sponsored the entire event.

- **DAY 1:**
Law and Public Policy
- **DAY 2:**
Finance and Accounting
- **DAY 3:**
Real Estate and Hospitality
- **DAY 4:**
Marketing and Entrepreneurship
- **DAY 5:**
Mining and Heavy Industry



Day 4



Day 2



Day 1



Day 4



Day 4



Day 5



Day 2



Day 1



Day 1



Day 3



Day 4



Day 4