

Yanmal sock manufacturer steps up production

Mongolian market is not small

G.Urantuya, MONTSAME reporter

One of the pioneering Mongolian socks industry, 'Yanmal' started its manufacturing production in 2006 with two, sock sewing machines. D.Lhagvajav is one of the founders who initiated the industry functioning for 6 years since without interruption.



'Yanmal' industry director D.Lhagvajav

He worked with his wife in Korea in a sock sewing factory for 8 years learning all the technical and technological details of sock production and came back home with a firm intention to implement what he learned in that country.

According to B.Otgonbold, General Manager of the industry, the technical equipment was imported from Korea and the industry presently employs almost 100 Mongolian workers. The 'Yanmal' industry, operating by its own means, is now expanding and many young people working in this industry are

contributing to the progress of their country.

The 'Yanmal' industry's capacity is to produce 8000-10000 pair of socks per day and 250-350 thousand socks a month. While they started the 'Yanmal' industry with two machines, this number has now increased to 50 machines. The 'Yanmal' industry has branched into 'Mongol Oims', 'Tod Oims' and several other industrial branches. These are branch industries operating as independent companies which over a certain period of time learned much from the 'Yanmal' head industry.

The 'Yanmal' industry has a great number of customers and buyers. The 'Yanmal's sellers are the buyers, in other words, a person buys 'Yanmal' socks and provides information on the quality and durability of the Mongolian socks to other 3 or 4 people, and in this way the chain of 'Yanmal's buyers extends and grows. As a result, customers who prefer to buy 'Yanmal' products, influence sales productivity.

'Yanmal' industry director D.Lhagvajav considers the quality output production as the main principle of his industry's activity. The goods of this industry are produced with high quality and Korean technology. Manufacturing of any product relies on the technique, technology and raw materials which need to be of high quality. If these three principles are good, production will operate normally. Additionally, technical workers must be skillful which provides the opportunity for producing good quality products and for the industry to operate without losses, said D.Lhagvajav. The raw materials used by the industry is 100 percent pure Korean fabric thread, Mongolian cashmere, camel woolen thread, yak's thread and woolen sheep thread.

The 'Yanmal' products are not



Production facility of the Yanmal sock manufacturing company

officially exported. Judging from the activity of this industry, the Mongolian market is not small. Some individual customers and companies export 'Yanmal' products in small amounts.

In the beginning, the industry failed to meet international standards technically and technologically. For example, the ironing and washing technology was poor. They succeeded to meet international standards 100 percent on November 18, 2011. Today the 'Yanmal' industry is proudly producing good quality products. Leaders of the industry say that 80 percent of the product is being produced under the motto of the Mongols "To Support National Production" and with the firm determination not to be bankrupt and

successfully overcome all difficulties and risks. There are many socks on the Mongolian market sold for Tgs1200, but customers prefer to buy good quality national products for Tgs1500 and this greatly encourages 'Yanmal' manufacturing.

"On one hand, this is a result of a quality product, and on the other side, this is support for the national production," says D.Lhagvajav. "Free media advertising to support national production is what the state and government does for us, and nothing more. We gain success by our own hands", said D.Lhagvajav. Surprisingly, 'Yanmal' socks are not expensive. According to their calculations, one pair of socks could be traded for US\$1-US\$1.20; in

Mongolian currency, it would be Tgs1400-1600.

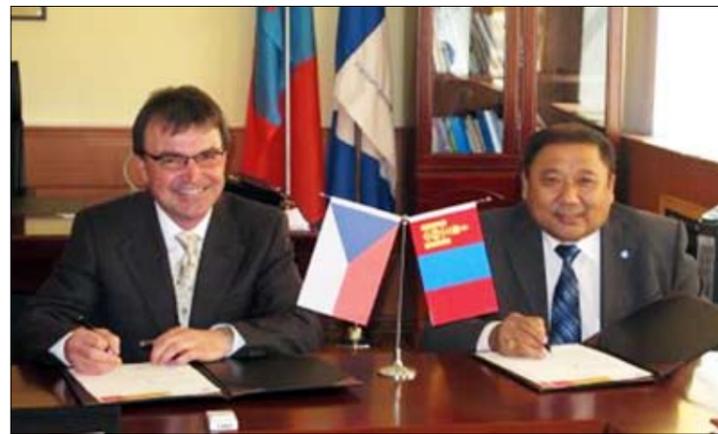
In recent years, the industry failed to operate at full capacity, but starting from November 18, 2011 the capacity of the industry increased 2-fold. For the first time in the history of the company, they started producing surplus products. The 'Yanmal' product is being sold wholesale in rural areas as well as at markets and trade centers. In recent years, the successful sale of the products in rural regions is related to growing transport activities. This has a positive influence on production circulation being regulated by market laws, not by state regulation. The next target for the industry is to set up a spinning yarn industry.

Cooperation expected with Czechs in standardization and metrology

Mongolia and the Czech Republic have been traditional partners for many decades. This year, we are already commemorating the 62nd anniversary of diplomatic relations between our two countries.

On April 23-26, a delegation headed by Mr. Milan Hovorka, Deputy Minister of Industry and Trade, paid a visit to Mongolia. On this occasion, the 4th intergovernmental Joint Committee was held. However, a special interest to continue cooperation in traditional areas of our two countries was expressed and arrangements were signed among the Mineral Resources Authority of Mongolia, the Czech Geological Survey, and Charles University in Prague.

Geological cooperation between the Czech Republic (former Czechoslovakia) and Mongolia started in the 6th decade of the past century, when many Czech experts participated in the geological research of the territory of Mongolia. The biggest joint success is represented in the discovery of the Erdenet copper deposit.



M.Holecek and G.Gantumur

Another perspective sphere for mutual cooperation is in the fields of conformity assessment, standardization and metrology. Czech (UNMZ) and Mongolian (MASM) organizations have been successfully

implementing one of the development projects financed by the Czech government since 2011. Both parties have also signed a Memorandum of Understanding aimed at future cooperation.

Deloitte opens office in Blue Sky Tower

On April 20, Deloitte Onch LLC (Deloitte Onch) celebrated their official launch with a reception at Blue Sky Tower. Mr D. Zorigt, Mongolia's Minister for Mineral Resources and Energy joined the Deloitte Onch team and Global Deloitte leadership to mark the occasion alongside Ch.Ganhkuyagthe Deputy Finance Minister, Ambassadors, and guests from numerous international and local companies and industry bodies. Deloitte's Mongolian office will extend expertise and client engagement in key growth areas such as energy and natural resources

Themed 'World-class service, local professionals', the event celebrated the official launch of Deloitte Onch as a new member firm of Deloitte Touche Tohmatsu Limited ("DTTL" or "Deloitte"). Entertainment for the evening reflected Deloitte Onch's mix of modernity with tradition. Minister Zorigt conveyed his congratulations to

Deloitte Onch, saying: "I welcome the establishment of Deloitte in Mongolia working with our local firm led by Ms Onchinsuren. I am pleased to know that through this joining with Deloitte, Ms. Onchinsuren's team will be bringing world class expertise—especially in the mining and resource sector—to serve local and international clients. Deloitte's commitment to talent development will help to advance the accounting profession in Mongolia."

Onchinsuren Dendevsambuu, CEO of Deloitte Onch, said, "The evening was a great success, and I am delighted that so many dignitaries, clients and friends were able to join us to celebrate the move to our new offices. Since becoming a member firm of Deloitte on January 1, 2012, we have been working tirelessly to develop our services as part of this great international network and we are now better placed than ever to provide the highest possible standard

of client service. We now have almost fifty experienced professionals supplemented by two experienced senior partners from the Deloitte network to help serve our clients and transform the practice to a world class audit and professional services firm."

Chaly Mah, Regional Managing Director of DTTL in Asia Pacific, praised Mongolia's young and hardworking professionals. He highlighted the emphasis Deloitte places on developing talent: "In a professional services firm like Deloitte, people are our greatest assets. We are therefore committed to talent development, training them in our world-class audit methodology and other advisory areas like taxation, enterprise risk services, M&A and consulting. Through these training and development programs, we hope to contribute to the development of the accounting and auditing profession in Mongolia."

Khan Bank has been awarded the "Excellence in Corporate Social Responsibility" again for the 6th time

Khan Bank is the nationwide leader in innovative financial services that change people's lives and benefit society, committed to transparency and fairness, continued to place great importance on its social responsibility and implement national projects and programs.

As the nationwide leader bank in the banking sector, Khan Bank makes its tremendous contribution to bring positive changes and contributes to economic growth of Mongolia

In 2011, Khan Bank Foundation launched "National Campaign against Cancer" in 9 districts and 21 provinces of Mongolia and implemented "Intellectual puzzle toy-Intellectual future" project to provide children with toys that are good for their health as well as their IQ development.

Furthermore, Khan Bank again announced "Scholarship program

2011-2012" and implemented successfully a project called "Green environment our future" to protect and recover environment. These accomplishments led the bank to be awarded the "Excellence in Corporate Social Responsibility" by Government of Mongolia and National Chamber of Commerce and Industry of Mongolia

From 2007 -2011, Khan Bank Foundation successfully implemented over 150 projects by contributing MNT 1.5 billion in areas of health, culture and environmental protection.

The government of Mongolia and National Chamber of Commerce and Industry of Mongolia awarded Khan Bank as "Excellence in CSR-2011" for the 6th time, as Khan Bank implemented various projects and campaigns that benefited both communities and the society of Mongolia.

Stock Exchange introduces new system

Beginning April 29, the Mongolian Stock Exchange is introducing the internationally recognized T+3 settlement cycle. This means that trading will take place on a particular day and three business days later the ownership of the securities is transferred once the money is exchanged between the buyer and seller. Stock market specialists believe introducing this system is significant to improve convertibility of securities, sum of trades and circulation of

market. The T+3 system will create a favorable environment for foreign investors to take part in trading of securities and make investment.

To complete introduction of the T+3 system, SCHCD concluded an agreement to offer clearing and settlement bank service with commercial banks, TDBank and TDB Capital LLC, Xac Bank, Tenger Capital LLC, Golomt Bank, and BDSec JSC.

Direct flights to Turkey start in July

Starting in July, the Turkish Airlines Company will start direct flights with routes servicing Ulaanbaatar-Istanbul-Bishkek. The flights will be scheduled three times a week.

On April 27, a cooperation memorandum on the direct flights was signed by S. Batmonkh, head of the Civil Aviation Authority of Mongolia and by Bahri Kesici, Deputy Director-General of the Directorate General of Civil Aviation at Turkey's Ministry of

Transport and Communication. Apart from the direct flights, the Turkish Airlines will open a representative office in Ulaanbaatar.

Turkish Airlines Company conducts its services without disruption for many years and was selected as Europe's best civil aviation company. Opening of the direct flights is believed to bring tourism, trade and economic relations of two countries into a new level.