

Unit 8 ➤

1 Read the article about female entrepreneurs in Asia quickly and match the numbers (a-e) with the things (1-5) they refer to.

- | | |
|-----------------------------|---|
| a 100 million tugrik | 1 the percentage by which Lhamour's earnings went up in 2016 |
| b 2014 | 2 the percentage of value added tax and income tax charged in Mongolia |
| c 83 percent | 3 the amount of money raised by Lhamour to finance new products in September |
| d sixty million | 4 the number of animals kept by nomadic herders in Mongolia |
| e 10 percent | 5 the year Lhamour was launched |

2 Read the article again. Complete the gaps (1-6) with the phrases (A-F).

- A** and aims to build a laboratory to study raw materials
B referring to small and medium-sized enterprises
C they are a good example for this industry
D that is rapidly attracting attention from foreign buyers
E employing only part-time workers
F which employs 38 full-time workers at a factory

3 Complete the expressions with the words in the box. Then find them in the text.

asset distribution duties exempt overheads raise source

- 1** to utilise an _____ (in order to create a product)
2 to _____ revenues by ... percent
3 to _____ materials
4 to eliminate customs _____ on sth
5 to keep _____ low
6 to reduce _____ costs
7 to _____ a company from sth (e.g. a tax)

4 Find the adjectives (1-6) in the article and match them with the definitions (a-f).

- | | |
|-----------------------|--|
| 1 nomadic | a following what is acceptable to society; conservative, traditional |
| 2 value-added | b travelling from place to place |
| 3 nascent | c beginning to exist, new |
| 4 comparable | d beginning to become successful (often used to describe an artist or writer) |
| 5 budding | e similar, equivalent |
| 6 conventional | f describes sth that is worth more because it has been improved in some way |

5 Choose the correct option in italics to complete the sentences.

- 1** One way for the company to *keep* / *reduce* its overheads low is to use home workers rather than bringing people into an office or factory.
2 There are many *nascent* / *budding* entrepreneurs who would like to start their own business and make their fortunes, but only a few will succeed.
3 The business owners should consider how best to *raise* / *utilise* the assets that they have.
4 We have been unable to *source* / *raise* enough raw material to produce our new range of products.
5 Could you show me *comparable* / *conventional* figures for the same period of time last year?
6 In this country, charitable foundations are *eliminated* / *exempted* from paying income tax.

Mongolian women drive rise in organic cosmetics

Entrepreneurs seek to expand overseas sales of animal-based oils and creams

A group of female entrepreneurs is developing a new use for the tens of millions of yaks, goats and sheep on Mongolia's vast steppes – a range of organic cosmetics and skin creams, often based on traditional recipes,¹_____.

Lhamour, the biggest of several companies launched to exploit the potential of locally made organic cosmetics, raised 100 million tugrik (\$53,000) in September from a bond issuance launched to finance new products, and is already exporting to Taiwan, South Korea, Hong Kong, Singapore and Belgium.

The company, established in 2014, makes soaps from yaks' and goats' milk. Its animal-based products are widely available in retail outlets in Ulaanbaatar, but Chief Executive Khulan Davaadorj said significant investment was needed in animal husbandry to allow the industry to grow.

'We need investment, innovation and technology to utilise this asset [livestock] to create value-added products that can compete internationally,' said Khulan, thirty, who founded Lhamour after resigning from a job in Mongolia's wind power industry.

Fast-growing Lhamour,²_____ and office building in Ulaanbaatar, remains small by the standards of the international cosmetics industry. But the company raised revenues by 83 percent in 2016 to \$220,000, and is targeting a further increase in the near future.

Half of Mongolia's three million people are nomadic herders, and their sixty million livestock offer many potential opportunities for the development of organic products. However, sourcing materials remains a significant problem for the nascent cosmetics industry.

'It is difficult for us to source quality raw materials on a constant basis as many of our suppliers have never supplied in [this way],' said Khulan. 'Mongolian animal husbandry is still very traditional [and] suppliers have a traditional mindset.'

Lhamour's success has prompted the emergence of a number of other companies making organic cosmetics.

Battsetseg Chagdgaag, the thirty-five-year-old co-founder of Gilgerem, another organic soap maker,

began selling soaps made from natural materials such as sea buckthorn (an oily berry) in 2016. Battsetseg said she is also about to launch a soap made from camels' milk, having been inspired by Lhamour and Goo, another organic skin care company that started operations at about the same time as Lhamour.

'I am proud of [Lhamour and Goo]; I respect them,' she said. 'We call them the older sisters, and _____.' They spent their energy and finances to make everyone understand these organic handmade soaps, which paved the way for my business.'

Battsetseg, who sells her soaps for \$2–\$3 each – half the price of comparable Lhamour products – keeps overheads low by operating from a two-room basement,⁴_____, and selling her products in local supermarkets to reduce distribution costs.

Battsetseg urged the Mongolian government to help promote entrepreneurial companies such as hers by exempting them from the country's 10 percent value added tax and from income tax, also levied at 10 percent. She said the government could also help by reducing or eliminating customs duties on some imported ingredients required to make her products.

'Our soaps could have been sold even cheaper and could compete against imported soaps if the government exempts some of the taxes and really supports SMEs,' she said,⁵_____.

All the organic cosmetics entrepreneurs said that much more research was needed to develop the industry. Battsetseg, who was a previously a journalist, marketing manager and fashion stylist, said she is 'addicted' to researching chemicals⁶_____ so she can produce more unique products.

Commentators say there is no shortage of budding entrepreneurs in Mongolia, suggesting that the initial success of the organic cosmetics industry may draw in more competitors, especially if export sales continue to grow.

'Young and educated Mongolians are increasingly going into start-ups, and are disinterested in becoming conventional salary men and women [because of low wages] in both private and public sector,' said Gerel Orgil, CEO of East Maven, a public relations agency based in Ulaanbaatar which was one of Mongolia's most successful business start-ups in 2012.