The Mongolian Economy and Financial Markets

Contents

Graphs
1 World Economy
2 Mongolian Growth
3 Mongolian Inflation
4 Household Sector
5 Business Sector
6 Credit and Money
7 Factors of Production and Labour Market
8 Regions and Industry
9 Government
10 Commodity Prices
11 Balance of Payments and External Position
12 Interest Rates
13 Share Markets
14 Bond Issuance
15 Exchange Rates
16 Banking Indicators
1. World Economy

**GDP Growth - World**
- Year-ended
- Source: IMF, Bloomberg

**GDP Growth - China**
- Year-ended
- Source: Bloomberg

**GDP Growth - Advanced Economies**
- Year-ended
- Source: IMF, Bloomberg

**GDP Growth - Emerging Economies**
- Year-ended
- Source: IMF

*Weighted using Mongolian export shares
1. World Economy

### Headline Inflation - Advanced Economies*

- **US**
- **Japan**
- **Euro area**

*Source: IMF*

*Consumer price index inflation*

### Inflation - China and Russia

- **Russia**
- **China**

*Source: IMF*

### Labour Markets

- **US**
- **Japan**
- **Euro area**

*Unemployment rate*

*Source: Bloomberg*

### Inflation

- **Emerging & Developing Asia**
- **Emerging & Developing Europe**
- **Advanced economies**

*Year-ended*

*Source: Bloomberg*
1. World Economy

China - Activity

Year-ended growth

- Manufacturing PMI

Source: Bloomberg

Indicators

- Industrial production

China - Residential Property Market

Year-ended growth

- Floor space sold

Source: Bloomberg

China - Activity

Year-ended growth

- Fixed asset investment

Source: Bloomberg

China - Financing

Share of GDP

- Total social financing flows

Source: Bloomberg

Output Indicators

- Electricity

- Cement

Source: Bloomberg

China - Output Indicators

- Crude steel

- Plate glass

Source: Bloomberg
2. Mongolian Growth

GDP growth

- **YoY, by quarter**
- **YoY, cumulative quarter from beginning of year**

Source: NSO

Contributions to GDP growth

Year-ended

<table>
<thead>
<tr>
<th>GDP</th>
<th>Consumption</th>
<th>Government expenditure</th>
<th>Investment</th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 - I</td>
<td>13.0</td>
<td>-22.0</td>
<td>-17.0</td>
<td>-12.0</td>
<td>-7.0</td>
</tr>
</tbody>
</table>

Source: NSO

Mining GDP growth

- **YoY, by quarter**
- **YoY, cumulative quarter from beginning of year**

Source: NSO, BOM

Non-mining GDP growth

- **YOY, by quarter**
- **YOY, cumulative quarter from beginning of year**

Source: NSO, BOM
3. Mongolian Inflation

*Core inflation is estimated after excluding the most price volatile 37 items, such as meat, milk, diary, and vegetables, from consumer basket.
4. Household Sector

**Household Consumption**
Real, year-ended growth

- Disposable income
- Consumption

**Household Debt**
Ratio to annual nominal GDP

*Household debt outstanding from commercial banks

**Housing Price Index**
Year-ended growth

- General index
- New house index
- Old house index

**Housing Loan**

- Total number of borrowers (right)
- Mortgage loan outstanding (left)

Source: NSO

Source: Tenkhleg zuuch llc

Source: BOM

Source: BANK OF MONGOLIA

CHART PACK / 2019 - 1st QUARTER
5. Business Sector

Business Investment
Share of nominal GDP

Business Investment Components
Share of nominal GDP

Source: NSO
6. Credit and Money

**Broad Money and Credit Growth**
Year-ended

- Broad money, M2
- Credit

**Credit**
Ratio to nominal GDP

**Monetary Aggregates Growth**
Year-ended

- Currency issued in circulation
- M1
- M2

**Credit Growth by Sector**
Year-ended

- Private sector
- Individuals

Source: BOM
Source: BOM, NSO
6. Credit and Money

Credit Growth by Economic Activities
Year-ended growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BOM

Individual Credit Growth by Sector
Year-ended growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Individual - SME</th>
<th>Consumption loan</th>
<th>Mortgage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BOM
7. Factors of Production and Labour Market

**Factors of Production**
- Nominal capital stock
- Over 15 age population

**Average Nominal Wage Growth**
- Quarterly
- Year-ended

**Employment Population**
- Population aged 15 and over
- Economically active population
- Employees population

**Labour Market**
- Unemployment rate

Source: NSO, BOM
7. Factors of Production and Labour Market

Employment and Participation Rates

- Labour force participation
- Employment-population ratio

Source: NSO
8. Regions and Industry

### Regional Share of Output

#### Nominal

- **Ulaanbaatar**
- **Khangai region**
- **Central region**
- **Western region**
- **Eastern region**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ulaanbaatar</th>
<th>Khangai region</th>
<th>Central region</th>
<th>Western region</th>
<th>Eastern region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>20</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>25</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>2012</td>
<td>30</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>2015</td>
<td>35</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>2018</td>
<td>40</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
</tr>
</tbody>
</table>

**Source:** NSO

### Regional Unemployment

<table>
<thead>
<tr>
<th>Year</th>
<th>Western region</th>
<th>Khangai region</th>
<th>Ulaanbaatar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>2009</td>
<td>8</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>2012</td>
<td>9</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>2018</td>
<td>11</td>
<td>10</td>
<td>9</td>
</tr>
</tbody>
</table>

**Source:** NSO

### Industry Share of Output

- **Service**
- **Agriculture**
- **Wholesale and retail trade**
- **Mining**
- **Manufacturing**

<table>
<thead>
<tr>
<th>Year</th>
<th>Service</th>
<th>Agriculture</th>
<th>Wholesale and retail trade</th>
<th>Mining</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>20</td>
<td>30</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2012</td>
<td>30</td>
<td>40</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2018</td>
<td>40</td>
<td>50</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

**Source:** NSO, BOM

* Nominal gross value added

### Employment Growth

#### Cumulative change since September 2006

- **Agriculture**
- **Mining**
- **Manufacturing**
- **Construction**
- **Wholesale and retail trade**
- **Public administration and defence**
- **Education**

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Wholesale and retail trade</th>
<th>Public administration and defence</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-20</td>
<td>-10</td>
<td>10</td>
<td>-10</td>
<td>-20</td>
<td>-10</td>
<td>20</td>
</tr>
<tr>
<td>2013</td>
<td>-10</td>
<td>10</td>
<td>-10</td>
<td>-20</td>
<td>20</td>
<td>-10</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>10</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>-10</td>
<td>-10</td>
<td>-10</td>
<td>-10</td>
<td>-10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>20</td>
<td>30</td>
<td>30</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>30</td>
<td>40</td>
<td>40</td>
<td>30</td>
<td>20</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>2018</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>40</td>
<td>30</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

**Source:** NSO, BOM
9. Government

Mongolian Government Budget Balance
Percent of nominal GDP

Mongolian Government Budget Revenue
% Revenue & Grant

Government Budget Expenditure
Year-ended growth

Government Debt

Source: NSO, MOF
10. Commodity Prices

* Energy = coal, crude oil, natural gas; Metals & minerals = copper, iron ore, zinc etc
Precious metals = gold, silver, platinum; Agriculture = food, beverage, agriculture raw materials

---

**World Bank Index of Commodity Prices**

- Monthly
- Energy
- Metals & Minerals
- Precious Metals
- Agriculture

*Source: World bank*

---

**Bulk Commodity Prices Index**

- Monthly, Index Dec 2013 = 100
- Gold
- Copper
- Coal

*Source: Bloomberg*

---

**Terms of Trade**

*Source: BOM*

---

**Bulk Commodity Prices**

- Free on board basis
- Copper
- Coal

*Source: Customs office*
11. Balance of Payments

Export Value

Monthly

million $

- Mining
- Non-mining

Source: BOM

Log of Export Value

log scale

ln(m $)

- Mining
- Agriculture
- Manufacturing

Source: BOM

Bulk Commodity Exports

Monthly

million $

- Copper
- Coal

Source: BOM

Log of Import Value

ln(m $)

- Consumption
- Intermediate
- Fuels
- Capital

Source: BOM

Import Value

ln(m $)

Source: BOM
11. Balance of Payments

**Exports by Destination**

- Monthly share
- China
- Russia
- US
- Japan

Source: BOM

**Current Account Balance**

- Percent of nominal GDP
- Current account
- Trade balance
- Net income balance

Source: BOM

**Net Financial Inflow**

- Percent of nominal GDP

Source: BOM

**International Investment Position**

- External Asset
- FDI
- Portfolio
- Derivative
- Other investment
- External Liability

Source: BOM
11. Balance of Payments

Export Volume
Monthly, bulk commodity

- Copper
- Coal

Source: BOM, Customs office
12. Interest Rates

Policy Interest Rates
Monthly

Source: Bloomberg

Policy Interest Rates - Selected Advanced Economies

Source: Bloomberg

Interest Rates - China

Source: Bloomberg

Policy Interest Rates - Emerging Markets

Source: Bloomberg
12. Interest Rates

10-year Government Bond Yields

Source: Bloomberg
13. Share Markets

**Mongolia Stock Exchange Market Capitalization**

Source: BOM, Mongolian stock exchange

**Mongolian TOP-20 index**

Source: BOM, Mongolian stock exchange

**Share Price Accumulation Indices**

Log scale, December 1994 = 100

Source: Bloomberg

* January 1998 = 100

**Some Countries' Share Price Indices**

Log scale, December 1994 = 100

Source: Bloomberg
13. Share Markets

**Dividend Yields**

MSCI World High Dividend Yield Index

Source: Bloomberg
14. Bond Issuance

Government Bond on Issue in Mongolia

- Purchased by commercial banks

Source: BOM

Government Bond on Issue in Mongolia

- Purchased by non-banks

Source: MSE

Corporate Bond on Issue in Mongolia

Source: MSE

Bond on Issue in International Market

Source: BOM

BANK OF MONGOLIA

CHART PACK / 2019 - 1st QUARTER
15. Exchange Rates

Mongolian Tugrug

- MNT per USD (right)
- MNT per EUR (right)
- MNT per CNY (left)

Source: BOM

Effective Exchange Rate Index

- REER (right hand)
- NEER (left)

Source: BOM

Mongolian Tugrug

- MNT / RUB (right)
- MNT / JPY (right)
- MNT / KRW (left)

Source: BOM

US Dollar

- JPY/USD
- RUB/USD
- KRW/USD

Source: investing.com
15. Exchange Rates

Official Reserve Assets

Source: BOM
16. Banking Indicators

**Banks’ Profit**
Net profit after tax, monthly

**Banks’ Non-performing loan**
Non-performing loan vs. Past due in arrears

**Funding Composition of Banks in Mongolia**
Share of total liability and capital

---

*Includes deposits from non-residents*