



# MONGOLIA'S FOREIGN TRADE REVIEW

May 2017

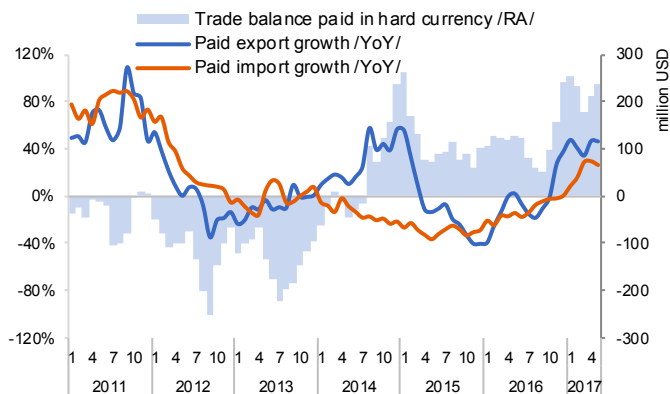
**Overview:** As of May 2017, cumulative trade turnover increased by 36.3% or USD 1069.6 million from that of the previous year and reached USD 4,016 million. It was due to the increase in exports by 42% or USD 743.9 million and increase in imports by 27.8% or USD 325.7 million. During the reporting period, trade balance recorded surplus of USD 1,021 million, which was USD 418.2 million higher than that of the previous year.

**Table 1.** Foreign trade performance /million USD/

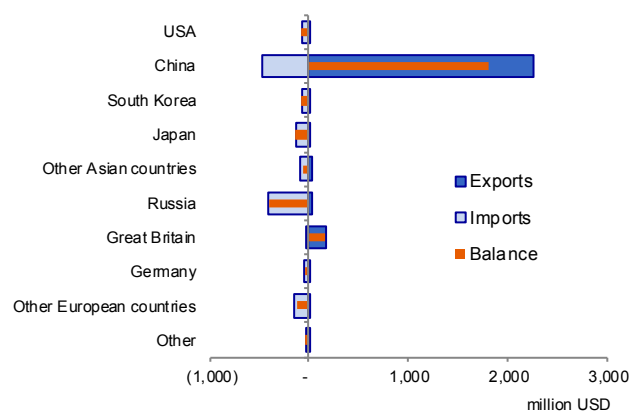
Category	Yearly			Change				First 5 months			Change			
	2014	2015	2016	2015/2014		2016/2015		2015	2016	2017	2016/2015		2017/2016	
				Value	%	Value	%				Value	%	Value	%
<b>Turnover</b>	<b>11,011</b>	<b>8,467</b>	<b>8,274</b>	<b>(2,544)</b>	<b>-23.1%</b>	<b>(192)</b>	<b>-2.3%</b>	<b>3,316</b>	<b>2,946</b>	<b>4,016</b>	<b>(370)</b>	<b>-11.2%</b>	<b>1,070</b>	<b>36.3%</b>
Exports	5,774	4,669	4,916	(1,105)	-19.1%	247	5.3%	1,869	1,774	2,519	(95)	-5.1%	744	42.0%
Imports	5,237	3,798	3,358	(1,439)	-27.5%	(439)	-11.6%	1,447	1,172	1,498	(275)	-19.0%	325.7	27.8%
<b>Balance</b>	<b>538</b>	<b>872</b>	<b>1,558</b>	<b>334</b>	<b>0.0%</b>	<b>686</b>	<b>78.7%</b>	<b>422</b>	<b>602</b>	<b>1,021</b>	<b>180</b>	<b>42.6%</b>	<b>419</b>	<b>69.5%</b>

**The balance of trade paid in hard currency** in first 5 months of 2017 paid trade balance recorded surplus of USD 1,060 million, which was USD 439.2 million higher than that of the previous year.

**Graph 1.** Trade paid in hard currency /5 months moving average/

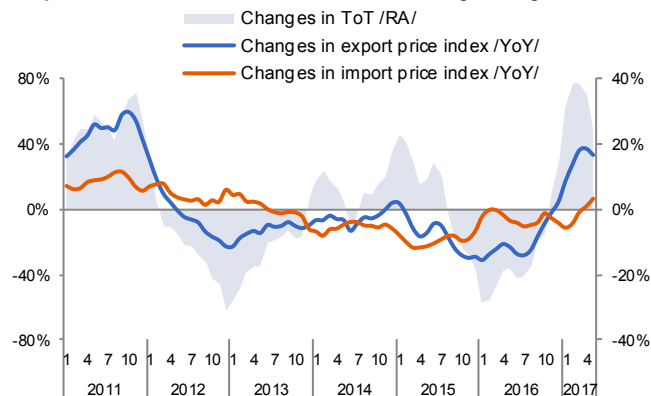


**Graph 2.** Trade balance, by main trade partners



**The structure of the trade flows with the neighboring trade partners** is as follow: (i) trade with China: 68.1% or USD 2733.1 million and (ii) trade with Russia: 10.9% or USD 439 million. Trade turnover with China increased by 47.9%, whereas trade turnover with Russia increased by 45.3%.

**Graph 3.** Terms of trade index /5 months moving average/



**Table 2.** Terms of trade /Base: December 2012/

Price indices*	2016 April	2017 March	2017 April	Yearly Δ	Monthly Δ
<b>Exports</b>	<b>0.77</b>	<b>1.02</b>	<b>0.94</b>	<b>22%</b>	<b>-8%</b>
Copper ores and concentrates	0.37	0.39	0.37	0%	-5%
Coal	0.41	0.67	0.65	59%	-3%
Washed cashmere	0.36	0.43	0.40	11%	-7%
<b>Imports</b>	<b>0.56</b>	<b>0.59</b>	<b>0.59</b>	<b>6%</b>	<b>0%</b>
Consumer goods	0.76	0.77	0.74	-2%	-3%
Capital goods	0.49	0.52	0.53	7%	1%
Fuels	0.44	0.54	0.55	25%	2%
<b>Terms of trade</b>	<b>1.38</b>	<b>1.72</b>	<b>1.59</b>	<b>15%</b>	<b>-7%</b>

\* Dismantled by main contributors to growth.

**Terms of trade index** reached to 1.593, increased by 15% from that of the previous year and decreased by 7% from that of the previous month. For the reporting month, capital goods and oil import price increased; however, decrease in export price of coal, copper and washed cashmere resulted deterioration in terms of trade.

**Export:** As of May 2017, exports of goods increased by 42% or USD 744.3 million from that of the previous year. The increase in mining products' export resulted by 39 percentage point, other sector export products resulted by 2.9 percentage points increase in exports. The weight of mining products in total exports increased by 2 percentage points, while weight of goods production decreased by 2 percentage points.

**Table 3.** Exports of goods /million USD/

Category	2015			2016			2017			Δ (2016/2015)			Δ (2017/2016)			
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% <sup>2</sup>	Value	Change	% <sup>2</sup>	
<b>1. Mining products</b>		<b>1,631</b>	<b>87%</b>		<b>1,515</b>	<b>85%</b>		<b>2,207</b>	<b>88%</b>		<b>(116)</b>	<b>-7%</b>	<b>-6%</b>	<b>692</b>	<b>46%</b>	<b>39%</b>
1.1. Copper ores and concentrates	536	887	47%	698	793	45%	605	632	25%	(94)	-11%	-5%	(161)	-20%	-9%	
1.2. Coal	5,174	238	13%	7,179	211	12%	14,925	1,008	40%	(27)	-11%	-1%	796	376%	45%	
1.3. Crude oil	3,164	161	9%	3,553	125	7%	3,090	154	6%	(36)	-23%	-2%	29	24%	2%	
1.4. Iron ores and concentrates	1,867	96	5%	1,898	60	3%	2,176	136	5%	(36)	-37%	-2%	76	126%	4%	
1.5. Non-monetary gold /kg/	3,362	133	7%	5,214	225	13%	3,537	142	6%	91	69%	5%	(83)	-37%	-5%	
1.6. Zinc ores and concentrates	50	63	3%	56	56	3%	48	72	3%	(6)	-10%	0%	16	28%	1%	
1.7. Fluorspar, leucite, nepheline etc.	107	25	1%	95	22	1%	112	26	1%	(3)	-12%	0%	5	21%	0%	
1.8. Molybdenum ores and concentrates	2	15	1%	3	9	1%	3	14	1%	(6)	-39%	0%	4	48%	0%	
1.9. Tungsten ores and concentrates	0	4	0%	0	3	0%	0	1	0%	(1)	-26%	0%	(2)	-58%	0%	
1.10. Silver /tonnes/	27	7	0%	20	9	1%	0	0	0%	2	0%	0%	(9)	-97%	0%	
1.11. Other	44	1	0%	41	1	0%	170	22	1%	0	29%	0%	20	20%	1%	
<b>2. Animal products</b>		<b>132</b>	<b>7%</b>		<b>112</b>	<b>6%</b>		<b>168</b>	<b>7%</b>		<b>(20)</b>	<b>-15%</b>	<b>-1%</b>	<b>56</b>	<b>50%</b>	<b>3%</b>
2.1. Live animals, meat	2	4	0%	2	5	0%	5	8	0%	1	27%	0%	2	45%	0%	
2.2. Hide, skin and leather	150	17	1%	94	16	1%	160	14	1%	(1)	-7%	0%	(2)	-13%	0%	
2.3. Casing	0	4	0%	0	2	0%	0	3	0%	(2)	-43%	0%	0	10%	0%	
2.4. Cashmere	3	100	5%	4	81	5%	4	138	5%	(19)	-19%	-1%	57	70%	3%	
2.5. Wool, other hair	4	7	0%	5	7	0%	3	5	0%	0	6%	0%	(2)	-24%	0%	
2.6. Other	0	0	0%	0	0	0%	1	1	0%	0	114%	0%	1	324%	0%	
<b>3. Horticultural products</b>		<b>20</b>	<b>1%</b>		<b>12</b>	<b>1%</b>		<b>4</b>	<b>0%</b>		<b>(8)</b>	<b>-39%</b>	<b>0%</b>	<b>(8)</b>	<b>-68%</b>	<b>0%</b>
<b>4. Manufacturing goods</b>		<b>85</b>	<b>5%</b>		<b>135</b>	<b>8%</b>		<b>139</b>	<b>6%</b>		<b>50</b>	<b>59%</b>	<b>3%</b>	<b>4</b>	<b>3%</b>	<b>0%</b>
4.1. Food	1	12	1%	3	12	1%	11	49	2%	0	1%	0%	37	305%	2%	
4.2. Cashmere goods	0	5	0%	0	3	0%	0	5	0%	(3)	-48%	0%	2	74%	0%	
4.3. Other apparel, footwear etc.	0	2	0%	0	5	0%	0	4	0%	3	133%	0%	(0)	-5%	0%	
4.4. Mining products	17	35	2%	9	29	2%	15	44	2%	(6)	-17%	0%	15	53%	1%	
4.5. Electronic goods	0	1	0%	0	1	0%	0	0	0%	(0)	-28%	0%	(0)	-22%	0%	
4.6. Machinery, equipment and their parts	1	27	1%	0	84	5%	1	33	1%	57	207%	3%	(51)	-60%	-3%	
4.7. Other	107	2	0%	102	2	0%	195	3	0%	(1)	-28%	0%	1	46%	0%	
<b>5. Other</b>		<b>1</b>	<b>0%</b>		<b>0</b>	<b>0%</b>		<b>0</b>	<b>0%</b>		<b>(1)</b>	<b>-64%</b>	<b>0%</b>	<b>(0)</b>	<b>-16%</b>	<b>0%</b>
<b>Total</b>		<b>1,869</b>			<b>1,774</b>			<b>2,519</b>			<b>(95)</b>	<b>-5%</b>		<b>744</b>	<b>42%</b>	

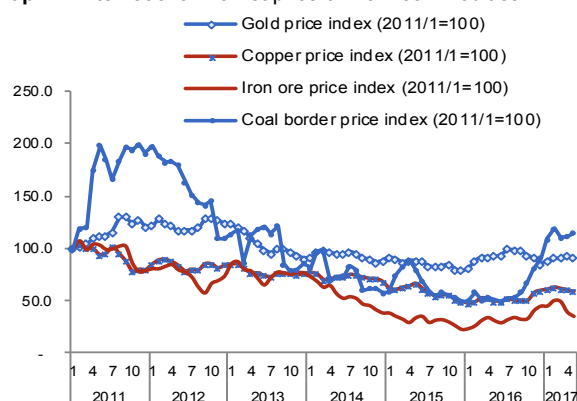
<sup>2</sup>% - Contribution to total growth

**Table 4.** Changes in exports 2017 /million USD/

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>1. Mining products</b>	<b>359.0</b>	<b>52%</b>	<b>333.5</b>	<b>48%</b>	<b>692.5</b>	<b>46%</b>
1.1. Copper ores and concentrates	(97.0)	60%	(63.8)	40%	(160.8)	-20%
1.2. Coal	522.9	66%	273.2	34%	796.1	376%
1.3. Crude oil	(23.1)	-79%	52.4	179%	29.3	24%
1.4. Iron ores and concentrates	17.4	23%	58.3	77%	75.7	126%
1.5. Non-monetary gold	(67.2)	81%	(15.7)	19%	(82.9)	-37%
1.6. Zinc ores and concentrates	(11.8)	-74%	27.8	174%	16.0	28%
1.7. Fluorspar, leucite, nepheline etc.	4.0	88%	0.6	12%	4.5	21%
1.8. Molybdenum ores and concentrates	(0.2)	-3%	4.6	103%	4.5	48%
1.9. Tungsten ores and concentrates	(2.5)	148%	0.8	-48%	(1.7)	-58%
1.10. Silver	-	0%	-	0%	(8.7)	-97%
1.11. Other	16.5	80%	4.0	20%	20.5	0%
<b>2. Animal products</b>	<b>25.4</b>	<b>45%</b>	<b>31.0</b>	<b>55%</b>	<b>56.5</b>	<b>50%</b>
2.2. Hide, skin and leather	5.7	-285%	(7.7)	385%	(2.0)	-13%
2.4. Cashmere	17.2	30%	39.5	70%	56.7	70%
<b>3. Horticultural products</b>	<b>(1.9)</b>	<b>23%</b>	<b>(6.5)</b>	<b>77%</b>	<b>(8.4)</b>	<b>-68%</b>
<b>4. Manufacturing goods</b>	<b>73.2</b>	<b>1901%</b>	<b>(69.3)</b>	<b>-1801%</b>	<b>3.9</b>	<b>3%</b>
<b>5. Other</b>	<b>(0.1)</b>	<b>77%</b>	<b>(0.0)</b>	<b>23%</b>	<b>(0.1)</b>	<b>-16%</b>
<b>Total</b>	<b>455.6</b>		<b>288.7</b>		<b>744.3</b>	<b>42%</b>

\* Goods that share similarities are included in one category, therefore the following review calculations only show general tendency

**Graph 4.** International market price of main commodities



Export performance of the first 5 months increased by USD 455.6 million due to change in quantity of foreign goods trade, increased by USD 288.7 million owing to price change. Also the increase in export price and export quantity of mining products, specially coal export, resulted increase of USD 692.5 million. While export price and quantity increase of animal products resulted increase of USD 56.5 million. Despite the decrease in export price of manufacturing products, the increase in export quantity resulted increase of USD 3.9 million.

The average price of 1 ounce of gold on the global market as of May, 2017 reached USD 1,233 million, which shows a decrease of 1.8% from that of the previous year, the decrease of 3.0% from that of the previous month. Average price of "A" level purified copper and iron ore reached USD 5,553, USD 63 million respectively. Copper increased by 18.3%, iron ore increased by 13.6% from that of the previous year.

However, copper and iron ore decreased by 2.3%, 10.3% from that of the previous month respectively. Coal export price reached USD 69 in May 2017, with the increase of 126.2% from that time of the previous year and increase of 3.4% from previous month.

**Import:** As of the first 5 months of 2017, import increased by 27.8% or USD 325.7 million from that of the previous year. If an increase in imports is seen more thoroughly, capital goods resulted by 13 percentage point, fuels resulted by 11 percentage point, consumer goods resulted by 4 percentage point, respectively. Weight of consumer goods in total imports decreased by 5 percentage point from that of the previous year, while weight of fuels increased by 6 percentage point.

**Table 5. Imports of goods /million USD/**

Category	2014			2015			2016			Δ (2015/2014)			Δ (2016/2015)			
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% <sup>2</sup>	Value	Change	% <sup>2</sup>	
<b>Consumer goods</b>		<b>438</b>	<b>30%</b>		<b>427</b>	<b>36%</b>		<b>471</b>	<b>31%</b>		<b>(12)</b>	<b>-3%</b>	<b>-1%</b>	<b>44</b>	<b>10%</b>	<b>4%</b>
Non-durables	299	247	17%	296	233	20%	346	266	18%	(14)	-6%	-1%	33	14%	3%	
Food	148	168	12%	155	159	14%	138	184	12%	(10)	-6%	-1%	25	16%	2%	
Medicinal and pharmaceutical products	1	30	2%	1	37	3%	1	34	2%	7	23%	0%	(2)	-7%	0%	
Other non-durables	150	49	3%	140	38	3%	207	48	3%	(11)	-22%	-1%	10	27%	1%	
Durables	87	192	13%	50	194	17%	86	205	14%	2	1%	0%	11	6%	1%	
Clothing	17	18	1%	20	19	2%	25	22	1%	1	5%	0%	3	16%	0%	
Household electrical appliances and furniture	48	42	3%	10	40	3%	35	34	2%	(2)	-6%	0%	(6)	-14%	0%	
Passenger cars and parts	0	105	7%	0	110	9%	1	122	8%	5	5%	0%	13	12%	1%	
Other durables	22	27	2%	19	26	2%	26	27	2%	(1)	-4%	0%	1	4%	0%	
<b>Capital goods</b>		<b>514</b>	<b>36%</b>		<b>390</b>	<b>33%</b>		<b>547</b>	<b>37%</b>		<b>(125)</b>	<b>-24%</b>	<b>-9%</b>	<b>157</b>	<b>40%</b>	<b>13%</b>
Machinery, equipment, supplies and vehicles	7	270	19%	7	221	19%	10	367	25%	(49)	-18%	-3%	146	66%	12%	
Vehicles other than passenger cars, parts	0	45	3%	0	46	4%	0	86	6%	1	2%	0%	40	86%	3%	
Machinery, equipment and supplies	7	225	16%	6	175	15%	9	281	19%	(50)	-22%	-3%	106	60%	9%	
Construction materials	598	183	13%	256	96	8%	180	120	8%	(87)	-48%	-6%	24	25%	2%	
Other capital goods	25	62	4%	15	72	6%	20	60	4%	11	18%	1%	(13)	-18%	-1%	
<b>Intermediate goods and industrial materials</b>		<b>209</b>	<b>14%</b>		<b>209</b>	<b>18%</b>		<b>197</b>	<b>13%</b>		<b>(1)</b>	<b>0%</b>	<b>0%</b>	<b>(12)</b>	<b>-6%</b>	<b>-1%</b>
Food ingredients (wheat, malt etc)	25	13	1%	138	36	3%	17	8	1%	22	169%	2%	(28)	-78%	-2%	
Chemical products	54	41	3%	52	34	3%	66	39	3%	(8)	-18%	-1%	6	17%	0%	
Yam, fabrics, textiles, leather	8	7	0%	7	7	1%	17	8	1%	1	11%	0%	1	13%	0%	
Electricity	1	53	4%	0	44	4%	1	54	4%	(9)	-17%	-1%	10	23%	1%	
Metal ores and scrap	0	1	0%	1	1	0%	1	0	0%	0	1%	0%	(1)	-77%	0%	
Other industrial materials	327	94	7%	294	87	7%	334	87	6%	(7)	-8%	-1%	0	0%	0%	
<b>Fuels</b>		<b>414</b>	<b>27%</b>		<b>311</b>	<b>12%</b>		<b>475</b>	<b>19%</b>		<b>(124)</b>	<b>-46%</b>	<b>-9%</b>	<b>134</b>	<b>92%</b>	<b>11%</b>
Diesels	227	140	10%	144	59	5%	268	144	10%	(80)	-58%	-6%	85	143%	7%	
Gasolines A92-95	142	93	6%	125	58	5%	145	88	6%	(35)	-38%	-2%	30	52%	3%	
Gasolines A80 and other fuels	44	37	3%	42	28	2%	62	47	3%	(9)	-24%	-1%	19	67%	2%	
<b>Other</b>		<b>15</b>	<b>1%</b>		<b>1</b>	<b>0%</b>		<b>3</b>	<b>0%</b>		<b>(14)</b>	<b>0%</b>	<b>-1%</b>	<b>1</b>	<b>0%</b>	<b>0%</b>
<b>TOTAL</b>		<b>1,447</b>		<b>1,172</b>		<b>1,498</b>		<b>(275)</b>	<b>-19.0%</b>		<b>326</b>	<b>27.8%</b>				

<sup>2</sup>% - Contribution to total growth

**Table 6. Changes in imports /million USD/**

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>Consumer goods</b>	<b>70.2</b>	<b>158%</b>	<b>(25.7)</b>	<b>-58%</b>	<b>44.5</b>	<b>10%</b>
Non-durables	7.2	22%	26.1	78%	33.3	14%
Durables	63.0	564%	(51.8)	-464%	11.2	6%
<b>Capital goods</b>	<b>119.7</b>	<b>76%</b>	<b>37.5</b>	<b>24%</b>	<b>157.2</b>	<b>40%</b>
Machinery, equipment, supplies and vehicle:	128.8	88%	16.9	12%	145.7	66%
Construction materials	(0.1)	-1%	24.4	101%	24.3	25%
Other capital goods	(9.0)	70%	(3.8)	30%	(12.7)	-18%
<b>Intermediate goods and industrial materials</b>	<b>(4.0)</b>		<b>(7.6)</b>		<b>(11.6)</b>	<b>-6%</b>
<b>Fuels</b>	<b>94.4</b>	<b>70%</b>	<b>39.7</b>	<b>30%</b>	<b>134.1</b>	<b>92%</b>
Diesels	66.6	78%	18.4	22%	85.0	143%
Gasolines A92-95	12.5	41%	17.7	59%	30.2	52%
Gasolines A80 and other fuels	15.3	81%	3.6	19%	18.9	67%
<b>Other</b>	<b>2.8</b>	<b>186%</b>	<b>(1.3)</b>	<b>-86%</b>	<b>1.5</b>	<b>0%</b>
<b>TOTAL</b>	<b>283.0</b>		<b>42.7</b>		<b>325.7</b>	<b>28%</b>

Performance of the first 5 months increased by USD 283 million owing to change in quantity of imports, increased by USD 42.7 million due to change in price. Consumer goods increased by USD 44.5 million mainly because of increase in quantity of imports. Capital goods import increased by 40% due to change in quantity of imports.

While fuels import increased by 92%. As of May 2017, fuels import price is USD 583 million per ton.

**Graph 5. Import growth YoY /5 months moving average/**

