



MONGOLIA'S FOREIGN TRADE REVIEW

November 2017

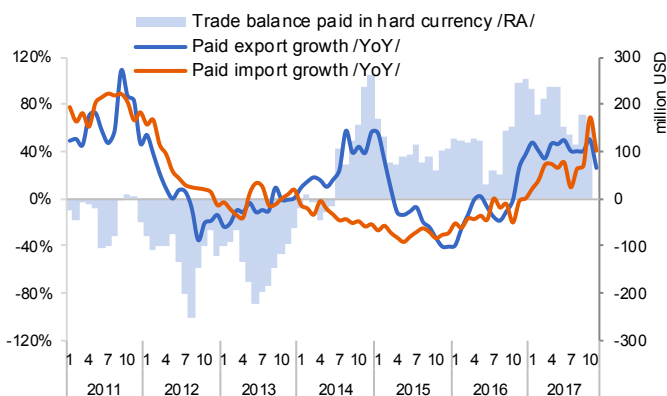
Overview: As of November 2017, total trade turnover increased by 30% (or USD 2,235 million) from that of the previous year and reached USD 9,591 million. Total exports increased by 33% (or USD 1,410 million) and imports by 27% (or USD 825 million). During the reporting period, as export surpassed import by USD 1,782 million, trade balance recorded a surplus that is USD 585 million higher than that of the previous year.

Table 1. Foreign trade performance /million USD/

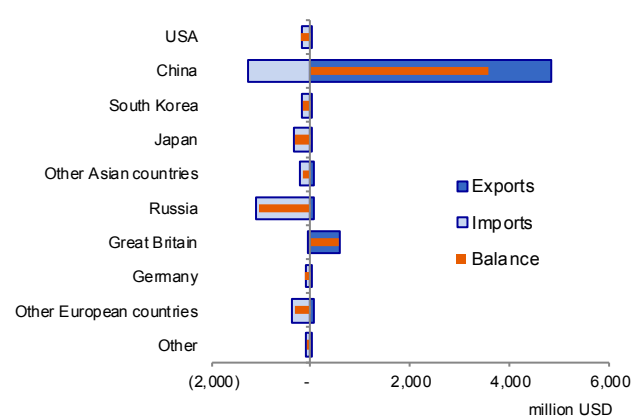
Category	Yearly			Change				First 11 months			Change			
	2014	2015	2016	2015/2014		2016/2015		2015	2016	2017	2016/2015		2017/2016	
				Value	%	Value	%				Value	%	Value	%
Turnover	11,011	8,467	8,274	(2,544)	-23.1%	(192)	-2.3%	7,738	7,356	9,591	(382)	-4.9%	2,235	30.4%
Exports	5,774	4,669	4,916	(1,105)	-19.1%	247	5.3%	4,243	4,276	5,686	33	0.8%	1,410	33%
Imports	5,237	3,798	3,358	(1,439)	-27.5%	(439)	-11.6%	3,495	3,080	3,905	(415)	-11.9%	825.1	27%
Balance	538	872	1,558	334	0.0%	686	78.7%	748	1,197	1,782	448	60%	585	49%

The balance of trade paid in hard currency, in the first 11 months of 2017, recorded a surplus of USD 1,945 million, which is USD 680 million higher than that of the previous year.

Graph 1. Trade paid in hard currency /3 months moving average/

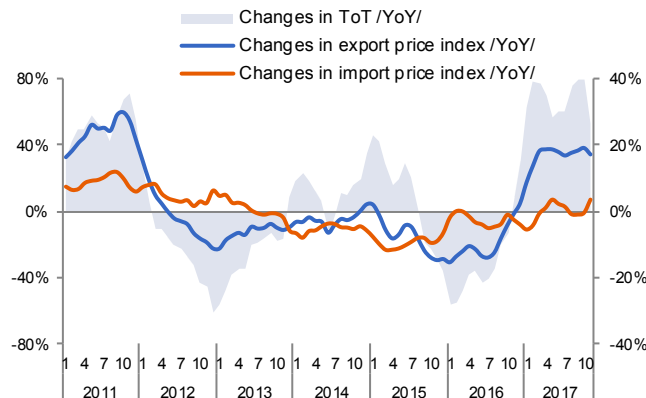


Graph 2. Trade balance, by main trade partners



The structure of the trade flows with the neighboring trade partners is as follows: (i) from the total trade turnover trade with China is 64% (or USD 6,106 million) and (ii) trade with Russia is 12% (or USD 1,172 million). Trade turnover with China and Russia increased by 40% and 38%, respectively.

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



Terms of trade index, increased by 9% from that of the previous year and decreased by 2% from that of the previous month, reached 1.65. For the reporting month, export price of copper increased; however greater increase in import price of capital goods and consumer goods resulted in a deterioration of the terms of trade.

Export: As of November 2017, total exports increased by 33% (or USD 1,410 million) from that of the previous year. The increase in exports of mining products explain 382 percentage points and other sectors exports products explain 1 percentage points of the total export growth. The weight of mining products in total exports increased by 3.0 percentage points, while manufacturing goods decreased by 2.3 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	% ²	Value	Change	% ²	
1. Mining products		3,714	88%		3,666	86%		5,047	89%		(48)	-1%	-1%	1,381	38%	32.3%
1.1. Copper ores and concentrates	1,335	2,072	49%	1,440	1,497	35%	1,315	1,441	25%	(575)	-28%	-14%	(56)	-4%	-1%	
1.2. Coal	12,831	508	12%	22,019	772	18%	30,977	2,111	37%	264	52%	6%	1,339	173%	31%	
1.3. Crude oil	7,386	360	8%	7,314	302	7%	6,940	341	6%	(58)	-16%	-1%	39	13%	1%	
1.4. Iron ores and concentrates	4,346	202	5%	5,903	234	5%	5,538	281	5%	32	16%	1%	47	20%	1%	
1.5. Non-monetary gold /kg/	9,474	357	8%	14,254	577	13%	13,211	541	10%	220	62%	5%	(36)	-6%	-1%	
1.6. Zinc ores and concentrates	84	102	2%	117	132	3%	109	165	3%	31	30%	1%	32	24%	1%	
1.7. Fluorspar, leucite, nepheline etc.	256	60	1%	227	54	1%	281	73	1%	(6)	-10%	0%	19	34%	0%	
1.8. Molybdenum ores and concentrates	4	27	1%	5	23	1%	6	34	1%	(4)	-15%	0%	11	47%	0%	
1.9. Tungsten ores and concentrates	2	13	0%	1	10	0%	1	8	0%	(4)	-26%	0%	(2)	-22%	0%	
1.10. Silver /tonnes/	54	10	0%	89	37	1%	0	1	0%	27		1%	(36)	-98%	-1%	
1.11. Other	52	2	0%	98	27	1%	376	51	1%	25	1575%	1%	24		1%	
2. Animal products		306	7%		293	7%		357	6%		(12)	-4%	0%	64	22%	1.5%
2.1. Live animals, meat	4	11	0%	7	16	0%	23	44	1%	4	40%	0%	28	182%	1%	
2.2. Hide, skin and leather	293	29	1%	144	20	0%	266	20	0%	(9)	-30%	0%	(1)	-3%	0%	
2.3. Casing	0	8	0%	0	6	0%	0	6	0%	(2)	-30%	0%	0	7%	0%	
2.4. Cashmere	6	238	6%	7	229	5%	7	259	5%	(9)	-4%	0%	29	13%	1%	
2.5. Wool, other hair	12	18	0%	15	21	0%	17	27	0%	2	13%	0%	6	28%	0%	
2.6. Other	0	1	0%	0	2	0%	1	2	0%	1	188%	0%	1	38%	0%	
3. Horticultural products		25	1%		19	0%		13	0%		(6)	-25%	0%	(5)	-29%	-0.1%
4. Manufacturing goods		197	5%		298	7%		268	5%		101	52%	2%	(30)	-10%	-0.7%
4.1. Food	3	18	0%	7	34	1%	18	72	1%	16	91%	0%	38	113%	1%	
4.2. Cashmere goods	1	24	1%	1	24	1%	1	30	1%	0	1%	0%	6	27%	0%	
4.3. Other apparel, footwear etc.	1	9	0%	2	13	0%	3	15	0%	4	46%	0%	2	13%	0%	
4.4. Mining products	34	74	2%	28	79	2%	33	100	2%	5	7%	0%	21	27%	0%	
4.5. Electronic goods	0	3	0%	0	5	0%	0	1	0%	1	48%	0%	(4)	-81%	0%	
4.6. Machinery, equipment and their parts	1	63	1%	1	136	3%	2	44	1%	73	114%	2%	(92)	-68%	-2%	
4.7. Other	176	6	0%	203	8	0%	300	6	0%	2	31%	0%	(2)	-22%	0%	
5. Other		2	0%		1	0%		1	0%		(1)	-62%	0%	0	2%	0%
Total		4,243			4,276			5,686			33	1%		1,410	33%	

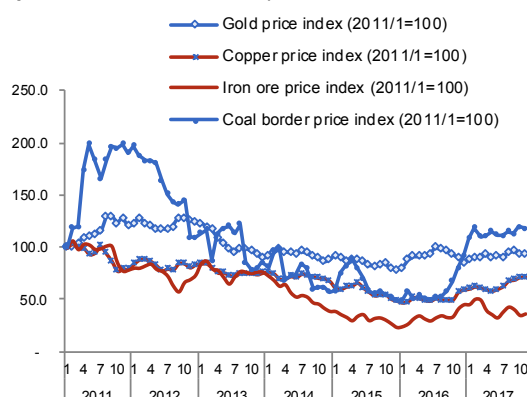
%² - Contribution to total growth

Table 4. Changes in exports 2017 /million USD/

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
1. Mining products	434.0	31%	947.3	69%	1,381	38%
1.1. Copper ores and concentrates	(137.0)	246%	81.4	-146%	(55.6)	-4%
1.2. Coal	610.5	46%	728.4	54%	1,339	173%
1.3. Crude oil	(18.4)	-47%	57.9	147%	39	13%
1.4. Iron ores and concentrates	(18.5)	-39%	65.7	139%	47.2	20%
1.5. Non-monetary gold	(42.7)	118%	6.5	-18%	(36.2)	-6%
1.6. Zinc ores and concentrates	(13.4)	-41%	45.7	141%	32.3	24%
1.7. Fluorspar, leucite, nepheline etc.	13.9	75%	4.7	25%	18.6	34%
1.8. Molybdenum ores and concentrates	4.9	45%	5.9	55%	10.8	47%
1.9. Tungsten ores and concentrates	(3.0)	140%	0.9	-40%	(2.1)	-22%
1.10. Silver	-	0%	-	0%	(36.5)	-98%
1.11. Other	37.7	155%	(13.3)	-55%	24.4	0%
2. Animal products	61.4	96%	2.9	4%	64.3	22%
2.2. Hide, skin and leather	9.0	-1728%	(9.6)	1828%	(0.5)	-3%
2.4. Cashmere	17.0	58%	12.5	42%	29.4	13%
3. Horticultural products	(2.2)	40%	(3.3)	60%	(5.4)	-29%
4. Manufacturing goods	82.0	-273%	(111.9)	373%	(30.0)	-10%
5. Other	0.1	388%	(0.0)	-288%	0.0	2%
Total	575.3		835		1,410	33%

* 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



Changes in the quantity of foreign goods trade increased exports in the first 11 months of 2017 by USD 575 million, while USD 835 million increase was driven by the price changes. Increases in export price and export quantity of mining products, specially coal export, resulted in the increase of USD 1,381 million. Export price and quantity increases of animal products resulted in increase of USD 64 million. Despite the increase in export quantity of manufacturing products, the decrease in export price resulted in a decrease of USD 30 million.

The average price of an ounce of gold on the global market as of November, 2017 reached USD 1,282 which shows an increase of 4% from that of the previous year, and 0.1% decrease from that of the previous month. Average price of "A" level purified copper and iron ore reached USD 6,827 and USD 64, respectively. In addition, copper price increased by 25%, iron ore price decreased by 12% from that of the previous year.

Copper price increased by 0.3% and iron ore price increased by 4% from that of the previous month. Coal export price reached USD 71 in November 2017, with the increase of 46% from that time of the previous year and decrease of 1% from the previous month.

Import: As of the first 11 months of 2017, total import increased by 27% (or USD 825 million) from that of the previous year. Capital goods explain 14 percentage points, fuels explain 8 percentage points and consumer goods explain 3 percentage points of the total import growth. Contribution of consumer goods in the total imports decreased by 5 percentage points from that of the previous year, while contribution of fuels increased by 3 percentage points.

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	% ²	Value	Change	% ²	
Consumer goods		1,002	29%		1,064	35%		1,166	30%		62	6%	2%	102	10%	3%
Non-durables	773	583	17%	762	590	19%	767	661	17%	7	1%	0%	71	12%	2%	
Food	341	403	12%	359	409	13%	353	459	12%	6	1%	0%	50	12%	2%	
Medicinal and pharmaceutical products	2	67	2%	2	83	3%	2	86	2%	16	24%	0%	3	4%	0%	
Other non-durables	430	114	3%	401	99	3%	412	117	3%	(14)	-13%	0%	18	18%	1%	
Durables	161	419	12%	120	474	15%	190	505	13%	55	13%	2%	31	7%	1%	
Clothing	43	46	1%	42	49	2%	61	57	1%	3	7%	0%	8	17%	0%	
Household electrical appliances and furniture	66	83	2%	23	88	3%	69	83	2%	4	5%	0%	(5)	-6%	0%	
Passenger cars and parts	1	232	7%	1	280	9%	1	305	8%	48	21%	1%	25	9%	1%	
Other durables	51	58	2%	54	57	2%	59	60	2%	(1)	-2%	0%	3	6%	0%	
Capital goods		1,345	38%		1,077	35%		1,510	39%		(268)	-20%	-8%	434	40%	14%
Machinery, equipment, supplies and vehicles	17	693	20%	15	634	21%	24	948	24%	(59)	-8%	-2%	313	49%	10%	
Vehicles other than passenger cars, parts	1	106	3%	1	205	7%	1	298	8%	99	94%	3%	93	45%	3%	
Machinery, equipment and supplies	16	587	17%	14	429	14%	23	649	17%	(158)	-27%	-5%	220	51%	7%	
Construction materials	1,608	451	13%	667	268	9%	571	406	10%	(183)	-41%	-5%	137	51%	4%	
Other capital goods	74	200	6%	50	174	6%	55	156	4%	(27)	-13%	-1%	(17)	-10%	-1%	
Intermediate goods and industrial materials		468	13%		466	15%		500	13%		(2)	0%	0%	33	7%	1%
Food ingredients (wheat, malt etc)	40	25	1%	187	52	2%	38	18	0%	26	104%	1%	(34)	-65%	-1%	
Chemical products	114	81	2%	114	78	3%	168	97	2%	(3)	-4%	0%	20	26%	1%	
Yam, fabrics, textiles, leather	17	14	0%	25	17	1%	42	21	1%	3	21%	0%	4	21%	0%	
Electricity	1	117	3%	1	111	4%	2	123	3%	(6)	-5%	0%	12	11%	0%	
Metal ores and scrap	0	1	0%	1	1	0%	2	1	0%	(0)	-6%	0%	(0)	-30%	0%	
Other industrial materials	708	229	7%	692	208	7%	769	240	6%	(21)	-9%	-1%	32	15%	1%	
Fuels		1,042	65%		939	46%		1,266	72%		(183)	-28%	-5%	255	55%	8%
Diesels	599	348	10%	486	222	7%	736	386	10%	(126)	-36%	-4%	164	74%	5%	
Gasolines A92-95	325	209	6%	296	147	5%	331	196	5%	(62)	-30%	-2%	50	34%	2%	
Gasolines A80 and other fuels	118	94	3%	157	99	3%	199	140	4%	5	5%	0%	41	42%	1%	
Other		29	1%		5	0%		7	0%		(24)	0%	-1%	1	0%	0%
TOTAL		3,495			3,080			3,905			(415)	-11.9%		825	26.8%	

² - Contribution to total growth

Table 6. Changes in imports /million USD/

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
Consumer goods	111.4	109%	(9.4)	-9%	102.0	10%
Non-durables	10.5	15%	60.5	85%	71.0	12%
Durables	101.0	326%	(70.0)	-226%	31.0	7%
Capital goods	407.8	94%	25.8	6%	433.6	40%
Machinery, equipment, supplies and vehicle:	346.3	111%	(32.9)	-11%	313.4	49%
Construction materials	73.8	54%	63.6	46%	137.4	51%
Other capital goods	(12.2)	71%	(5.0)	29%	(17.2)	-10%
Intermediate goods and industrial materials	30.0		3.3		33.2	7%
Fuels	181.4	71%	73.6	29%	254.9	55%
Diesels	131.4	80%	32.7	20%	164.0	74%
Gasolines A92-95	20.7	42%	29.1	58%	49.8	34%
Gasolines A80 and other fuels	29.3	71%	11.7	29%	41.1	42%
Other	6.2	460%	(4.9)	-360%	1.3	0%
TOTAL	736.8		88.3	11%	825.1	27%

In the first 11 months, USD 737 million increase in imports was driven by the change in the quantity of imports and USD 88 million increase was due to changes in prices.

Consumer goods increased by USD 102 million mainly as a result of the increase in quantity of imports. Capital goods import increased by 40% owing to the change in quantity of imports, while fuels import increased by 55%. As of November 2017, fuels import price is USD 617 per ton.

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

Graph 5. Import growth YoY /3 months moving average/

