



MONGOLIA'S FOREIGN TRADE REVIEW

February 2020

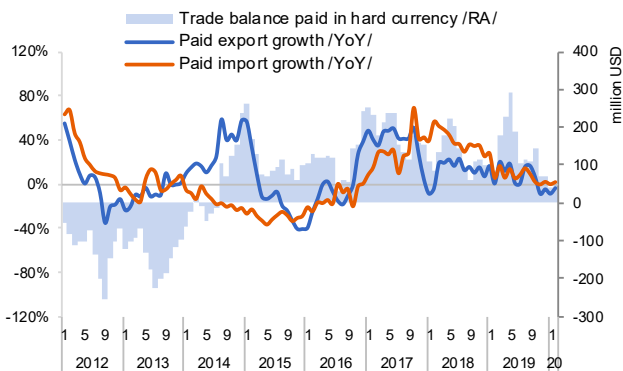
Overview: As of February 2020, Mongolia's trade turnover decreased by 21% (or USD 410 million) from that of the previous year and reached USD 1,521 million. In which, exports decreased by 30% (or USD 323 million), while imports declined by 10% (or USD 87 million). During the reporting period, the trade balance decreased by USD 235 million from that of the previous year to a surplus of USD 21 million.

Table 1. Foreign trade performance /million USD/

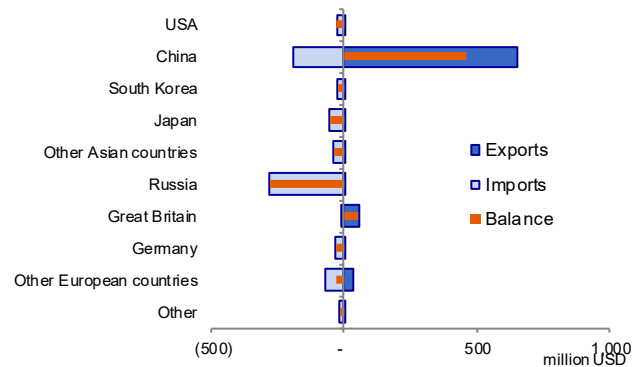
Category	Yearly			Change				First 2 month			Change			
	2017	2018	2019	2018/2017		2019/2018		2018	2019	2020	2019/2018		2020/2019	
				Value	%	Value	%				Value	%	Value	%
Turnover	10,536	12,887	13,747	2,351	22%	860	7%	1,564	1,931	1,521	367	23%	(410)	-21%
Exports	6,201	7,012	7,620	811	13%	608	9%	838	1,094	771	255	30%	(323)	-30%
Imports	4,335	5,875	6,127	1,540	36%	252	4%	726	838	750	111	15%	(87)	-10%
Balance	1,865	1,137	1,492	(728)	0.0%	356	31.3%	112	256	21	144	128%	(235)	-92%

The trade balance paid in foreign currency, in the first two months of 2020, reached a surplus of USD 88 million, which is a decrease of USD 62 million from the previous year.

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

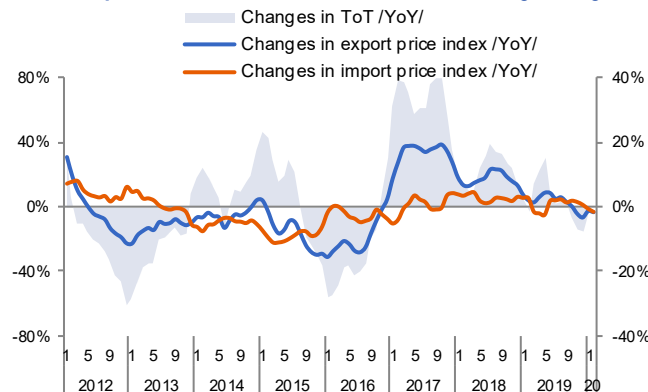


Graph 2. Trade balance, by main trade partners



The structure of the trade flows with the neighboring countries are as follows: the total trade turnover with China is 56% (or USD 847 million), and with Russia is 19% (or USD 289 million). Compared to the same period of last year, the trade turnover with Russia increased by 13%, while with China decreased by 21%.

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



The terms of trade index decreased by 1% from the same period of last year and by 13% from the previous month, reaching 1.661. Deterioration of terms of trade from last month mainly due to a decrease in the border price of coal.

Export: As of February 2020, the total exports decreased by 30% (or USD 323 million) from that of the previous year. The decrease in the export of mining products explains 27 percentage points of the total export contraction. The weight of mining products in total exports increased by 0.2 percentage points, whereas animal products decreased by 0.3 percentage points.

Table 2. Exports of goods /million USD/

Category	2018			2019			2020			Δ (2018/2017)			Δ (2020/2019)		
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% ²	Value	Change	% ²
1. Mining products		762	91%		1,018	93%		719	93%	256	34%	31%	(299)	-29%	-27%
1.1. Copper ores and concentrates	205	275	33%	229	309	28%	192	219	28%	34	13%	4%	(90)	-29%	-8%
1.2. Coal	3,149	242	29%	4,025	332	30%	2,780	229	30%	90	37%	11%	(104)	-31%	-9%
1.3. Crude oil	1,010	63	7%	1,011	53	5%	288	17	2%	(10)	-15%	-1%	(36)	-68%	-3%
1.4. Iron ores and concentrates	932	40	5%	1,181	52	5%	1,427	99	13%	13	32%	2%	47	90%	4%
1.5. Non-monetary gold /kg/	1,696	72	9%	4,665	196	18%	1,556	80	10%	124	171%	15%	(116)	-59%	-11%
1.6. Zinc ores and concentrates	21	37	4%	25	34	3%	26	36	5%	(3)	-7%	0%	1	3%	0%
1.7. Fluorspar, leucite, nepheline etc.	49	16	2%	69	23	2%	82	20	3%	8	49%	1%	(3)	-13%	0%
1.8. Molybdenum ores and concentrates	1	6	1%	1	8	1%	1	7	1%	2	35%	0%	(1)	-11%	0%
1.9. Tungsten ores and concentrates	0	1	0%	0	0	0%	0	0	0%	(0)	-29%	0%	(0)	-94%	0%
1.10. Silver /tonnes/	0	0	0%	0	-	0%	0	-	0%	(0)	0%	0%	-	0%	0%
1.11. Other	106	11	1%	54	9	1%	22	12	2%	(2)	-17%	0%	3	36%	0%
2. Animal products	87	29	4%	72	32	3%	49	20	3%	2	7%	0%	(11)	-36%	-1%
2.1. Live animals, meat	5	11	1%	5	10	1%	1	2	0%	(1)	-12%	0%	(8)	-81%	-1%
2.2. Hide, skin and leather	80	5	1%	63	3	0%	46	2	0%	(2)	-38%	0%	(0)	-15%	0%
2.3. Casing	0	1	0%	0	1	0%	0	1	0%	0	40%	0%	(0)	-20%	0%
2.4. Cashmere	1	11	1%	1	12	1%	1	13	2%	1	12%	0%	1	11%	0%
2.5. Wool, other hair	1	2	0%	2	5	0%	1	1	0%	4	227%	0%	(4)	-76%	0%
2.6. Other	0	0	0%	0	0	0%	0	0	0%	(0)	-19%	0%	(0)	-56%	0%
3. Horticultural products	1	0	0%	11	3	0%	5	2	0%	2	424%	0%	(1)	-34%	0%
4. Manufacturing goods	11	47	6%	74	41	4%	29	30	4%	(5)	-11%	-1%	(12)	-29%	-1%
4.1. Food	5	17	2%	6	15	1%	2	5	1%	(2)	-11%	0%	(10)	-69%	-1%
4.2. Cashmere goods	0	3	0%	0	6	1%	0	3	0%	3	82%	0%	(3)	-49%	0%
4.3. Other apparel, footwear etc.	1	2	0%	0	2	0%	1	2	0%	(1)	-37%	0%	0	23%	0%
4.4. Mining products	4	17	2%	17	14	1%	4	14	2%	(3)	-19%	0%	(1)	-4%	0%
4.5. Electronic goods	0	0	0%	0	0	0%	0	0	0%	(0)	-26%	0%	(0)	-18%	0%
4.6. Machinery, equipment and their parts	0	5	1%	0	4	0%	0	5	1%	(2)	-35%	0%	2	49%	0%
4.7. Other	0	1	0%	51	1	0%	23	1	0%	0	0%	0%	0	9%	0%
5. Other	0	0	0%	0	0	0%	0	0	0%	(0)	0%	0%	0	28%	0%
Total		838		1,094			771			255	30%		(323)	-30%	

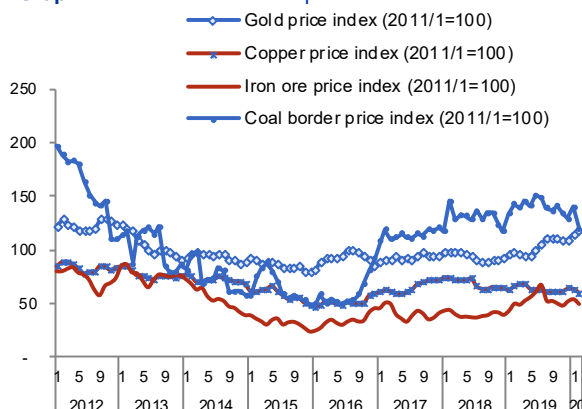
²% - Contribution to total growth

Table 3. Changes in exports February, 2020 /million USD/

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
1. Mining products	(311)	0%	13	0%	(299)	-29%
1.1. Copper ores and concentrates	(42)	47%	(48)	53%	(90)	-29%
1.2. Coal	(102)	99%	(1)	1%	(104)	-31%
1.3. Crude oil	(43)	118%	6	-18%	(36)	-68%
1.4. Iron ores and concentrates	17	36%	30	64%	47	90%
1.5. Non-monetary gold	(130)	113%	14	-13%	(116)	-59%
1.6. Zinc ores and concentrates	2	223%	(1)	-123%	1	3%
1.7. Fluorspar, leucite, nepheline etc.	3	-103%	(6)	203%	(3)	-13%
1.8. Molybdenum ores and concentrates	1	-79%	(2)	179%	(1)	-11%
1.9. Tungsten ores and concentrates	(0)	69%	(0)	31%	(0)	-94%
1.10. Silver	-	0%	-	0%	-	0%
1.11. Other	(17)	-543%	20	643%	3	36%
2. Animal products	(19)	168%	8	-68%	(11)	-36%
2.2. Hide, skin and leather	(1)	223%	1	-123%	(0)	-15%
2.4. Cashmere	(0)	-13%	1	113%	1	11%
3. Horticultural products	(2)	220%	1	-	(1)	-34%
4. Manufacturing goods	(63)	527%	51	-	(12)	-29%
5. Other	0	58%	(0)	-27%	0	28%
Total	(395)		72		(323)	-30%

* 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



As of February 2020, the total export decreased by USD 395 million due to quantity changes and increased by USD 72 million due to price changes.

Total changes in exports by category:

The export of coal and copper decreased by USD 145 million due to the volume changes and decreased by USD 49 million due to the price changes. These changes explain the USD 194 million decrease in mining products.

The export of manufacturing products decreased by USD 63 million due to volume changes and increased by USD 51 million due to price changes.

As of February 2020, the average price of an ounce of gold on the global market reached USD 1,596. Which is an increase of 21% from the previous year and an increase of 2% from the previous month. The average price of "A" level purified copper and iron ore reached USD 5,688 and USD 88, respectively.

Compared to the prices of the same period of last year, prices of copper and iron ore decreased by 10% and 1%, respectively. While compared to the previous month, the average price of copper and iron ore decreased by 6%, 8%, respectively.

The export price of coal reached USD 72 as of February 2020, which is a decrease of 16% from the previous year and 14% from the previous month.

Import: As of February 2020, the total imports decreased by 10% (or USD 87 million) from that of the previous year. Capital goods explain 7 percentage points, and consumer goods explain 4 percentage points of the total import decline.

Table 4. Imports of goods /million USD/

Category	2018			2019			2020			Δ (2019/2018)			Δ (2020/2019)		
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% ²	Value	Change	% ²
Consumer goods		209	29%		236	28%		206	28%	26	13%	4%	(29)	-12%	-4%
Non-durables	137	115	16%	118	111	13%	127	115	15%	(4)	-3%	0%	4	4%	0%
Food	64	81	11%	55	78	9%	59	79	11%	(3)	-4%	0%	2	2%	0%
Medicinal and pharmaceutical products	0	14	2%	0	14	2%	0	16	2%	(1)	-4%	0%	2	15%	0%
Other non-durables	72	20	3%	63	20	2%	68	21	3%	0	0%	0%	0	2%	0%
Durables	22	94	13%	27	124	15%	30	91	12%	30	32%	4%	(33)	-27%	-4%
Clothing	7	10	1%	9	8	1%	12	8	1%	(1)	-14%	0%	(0)	-2%	0%
Household electrical appliances and furniture	7	18	2%	8	16	2%	8	15	2%	(2)	-9%	0%	(1)	-8%	0%
Passenger cars and parts	0	55	8%	0	89	11%	0	58	8%	34	61%	5%	(31)	-35%	-4%
Other durables	7	11	2%	9	11	1%	10	10	1%	(1)	-5%	0%	(1)	-5%	0%
Capital goods		242	33%		334	40%		271	36%	91	38%	13%	(63)	-19%	-7%
Machinery, equipment, supplies and vehicles	3	155	21%	4	257	31%	4	203	27%	102	66%	14%	(54)	-21%	-6%
Vehicles other than passenger cars, parts	0	48	7%	1	95	11%	1	68	9%	47	99%	6%	(26)	-28%	-3%
Machinery, equipment and supplies	3	107	15%	3	163	19%	3	135	18%	55	52%	8%	(28)	-17%	-3%
Construction materials	47	51	7%	60	57	7%	60	46	6%	6	12%	1%	(11)	-19%	-1%
Other capital goods	5	37	5%	3	20	2%	3	22	3%	(17)	-46%	-2%	2	9%	0%
Intermediate goods and industrial materials		115	16%		86	10%		89	12%	(30)	-26%	-4%	4	4%	0%
Food ingredients (wheat, malt etc)	71	27	4%	4	2	0%	11	4	0%	(25)	-91%	-3%	1	44%	0%
Chemical products	29	16	2%	32	17	2%	29	13	2%	1	5%	0%	(3)	-20%	0%
Yam, fabrics, textiles, leather	7	3	0%	16	5	1%	10	4	1%	1	37%	0%	(1)	-15%	0%
Electricity	0	23	3%	0	14	2%	0	25	3%	(9)	-39%	-1%	11	80%	1%
Metal ores and scrap	0	0	0%	0	0	0%	0	0	0%	(0)	-60%	0%	0	116%	0%
Other industrial materials	135	45	6%	136	48	6%	129	43	6%	2	5%	0%	(5)	-10%	-1%
Fuels		236	157	22%		300	181	22%		283	183	24%	24	15%	3%
Diesels	151	97	13%	181	111	13%	163	104	14%	14	14%	2%	(7)	-6%	-1%
Gasolines A92-95	47	33	5%	86	47	6%	72	46	6%	14	42%	2%	(1)	-2%	0%
Gasolines A80 and other fuels	39	27	4%	33	23	3%	47	33	4%	(4)	-14%	-1%	9	39%	1%
Other		1	0%		1	0%		1	0%	(0)	-20%	0%	(0)	-37%	0%
TOTAL		726		838		750		111	15%				(87)	-10%	

²% - Contribution to total growth

Table 5. Changes in imports /million USD/

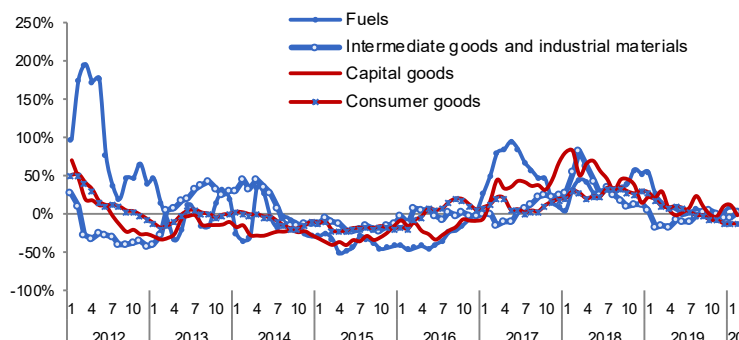
Category*	Changes in quantity	%	Changes in price	%	Total changes	%
Consumer goods	(25)	84%	(5)	16%	(29)	-12%
Non-durables	5	114%	(1)	-14%	4	4%
Durables	(29)	88%	(4)	12%	(33)	-27%
Capital goods	(6)	9%	(57)	91%	(63)	-19%
Machinery, equipment, supplies and vehicles	11	0%	(65)	120%	(54)	-21%
Construction materials	(3)	30%	(7)	70%	(11)	-19%
Other capital goods	(13)	-724%	15	824%	2	9%
Intermediate goods and industrial materials	7	0%	(4)	-106%	4	4%
Fuels	(10)	-724%	11	824%	1	1%
Diesels	(11)	162%	4	-62%	(7)	-6%
Gasolines A92-95	(9)	1007%	8	-907%	(1)	-2%
Gasolines A80 and other fuels	10	108%	(1)	-8%	9	39%
Other	1		(1)		(0)	-37%
TOTAL	(32)		(55)	63%	(87)	-10%

A total decrease in imports (of USD 87 million) suggests:

- Import of capital goods decreased by USD 63 million,
- Import of consumer goods decreased by USD 29 million,
- Import of industrial materials increased by USD 4 million,
- Import of petroleum products increased by USD 1 million.

* 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/



As of February 2020, the border price of petroleum products reached USD 647 per ton. Where the 7% price increase from the previous year, and an 0.2% increase from last month.