



MONGOLIA'S FOREIGN TRADE REVIEW

March 2020

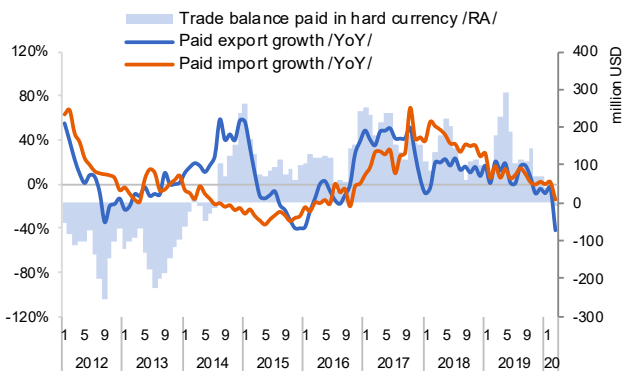
Overview: As of March 2020, Mongolia's trade turnover decreased by 28% (or USD 860 million) from that of the previous year and reached USD 2,197 million. In which, exports decreased by 42% (or USD 736 million), while imports decreased by 10% (or USD 124 million). During the reporting period, the trade balance decreased by USD 612 million from that of the previous year to a deficit of USD 126 million.

Table 1. Foreign trade performance /million USD/

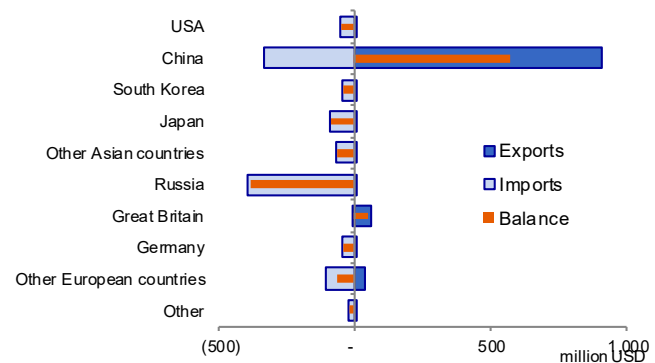
Category	Yearly			Change				First 3 month			Change			
	2017	2018	2019	2018/2017		2019/2018		2018	2019	2020	2019/2018		2020/2019	
				Value	%	Value	%				Value	%	Value	%
Turnover	10,536	12,887	13,747	2,351	22%	860	7%	2,613	3,057	2,197	445	17%	(860)	-28%
Exports	6,201	7,012	7,620	811	13%	608	9%	1,482	1,772	1,036	289	20%	(736)	-42%
Imports	4,335	5,875	6,127	1,540	36%	252	4%	1,130	1,286	1,162	155	14%	(124)	-10%
Balance	1,865	1,137	1,492	(728)	0.0%	356	31.3%	352	486	(126)	134	38%	(612)	-126%

The trade balance paid in foreign currency, in the first three months of 2020, reached a deficit of USD 29 million, which is a decrease of USD 558 million from the previous year.

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

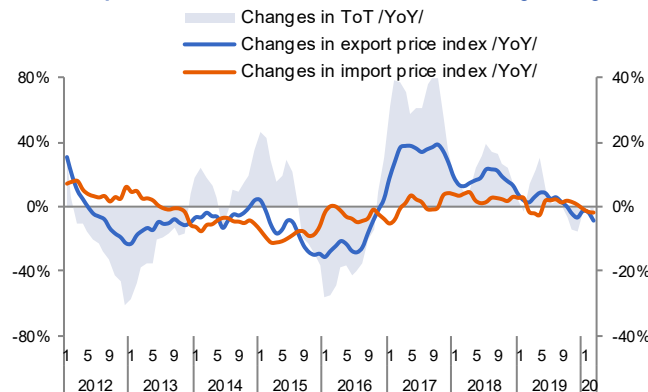


Graph 2. Trade balance, by main trade partners



The structure of the trade flows with the neighboring countries are as follows: the total trade turnover with China is 56% (or USD 1,237 million), and with Russia is 18% (or USD 401 million). Compared to the same period of the last year, the trade turnover with Russia increased by 6% and with China decreased by 34%.

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



The terms of trade index decreased by 23% from the same period of last year and increased by 2% from that of the previous month, reaching 1.693. The annual change of 23% is due to a fall in the export price of coal and copper. Whereas, the monthly change of 2% is due to a fall in the import price of capital goods.

Export: As of March 2020, the total exports decreased by 42% (or USD 736 million) from that of the previous year. The decrease in the export of mining products explains 39 percentage points of the total export contraction. The weight of mining products in total exports decreased by 0.7 percentage points, whereas animal products increased by 0.3 percentage points.

Table 2. Exports 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
1. Mining products		1,374	93%	1,663	94%		965	93%		289	21%	19%	(698)	-42%	-39%
1.1. Copper ores and concentrates	338	463	31%	361	504	28%	307	351	34%	41	9%	3%	(153)	-30%	-9%
1.2. Coal	6,613	509	34%	7,733	642	36%	3,122	252	24%	132	26%	9%	(389)	-61%	-22%
1.3. Crude oil	1,631	101	7%	1,621	88	5%	322	18	2%	(13)	-13%	-1%	(70)	-80%	-4%
1.4. Iron ores and concentrates	1,441	64	4%	2,072	107	6%	2,062	141	14%	43	67%	3%	35	32%	2%
1.5. Non-monetary gold /kg/	2,950	124	8%	4,665	196	11%	1,556	80	8%	72	58%	5%	(116)	-59%	-7%
1.6. Zinc ores and concentrates	33	60	4%	44	63	4%	37	48	5%	2	4%	0%	(14)	-23%	-1%
1.7. Fluorspar, leucite, nepheline etc.	78	25	2%	111	41	2%	137	35	3%	16	62%	1%	(5)	-13%	0%
1.8. Molybdenum ores and concentrates	1	10	1%	1	12	1%	2	11	1%	2	18%	0%	(1)	-6%	0%
1.9. Tungsten ores and concentrates	0	1	0%	0	1	0%	0	0	0%	(0)	-21%	0%	(1)	-94%	0%
1.10. Silver /tonnes/	0	0	0%	0	-	0%	13	9	1%	(0)	0%	0%	9	0%	1%
1.11. Other	164	16	1%	75	12	1%	25	18	2%	(5)	-30%	0%	7	59%	0%
2. Animal products	123	42	3%	111	43	2%	82	28	3%	1	3%	0%	(15)	-35%	-1%
2.1. Live animals, meat	6	14	1%	7	14	1%	1	2	0%	(0)	-2%	0%	(12)	-86%	-1%
2.2. Hide, skin and leather	112	6	0%	98	4	0%	78	4	0%	(2)	-30%	0%	(0)	-9%	0%
2.3. Casing	0	2	0%	0	2	0%	0	2	0%	1	45%	0%	(0)	-9%	0%
2.4. Cashmere	2	17	1%	2	15	1%	2	17	2%	(1)	-8%	0%	2	12%	0%
2.5. Wool, other hair	2	3	0%	3	7	0%	2	2	0%	4	130%	0%	(5)	-68%	0%
2.6. Other	0	0	0%	1	0	0%	0	0	0%	0	41%	0%	(0)	-76%	0%
3. Horticultural products	2	1	0%	13	3	0%	9	3	0%	2	263%	0%	0	9%	0%
4. Manufacturing goods	51	66	4%	118	62	4%	47	39	4%	(3)	-5%	0%	(23)	-37%	-1%
4.1. Food	6	20	1%	7	18	1%	2	5	1%	(2)	-10%	0%	(13)	-72%	-1%
4.2. Cashmere goods	0	4	0%	0	8	0%	0	4	0%	4	79%	0%	(4)	-55%	0%
4.3. Other apparel, footwear etc.	1	3	0%	1	2	0%	1	3	0%	(1)	-23%	0%	0	16%	0%
4.4. Mining products	8	27	2%	36	27	2%	6	20	2%	(0)	-1%	0%	(7)	-27%	0%
4.5. Electronic goods	0	0	0%	0	0	0%	0	0	0%	0	19%	0%	(0)	-22%	0%
4.6. Machinery, equipment and their parts	1	9	1%	0	5	0%	1	7	1%	(4)	-43%	0%	2	30%	0%
4.7. Other	35	1	0%	74	1	0%	38	1	0%	(0)	-4%	0%	(0)	-10%	0%
5. Other	0	0	0%	0	0	0%	0	0	0%	(0)	-30%	0%	0	55%	0%
Total		1,482		1,772			1,036			289	20%		(736)	-42%	

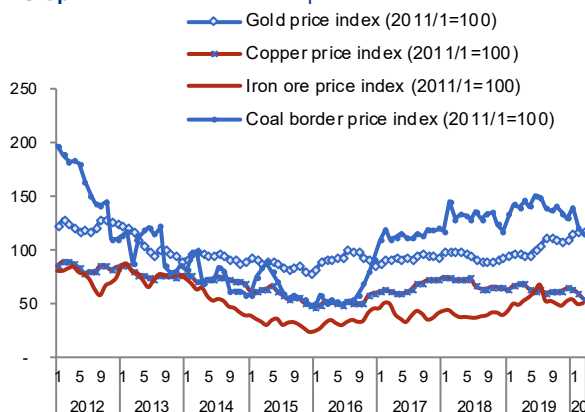
² - Contribution to total growth

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

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
1. Mining products	(668)	0%	(30)	0%	(698)	-42%
1.1. Copper ores and concentrates	(63)	41%	(90)	59%	(153)	-30%
1.2. Coal	(373)	96%	(16)	4%	(389)	-61%
1.3. Crude oil	(71)	102%	1	-2%	(70)	-80%
1.4. Iron ores and concentrates	(1)	-2%	35	102%	35	32%
1.5. Non-monetary gold	(130)	113%	14	-13%	(116)	-59%
1.6. Zinc ores and concentrates	(9)	65%	(5)	35%	(14)	-23%
1.7. Fluorspar, leucite, nepheline etc.	7	-129%	(12)	229%	(5)	-13%
1.8. Molybdenum ores and concentrates	1	-146%	(2)	246%	(1)	-6%
1.9. Tungsten ores and concentrates	(0)	69%	(0)	31%	(1)	-94%
1.10. Silver	9	100%	-	0%	9	0%
1.11. Other	(38)	-553%	45	653%	7	59%
2. Animal products	(26)	172%	11	-72%	(15)	-35%
2.2. Hide, skin and leather	(1)	277%	1	-177%	(0)	-9%
2.4. Cashmere	0	18%	2	82%	2	12%
3. Horticultural products	(2)	-614%	2	714%	0	9%
4. Manufacturing goods	(123)	530%	99	-37%	(23)	-37%
5. Other	0	38%	0	16%	0	55%
Total	(819)		83		(736)	-42%

* 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 March 2020, the total export decreased by USD 819 million due to quantity changes, while due to price changes increased by USD 83 million.

Total changes in exports by category:

The export of coal and copper decreased by USD 436 million due to volume changes and decreased by USD 106 million due to the price changes. These changes explain the USD 542 million decrease in mining products.

The export of manufacturing products decreased by USD 123 million due to volume changes and increased by USD 99 million due to price changes.

The average price of an ounce of gold on the global market as of March 2020 reached USD 1,593. Which is a 22% increase from the previous year and a decrease of 0.2% from the previous month. The average price of "A" level purified copper and iron ore reached USD 5,183 and USD 89, respectively.

Which is a 20% decrease for copper and a 3% increase for iron ore compared to the prices of the same period of last year. While compared to the previous month, the average price of copper decreased by 9% and iron ore increased by 2%.

The export price of coal reached USD 69 as of March 2020, which is a decrease of 17% from the previous year and 4% from the previous month.

Import: As of March 2020, total imports decreased by 10% (or USD 124 million) from that of the previous year. Capital goods explain 5 percentage points, consumer goods explain 2 percentage points, and fuels import explain 2 percentages 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		322	28%		351	27%		320	28%		29	9%	3%	(32)	-9%	-2%
Non-durables	205	175	15%	179	170	13%	219	178	15%	(5)	-3%	0%	8	4%	7%	
Food	97	123	11%	84	120	9%	93	122	10%	(3)	-2%	0%	1	1%	0%	
Medicinal and pharmaceutical products	0	22	2%	1	20	2%	1	24	2%	(2)	-9%	0%	4	20%	0%	
Other non-durables	107	30	3%	94	30	2%	125	32	3%	0	1%	0%	2	7%	0%	
Durables	30	147	13%	67	181	14%	53	142	12%	34	23%	3%	(39)	-22%	-3%	
Clothing	11	15	1%	16	14	1%	23	15	1%	(2)	-11%	0%	2	12%	0%	
Household electrical appliances and furniture	9	24	2%	37	23	2%	13	22	2%	(0)	-2%	0%	(1)	-4%	0%	
Passenger cars and parts	0	91	8%	0	126	10%	0	86	7%	35	39%	3%	(40)	-32%	-3%	
Other durables	10	17	2%	13	18	1%	16	18	2%	1	7%	0%	(0)	-1%	0%	
Capital goods		400	35%		519	40%		456	39%		119	30%	11%	(63)	-12%	-5%
Machinery, equipment, supplies and vehicles	4	256	23%	6	375	29%	6	318	27%	119	46%	10%	(56)	-15%	-4%	
Vehicles other than passenger cars, parts	0	75	7%	1	125	10%	2	106	9%	50	67%	4%	(19)	-15%	-1%	
Machinery, equipment and supplies	4	181	16%	5	249	19%	5	212	18%	68	38%	6%	(37)	-15%	-3%	
Construction materials	93	93	8%	138	104	8%	138	97	8%	11	12%	1%	(7)	-6%	-1%	
Other capital goods	7	51	5%	5	41	3%	5	41	3%	(11)	-21%	-1%	(0)	0%	0%	
Intermediate goods and industrial materials		176	16%		147	11%		146	13%		(29)	-16%	-3%	(1)	-1%	0%
Food ingredients (wheat, malt etc)	126	39	3%	8	4	0%	28	9	1%	(35)	-89%	-3%	5	105%	0%	
Chemical products	43	24	2%	48	24	2%	45	23	2%	0	1%	0%	(1)	-4%	0%	
Yam, fabrics, textiles, leather	13	5	0%	19	7	1%	21	7	1%	2	30%	0%	(0)	-7%	0%	
Electricity	0	36	3%	0	37	3%	0	38	3%	1	3%	0%	1	2%	0%	
Metal ores and scrap	0	0	0%	0	0	0%	0	0	0%	(0)	-29%	0%	(0)	-24%	0%	
Other industrial materials	193	71	6%	226	74	6%	207	69	6%	3	5%	0%	(5)	-6%	0%	
Fuels		345	23%		439	21%		375	21%		36	16%	3%	(28)	-11%	-2%
Diesels	207	134	12%	263	163	13%	200	125	11%	29	22%	3%	(38)	-23%	-3%	
Gasolines A92-95	79	55	5%	126	69	5%	102	63	5%	14	26%	1%	(6)	-8%	0%	
Gasolines A80 and other fuels	59	42	4%	50	35	3%	72	50	4%	(7)	-18%	-1%	15	43%	1%	
Other		2	0%		2	0%		1	0%		(1)	-29%	0%	(0)	-7%	0%
TOTAL		1,130		1,286			1,162			155	14%		(124)	-10%		

² - Contribution to total growth

Table 5. Changes in imports /million USD/

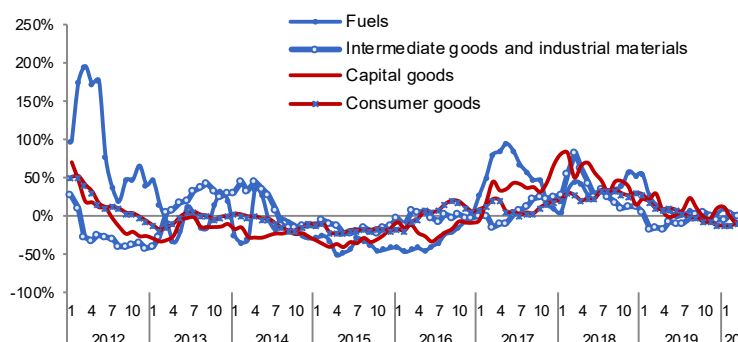
Category*	Changes in quantity	%	Changes in price	%	Total changes	%
Consumer goods	(10)	30%	(22)	70%	(32)	-9%
Non-durables	19	245%	(11)	-145%	8	4%
Durables	(28)	72%	(11)	28%	(39)	-22%
Capital goods	23	-37%	(86)	137%	(63)	-12%
Machinery, equipment, supplies and vehicles	19	0%	(76)	134%	(56)	-15%
Construction materials	4	-60%	(11)	160%	(7)	-6%
Other capital goods	(0)	136%	0	-36%	(0)	0%
Intermediate goods and industrial materials	1		(2)		(1)	-1%
Fuels	(39)	136%	10	-36%	(28)	-11%
Diesels	(39)	105%	2	-5%	(38)	-23%
Gasolines A92-95	(15)	267%	9	-167%	(6)	-8%
Gasolines A80 and other fuels	16	105%	(1)	-5%	15	43%
Other	1	0%	(1)		(0)	-7%
TOTAL	(23)		(101)	81%	(124)	-10%

A total decrease in imports (of USD 214 million) suggests:

- Import of capital goods decreased by USD 63 million,
- Import of consumer goods decreased by USD 32 million,
- Import of petroleum products decreased by USD 28 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 March 2020, the border price of petroleum products reached USD 609 per ton. Which is a 1% price increase from the previous year, and a 6% decrease from the previous month.