



# MONGOLIA'S FOREIGN TRADE REVIEW

April 2020

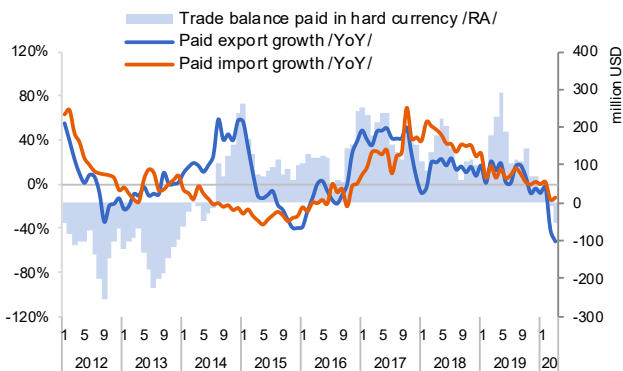
**Overview:** As of April 2020, Mongolia's trade turnover decreased by 31% (or USD 1,318 million) from that of the previous year and reached USD 2,960 million. In which, exports decreased by 45% (or USD 1,138 million), while imports decreased by 10% (or USD 180 million). During the reporting period, the trade balance decreased by USD 959 million from that of the previous year to a deficit of USD 213 million.

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

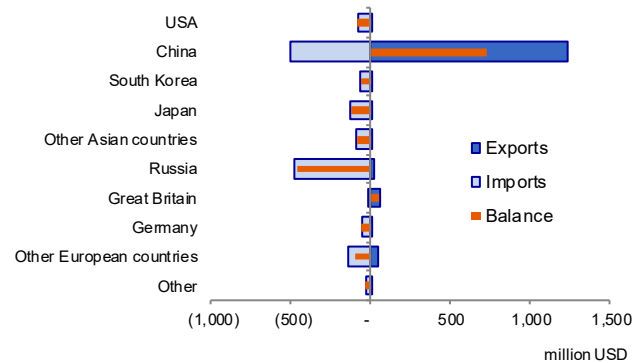
Category	Yearly			Change				First 4 month			Change			
	2017	2018	2019	2018/2017		2019/2018		2018	2019	2020	2019/2018		2020/2019	
				Value	%	Value	%				Value	%	Value	%
<b>Turnover</b>	<b>10,536</b>	<b>12,887</b>	<b>13,747</b>	2,351	22%	860	7%	<b>3,707</b>	<b>4,278</b>	<b>2,960</b>	571	15%	(1,318)	-31%
Exports	6,201	7,012	7,620	811	13%	608	9%	2,125	2,512	1,374	387	18%	(1,138)	-45%
Imports	4,335	5,875	6,127	1,540	36%	252	4%	1,582	1,766	1,586	184	12%	(180)	-10%
<b>Balance</b>	<b>1,865</b>	<b>1,137</b>	<b>1,492</b>	(728)	0.0%	356	31.3%	<b>543</b>	<b>746</b>	<b>(213)</b>	202	37%	(959)	-129%

The trade balance paid in foreign currency, in the first four months of 2020 reached a deficit of USD 117 million, which is a decrease of USD 918 million from the previous year.

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

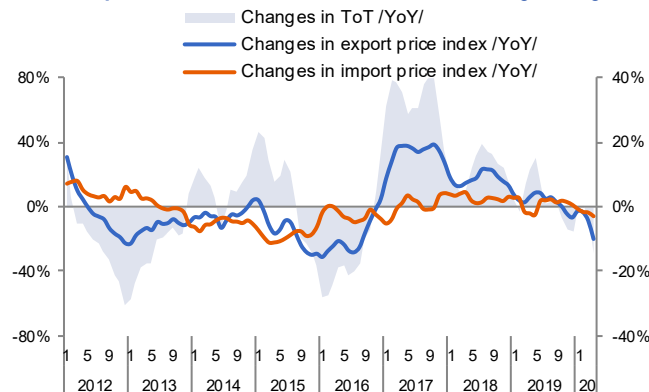


**Graph 2.** Trade balance, by main trade partners



The structure of the trade flows with the neighboring countries are as follows: the total trade turnover with China is 58% (or USD 1,727 million), and with Russia is 17% (or USD 494 million). Compared to the same period of the last year, the trade turnover with Russia decreased by 3% and with China decreased by 38%.

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



The terms of trade index deteriorated by 20% from the same period of last year and improved by 3% from the previous month, reaching 1.749. The annual change of 20% is due to a fall in the export price of copper and coal. The 3% improvement from last month is due to an increase in the export price of copper.

**Export:** As of April 2020, the total exports decreased by 45% (or USD 1,138 million) from that of the previous year. The decrease in the export of mining products explains 40 percentage points of the total export contraction. The weight of mining products in total exports increased by 2 percentage points, whereas animal products decreased by 2.4 percentage points.

**Table 2. Exports of goods /million USD/**

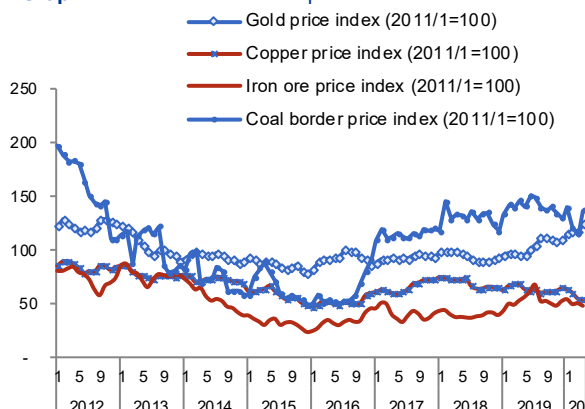
Category	2018			2019			2020			Δ (2019/2018)			Δ (2020/2019)			
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% <sup>2</sup>	Value	Change	% <sup>2</sup>	
<b>1. Mining products</b>		<b>1,944</b>	<b>91%</b>		<b>2,301</b>	<b>92%</b>		<b>1,286</b>	<b>94%</b>		<b>357</b>	<b>18%</b>	<b>17%</b>	<b>(1,016)</b>	<b>-44%</b>	<b>-40%</b>
1.1. Copper ores and concentrates	459	628	30%	489	701	28%	429	486	35%	74	12%	3%	(215)	-31%	-9%	
1.2. Coal	10,142	790	37%	11,385	961	38%	4,119	334	24%	171	22%	8%	(627)	-65%	-25%	
1.3. Crude oil	2,210	139	7%	2,106	118	5%	488	21	2%	(20)	-15%	-7%	(98)	-82%	-4%	
1.4. Iron ores and concentrates	2,036	93	4%	2,842	159	6%	2,736	189	14%	67	72%	3%	30	19%	7%	
1.5. Non-monetary gold /kg/	3,432	144	7%	4,665	196	8%	1,556	80	6%	51	36%	2%	(116)	-59%	-5%	
1.6. Zinc ores and concentrates	42	75	4%	54	79	3%	50	63	5%	4	5%	0%	(16)	-20%	-7%	
1.7. Fluorspar, leucite, nepheline etc.	114	36	2%	152	55	2%	197	50	4%	19	51%	1%	(5)	-8%	0%	
1.8. Molybdenum ores and concentrates	2	14	1%	2	16	1%	2	15	1%	2	13%	0%	(1)	-9%	0%	
1.9. Tungsten ores and concentrates	0	1	0%	0	1	0%	0	0	0%	(0)	-16%	0%	(1)	-97%	0%	
1.10. Silver /tonnes/	0	0	0%	0	-	0%	40	23	2%	(0)	0%	0%	23	0%	7%	
1.11. Other	187	23	1%	75	15	1%	28	25	2%	(9)	-37%	0%	10	71%	0%	
<b>2. Animal products</b>	<b>161</b>	<b>97</b>	<b>5%</b>	<b>147</b>	<b>122</b>	<b>5%</b>	<b>115</b>	<b>34</b>	<b>2%</b>	<b>25</b>	<b>26%</b>	<b>1%</b>	<b>(89)</b>	<b>-72%</b>	<b>-4%</b>	
2.1. Live animals, meat	7	16	1%	9	17	1%	1	2	0%	1	9%	0%	(15)	-89%	-7%	
2.2. Hide, skin and leather	147	8	0%	129	6	0%	110	5	0%	(2)	-24%	0%	(1)	-19%	0%	
2.3. Casing	0	3	0%	0	3	0%	0	4	0%	0	15%	0%	0	15%	0%	
2.4. Cashmere	4	66	3%	3	87	3%	2	20	1%	21	32%	1%	(67)	-77%	-3%	
2.5. Wool, other hair	2	4	0%	4	8	0%	2	3	0%	5	124%	0%	(5)	-65%	0%	
2.6. Other	0	1	0%	1	1	0%	0	0	0%	0	2%	0%	(0)	-56%	0%	
<b>3. Horticultural products</b>	<b>2</b>	<b>1</b>	<b>0%</b>	<b>15</b>	<b>3</b>	<b>0%</b>	<b>13</b>	<b>4</b>	<b>0%</b>	<b>2</b>	<b>256%</b>	<b>0%</b>	<b>1</b>	<b>23%</b>	<b>0%</b>	
<b>4. Manufacturing goods</b>	<b>81</b>	<b>83</b>	<b>4%</b>	<b>152</b>	<b>85</b>	<b>3%</b>	<b>69</b>	<b>50</b>	<b>4%</b>	<b>1</b>	<b>2%</b>	<b>0%</b>	<b>(35)</b>	<b>-41%</b>	<b>-1%</b>	
4.1. Food	8	25	1%	10	24	1%	2	6	0%	(1)	-3%	0%	(18)	-75%	-7%	
4.2. Cashmere goods	0	5	0%	0	9	0%	0	4	0%	4	74%	0%	(5)	-57%	0%	
4.3. Other apparel, footwear etc.	1	4	0%	1	3	0%	1	3	0%	(0)	-9%	0%	0	2%	0%	
4.4. Mining products	13	36	2%	45	35	1%	7	24	2%	(1)	-3%	0%	(11)	-31%	0%	
4.5. Electronic goods	0	0	0%	0	0	0%	0	0	0%	0	9%	0%	(0)	-7%	0%	
4.6. Machinery, equipment and their parts	1	11	1%	0	10	0%	1	10	1%	(1)	-8%	0%	0	1%	0%	
4.7. Other	58	2	0%	96	2	0%	58	2	0%	0	25%	0%	(1)	-35%	0%	
<b>5. Other</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>(0)</b>	<b>-7%</b>	<b>0%</b>	<b>0</b>	<b>23%</b>	<b>0%</b>	
<b>Total</b>		<b>2,125</b>		<b>2,512</b>			<b>1,374</b>			<b>387</b>	<b>18%</b>		<b>(1,138)</b>	<b>-45%</b>		

**Table 3. Changes in exports April, 2020 /million USD/**

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>1. Mining products</b>	<b>(876)</b>	<b>0%</b>	<b>(140)</b>	<b>0%</b>	<b>(1,016)</b>	<b>-44%</b>
1.1. Copper ores and concentrates	(68)	31%	(148)	69%	(215)	-31%
1.2. Coal	(589)	94%	(38)	6%	(627)	-65%
1.3. Crude oil	(69)	70%	(29)	30%	(98)	-82%
1.4. Iron ores and concentrates	(7)	-25%	37	125%	30	19%
1.5. Non-monetary gold	(130)	113%	14	-13%	(116)	-59%
1.6. Zinc ores and concentrates	(5)	30%	(11)	70%	(16)	-20%
1.7. Fluorspar, leucite, nepheline etc.	12	-249%	(16)	349%	(5)	-8%
1.8. Molybdenum ores and concentrates	1	-91%	(3)	191%	(1)	-9%
1.9. Tungsten ores and concentrates	(1)	76%	(0)	24%	(1)	-97%
1.10. Silver	23	100%	-	0%	23	0%
1.11. Other	(43)	-414%	53	514%	10	71%
<b>2. Animal products</b>	<b>(48)</b>	<b>54%</b>	<b>(40)</b>	<b>46%</b>	<b>(89)</b>	<b>-72%</b>
2.2. Hide, skin and leather	(1)	73%	(0)	27%	(1)	-19%
2.4. Cashmere	(14)	21%	(53)	79%	(67)	-77%
<b>3. Horticultural products</b>	<b>(1)</b>	<b>-65%</b>	<b>1</b>	<b>165%</b>	<b>1</b>	<b>23%</b>
<b>4. Manufacturing goods</b>	<b>(153)</b>	<b>439%</b>	<b>119</b>	<b>119%</b>	<b>(35)</b>	<b>-41%</b>
<b>5. Other</b>	<b>(0)</b>	<b>-116%</b>	<b>0</b>	<b>16%</b>	<b>0</b>	<b>23%</b>
<b>Total</b>	<b>(1,078)</b>		<b>(61)</b>		<b>(1,138)</b>	<b>-45%</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**



As of April 2020, the total export decreased by USD 1,078 million due to quantity changes, and decreased by USD 61 million due to price changes.

**Total changes in exports by category:**

The export of coal and copper decreased by USD 657 million due to the volume changes and decreased by USD 185 million due to the price changes. These changes explain the USD 842 million decrease in mining products.

The export of animal products decreased by USD 48 million due to volume changes and decreased by USD 40 million due to price changes.

The average price of an ounce of gold on the global market as of April 2020 reached USD 1,686. Which is an increase of 31% from the previous year and an increase of 6% from the previous month. The average price of "A" level purified copper and iron ore reached USD 5,058 and USD 85, respectively.

Compared to the prices of the same period of last year, copper and iron ore prices decreased by 21%, 10%, respectively. While compared to the previous month, the average price of copper decreased by 2%, and iron ore decreased by 5%.

The border price of coal reached USD 82 as of April 2020, which is a 6% fall from last year, an 19% increase from last month.

**Import:** As of April 2020, total import decreased by 10% (or USD 180 million) from that of the previous year. Capital goods explain 5 percentage points, consumer goods explain 3 percentage points and fuels import explain 3 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	% <sup>2</sup>	Value	Change	% <sup>2</sup>	
<b>Consumer goods</b>		<b>445</b>	<b>28%</b>		<b>498</b>	<b>28%</b>		<b>450</b>	<b>28%</b>		<b>54</b>	<b>12%</b>	<b>3%</b>	<b>(49)</b>	<b>-10%</b>	<b>-3%</b>
Non-durables	283	243	15%	267	249	14%	298	253	16%	6	2%	0%	4	2%	0%	
Food	132	169	11%	124	176	10%	132	173	11%	7	4%	0%	(3)	-2%	0%	
Medicinal and pharmaceutical products	1	32	2%	1	30	2%	1	35	2%	(2)	-7%	0%	5	18%	0%	
Other non-durables	150	42	3%	142	43	2%	165	44	3%	1	2%	0%	2	4%	0%	
Durables	54	202	13%	120	249	14%	80	196	12%	48	24%	3%	(53)	-21%	-3%	
Clothing	16	22	1%	22	20	1%	36	22	1%	(2)	-8%	0%	2	11%	0%	
Household electrical appliances and furniture	17	33	2%	76	32	2%	20	30	2%	(1)	-4%	0%	(2)	-5%	0%	
Passenger cars and parts	0	124	8%	1	171	10%	0	119	7%	46	37%	3%	(52)	-30%	-3%	
Other durables	21	22	1%	21	27	2%	24	25	2%	5	22%	0%	(2)	-6%	0%	
<b>Capital goods</b>		<b>601</b>	<b>38%</b>		<b>717</b>	<b>41%</b>		<b>638</b>	<b>40%</b>		<b>116</b>	<b>19%</b>	<b>7%</b>	<b>(80)</b>	<b>-11%</b>	<b>-5%</b>
Machinery, equipment, supplies and vehicles	7	394	25%	9	501	28%	10	424	27%	107	27%	7%	(77)	-15%	-4%	
Vehicles other than passenger cars, parts	0	115	7%	1	169	10%	3	134	8%	53	46%	3%	(34)	-20%	-2%	
Machinery, equipment and supplies	6	278	18%	8	333	19%	7	290	18%	54	19%	3%	(43)	-13%	-2%	
Construction materials	156	140	9%	224	163	9%	244	159	10%	23	17%	1%	(4)	-3%	0%	
Other capital goods	12	68	4%	7	53	3%	10	55	3%	(14)	-21%	-1%	2	3%	0%	
<b>Intermediate goods and industrial materials</b>		<b>236</b>	<b>15%</b>		<b>201</b>	<b>11%</b>		<b>211</b>	<b>13%</b>		<b>(35)</b>	<b>-15%</b>	<b>-2%</b>	<b>10</b>	<b>5%</b>	<b>1%</b>
Food ingredients (wheat, malt etc)	187	52	3%	12	6	0%	91	23	1%	(46)	-88%	-3%	16	262%	1%	
Chemical products	59	34	2%	66	35	2%	63	35	2%	1	3%	0%	(0)	-1%	0%	
Yam, fabrics, textiles, leather	18	8	0%	25	10	1%	23	8	1%	2	24%	0%	(1)	-13%	0%	
Electricity	1	47	3%	1	46	3%	1	48	3%	(1)	-2%	0%	2	4%	0%	
Metal ores and scrap	0	0	0%	0	0	0%	0	0	0%	0	98%	0%	(0)	-50%	0%	
Other industrial materials	261	95	6%	308	103	6%	269	97	6%	9	9%	1%	(7)	-6%	0%	
<b>Fuels</b>		<b>447</b>	<b>29%</b>		<b>563</b>	<b>20%</b>		<b>489</b>	<b>28%</b>		<b>50</b>	<b>17%</b>	<b>3%</b>	<b>(61)</b>	<b>-18%</b>	<b>-3%</b>
Diesels	256	165	10%	334	207	12%	259	149	9%	43	26%	3%	(59)	-28%	-3%	
Gasolines A92-95	99	67	4%	161	91	5%	135	76	5%	24	35%	1%	(15)	-16%	-1%	
Gasolines A80 and other fuels	91	65	4%	67	49	3%	95	61	4%	(16)	-24%	-1%	12	25%	1%	
<b>Other</b>		<b>3</b>	<b>0%</b>		<b>2</b>	<b>0%</b>		<b>2</b>	<b>0%</b>		<b>(1)</b>	<b>-36%</b>	<b>0%</b>	<b>(0)</b>	<b>-11%</b>	<b>0%</b>
<b>TOTAL</b>		<b>1,582</b>		<b>1,766</b>			<b>1,586</b>			<b>184</b>	<b>12%</b>		<b>(180)</b>	<b>-10%</b>		

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

**Table 5. Changes in imports /million USD/**

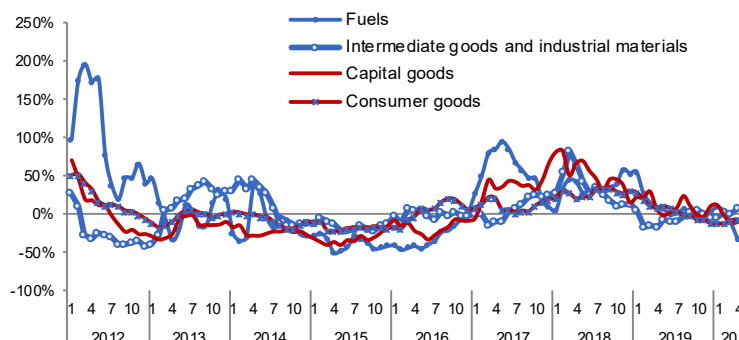
Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>Consumer goods</b>	(12)	25%	(37)	75%	(49)	-10%
Non-durables	16	374%	(11)	-274%	4	2%
Durables	(28)	52%	(25)	48%	(53)	-21%
<b>Capital goods</b>	<b>70</b>	<b>-88%</b>	<b>(150)</b>	<b>188%</b>	<b>(80)</b>	<b>-11%</b>
Machinery, equipment, supplies and vehicles	53	0%	(130)	169%	(77)	-15%
Construction materials	16	-387%	(20)	487%	(4)	-3%
Other capital goods	1	66%	1	34%	2	3%
<b>Intermediate goods and industrial materials</b>	<b>6</b>		<b>4</b>		<b>10</b>	<b>5%</b>
<b>Fuels</b>	<b>(40)</b>	<b>66%</b>	<b>(21)</b>	<b>34%</b>	<b>(61)</b>	<b>-18%</b>
Diesels	(43)	74%	(15)	26%	(59)	-28%
Gasolines A92-95	(15)	102%	0	-2%	(15)	-16%
Gasolines A80 and other fuels	18	145%	(6)	-45%	12	25%
<b>Other</b>	<b>2</b>	<b>0%</b>	<b>(2)</b>		<b>(0)</b>	<b>-11%</b>
<b>TOTAL</b>	<b>25</b>		<b>(205)</b>	<b>114%</b>	<b>(180)</b>	<b>-10%</b>

A total decrease in imports (of USD 180 million) suggests:

- Import of capital goods decreased by USD 80 million,
- Import of petroleum products decreased by USD 61 million,
- Import of consumer goods decreased by USD 49 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 April 2020, the border price of petroleum products reached USD 418 per ton. Which is a 36% price decrease from the previous year, and a 31% decrease from the previous month.