



# MONGOLIA'S FOREIGN TRADE REVIEW

July 2020

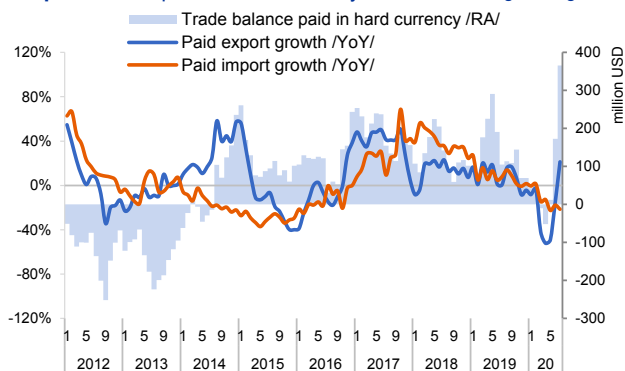
**Overview:** As of July 2020, total trade turnover decreased by 17% (or USD 1,348 million) from that of the previous year and reached USD 6,731 million. In which, total exports decreased by 17% (or USD 783 million), while imports decreased by 16% (or USD 565 million). During the reporting period, trade balance decreased by USD 218 million from that of the previous year to a surplus of USD 847 million.

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

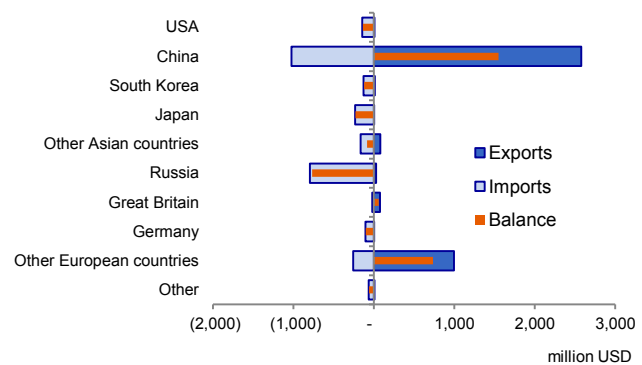
Category	Yearly			Change				First 7 month			Change			
	2017	2018	2019	2018/2017		2019/2018		2018	2019	2020	2019/2018		2020/2019	
				Value	%	Value	%				Value	%	Value	%
<b>Turnover</b>	<b>10,538</b>	<b>12,887</b>	<b>13,747</b>	<b>2,349</b>	<b>22%</b>	<b>861</b>	<b>7%</b>	<b>7,382</b>	<b>8,079</b>	<b>6,731</b>	<b>696</b>	<b>9%</b>	<b>(1,348)</b>	<b>-17%</b>
Exports	6,201	7,012	7,620	811	13%	608	9%	4,117	4,571	3,789	455	11%	(783)	-17%
Imports	4,337	5,875	6,128	1,537	35%	253	4%	3,266	3,507	2,942	242	7%	(565)	-16%
<b>Balance</b>	<b>1,863</b>	<b>1,137</b>	<b>1,492</b>	<b>(726)</b>	<b>0.0%</b>	<b>355</b>	<b>31.2%</b>	<b>851</b>	<b>1,064</b>	<b>847</b>	<b>213</b>	<b>25%</b>	<b>(218)</b>	<b>-20%</b>

**The balance of trade paid in hard currency:** in the first 7 months of 2020, reached a surplus of USD 136 million, which is a decrease of USD 980 million from the previous year.

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

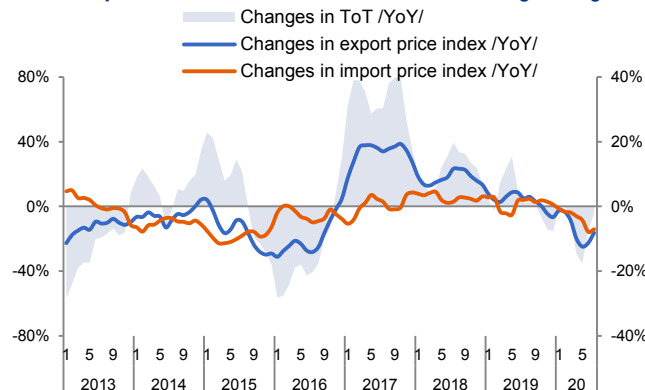


**Graph 2.** Trade balance, by main trade partners



**The structure of the trade flows with the neighboring trade partners** are as follows: total trade turnover with (i) China is 53% (or USD 3,601 million) and with (ii) Russia is 12% (or USD 822 million). Compared to the same period of last year trade turnover with Russia and China decreased by 18% and 32%, respectively.

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



**Terms of trade index** decreased by 3% from that of the previous year and by 7% from that of the previous month, reaching 1.935. Terms of trade deteriorated from the same period of last year due to a decrease in the export price of coal. Due to an increase in the import prices of capital goods and petroleum products, terms of trade have deteriorated from the previous month.

**Export:** As of July 2020, total exports decreased by 17% (or USD 783 million) from that of the previous year. The decrease in mining products explains 10 percentage points and other sector products explains 7 percentage points of the total export growth. The weight of mining products in total exports increased by 5 percentage points, whereas animal products decreased by 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	% <sup>2</sup>	Value	Change	% <sup>2</sup>
<b>1. Mining products</b>		<b>3,636</b>	<b>88%</b>		<b>4,005</b>	<b>88%</b>		<b>3,546</b>	<b>94%</b>	<b>369</b>	<b>10%</b>	<b>9%</b>	<b>(459)</b>	<b>-11%</b>	<b>-10%</b>
1.1. Copper ores and concentrates	848	1,176	29%	868	1,200	26%	794	876	23%	24	2%	1%	(324)	-27%	-7%
1.2. Coal	20,549	1,611	39%	20,807	1,788	39%	11,209	879	23%	177	11%	4%	(908)	-51%	-20%
1.3. Crude oil	3,851	251	6%	3,726	211	5%	1,282	46	1%	(40)	-16%	-1%	(165)	-78%	-4%
1.4. Iron ores and concentrates	3,961	181	4%	4,835	311	7%	4,904	345	9%	130	72%	3%	34	11%	1%
1.5. Non-monetary gold /kg/	3,432	144	4%	4,665	196	4%	18,910	1,080	29%	51	36%	1%	884	451%	19%
1.6. Zinc ores and concentrates	71	124	3%	83	122	3%	77	92	2%	(2)	-2%	0%	(29)	-24%	-1%
1.7. Fluorspar, leucite, nepheline etc.	240	79	2%	359	115	3%	370	88	2%	35	45%	1%	(27)	-23%	-1%
1.8. Molybdenum ores and concentrates	3	27	1%	3	29	1%	4	24	1%	2	8%	0%	(5)	-17%	0%
1.9. Tungsten ores and concentrates	0	3	0%	0	3	0%	0	0	0%	(0)	-12%	0%	(3)	-94%	0%
1.10. Silver /tonnes/	0	0	0%	0	0	0%	142,481	75	2%	(0)	0%	0%	75	0%	2%
1.11. Other	283	38	1%	93	31	1%	34	40	1%	(8)	-20%	0%	9	30%	0%
<b>2. Animal products</b>	<b>254</b>	<b>316</b>	<b>8%</b>	<b>219</b>	<b>353</b>	<b>8%</b>	<b>148</b>	<b>144</b>	<b>4%</b>	<b>37</b>	<b>12%</b>	<b>1%</b>	<b>(209)</b>	<b>-59%</b>	<b>-5%</b>
2.1. Live animals, meat	12	27	1%	14	27	1%	4	8	0%	(0)	-1%	0%	(19)	-69%	0%
2.2. Hide, skin and leather	227	12	0%	189	10	0%	135	6	0%	(2)	-15%	0%	(4)	-42%	0%
2.3. Casing	0	4	0%	0	5	0%	0	5	0%	1	17%	0%	0	7%	0%
2.4. Cashmere	8	261	6%	7	299	7%	5	120	3%	38	15%	1%	(179)	-60%	-4%
2.5. Wool, other hair	6	11	0%	6	11	0%	4	5	0%	0	3%	0%	(6)	-58%	0%
2.6. Other	1	2	0%	3	2	0%	0	0	0%	(0)	-1%	0%	(1)	-74%	0%
<b>3. Horticultural products</b>	<b>18</b>	<b>4</b>	<b>0%</b>	<b>29</b>	<b>7</b>	<b>0%</b>	<b>24</b>	<b>7</b>	<b>0%</b>	<b>3</b>	<b>75%</b>	<b>0%</b>	<b>0</b>	<b>1%</b>	<b>0%</b>
<b>4. Manufacturing goods</b>	<b>166</b>	<b>160</b>	<b>4%</b>	<b>264</b>	<b>207</b>	<b>5%</b>	<b>139</b>	<b>92</b>	<b>2%</b>	<b>47</b>	<b>29%</b>	<b>1%</b>	<b>(115)</b>	<b>-56%</b>	<b>-3%</b>
4.1. Food	13	37	1%	14	34	1%	5	14	0%	(3)	-8%	0%	(20)	-58%	0%
4.2. Cashmere goods	0	13	0%	0	19	0%	0	15	0%	6	44%	0%	(4)	-23%	0%
4.3. Other apparel, footwear etc.	2	7	0%	1	7	0%	2	7	0%	(0)	-4%	0%	1	8%	0%
4.4. Mining products	32	64	2%	93	61	1%	12	38	1%	(3)	-5%	0%	(23)	-38%	-1%
4.5. Electronic goods	0	2	0%	0	1	0%	0	0	0%	(1)	-71%	0%	(0)	-21%	0%
4.6. Machinery, equipment and their parts	2	34	1%	1	82	2%	1	15	0%	48	140%	1%	(66)	-81%	-1%
4.7. Other	117	3	0%	154	4	0%	119	3	0%	1	35%	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>1</b>	<b>0%</b>	<b>(0)</b>	<b>-4%</b>	<b>0%</b>	<b>0</b>	<b>30%</b>	<b>0%</b>
<b>Total</b>		<b>4,117</b>		<b>4,571</b>		<b>3,789</b>		<b>455</b>	<b>11%</b>	<b>(783)</b>	<b>-17%</b>				

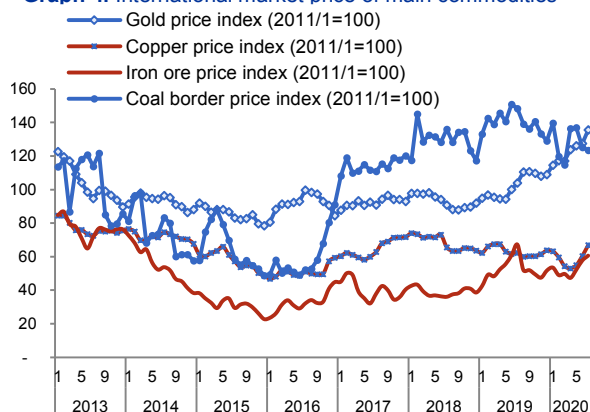
<sup>2</sup>% - Contribution to total growth

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

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>1. Mining products</b>	<b>(101)</b>	<b>0%</b>	<b>(358)</b>	<b>0%</b>	<b>(459)</b>	<b>-11%</b>
1.1. Copper ores and concentrates	(81)	25%	(243)	75%	(324)	-27%
1.2. Coal	(753)	83%	(155)	17%	(908)	-51%
1.3. Crude oil	(88)	53%	(77)	47%	(165)	-78%
1.4. Iron ores and concentrates	5	14%	29	86%	34	11%
1.5. Non-monetary gold	84	92%	71	8%	884	451%
1.6. Zinc ores and concentrates	(7)	22%	(23)	78%	(29)	-24%
1.7. Fluorspar, leucite, nepheline etc.	3	-10%	(30)	110%	(27)	-23%
1.8. Molybdenum ores and concentrates	2	-42%	(7)	142%	(5)	-17%
1.9. Tungsten ores and concentrates	(2)	86%	(0)	14%	(3)	-94%
1.10. Silver	75	100%	-	0%	75	0%
1.11. Other	(69)	-745%	78	845%	9	30%
<b>2. Animal products</b>	<b>(78)</b>	<b>37%</b>	<b>(132)</b>	<b>63%</b>	<b>(209)</b>	<b>-59%</b>
2.2. Hide, skin and leather	(2)	54%	(2)	46%	(4)	-42%
2.4. Cashmere	(47)	26%	(132)	74%	(179)	-60%
<b>3. Horticultural products</b>	<b>(1)</b>	<b>####</b>	<b>1</b>	<b>####</b>	<b>0</b>	<b>1%</b>
<b>4. Manufacturing goods</b>	<b>(284)</b>	<b>247%</b>	<b>169</b>	<b>####</b>	<b>(115)</b>	<b>-56%</b>
<b>5. Other</b>	<b>(0)</b>	<b>-239%</b>	<b>0</b>	<b>59%</b>	<b>0</b>	<b>30%</b>
<b>Total</b>	<b>(465)</b>		<b>(319)</b>		<b>(783)</b>	<b>-17%</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**



A total decrease in exports (of USD 783 million) as of the first 7 months of 2020 compared to the same period of last year suggests:

1/ Export of mining products, due to volume changes decreased by USD 101 million, and due to price changes decreased by USD 358 million. Changes in export volume and prices of coal and copper concentrate explains the USD 1,232 million decrease in mining products. However, compared to the same period of last year, export volume of gold increased by USD 884 million.

2/ Export of animal products, due to volume changes decreased by USD 78 million and due to price changes decreased by USD 132 million.

The average price of an ounce of gold on the global market as of July 2020 reached USD 1,846 which is an increase of 30% from the previous year and an increase of 6% from the previous month. Average prices of "A" level purified copper and iron ore reached USD 6,372 and USD 109, respectively. Which is a 7% decrease for copper and 10% decrease for iron ore compared to the prices of the same period last year. Compared to the previous month, the export prices of copper and iron increased by 11% and 5%, respectively.

Export price of coal reached USD 74 as of July 2020, which is a 17% decrease from the last year and a 9% decrease from the previous month.

**Import:** As of July 2020, total import decreased by 16% (or USD 565 million) from that of the previous year. Capital goods explain 16 percentage points, petroleum products explain 6 percentage points, consumer goods explain 3 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	% <sup>2</sup>	Value	Change	% <sup>2</sup>	
<b>Consumer goods</b>		<b>902</b>	<b>28%</b>		<b>967</b>	<b>28%</b>		<b>855</b>	<b>29%</b>		<b>65</b>	<b>7%</b>	<b>2%</b>	<b>(113)</b>	<b>-12%</b>	<b>-3%</b>
Non-durables	550	472	14%	506	482	14%	550	480	16%	9	2%	0%	(2)	0%	0%	
Food	270	328	10%	246	341	10%	265	337	11%	13	4%	0%	(4)	-1%	0%	
Medicinal and pharmaceutical products	2	65	2%	2	59	2%	2	62	2%	(6)	-9%	0%	3	5%	0%	
Other non-durables	279	80	2%	259	81	2%	283	81	3%	2	2%	0%	(1)	-1%	0%	
Durables	122	430	13%	206	485	14%	172	374	13%	56	13%	2%	(111)	-23%	-3%	
Clothing	31	39	1%	42	37	1%	54	37	1%	(2)	-6%	0%	0	0%	0%	
Household electrical appliances and furniture	47	64	2%	114	63	2%	69	58	2%	(1)	-2%	0%	(5)	-7%	0%	
Passenger cars and parts	1	281	9%	1	336	10%	1	228	8%	55	19%	2%	(108)	-32%	-3%	
Other durables	43	45	1%	48	50	1%	49	51	2%	5	11%	0%	1	3%	0%	
<b>Capital goods</b>		<b>1,317</b>	<b>40%</b>		<b>1,492</b>	<b>43%</b>		<b>1,252</b>	<b>43%</b>		<b>175</b>	<b>13%</b>	<b>5%</b>	<b>(240)</b>	<b>-16%</b>	<b>-7%</b>
Machinery, equipment, supplies and vehicles	17	823	25%	17	999	28%	20	775	26%	176	21%	5%	(224)	-22%	-6%	
Vehicles other than passenger cars, parts	1	274	8%	1	371	11%	5	249	8%	98	36%	3%	(122)	-33%	-3%	
Machinery, equipment and supplies	16	549	17%	16	628	18%	15	526	18%	79	14%	2%	(102)	-16%	-3%	
Construction materials	438	374	11%	572	381	11%	731	341	12%	7	2%	0%	(40)	-10%	-1%	
Other capital goods	24	120	4%	25	112	3%	53	136	5%	(7)	-6%	0%	24	21%	1%	
<b>Intermediate goods and industrial materials</b>		<b>438</b>	<b>13%</b>		<b>385</b>	<b>11%</b>		<b>377</b>	<b>13%</b>		<b>(54)</b>	<b>-12%</b>	<b>-2%</b>	<b>(7)</b>	<b>-2%</b>	<b>0%</b>
Food ingredients (wheat, malt etc)	262	69	2%	28	13	0%	129	34	1%	(56)	-81%	-2%	20	151%	1%	
Chemical products	119	71	2%	130	69	2%	111	65	2%	(2)	-3%	0%	(4)	-6%	0%	
Yam, fabrics, textiles, leather	42	17	1%	47	17	0%	38	14	0%	1	4%	0%	(3)	-19%	0%	
Electricity	1	84	3%	1	83	2%	1	80	3%	(0)	0%	0%	(3)	-3%	0%	
Metal ores and scrap	0	0	0%	1	0	0%	1	1	0%	(0)	-11%	0%	0	18%	0%	
Other industrial materials	519	197	6%	556	201	6%	560	184	6%	4	2%	0%	(17)	-9%	0%	
<b>Petroleum products</b>		<b>888</b>	<b>60%</b>		<b>1,045</b>	<b>19%</b>		<b>1,019</b>	<b>45%</b>		<b>56</b>	<b>9%</b>	<b>2%</b>	<b>(204)</b>	<b>-31%</b>	<b>-6%</b>
Diesels	487	317	10%	642	399	11%	544	235	8%	82	26%	3%	(165)	-41%	-5%	
Gasolines A92-95	190	132	4%	274	164	5%	289	122	4%	32	24%	1%	(43)	-26%	-1%	
Gasolines A80 and other fuels	211	155	5%	129	96	3%	186	99	3%	(59)	-38%	-2%	3	3%	0%	
<b>Other</b>		<b>4</b>	<b>0%</b>		<b>3</b>	<b>0%</b>		<b>3</b>	<b>0%</b>		<b>(1)</b>	<b>-21%</b>	<b>0%</b>	<b>(1)</b>	<b>-27%</b>	<b>0%</b>
<b>TOTAL</b>		<b>3,266</b>			<b>3,507</b>			<b>2,942</b>			<b>242</b>	<b>7%</b>		<b>(565)</b>	<b>-16%</b>	

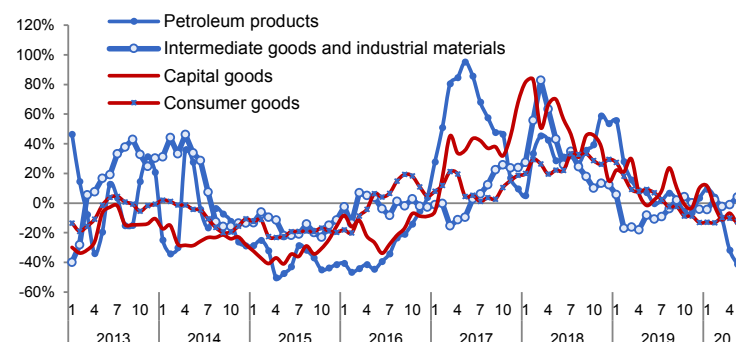
<sup>2</sup> - Contribution to total growth

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

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>Consumer goods</b>	<b>26</b>	<b>-23%</b>	<b>(139)</b>	<b>123%</b>	<b>(113)</b>	<b>-12%</b>
Non-durables	20	-1335%	(22)	1435%	(2)	0%
Durables	6	-6%	(117)	106%	(111)	-23%
<b>Capital goods</b>	<b>201</b>	<b>-84%</b>	<b>(442)</b>	<b>184%</b>	<b>(240)</b>	<b>-16%</b>
Machinery, equipment, supplies and vehicles	158	0%	(382)	170%	(224)	-22%
Construction materials	43	-108%	(83)	208%	(40)	-10%
Other capital goods	1	3%	23	97%	24	21%
<b>Intermediate goods and industrial materials</b>	<b>12</b>		<b>(19)</b>		<b>(7)</b>	<b>-2%</b>
<b>Petroleum products</b>	<b>(5)</b>	<b>3%</b>	<b>(199)</b>	<b>97%</b>	<b>(204)</b>	<b>-31%</b>
Diesels	(42)	26%	(122)	74%	(165)	-41%
Gasolines A92-95	6	-14%	(49)	114%	(43)	-26%
Gasolines A80 and other fuels	30	1004%	(27)	-904%	3	3%
<b>Other</b>	<b>2</b>	<b>0%</b>	<b>(3)</b>		<b>(1)</b>	<b>-27%</b>
<b>TOTAL</b>	<b>237</b>		<b>(802)</b>	<b>142%</b>	<b>(565)</b>	<b>-16%</b>

\* 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/**



A total decrease in imports (of USD 565 million) as of the first 7 months of 2020 compared to the same period of last year suggests:

- Import of machinery, equipment, supplies and vehicles decreased by USD 240 million,
- Import of petroleum products decreased by USD 204 million, most of which is due to changes in consumption of diesel fuel,
- Import of consumer products decreased by USD 204 million,
- Import of intermediate goods and industrial materials decreased by USD 7 million.

As of July 2020, border price of petroleum products reached USD 310 per ton. Which is a 41% decrease compared to the same period of last year, and a 19% increase from the previous month.