



# MONGOLIA'S FOREIGN TRADE REVIEW

September 2020

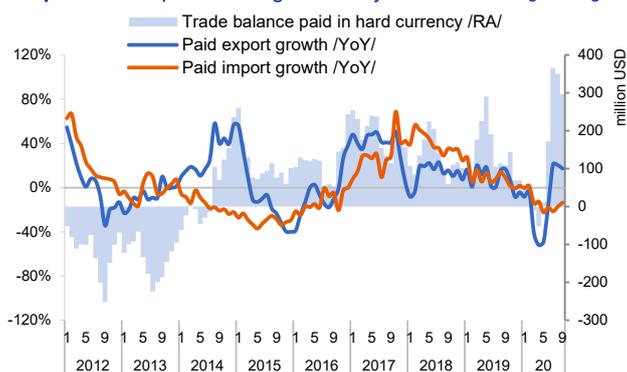
**Overview:** As of September 2020, Mongolia's total trade turnover decreased by 14% (or USD 1,470 million) from that of the previous year and reached USD 9,075 million. In which total exports fell by 13% (or USD 799 million), while imports fell by 15% (or USD 671 million). During the reporting period, the trade balance decreased by USD 128 million from that of the previous year to a surplus of USD 1,219 million.

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

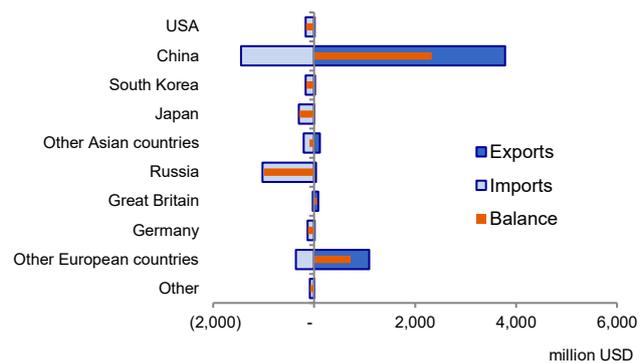
Category	Yearly			Change				First 9 month			Change			
	2017	2018	2019	2018/2017		2019/2018		2018	2019	2020	2019/2018		2020/2019	
				Value	%	Value	%				Value	%	Value	%
<b>Turnover</b>	<b>10,538</b>	<b>12,887</b>	<b>13,747</b>	<b>2,349</b>	<b>22%</b>	<b>861</b>	<b>7%</b>	<b>9,634</b>	<b>10,545</b>	<b>9,075</b>	<b>911</b>	<b>9%</b>	<b>(1,470)</b>	<b>-14%</b>
Exports	6,201	7,012	7,620	811	13%	608	9%	5,283	5,946	5,147	663	13%	(799)	-13%
Imports	4,337	5,875	6,128	1,537	35%	253	4%	4,351	4,599	3,928	248	6%	(671)	-15%
<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>932</b>	<b>1,347</b>	<b>1,219</b>	<b>416</b>	<b>45%</b>	<b>(128)</b>	<b>-10%</b>

The trade balance paid in foreign currency, in the first nine months of 2020 reached a surplus of USD 1,376 million, which is a decrease of USD 50 million from the previous year.

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

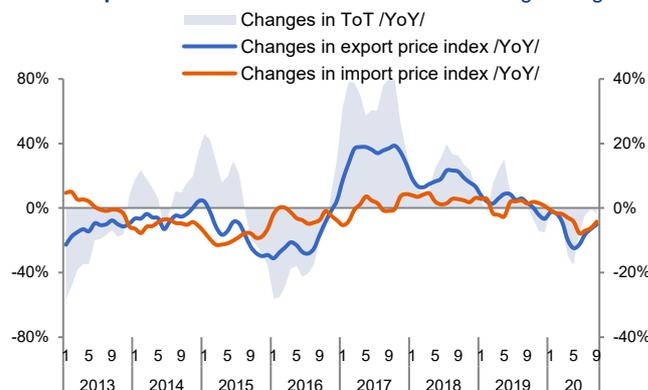


**Graph 2.** Trade balance, by main trade partners



The structure of the trade flows with the neighboring countries are as follows: the total trade turnover with China is 58% (or USD 5,227 million) and with Russia is 12% (or USD 1,063 million). Compared to the same period of last year, trade turnover with Russia and China decreased by 19% and 23%, respectively.

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



The terms of trade index improved by 2% from the same period of last year and deteriorated by 4% from the previous month, reaching 1.844. The annual improvement of 2% is due to an increase in the export price of gold and copper concentrate. The 4% deterioration from last month is due a fall in the export price of gold and coal.

**Export:** As of September 2020, total exports decreased by 13% (or USD 799 million) from that of the previous year. The decrease in mining products explains 8 percentage points, and animal products explains 3 percentage points of the total export contraction. The weight of mining products in total exports increased by 4 percentage points, whereas animal products decreased by 2 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>4,672</b>	<b>88%</b>		<b>5,276</b>	<b>89%</b>		<b>4,781</b>	<b>93%</b>		<b>604</b>	<b>13%</b>	<b>11%</b>	<b>(495)</b>	<b>-9%</b>	<b>-8%</b>
1.1. Copper ores and concentrates	1,073	1,488	28%	1,066	1,421	24%	1,021	1,166	23%	(67)	-4%	-1%	(255)	-18%	-4%	
1.2. Coal	27,027	2,122	40%	28,629	2,435	41%	19,822	1,476	29%	312	15%	6%	(959)	-39%	-16%	
1.3. Crude oil	4,812	316	6%	4,842	272	5%	2,380	86	2%	(44)	-14%	-1%	(186)	-68%	-3%	
1.4. Iron ores and concentrates	5,315	240	5%	6,134	422	7%	6,253	463	9%	182	76%	3%	41	10%	1%	
1.5. Non-monetary gold /kg/	3,432	144	3%	7,464	344	6%	20,247	1,166	23%	200	138%	4%	822	239%	14%	
1.6. Zinc ores and concentrates	92	153	3%	101	145	2%	103	124	2%	(8)	-5%	0%	(21)	-14%	0%	
1.7. Fluorspar, leucite, nepheline etc.	345	116	2%	500	155	3%	491	115	2%	39	34%	1%	(40)	-26%	-1%	
1.8. Molybdenum ores and concentrates	4	36	1%	4	37	1%	5	30	1%	1	3%	0%	(7)	-20%	0%	
1.9. Tungsten ores and concentrates	0	5	0%	0	5	0%	0	0	0%	(0)	-5%	0%	(5)	-96%	0%	
1.10. Silver /tonnes/	0	1	0%	0	-	0%	182,291	99	2%	(1)	0%	0%	99	0%	2%	
1.11. Other	374	50	1%	116	40	1%	62	54	1%	(11)	-21%	0%	14	36%	0%	
<b>2. Animal products</b>		<b>388</b>	<b>7%</b>	<b>247</b>	<b>402</b>	<b>7%</b>	<b>164</b>	<b>219</b>	<b>4%</b>	<b>14</b>	<b>4%</b>	<b>0%</b>	<b>(183)</b>	<b>-45%</b>	<b>-3%</b>	
2.1. Live animals, meat	20	46	1%	18	37	1%	9	18	0%	(9)	-19%	0%	(18)	-50%	0%	
2.2. Hide, skin and leather	252	13	0%	208	11	0%	141	6	0%	(1)	-12%	0%	(5)	-44%	0%	
2.3. Casing	0	6	0%	0	6	0%	0	6	0%	0	5%	0%	0	5%	0%	
2.4. Cashmere	8	299	6%	8	327	6%	7	180	3%	28	9%	1%	(147)	-45%	-2%	
2.5. Wool, other hair	12	22	0%	11	19	0%	6	8	0%	(3)	-15%	0%	(11)	-59%	0%	
2.6. Other	3	3	0%	3	2	0%	0	1	0%	(1)	-24%	0%	(1)	-53%	0%	
<b>3. Horticultural products</b>	<b>26</b>	<b>5</b>	<b>0%</b>	<b>34</b>	<b>8</b>	<b>0%</b>	<b>30</b>	<b>8</b>	<b>0%</b>	<b>2</b>	<b>47%</b>	<b>0%</b>	<b>0</b>	<b>5%</b>	<b>0%</b>	
<b>4. Manufacturing goods</b>	<b>182</b>	<b>217</b>	<b>4%</b>	<b>305</b>	<b>260</b>	<b>4%</b>	<b>174</b>	<b>138</b>	<b>3%</b>	<b>43</b>	<b>20%</b>	<b>1%</b>	<b>(122)</b>	<b>-47%</b>	<b>-2%</b>	
4.1. Food	16	47	1%	17	42	1%	13	34	1%	(5)	-11%	0%	(8)	-19%	0%	
4.2. Cashmere goods	1	25	0%	1	33	1%	1	23	0%	8	32%	0%	(9)	-29%	0%	
4.3. Other apparel, footwear etc.	2	18	0%	2	13	0%	3	11	0%	(5)	-29%	0%	(2)	-17%	0%	
4.4. Mining products	43	82	2%	118	81	1%	14	41	1%	(2)	-2%	0%	(39)	-49%	-1%	
4.5. Electronic goods	0	2	0%	0	1	0%	0	1	0%	(1)	-69%	0%	(0)	-6%	0%	
4.6. Machinery, equipment and their parts	2	39	1%	1	87	1%	2	25	0%	47	121%	1%	(62)	-71%	-1%	
4.7. Other	118	4	0%	166	5	0%	142	4	0%	1	38%	0%	(1)	-26%	0%	
<b>5. Other</b>	<b>0</b>	<b>1</b>	<b>0%</b>	<b>0</b>	<b>1</b>	<b>0%</b>	<b>0</b>	<b>1</b>	<b>0%</b>	<b>(0)</b>	<b>-26%</b>	<b>0%</b>	<b>0</b>	<b>22%</b>	<b>0%</b>	
<b>Total</b>		<b>5,283</b>		<b>5,946</b>			<b>5,147</b>			<b>663</b>	<b>13%</b>		<b>(799)</b>	<b>-13%</b>		

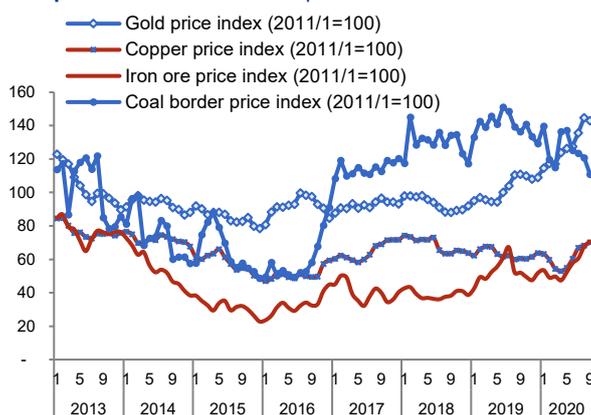
<sup>2</sup> - Contribution to total growth

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

Category*	Changes in quantity		Changes in price		Total changes	
		%		%		%
<b>1. Mining products</b>	<b>(1)</b>	<b>0%</b>	<b>(494)</b>	<b>0%</b>	<b>(495)</b>	<b>-9%</b>
1.1. Copper ores and concentrates	(52)	20%	(203)	80%	(255)	-18%
1.2. Coal	(656)	68%	(303)	32%	(959)	-39%
1.3. Crude oil	(89)	48%	(97)	52%	(186)	-68%
1.4. Iron ores and concentrates	9	21%	32	79%	41	10%
1.5. Non-monetary gold	736	90%	86	10%	822	239%
1.6. Zinc ores and concentrates	2	-12%	(23)	112%	(21)	-14%
1.7. Fluorspar, leucite, nepheline etc.	(2)	5%	(37)	95%	(40)	-26%
1.8. Molybdenum ores and concentrates	2	-33%	(10)	133%	(7)	-20%
1.9. Tungsten ores and concentrates	(4)	94%	(0)	6%	(5)	-96%
1.10. Silver	99	100%	-	0%	99	0%
1.11. Other	(47)	-327%	61	427%	14	36%
<b>2. Animal products</b>	<b>(46)</b>	<b>25%</b>	<b>(137)</b>	<b>75%</b>	<b>(183)</b>	<b>-45%</b>
2.2. Hide, skin and leather	(3)	60%	(2)	40%	(5)	-44%
2.4. Cashmere	(12)	8%	(135)	92%	(147)	-45%
<b>3. Horticultural products</b>	<b>(1)</b>	<b>-295%</b>	<b>1</b>	<b>395%</b>	<b>0</b>	<b>5%</b>
<b>4. Manufacturing goods</b>	<b>(309)</b>	<b>254%</b>	<b>187</b>	<b>###</b>	<b>(122)</b>	<b>-47%</b>
<b>5. Other</b>	<b>(0)</b>	<b>-180%</b>	<b>0</b>	<b>11%</b>	<b>0</b>	<b>22%</b>
<b>Total</b>	<b>(357)</b>		<b>(442)</b>		<b>(799)</b>	<b>-13%</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**



The total decrease in exports (of USD 799 million) compared to September 2019 suggests:

1/ The export of mining products decreased by USD 1 million due to the volume changes and decreased by USD 494 million due to the price changes. Changes in export of coal and copper concentrate explain the USD 1,214 million decrease in mining products.

However, compared to September 2019, the volume of gold export increased by USD 822 million.

2/ The export of animal products decreased by USD 46 million due to the volume changes and decreased by USD 137 million due to the price changes.

The average price of an ounce of gold on the global market as of September 2020 reached USD 1,944. Which is an increase of 29% from the previous year and a decrease of 1% from the last month.

The average prices of "A" level purified copper and iron ore reached USD 6,681 and USD 127, respectively. By comparison, this is a 16% and 36% price increase for copper and iron ore compared to the same period of last year. Compared to last month, the export prices of copper and iron increased by 3% and 5%, respectively.

The border price of coal reached USD 66 as of September 2020, which is a 19% price fall compared to the same period of last year and an 8% price fall from last month.

**Import:** As of September 2020, total imports decreased by 15% (or USD 671 million) from that of the previous year. Capital goods explain 5 percentage points, petroleum products explain 6 percentage points, consumer goods explain 3 percentage points of the total import decline of 15%.

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>1,182</b>	<b>27%</b>		<b>1,230</b>	<b>27%</b>		<b>1,109</b>	<b>28%</b>		<b>49</b>	<b>4%</b>	<b>1%</b>	<b>(121)</b>	<b>-10%</b>	<b>-3%</b>
Non-durables	714	617	14%	666	621	14%	701	629	16%	4	1%	0%	8	1%	0%	
Food	343	429	10%	315	436	9%	334	442	11%	7	2%	0%	6	1%	0%	
Medicinal and pharmaceutical products	2	82	2%	2	77	2%	2	80	2%	(5)	-6%	0%	3	4%	0%	
Other non-durables	369	106	2%	349	108	2%	364	108	3%	2	2%	0%	(0)	0%	0%	
Durables	181	565	13%	239	609	13%	221	480	12%	45	8%	1%	(129)	-21%	-3%	
Clothing	43	54	1%	50	50	1%	63	49	1%	(4)	-7%	0%	(1)	-1%	0%	
Household electrical appliances and furniture	76	84	2%	127	80	2%	91	76	2%	(4)	-4%	0%	(4)	-5%	0%	
Passenger cars and parts	1	367	8%	1	414	9%	1	287	7%	48	13%	1%	(128)	-31%	-3%	
Other durables	60	60	1%	61	65	1%	66	68	2%	4	7%	0%	3	4%	0%	
<b>Capital goods</b>		<b>1,796</b>	<b>41%</b>		<b>1,999</b>	<b>43%</b>		<b>1,749</b>	<b>45%</b>		<b>202</b>	<b>11%</b>	<b>5%</b>	<b>(250)</b>	<b>-13%</b>	<b>-5%</b>
Machinery, equipment, supplies and vehicles	25	1,127	26%	21	1,314	29%	28	1,076	27%	187	17%	4%	(239)	-18%	-5%	
Vehicles other than passenger cars, parts	1	353	8%	2	473	10%	7	385	10%	120	34%	3%	(88)	-19%	-2%	
Machinery, equipment and supplies	24	774	18%	19	842	18%	22	691	18%	67	9%	2%	(151)	-18%	-3%	
Construction materials	621	512	12%	795	523	11%	1,032	480	12%	11	2%	0%	(43)	-8%	-1%	
Other capital goods	31	157	4%	36	161	4%	92	193	5%	4	3%	0%	32	20%	1%	
<b>Intermediate goods and industrial materials</b>		<b>553</b>	<b>13%</b>		<b>507</b>	<b>11%</b>		<b>483</b>	<b>12%</b>		<b>(45)</b>	<b>-8%</b>	<b>-1%</b>	<b>(24)</b>	<b>-5%</b>	<b>-1%</b>
Food ingredients (wheat, malt etc)	271	73	2%	39	19	0%	147	39	1%	(55)	-75%	-1%	21	11%	0%	
Chemical products	154	92	2%	170	91	2%	149	84	2%	(1)	-1%	0%	(7)	-8%	0%	
Yam, fabrics, textiles, leather	57	22	1%	58	21	0%	54	19	0%	(1)	-3%	0%	(3)	-14%	0%	
Electricity	1	105	2%	1	108	2%	1	104	3%	2	2%	0%	(3)	-3%	0%	
Metal ores and scrap	0	1	0%	1	1	0%	1	1	0%	0	5%	0%	0	21%	0%	
Other industrial materials	656	260	6%	720	268	6%	717	237	6%	8	3%	0%	(31)	-12%	-1%	
<b>Petroleum products</b>		<b>1,185</b>	<b>19%</b>		<b>1,365</b>	<b>19%</b>		<b>1,319</b>	<b>58%</b>		<b>43</b>	<b>5%</b>	<b>1%</b>	<b>(275)</b>	<b>-32%</b>	<b>-6%</b>
Diesels	630	414	10%	824	507	11%	720	305	8%	94	23%	2%	(203)	-40%	-4%	
Gasolines A92-95	271	191	4%	350	211	5%	377	158	4%	20	10%	0%	(53)	-25%	-1%	
Gasolines A80 and other fuels	283	210	5%	190	140	3%	222	121	3%	(70)	-33%	-2%	(19)	-14%	0%	
<b>Other</b>		<b>5</b>	<b>0%</b>		<b>4</b>	<b>0%</b>		<b>3</b>	<b>0%</b>		<b>(1)</b>	<b>-18%</b>	<b>0%</b>	<b>(1)</b>	<b>-20%</b>	<b>0%</b>
<b>TOTAL</b>		<b>4,351</b>			<b>4,599</b>			<b>3,928</b>			<b>248</b>	<b>6%</b>		<b>(671)</b>	<b>-15%</b>	

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

Table 5. Changes in imports /million USD/

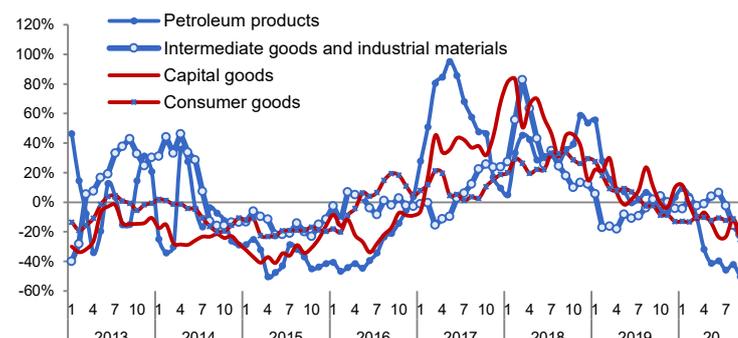
Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>Consumer goods</b>	(21)	17%	(100)	83%	(121)	-10%
Non-durables	29	346%	(21)	-246%	8	1%
Durables	(50)	39%	(80)	61%	(129)	-21%
<b>Capital goods</b>	<b>620</b>	<b>-248%</b>	<b>(870)</b>	<b>348%</b>	<b>(250)</b>	<b>-13%</b>
Machinery, equipment, supplies and vehicles	362	0%	(601)	252%	(239)	-18%
Construction materials	256	-591%	(300)	691%	(43)	-8%
Other capital goods	2	6%	30	94%	32	20%
<b>Intermediate goods and industrial materials</b>	<b>12</b>		<b>(36)</b>		<b>(24)</b>	<b>-5%</b>
<b>Petroleum products</b>	<b>(16)</b>	<b>6%</b>	<b>(259)</b>	<b>94%</b>	<b>(275)</b>	<b>-32%</b>
Diesels	(44)	22%	(159)	78%	(203)	-40%
Gasolines A92-95	11	-22%	(64)	122%	(53)	-25%
Gasolines A80 and other fuels	17	-90%	(36)	190%	(19)	-14%
<b>Other</b>	<b>3</b>	<b>0%</b>	<b>(4)</b>		<b>(1)</b>	<b>-20%</b>
<b>TOTAL</b>	<b>600</b>		<b>(1,270)</b>	<b>189%</b>	<b>(671)</b>	<b>-15%</b>

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

A total decline in imports (of USD 671 million) compared to September 2019 suggests:

- Import of machinery, equipment, supplies, and vehicles decreased by USD 250 million,
- Import of petroleum products decreased by USD 275 million, most of which is due to changes in consumption of diesel fuel,
- Import of consumer products decreased by USD 121 million,
- Import of intermediate goods and industrial materials decreased by USD 24 million.

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



As of September 2020, the border price of petroleum products reached USD 441 per ton. By comparison, this is a 29% decrease compared to the same period of last year and a 6% increase from last month.