



# MONGOLIA'S FOREIGN TRADE REVIEW

October 2020

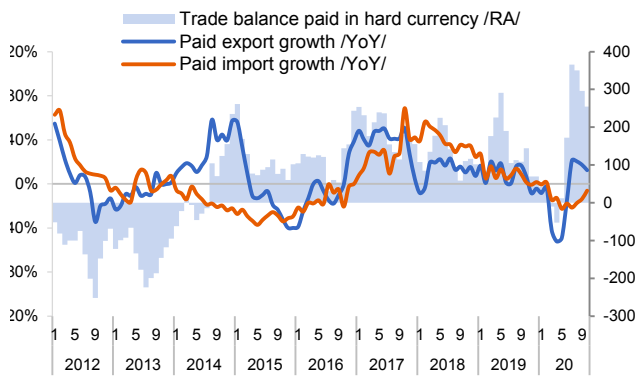
**Overview:** As of October 2020, Mongolia's total trade turnover decreased by 10% (or USD 1,170 million) from that of the previous year and reached USD 10,423 million. In which total exports fell by 8% (or USD 543 million), while imports fell by 12% (or USD 628 million). During the reporting period, the trade balance increase by USD 85 million from that of the previous year to a surplus of USD 1,549 million.

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

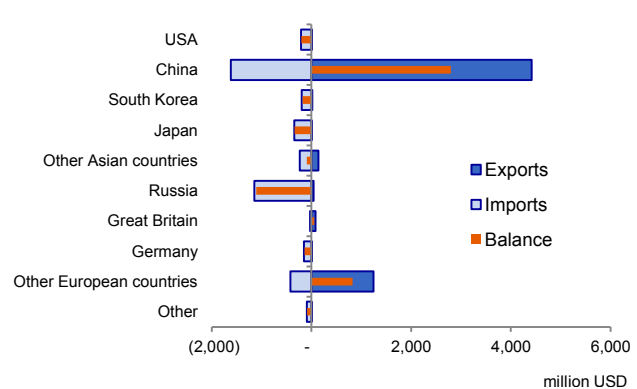
Category	Yearly			Change				First 10 month			Change			
	2017	2018	2019	2018/2017		2019/2018		2018	2019	2020	2019/2018		2020/2019	
				Value	%	Value	%				Value	%	Value	%
<b>Turnover</b>	<b>10,538</b>	<b>12,887</b>	<b>13,747</b>	<b>2,349</b>	<b>22%</b>	<b>861</b>	<b>7%</b>	<b>10,820</b>	<b>11,593</b>	<b>10,423</b>	<b>773</b>	<b>7%</b>	<b>(1,170)</b>	<b>-10%</b>
Exports	6,201	7,012	7,620	811	13%	608	9%	5,945	6,529	5,986	584	10%	(543)	-8%
Imports	4,337	5,875	6,128	1,537	35%	253	4%	4,876	5,065	4,437	189	4%	(628)	-12%
<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>1,069</b>	<b>1,464</b>	<b>1,549</b>	<b>395</b>	<b>37%</b>	<b>85</b>	<b>6%</b>

The trade balance paid in foreign currency, in the first ten months of 2020 reached a surplus of USD 1,744 million, which is a increase of USD 196 million from the previous year.

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

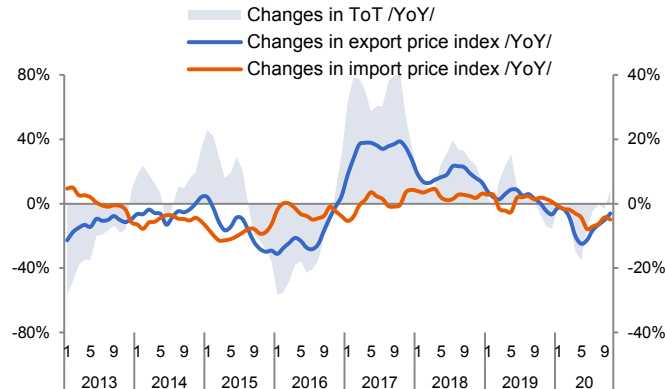


**Graph 2.** Trade balance, by main trade partners



The structure of the trade flows with the neighboring countries are as follows: total trade turnover with China is 58% (or USD 6,036 million) and with Russia is 11% (or USD 1,189 million). Compared to the same period of last year, trade turnover with Russia and China decreased by 18% and 20%, respectively.

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



The terms of trade index improved by 15% from the same period of last year and by 9% from the previous month, reaching 2.014. The annual improvement of 15% is due to an increase in the export price of gold and copper concentrate. The 9% improvement from last month is due an increase in the export prices of copper and coal.

**Export:** As of October 2020, total exports decreased by 8% (or USD 543 million) from that of the previous year. The decrease in mining products explains 4 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>5,267</b>	<b>89%</b>		<b>5,810</b>	<b>89%</b>		<b>5,548</b>	<b>93%</b>		<b>543</b>	<b>10%</b>	<b>9%</b>	<b>(262)</b>	<b>-5%</b>	<b>-4%</b>
1.1. Copper ores and concentrates	1,205	1,669	28%	1,174	1,541	24%	1,140	1,346	22%	(128)	-8%	-2%	(195)	-13%	-3%	
1.2. Coal	30,941	2,439	41%	32,334	2,748	42%	23,865	1,773	30%	309	13%	5%	(974)	-35%	-15%	
1.3. Crude oil	4,968	327	5%	5,428	303	5%	2,928	105	2%	(24)	-7%	0%	(198)	-65%	-3%	
1.4. Iron ores and concentrates	6,048	274	5%	6,699	459	7%	6,945	527	9%	185	67%	3%	68	15%	1%	
1.5. Non-monetary gold /kg/	3,432	144	2%	7,464	344	5%	22,785	1,322	22%	200	138%	3%	978	284%	15%	
1.6. Zinc ores and concentrates	103	167	3%	109	156	2%	116	142	2%	(12)	-7%	0%	(14)	-9%	0%	
1.7. Fluorspar, leucite, nepheline etc.	422	141	2%	558	170	3%	550	129	2%	30	21%	1%	(42)	-24%	-1%	
1.8. Molybdenum ores and concentrates	5	40	1%	5	42	1%	5	33	1%	1	4%	0%	(9)	-21%	0%	
1.9. Tungsten ores and concentrates	1	6	0%	1	5	0%	0	1	0%	(1)	-19%	0%	(4)	-86%	0%	
1.10. Silver /tonnes/	0	1	0%	0	-	0%	195,693	111	2%	(1)	0%	0%	111	0%	2%	
1.11. Other	434	58	1%	128	42	1%	72	60	1%	(17)	-28%	0%	18	42%	0%	
<b>2. Animal products</b>		<b>420</b>	<b>7%</b>		<b>424</b>	<b>6%</b>		<b>259</b>	<b>4%</b>		<b>4</b>	<b>1%</b>	<b>0%</b>	<b>(164)</b>	<b>-39%</b>	<b>-3%</b>
2.1. Live animals, meat	26	59	1%	21	45	1%	15	29	0%	(14)	-25%	0%	(16)	-35%	0%	
2.2. Hide, skin and leather	275	13	0%	219	12	0%	145	7	0%	(1)	-9%	0%	(6)	-46%	0%	
2.3. Casing	0	7	0%	0	7	0%	1	7	0%	(0)	-3%	0%	0	6%	0%	
2.4. Cashmere	8	313	5%	8	336	5%	8	205	3%	23	7%	0%	(131)	-39%	-2%	
2.5. Wool, other hair	13	25	0%	13	22	0%	8	11	0%	(2)	-9%	0%	(12)	-52%	0%	
2.6. Other	3	3	0%	3	2	0%	0	1	0%	(1)	-22%	0%	(1)	-49%	0%	
<b>3. Horticultural products</b>		<b>7</b>	<b>0%</b>		<b>9</b>	<b>0%</b>		<b>9</b>	<b>0%</b>		<b>1</b>	<b>17%</b>	<b>0%</b>	<b>(0)</b>	<b>-1%</b>	<b>0%</b>
<b>4. Manufacturing goods</b>		<b>250</b>	<b>4%</b>		<b>286</b>	<b>4%</b>		<b>169</b>	<b>3%</b>		<b>35</b>	<b>14%</b>	<b>1%</b>	<b>(116)</b>	<b>-41%</b>	<b>-2%</b>
4.1. Food	20	57	1%	17	42	1%	17	46	1%	(15)	-26%	0%	4	9%	0%	
4.2. Cashmere goods	1	30	1%	1	37	1%	1	28	0%	7	23%	0%	(9)	-24%	0%	
4.3. Other apparel, footwear etc.	3	21	0%	3	16	0%	4	14	0%	(5)	-24%	0%	(2)	-15%	0%	
4.4. Mining products	46	90	2%	141	93	1%	16	43	1%	2	3%	0%	(50)	-54%	-1%	
4.5. Electronic goods	0	3	0%	0	1	0%	0	1	0%	(2)	-69%	0%	(0)	-14%	0%	
4.6. Machinery, equipment and their parts	3	45	1%	2	91	1%	2	34	1%	46	102%	1%	(57)	-63%	-1%	
4.7. Other	118	4	0%	167	6	0%	142	4	0%	2	40%	0%	(2)	-30%	0%	
<b>5. Other</b>		<b>1</b>	<b>0%</b>		<b>1</b>	<b>0%</b>		<b>1</b>	<b>0%</b>		<b>(0)</b>	<b>-21%</b>	<b>0%</b>	<b>0</b>	<b>19%</b>	<b>0%</b>
<b>Total</b>		<b>5,945</b>			<b>6,529</b>			<b>5,986</b>			<b>584</b>	<b>10%</b>		<b>(543)</b>	<b>-8%</b>	

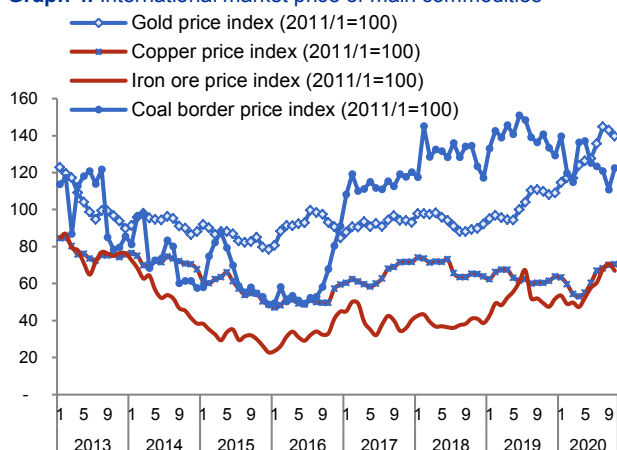
<sup>2</sup>% - Contribution to total growth

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

Category*	Changes in quantity		Changes in price		Total changes	
		%		%		%
<b>1. Mining products</b>	<b>216</b>	<b>0%</b>	<b>(478)</b>	<b>0%</b>	<b>(262)</b>	<b>-5%</b>
1.1. Copper ores and concentrates	(41)	21%	(154)	79%	(195)	-13%
1.2. Coal	(629)	65%	(345)	35%	(974)	-35%
1.3. Crude oil	(90)	45%	(108)	55%	(198)	-65%
1.4. Iron ores and concentrates	19	27%	49	73%	68	15%
1.5. Non-monetary gold	889	91%	89	9%	978	284%
1.6. Zinc ores and concentrates	8	-56%	(22)	156%	(14)	-9%
1.7. Fluorspar, leucite, nepheline etc.	(2)	4%	(40)	96%	(42)	-24%
1.8. Molybdenum ores and concentrates	3	-30%	(11)	130%	(9)	-21%
1.9. Tungsten ores and concentrates	(5)	19%	1	-19%	(4)	-86%
1.10. Silver	111	100%	-	0%	111	0%
1.11. Other	(45)	-257%	63	357%	18	42%
<b>2. Animal products</b>	<b>(28)</b>	<b>17%</b>	<b>(137)</b>	<b>83%</b>	<b>(164)</b>	<b>-39%</b>
2.2. Hide, skin and leather	(3)	60%	(2)	40%	(6)	-46%
2.4. Cashmere	5	-4%	(136)	104%	(131)	-39%
<b>3. Horticultural products</b>	<b>(2)</b>	<b>1735%</b>	<b>2</b>	<b>####</b>	<b>(0)</b>	<b>-1%</b>
<b>4. Manufacturing goods</b>	<b>(341)</b>	<b>294%</b>	<b>225</b>	<b>####</b>	<b>(116)</b>	<b>-41%</b>
<b>5. Other</b>	<b>(0)</b>	<b>-192%</b>	<b>0</b>	<b>3%</b>	<b>0</b>	<b>19%</b>
<b>Total</b>	<b>(154)</b>		<b>(389)</b>		<b>(543)</b>	<b>-8%</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 543 million) compared to October 2019 suggests:

1/ The export of mining products decreased by USD 216 million due to the volume changes and decreased by USD 478 million due to the price changes. Changes in export of coal and copper concentrate explain the USD 1,170 million decrease in mining products. The increase in the export volume of gold of USD 978 million also explains the changes.

2/ The export of animal products decreased by USD 28 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 October 2020 reached USD 1,900. Which is an increase of 27% from the previous year and a decrease of 2% from the last month.

The average prices of "A" level purified copper and iron ore reached USD 6,714 and USD 120, respectively. By comparison, this is a 16% and 35% price increase for copper and iron ore compared to the same period of last year. Compared to last month, the export prices of copper increased by 0.5% and iron decreased by 5%.

The border price of coal reached USD 74 as of October 2020, which is a 13% price fall compared to the same period of last year and an 11% price increase from last month.

**Import:** As of October 2020, total imports decreased by 12% (or USD 628 million) from that of the previous year. Capital goods explain 4 percentage points, petroleum products explain 6 percentage points, consumer goods explain 2 percentage points of the total import decline of 12%.

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>1,340</b>	<b>27%</b>		<b>1,367</b>	<b>27%</b>		<b>1,264</b>	<b>28%</b>		<b>27</b>	<b>2%</b>	<b>1%</b>	<b>(103)</b>	<b>-8%</b>	<b>-2%</b>
Non-durables	805	705	14%	743	699	14%	793	719	16%	(6)	-1%	0%	20	3%	0%	
Food	383	488	10%	352	489	10%	373	501	11%	1	0%	0%	12	2%	0%	
Medicinal and pharmaceutical products	2	98	2%	3	89	2%	3	95	2%	(9)	-9%	0%	5	6%	0%	
Other non-durables	419	120	2%	388	121	2%	418	123	3%	1	1%	0%	2	2%	0%	
Durables	197	635	13%	268	668	13%	247	546	12%	33	5%	1%	(123)	-18%	-2%	
Clothing	49	61	1%	55	57	1%	71	59	1%	(3)	-6%	0%	2	4%	0%	
Household electrical appliances and furniture	80	95	2%	144	89	2%	100	86	2%	(6)	-6%	0%	(2)	-3%	0%	
Passenger cars and parts	1	411	8%	1	452	9%	1	323	7%	41	10%	1%	(129)	-29%	-3%	
Other durables	67	69	1%	68	70	1%	74	77	2%	2	3%	0%	7	9%	0%	
<b>Capital goods</b>		<b>2,015</b>	<b>41%</b>		<b>2,185</b>	<b>43%</b>		<b>1,978</b>	<b>45%</b>		<b>171</b>	<b>8%</b>	<b>3%</b>	<b>(207)</b>	<b>-9%</b>	<b>-4%</b>
Machinery, equipment, supplies and vehicles	27	1,263	26%	23	1,439	28%	31	1,202	27%	176	14%	4%	(237)	-16%	-5%	
Vehicles other than passenger cars, parts	1	378	8%	2	502	10%	7	429	10%	124	33%	3%	(73)	-15%	-1%	
Machinery, equipment and supplies	26	884	18%	21	937	19%	24	773	17%	53	6%	1%	(164)	-18%	-3%	
Construction materials	691	572	12%	868	572	11%	1,146	541	12%	1	0%	0%	(31)	-5%	-1%	
Other capital goods	37	180	4%	38	174	3%	114	235	5%	(6)	-3%	0%	61	35%	1%	
<b>Intermediate goods and industrial materials</b>		<b>608</b>	<b>12%</b>		<b>562</b>	<b>11%</b>		<b>534</b>	<b>12%</b>		<b>(46)</b>	<b>-8%</b>	<b>-1%</b>	<b>(28)</b>	<b>-5%</b>	<b>-1%</b>
Food ingredients (wheat, malt etc)	273	75	2%	44	20	0%	150	41	1%	(55)	-73%	-1%	21	102%	0%	
Chemical products	167	101	2%	188	101	2%	166	92	2%	(0)	0%	0%	(9)	-9%	0%	
Yam, fabrics, textiles, leather	66	25	1%	66	24	0%	60	20	0%	(1)	-6%	0%	(3)	-14%	0%	
Electricity	1	118	2%	1	120	2%	110	116	3%	1	1%	0%	(4)	-3%	0%	
Metal ores and scrap	0	1	0%	1	1	0%	1	1	0%	0	16%	0%	0	29%	0%	
Other industrial materials	729	289	6%	787	297	6%	787	264	6%	8	3%	0%	(33)	-11%	-1%	
<b>Petroleum products</b>		<b>1,306</b>	<b>19%</b>		<b>1,502</b>	<b>19%</b>		<b>1,466</b>	<b>15%</b>		<b>39</b>	<b>4%</b>	<b>1%</b>	<b>(298)</b>	<b>-32%</b>	<b>-6%</b>
Diesels	694	460	9%	891	549	11%	800	338	8%	89	19%	2%	(212)	-39%	-4%	
Gasolines A92-95	297	211	4%	376	227	4%	418	175	4%	16	8%	0%	(52)	-23%	-1%	
Gasolines A80 and other fuels	314	236	5%	235	169	3%	249	134	3%	(67)	-28%	-1%	(35)	-21%	-1%	
<b>Other</b>		<b>6</b>	<b>0%</b>		<b>5</b>	<b>0%</b>		<b>13</b>	<b>0%</b>		<b>(1)</b>	<b>-16%</b>	<b>0%</b>	<b>9</b>	<b>179%</b>	<b>0%</b>
<b>TOTAL</b>		<b>4,876</b>			<b>5,065</b>			<b>4,437</b>			<b>189</b>	<b>4%</b>		<b>(628)</b>	<b>-12%</b>	

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

Table 5. Changes in imports /million USD/

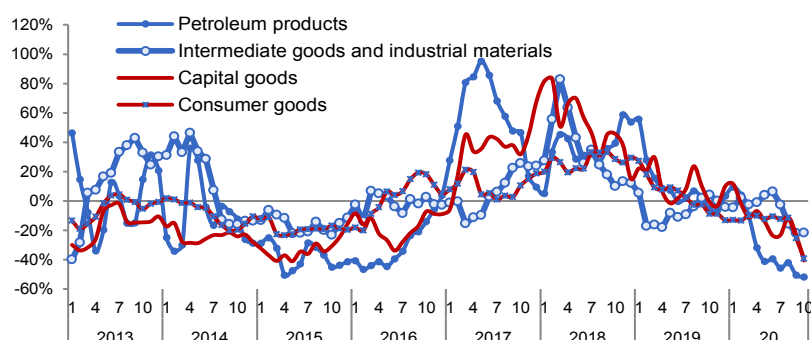
Category*	Changes in quantity	%	Changes in price	%	Total changes	%
<b>Consumer goods</b>	<b>1</b>	<b>-1%</b>	<b>(103)</b>	<b>101%</b>	<b>(103)</b>	<b>-8%</b>
Non-durables	36	183%	(17)	-83%	20	3%
Durables	(36)	29%	(87)	71%	(123)	-18%
<b>Capital goods</b>	<b>471</b>	<b>-227%</b>	<b>(678)</b>	<b>327%</b>	<b>(207)</b>	<b>-9%</b>
Machinery, equipment, supplies and vehicles	406	0%	(643)	271%	(237)	-16%
Construction materials	62	-198%	(94)	298%	(31)	-5%
Other capital goods	3	5%	58	95%	61	35%
<b>Intermediate goods and industrial materials</b>	<b>129</b>		<b>(157)</b>		<b>(28)</b>	<b>-5%</b>
<b>Petroleum products</b>	<b>(14)</b>	<b>5%</b>	<b>(285)</b>	<b>95%</b>	<b>(298)</b>	<b>-32%</b>
Diesels	(39)	18%	(173)	82%	(212)	-39%
Gasolines A92-95	18	-34%	(69)	134%	(52)	-23%
Gasolines A80 and other fuels	7	-21%	(42)	121%	(35)	-21%
<b>Other</b>	<b>13</b>	<b>0%</b>	<b>(4)</b>		<b>9</b>	<b>179%</b>
<b>TOTAL</b>	<b>600</b>		<b>(1,227)</b>	<b>196%</b>	<b>(628)</b>	<b>-12%</b>

A total decline in imports (of USD 628 million) compared to October 2019 suggests:

- Import of machinery, equipment, supplies, and vehicles decreased by USD 207 million,
- Import of petroleum products decreased by USD 298 million, most of which is due to changes in consumption of diesel fuel,
- Import of consumer products decreased by USD 103 million,
- Import of intermediate goods and industrial materials 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 October 2020, the border price of petroleum products reached USD 435 per ton. By comparison, this is a 32% increase compared to the same period of last year and a 1% decrease from last month.