



MONGOLIA'S FOREIGN TRADE REVIEW

April 2017

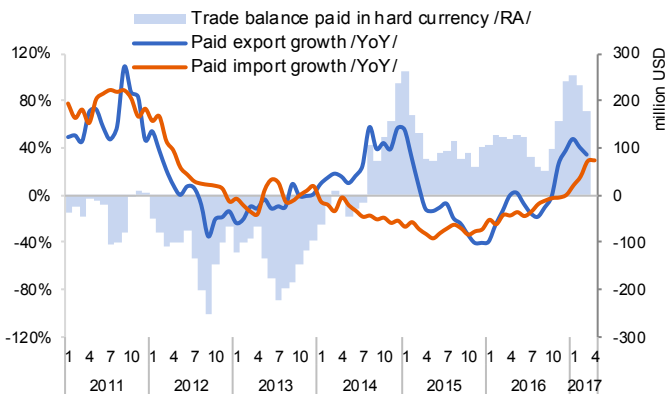
Overview: As of April 2017, cumulative trade turnover increased by 36.5% or USD 807.2 million from that of the previous year and reached USD 3017.3 million. It was due to the increase in exports by 41% or USD 552 million and increase in imports by 29.6% or USD 254.9 million. During the reporting period, trade balance recorded surplus of USD 781.9 million, which was USD 297.3 million higher than that of the previous year.

Table 1. Foreign trade performance /million USD/

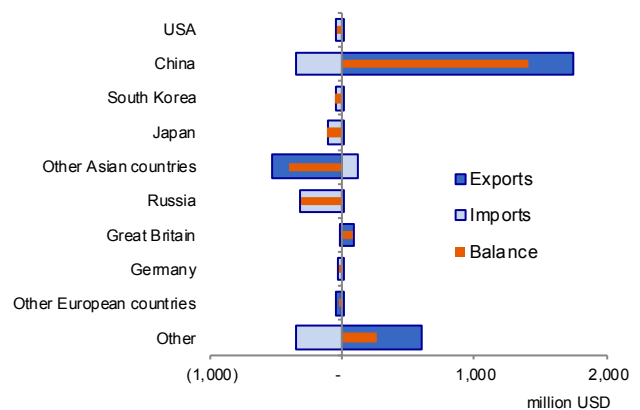
Category	Yearly			Change				First 4 months			Change			
	2014	2015	2016	2015/2014		2016/2015		2015	2016	2017	2016/2015		2017/2016	
				Value	%	Value	%				Value	%	Value	%
Turnover	11,011	8,467	8,274	(2,544)	-23.1%	(192)	-2.3%	2,487	2,210	3,017	(276)	-11.1%	807	36.5%
Exports	5,774	4,669	4,916	(1,105)	-19.1%	247	5.3%	1,452	1,347	1,900	(105)	-7.2%	552	41.0%
Imports	5,237	3,798	3,358	(1,439)	-27.5%	(439)	-11.6%	1,034	863	1,118	(172)	-16.6%	254.9	29.6%
Balance	538	872	1,558	334	0.0%	686	78.7%	418	485	782	67	15.9%	297	61.4%

The balance of trade paid in hard currency In first 4 months of 2017 paid trade balance recorded surplus of USD 804.1 million, which was USD 307 million higher than that of the previous year.

Graph 1. Trade paid in hard currency /4 months moving average/



Graph 2. Trade balance, by main trade partners



The structure of the trade flows with the neighboring trade partners is as follow: (i) trade with China: 69.3% or USD 2091.1 million and (ii) trade with Russia: 11.1% or USD 335 million. Trade turnover with China increased by 51.6%, whereas trade turnover with Russia increased by 46.5%.

Graph 3. Terms of trade index /4 months moving average/

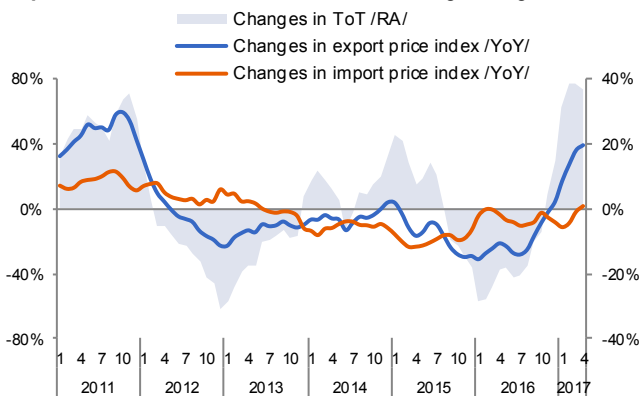


Table 2. Terms of trade /Base: December 2012/

Price indices*	2016 April	2017 March	2017 April	Yearly Δ	Monthly Δ
Exports	0.74	0.96	1.06	44%	11%
Copper ores and concentrati	0.35	0.37	0.40	15%	6%
Coal	0.41	0.64	0.69	68%	8%
Washed cashmere	0.34	0.40	0.44	29%	8%
Imports	0.56	0.59	0.59	6%	1%
Consumer goods	0.77	0.78	0.77	0%	-2%
Capital goods	0.51	0.51	0.52	4%	4%
Fuels	0.43	0.53	0.54	25%	1%
Terms of trade	1.32	1.64	1.80	36%	10%

* Dismantled by main contributors to growth.

Terms of trade index reached to 1.797, increase by 36% from that of the previous year and by 9.8% from that of the previous month. For the reporting month, oil import price increased; however increase in export price of coal, copper and washed cashmere resulted improvement in terms of trade.

Export As of April 2017, exports of goods increased by 41% or USD 552.3 million from that of the previous year. Increase in mining products' export resulted by 39.2 percentage point, other sector export products resulted by 1.8 percentage point increase in exports. The weight of mining products in total exports increased by 2.4 percentage point, while weight of goods production decreased by 1.1 percentage point.

Table 3. Exports of goods /million USD/

Category	2014			2015			2016			Δ (2015/2014)			Δ (2016/2015)		
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% ²	Value	Change	% ²
1. Mining products		1,294	89%	1,179	88%		1,707	90%		(115)	-9%	-8%	528	45%	39%
1.1. Copper ores and concentrates	415	667	46%	558	637	47%	502	524	28%	(30)	-4%	-2%	(114)	-18%	-8%
1.2. Coal	4,248	194	13%	5,008	155	12%	11,432	766	40%	(39)	-20%	-3%	611	394%	45%
1.3. Crude oil	2,518	123	8%	2,876	99	7%	2,430	123	6%	(24)	-20%	-2%	24	24%	2%
1.4. Iron ores and concentrates	1,500	81	6%	1,380	45	3%	1,742	114	6%	(37)	-45%	-3%	69	155%	5%
1.5. Non-monetary gold /kg/	3,362	133	9%	4,304	168	12%	1,889	76	4%	35	26%	2%	(92)	-55%	-7%
1.6. Zinc ores and concentrates	43	53	4%	38	39	3%	38	57	3%	(13)	-25%	-1%	18	45%	1%
1.7. Fluorspar, leucite, nepheline etc.	81	19	1%	74	17	1%	79	18	1%	(2)	-11%	0%	2	9%	0%
1.8. Molybdenum ores and concentrates	2	13	1%	2	8	1%	2	11	1%	(5)	-38%	0%	3	41%	0%
1.9. Tungsten ores and concentrates	0	3	0%	0	2	0%	0	1	0%	(0)	-15%	0%	(1)	-58%	0%
1.10. Silver /tonnes/	27	7	1%	20	8	1%	0	0	0%	0	0%	0%	(7)	-96%	-1%
1.11. Other	6	0	0%	39	1	0%	152	17	1%	1	649%	0%	16	16%	1%
2. Animal products		71	5%	74	5%		91	5%		3	4%	0%	17	23%	1%
2.1. Live animals, meat	2	4	0%	2	4	0%	3	6	0%	0	4%	0%	2	53%	0%
2.2. Hide, skin and leather	132	15	1%	79	14	1%	145	13	1%	(1)	-6%	0%	(2)	-11%	0%
2.3. Casing	0	3	0%	0	2	0%	0	1	0%	(1)	-27%	0%	(1)	-29%	0%
2.4. Cashmere	2	44	3%	2	48	4%	2	66	3%	4	8%	0%	18	38%	1%
2.5. Wool, other hair	3	5	0%	4	6	0%	3	4	0%	1	12%	0%	(1)	-26%	0%
2.6. Other	0	0	0%	0	0	0%	1	1	0%	0	136%	0%	0	288%	0%
3. Horticultural products		20	1%	10	1%		3	0%		(10)	-50%	-1%	(7)	-71%	-1%
4. Manufacturing goods		67	5%	85	6%		99	5%		18	27%	1%	14	16%	1%
4.1. Food	1	11	1%	2	12	1%	9	38	2%	1	11%	0%	26	217%	2%
4.2. Cashmere goods	0	4	0%	0	2	0%	0	4	0%	(2)	-39%	0%	2	75%	0%
4.3. Other apparel, footwear etc.	0	2	0%	0	4	0%	0	3	0%	2	116%	0%	(0)	-11%	0%
4.4. Mining products	11	24	2%	8	22	2%	11	35	2%	(2)	-8%	0%	13	58%	1%
4.5. Electronic goods	0	0	0%	0	0	0%	0	0	0%	(0)	-17%	0%	(0)	-77%	0%
4.6. Machinery, equipment and their parts	0	24	2%	0	43	3%	0	17	1%	18	75%	1%	(26)	-61%	-2%
4.7. Other	82	2	0%	79	1	0%	139	2	0%	(0)	-18%	0%	0	26%	0%
5. Other		1	0%	0	0%		0	0%		(1)	-64%	0%	(0)	-25%	0%
Total		1,452		1,347			1,900			(105)	-7%		552	41%	

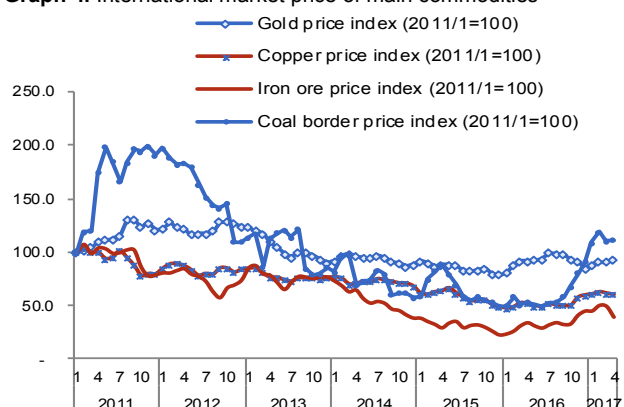
² - Contribution to total growth

Table 4. Changes in exports 2017 /million USD/

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
1. Mining products	290.2	55%	237.9	45%	528.2	45%
1.1. Copper ores and concentrates	(58.3)	51%	(55.3)	49%	(113.6)	-18%
1.2. Coal	430.7	70%	180.6	30%	611.3	394%
1.3. Crude oil	(22.5)	-95%	46.3	195%	23.8	24%
1.4. Iron ores and concentrates	23.6	34%	45.5	66%	69.1	155%
1.5. Non-monetary gold	(96.8)	105%	4.5	-5%	(92.3)	-55%
1.6. Zinc ores and concentrates	0.7	4%	17.1	96%	17.7	45%
1.7. Fluorspar, leucite, nepheline etc.	1.2	72%	0.4	28%	1.6	9%
1.8. Molybdenum ores and concentrates	0.6	19%	2.6	81%	3.2	41%
1.9. Tungsten ores and concentrates	(1.6)	119%	0.3	-19%	(1.4)	-58%
1.10. Silver	-	0%	-	0%	(7.5)	-96%
1.11. Other	12.7	78%	3.5	22%	16.2	20%
2. Animal products	15.6	91%	1.5	9%	17.1	23%
2.2. Hide, skin and leather	5.7	-365%	(7.3)	465%	(1.6)	-11%
2.4. Cashmere	9.3	51%	8.9	49%	18.2	38%
3. Horticultural products	(2.7)	39%	(4.2)	61%	(6.9)	-71%
4. Manufacturing goods	42.1	303%	(28.2)	-203%	13.9	16%
5. Other	(0.0)	35%	(0.1)	65%	(0.1)	-25%
Total	345.3		207.0		552.3	41%

* 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



Export performance of the first 4 months increased by USD 345.3 million due to change in quantity of foreign goods trade, increased by USD 207 million owing to price change. Also increase in export price and export quantity of mining products, specially coal export, resulted increase of USD 528.2 million. While export price and quantity increase of animal products resulted increase of USD 17.1 million. Despite the decrease in export price of manufacturing products, the increase in export quantity resulted increase of USD 13.9 million.

The average price of 1 ounce of gold on the global market as of April, 2017 reached USD 1,271 million, which shows increase of 2.3% from that of the previous year, increase of 3.2% from that of the previous month. Average price of "A" level purified copper and iron ore reached USD 5,683, USD 70.2 million respectively. Copper increased by 16.6%, iron ore increased by 15.4% from that of the previous year.

However, copper and iron ore decreased by 2.4%, 20.2% from that of the previous month respectively. Coal export price reached USD 66.7 in April 2017, with increase of 108.2% from that time of the previous year and increase of 1.2% from previous month.

Import As of the first 4 months of 2017, import increased by 29.6% or USD 254.9 million from that of the previous year. If increase in imports is seen more thoroughly, capital goods resulted by 13 percentage point, fuels resulted by 12 percentage point, consumer goods resulted by 7 percentage point, respectively. Weight of consumer goods in total imports decreased by 3 percentage point from that of the previous year, while weight of fuels increased by 6 percentage point.

Table 5. Imports of goods /million USD/

Category	2014			2015			2016			Δ (2015/2014)			Δ (2016/2015)		
	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Volume (k.unit)	Value	%	Value	Change	% ²	Value	Change	% ²
Consumer goods		328	32%		307	36%		365	33%	(20)	-6%	-2%	58	19%	7%
Non-durables	233	188	18%	226	172	20%	264	201	18%	(16)	-8%	-2%	29	17%	3%
Food	111	128	12%	113	117	14%	101	137	12%	(11)	-9%	-1%	20	17%	2%
Medicinal and pharmaceutical products	1	22	2%	1	25	3%	1	28	3%	3	12%	0%	3	12%	0%
Other non-durables	121	37	4%	111	30	3%	162	36	3%	(7)	-20%	-1%	6	21%	1%
Durables	56	140	14%	40	135	16%	62	164	15%	(5)	-3%	0%	28	21%	3%
Clothing	12	14	1%	18	15	2%	20	18	2%	0	2%	0%	3	24%	0%
Household electrical appliances and furniture	27	33	3%	8	27	3%	25	26	2%	(6)	-17%	-1%	(1)	-5%	0%
Passenger cars and parts	0	76	7%	0	74	9%	0	102	9%	(2)	-2%	0%	28	38%	3%
Other durables	16	17	2%	14	20	2%	17	18	2%	3	15%	0%	(2)	-11%	0%
Capital goods		345	33%		278	32%		387	35%	(67)	-19%	-6%	109	39%	13%
Machinery, equipment, supplies and vehicles	6	198	19%	5	160	19%	7	268	24%	(38)	-19%	-4%	108	67%	12%
Vehicles other than passenger cars, parts	0	32	3%	0	29	3%	0	50	5%	(3)	-9%	0%	22	75%	3%
Machinery, equipment and supplies	5	167	16%	5	131	15%	7	217	19%	(35)	-21%	-3%	86	66%	10%
Construction materials	343	111	11%	158	66	8%	105	74	7%	(45)	-40%	-4%	8	12%	1%
Other capital goods	12	35	3%	9	51	6%	13	45	4%	16	47%	2%	(7)	-13%	-1%
Intermediate goods and industrial materials		155	15%		163	19%		149	13%	8	5%	1%	(13)	-8%	-2%
Food ingredients (wheat, malt etc)	22	10	1%	109	26	3%	13	6	1%	15	152%	1%	(20)	-77%	-2%
Chemical products	43	29	3%	38	24	3%	47	27	2%	(5)	-17%	0%	3	14%	0%
Yam, fabrics, textiles, leather	7	4	0%	5	5	1%	11	7	1%	1	14%	0%	2	32%	0%
Electricity	0	42	4%	0	43	5%	0	43	4%	0	1%	0%	1	2%	0%
Metal ores and scrap	0	0	0%	1	1	0%	1	0	0%	1	457%	0%	(1)	-77%	0%
Other industrial materials	252	69	7%	208	64	7%	249	66	6%	(4)	-6%	0%	1	2%	0%
Fuels		322	20%		243	13%		363	21%	(91)	-44%	-9%	100	88%	12%
Diesels	169	103	10%	107	44	5%	199	108	10%	(59)	-57%	-6%	64	144%	7%
Gasolines A92-95	119	75	7%	103	47	5%	114	69	6%	(28)	-37%	-3%	22	47%	3%
Gasolines A80 and other fuels	35	27	3%	34	23	3%	50	37	3%	(4)	-16%	0%	14	62%	2%
Other		2	0%		1	0%		2	0%	(1)	0%	0%	1	0%	0%
TOTAL		1,034		863			1,118			(172)	-16.6%		255	29.6%	

²% - Contribution to total growth

Table 6. Changes in imports /million USD/

Category*	Changes in quantity	%	Changes in price	%	Total changes	%
Consumer goods	64.4	112%	(6.7)	-12%	57.8	19%
Non-durables	8.9	30%	20.5	70%	29.4	17%
Durables	55.5	196%	(27.2)	-96%	28.3	21%
Capital goods	75.1	69%	34.0	31%	109.2	39%
Machinery, equipment, supplies and vehicle:	88.6	82%	19.2	18%	107.8	67%
Construction materials	(8.9)	-111%	16.9	211%	8.0	12%
Other capital goods	(4.6)	69%	(2.1)	31%	(6.6)	-13%
Intermediate goods and industrial materials	(22.0)		8.8		(13.2)	-8%
Fuels	68.8	69%	31.0	31%	99.8	88%
Diesels	49.7	78%	13.9	22%	63.7	144%
Gasolines A92-95	7.0	32%	15.1	68%	22.1	47%
Gasolines A80 and other fuels	12.1	86%	2.0	14%	14.0	62%
Other	2.3	165%	(0.9)	-65%	1.4	0%
TOTAL	188.6		66.3		254.9	30%

Performance of the first 4 months increased by USD 188.6 million owing to change in quantity of imports, increased by USD 66.3 million due to change in price. Consumer goods increased by USD 57.8 million mainly because of increase in quantity of imports. Capital goods import increased by 39% due to change in quantity of imports.

While fuels import increased by 88%. As of April 2017, fuels import price is USD 577.3 million per ton with 6 consecutive months of increase.

* 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/

