

# Mongolia

Imports: CIF, by origin

Exports: FOB, by last known destination

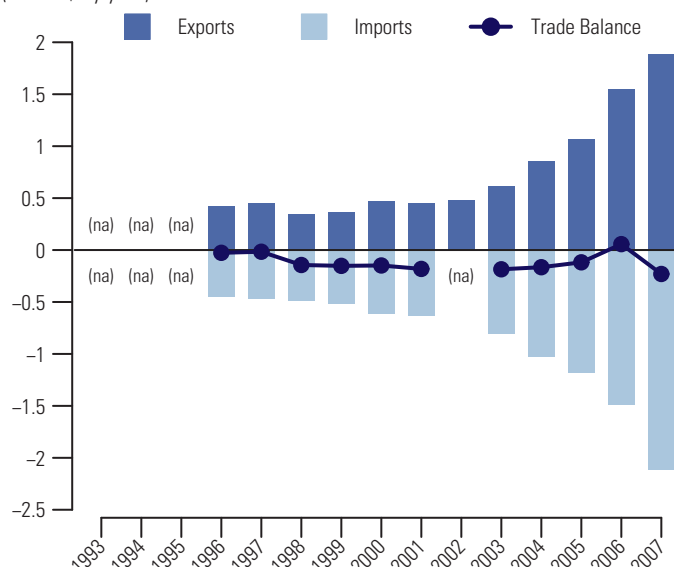
Trade System: General

## Overview:

From 2003 to 2007, Mongolia's exports increased on average by 32.3 percent each year to reach 1.9 bln US\$ in 2007 (see table 1 and graph 1). During the same period, imports increased on average by 27.5 percent each year to 2.1 bln US\$ in 2007 (see table 2 and graph 1). The trade balance turned from a surplus of 56.7 mln US\$ in 2006 to a deficit of 230.5 mln US\$ in 2007, largely due to an increase of imports by 42.5 percent. The trade balance was in surplus with Eastern Asia (+641.6 mln US\$) and Developed North America (+181.2 mln US\$) (see graph 2). However, trade recorded a deficit of 740.4 mln US\$ with the Commonwealth of Independent States. Trade, especially exports, was highly concentrated among a few partners (see graph 3). China alone accounted for 74.2 percent of exported goods in 2007. In addition, 6 major partners accounted for 80 percent of imports.

## Graph 1: Total imports, exports and trade balance

(Bln US\$ by year)



## Exports Profile:

Two commodity groups accounted for a large part of Mongolia's exports: inedible crude materials (except fuels), animal and vegetable oils, fats and waxes (SITC sections 2+4) and commodities and transactions not classified elsewhere (SITC section 9) (see table 1). From 2003 to 2007, exports of inedible crude materials (except fuels), animal and vegetable oils, fats and waxes (SITC sections 2+4) increased on average by 50.2 percent each year and accounted for 71.0 percent of total exports in 2007. In addition to China, other major markets for exports were Canada and USA (see table 4). Exports to China were composed of 83.0 percent of inedible crude materials (except fuels), animal and vegetable oils, fats and waxes (SITC sections 2+4) while exports to Canada and USA were largely gold. From 2005 to 2007, the three major exported products were copper ores and concentrates (HS code 2603), gold (including gold plated with platinum) (HS code 7108) and zinc ores and concentrates (HS code 2608) (see table 4). They accounted respectively for 43.0, 12.5 and 9.3 percent of exports in 2007.

Table 1: Exports by SITC sections

(Value in million US\$, growth and shares in percentage)

SITC	2007	Avg. Growth rates (%)		2007 share
		2003-2007	2006-2007	
Total	1886.6	32.3	22.3	100.0
0+1	28.0	13.9	3.4	1.5
2+4	1339.0	50.2	34.2	71.0
3	170.1	87.1	141.6	9.0
5	2.6	53.6	67.7	0.1
6	68.1	4.1	2.3	3.6
7	18.1	34.7	5.4	1.0
8	25.8	-31.7	-72.0	1.4
9	234.9	13.8	-13.0	12.4

Table 2: Imports by SITC sections

(Value in million US\$, growth and shares in percentage)

SITC	2007	Avg. Growth rates (%)		2007 share
		2003-2007	2006-2007	
Total	2117.0	27.5	42.5	100.0
0+1	236.7	22.0	38.9	11.2
2+4	23.7	9.3	25.6	1.1
3	569.3	37.5	31.0	26.9
5	126.5	28.5	56.2	6.0
6	326.4	20.2	46.6	15.4
7	623.6	25.0	48.6	29.5
8	210.7	37.0	52.6	10.0
9	0.1	165.0	15.2	0.0

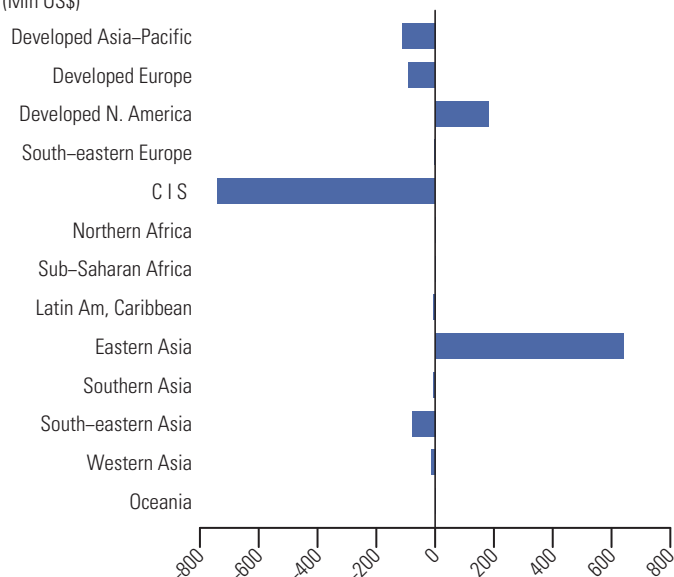
Table 3: Top 10 export commodities 2005 to 2007

(Value in million US\$)

HS code	4-digit heading of Harmonized System 2002	Value (million US\$)			Unit value				SITC code
		2005	2006	2007	2005	2006	2007	Unit	
All Commodities.....		1064.4	1542.3	1886.6					
2603 Copper ores and concentrates.....		326.2	635.4	811.4	0.6	1.1	1.3	US\$/kg	283
7108 Gold (including gold plated with platinum).....		331.4	270.1	234.9	13.9	17.6	20.3	thsd US\$/kg	971
2608 Zinc ores and concentrates.....		10.2	91.1	175.5	0.4	0.9	1.3	US\$/kg	287
5105 Wool and fine or coarse animal hair, carded or combed.....		62.2	83.0	115.4	56.2	57.0	62.0	US\$/kg	268
2701 Coal; briquettes, ovoids and similar solid fuels manufactured from coal.....		26.6	45.1	115.8	0.0	0.0	0.0	US\$/kg	321
2613 Molybdenum ores and concentrates.....		46.7	47.8	75.9	19.5	14.3	23.8	US\$/kg	287
5102 Fine or coarse animal hair, not carded or combed.....		17.4	66.8	67.3	8.1	18.5	21.1	US\$/kg	268
2529 Felspar; leucite and nepheline syenite.....		25.4	35.1	45.0	0.1	0.1	0.1	US\$/kg	278
2709 Petroleum oils, crude.....		9.3	19.8	53.3	0.4	0.4	0.5	US\$/kg	333
4105 Tanned or crust skins of sheep or lambs, without wool on.....		16.4	24.5	25.0	5.9	5.4	6.5	US\$/kg	611

Graph 2: Trade Balance by MDG Regions in 2007

(Mln US\$)



Graph 3: Partner concentration of trade in 2007

(Cumulative share by ranked partners)

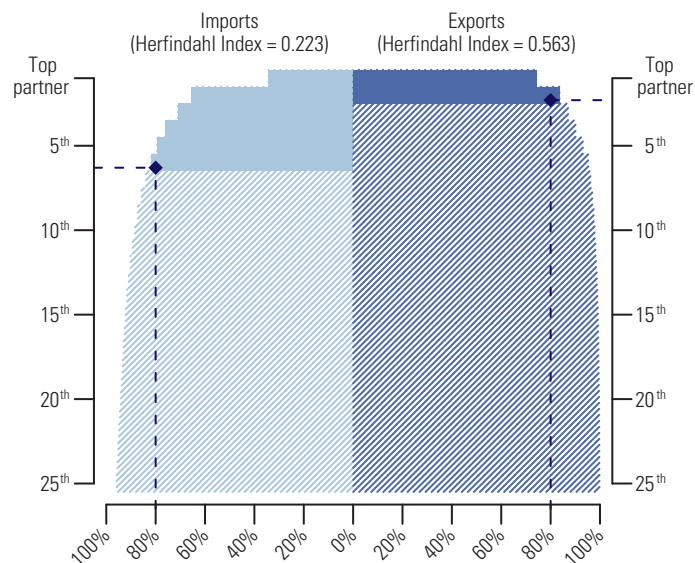


Table 4: Exports by principal countries and SITC sections in 2007

(Value in million US\$, percentages of country total)

Country	Total	Shares by SITC sections (%)									Total
		0 + 1	2 + 4	3	5	6	7	8	9		
World.....	1886.6	1.5	71.0	9.0	0.1	3.6	1.0	1.4	12.4	100	
China.....	1399.8	0.6	83.0	12.1	0.1	4.1	0.2	0.0	...	100	
Canada.....	178.5	0.0	0.0	0.0	...	0.0	0.1	0.2	99.6	100	
USA.....	64.5	0.4	15.9	...	2.1	0.0	0.9	13.1	67.6	100	
Russian Federation.....	57.2	28.6	55.0	2.0	0.0	2.3	10.6	1.5	...	100	
Italy.....	55.8	0.0	87.6	...	...	9.1	0.0	3.3	...	100	
Rep. of Korea.....	40.6	0.7	75.5	0.3	0.0	0.8	0.7	1.2	20.7	100	
United Kingdom.....	17.2	0.0	55.1	...	0.0	2.5	1.5	11.5	29.4	100	
Japan.....	14.4	1.6	76.2	0.0	0.0	16.7	0.1	5.3	...	100	
Germany.....	10.4	0.4	32.7	0.0	0.0	1.9	47.0	18.1	...	100	
Netherlands.....	7.2	0.0	97.7	0.0	...	0.9	0.4	1.0	...	100	

**Imports Profile:**

In 2007, Mongolia's imports increased by 42.5 percent driven largely by machinery and transport equipment (SITC section 7) and manufactured goods classified chiefly by material (SITC section 6) (see table 2). Imports of these commodity groups increased respectively by 48.6 and 46.6 percent and represented 29.5 and 15.4 percent of imports. Mineral fuels, lubricants and related materials (SITC section 3), largely non crude petroleum oils, accounted for 26.9 percent of imported goods. From 2005 to 2007, top imported products were petroleum oils, other than crude (HS code 2710), motor cars and other motor vehicles principally designed for the transport (HS code 8703) and unused postage, revenue or similar stamps of current or new issue (HS code 4907) (see table 5).

Table 5: Top 10 import commodities 2005 to 2007

(Value in million US\$)

HS code	4-digit heading of Harmonized System 2002	Value (million US\$)			Unit value			SITC code
		2005	2006	2007	2005	2006	2007	
All Commodities.....		1182.6	1485.6	2117.0				
2710 Petroleum oils, other than crude.....		302.1	422.6	551.3	0.5	0.7	0.7	US\$/kg 334
8703 Motor cars and other motor vehicles principally designed for the transport.....		51.8	81.1	87.3	3.6	3.7	4.1	thsd US\$/unit 781
4907 Unused postage, revenue or similar stamps of current or new issue.....		10.6	53.8	115.7	0.0	1.2		thsd US\$/kg 892
8429 Self-propelled bulldozers, angledozers, graders, levellers, scrapers.....		35.1	16.6	52.7	98.1	7.8	43.1	thsd US\$/unit 723
8704 Motor vehicles for the transport of goods.....		22.6	25.3	53.4	3.6	3.4	4.1	thsd US\$/unit 782
8517 Electrical apparatus for line telephony or line telegraphy.....		19.6	26.6	34.5				764
8474 Machinery for sorting, screening, separating, washing, crushing, grinding.....		24.7	24.1	23.4				728
8431 Parts suitable for use principally with the machinery of headings 84.25.....		17.3	21.8	31.3	6.2	8.5		US\$/kg 723
1101 Wheat or meslin flour.....		20.0	21.3	26.1	0.2	0.2	0.3	US\$/kg 046
1001 Wheat and meslin.....		15.8	20.1	21.2	0.2	0.2	0.2	US\$/kg 041