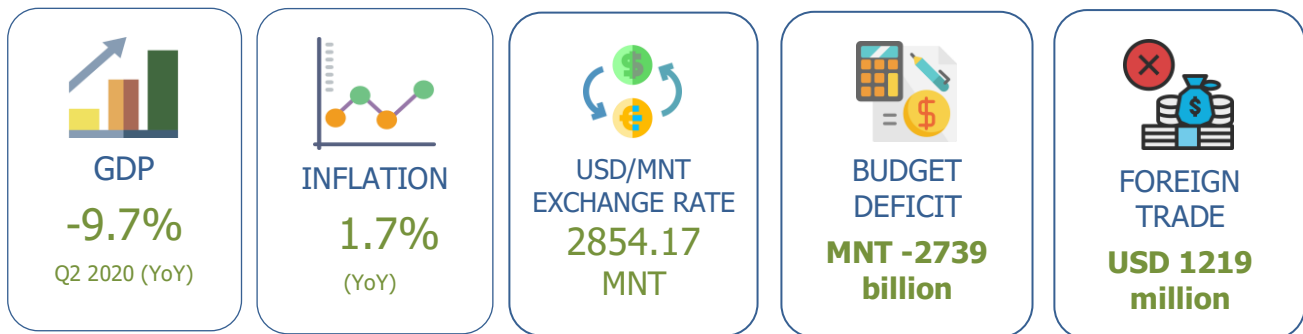


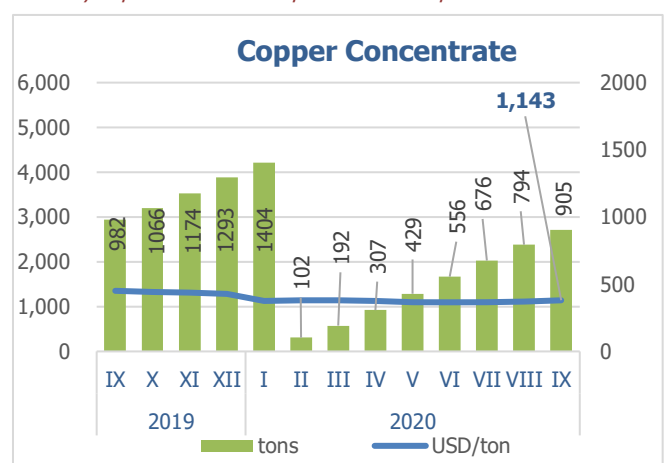
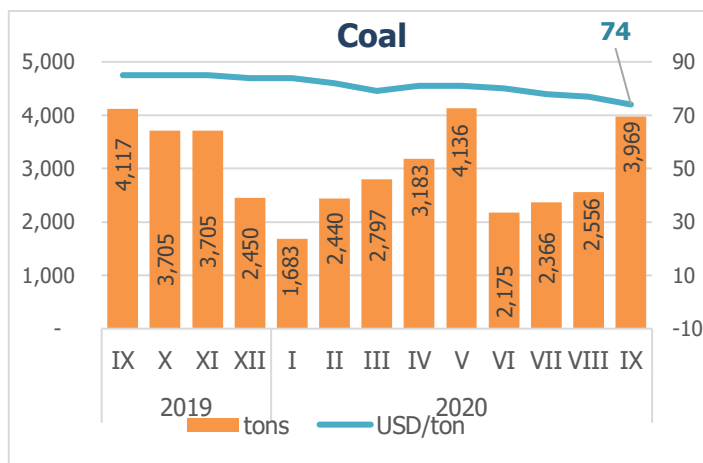
MAIN INDICATORS

Compared with August 2020



MAJOR EXPORT COMMODITY PRICES AND VOLUMES

Monthly export volumes and prices over the past 12 months.



Source: National statistical office of Mongolia

OTHER MONTHLY INDICATORS



ECONOMIC FORECASTS FOR MONGOLIA

GDP growth: in 2020: **2.1%**  
 Inflation: in 2020: **6.6%**  
 Current account balance: in 2020: **-13%** according to a new Asian Development Bank (ADB) report (2020, April).

Source: <https://bit.ly/2XR5XVj>

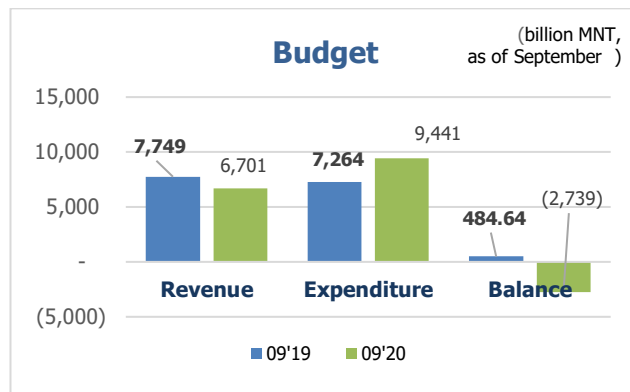
GDP growth: in 2020: **-1%**  
 Inflation: : in 2020: **+5.6%**  
 Current account balance: in 2020: **-10.2% of GDP-** by IMF (World Economic Outlook, 2020)

Source: <https://bit.ly/2XR5XVj>

ANALYSIS: STATE BUDGET, EXCHANGE RATE, INFLATION, FOREIGN TRADE

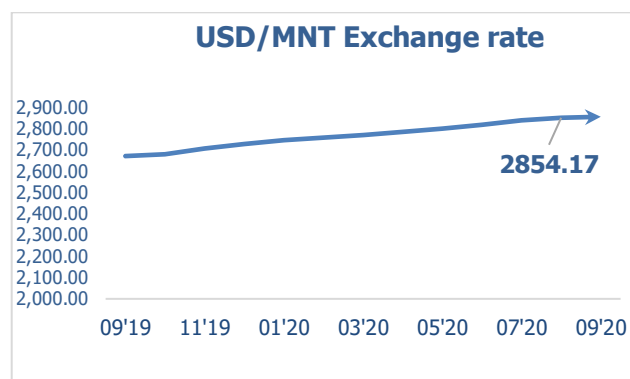
**The budget deficit reached MNT -2739 billion**

Government revenues decreased by 13.5% and expenditures increased by 30% relative to the same period in 2019, resulting in a budget deficit of MNT -2739 billion. The budget deficit has decreased by 18.2 billion MNT from the same period in 2019.



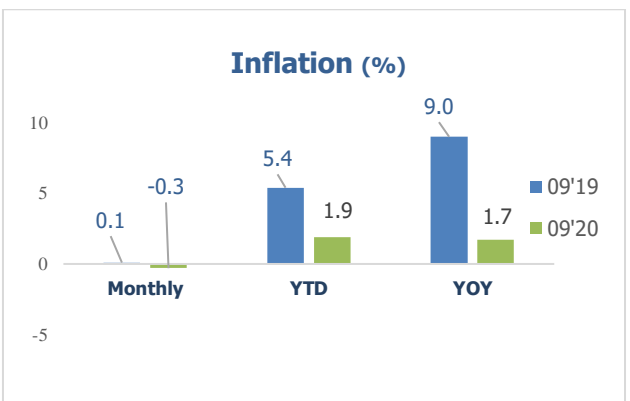
**The USD exchange rate increased by MNT 5**

In September, the average nominal exchange rate against the US dollar was MNT 2854.17. This is a 6.9% or by 184 MNT increase from the same period in 2019, and a 0.18% or by 5 MNT increase from August 2020. In September, foreign exchange reserves reached 3.69 billion MNT an decrease 15 percent from the same period in 2019, and 1 percent increase from August 2020.



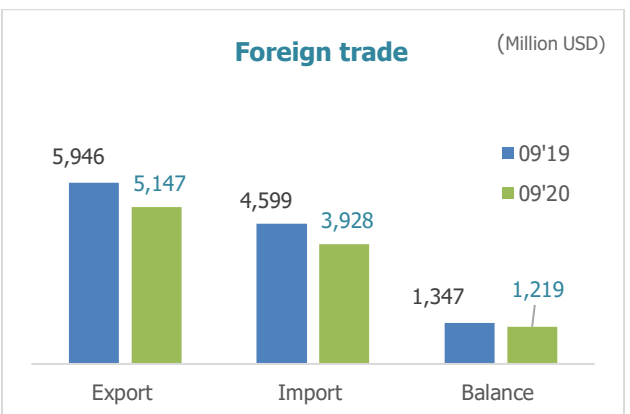
**Inflation Rate is 1.7%**

In September, the national consumer price index decreased by 0.3% compared to August 2020, and increased by 1.9% in the year to date. Annual inflation is 1.7%. The inflation rate was 5.8 percent in September 2017, 5.7 percent in September 2018, and 9 percent in September 2019, and decreased by 7.3 percentage points to 1.7 percent in September 2020 compared to the same period of the previous year.

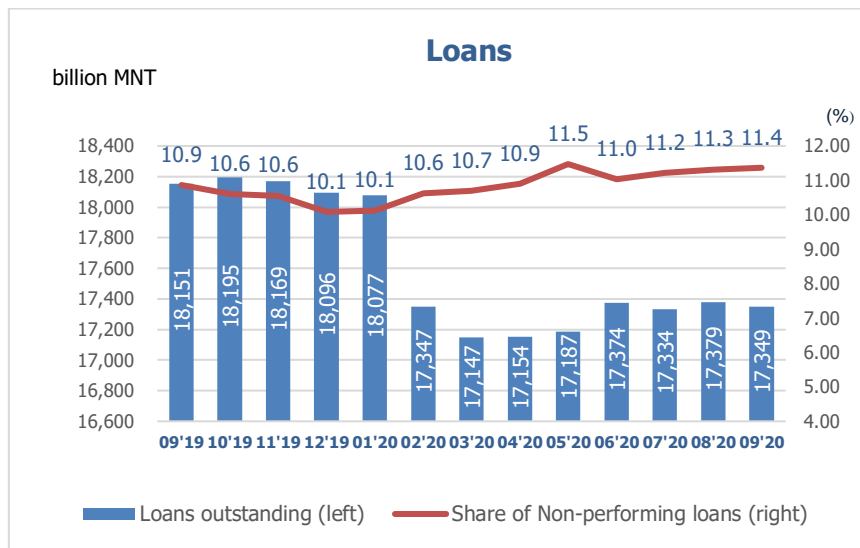


**Trade Balance surplus reached 1219 million USD**

In September, Total turnover of foreign trade reached USD 9075 billion, a 13.9% decrease compared to the same period in 2019. Exports decreased by 13.4% from the last year, while imports decreased by 14.5%. The trade surplus reached USD 1219 million.



## SPECIAL FOCUS: LOANS



Source: [www.1212.mn](http://www.1212.mn)

At the end of September 2020, the amount of outstanding loan to entities, enterprises and citizens amounted MNT 17.3 trillion, decreased by (0.2%) from the previous month and decreased by 0.1% from the same period of the previous year. Non-performing loans amounted MNT 1971 billion, increased by 0.2% from the previous month and decreased by 0.1% from the same period last year. The non-performing loans at the banking system makes up to 11.3% of total loans. Overdue loans reached MNT 1.1 trillion at the end of September 2020, increasing by MNT 11 (1.0%) billion from the previous month and by MNT 161.5 billion (16.4%) from the same period of the previous year. Overdue loans accounted for 6.6 percent of total loans. At the end of September 2020, non-performing loans in the banking system reached MNT 2 trillion, increasing by MNT 4.6 billion (0.2%) from the previous month and decreasing by MNT 1.8 billion (0.1%) from the same period of the previous year.

## HIGHLIGHTS OF THE MONTH

**THE ECONOMIC GROWTH IS 9.7 PERCENT**

- The outbreak of COVID-19 has affected the mining, trade and transportation sectors, and the economy has shrunk by 9.7 percent. This affected the banking sector, with lending declining by 2 percent year-on-year in the first quarter and 11 percent in the second quarter. Current account balances not only decreased by 9 percent in the first half of the year (due to lower public and foreign investment), but also by 3 percent due to lower incomes.

**MONGOLIA HAS ACCUMULATED ONLY ONE CENT PER DOLLAR OF MINERAL REVENUES FOR FUTURE GENERATIONS**

- According to a new World Bank report, Mongolia has accumulated only one cent per dollar of mineral revenues for future generations over the past 20 years. Mongolia has produced \$ 28 billion worth of mining products since 2004. The government has accumulated \$ 1.4 billion in savings over the past nine years from the Stabilization Fund and the Future Heritage Fund since 2011, spending \$ 1.2 billion, leaving a net balance of \$ 0.2 billion.

## Sources:

- Monthly bulletin of statistics, September 2020, National Statistics office of Mongolia
- Monthly bulletin of statistics, September 2020, Mongolbank
- [www.1212.mn](http://www.1212.mn), [www.monqolbank.mn](http://www.monqolbank.mn); [www.montsame.mn](http://www.montsame.mn)