MONTHLY MACROECONOMIC OVERVIEW

May 2020

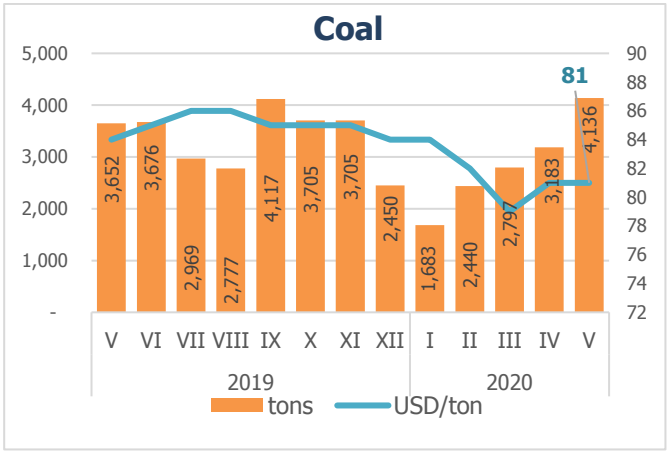
MAIN INDICATORS

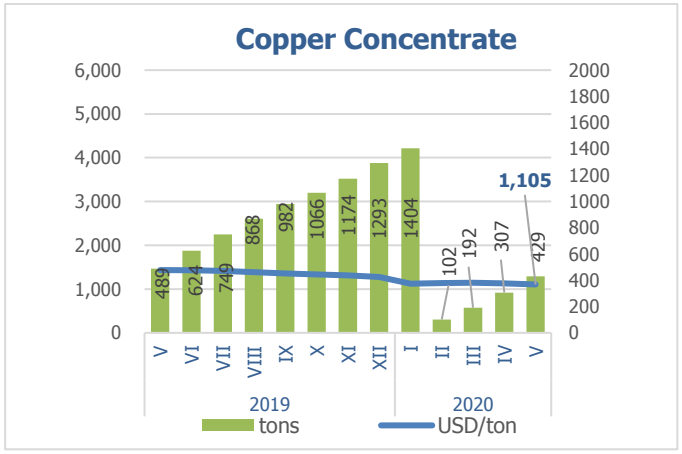
Compared with April 2020

GDP	INFLATION	USD/MNT EXCHANGE RATE	BUDGET DEFICIT	FOREIGN TRADE
-10.7%	3.3%	2797.25 MNT	**MNT -1490 billion**	**USD 13.9 million**
QI 2020 (YoY)	(YoY)			

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

FOREIGN CURRENCY RESERVES	TOTAL DEPOSITS	% OF NON-PERFORMING LOAN	CURRENCY IN CIRCULATION
USD 3556 million	**MNT 14.6 trillion**	**11.4%**	**MNT 974.1 billion**

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*

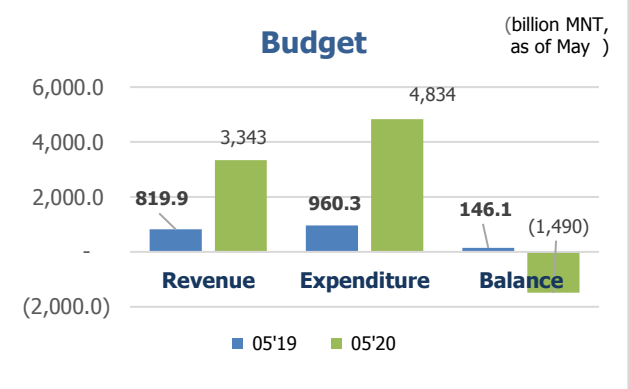
GDP growth: in 2020: -1%
Inflation: : in 2020: +5.6%
Current account balance: in 2020: -10.2% of GDP- *by IMF (World Economic Outlook, 2020)*

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

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

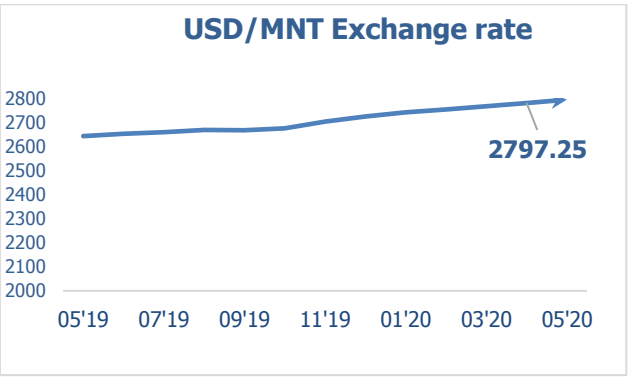
The budget deficit reached MNT 1490 bilion

Government revenues decreased by 15.4% and expenditures increased by 27% relative to the same period in 2019, resulting in a budget deficit of MNT 1490 billion. The budget deficit has decreased by 1636 billion MNT from the same period in 2019.



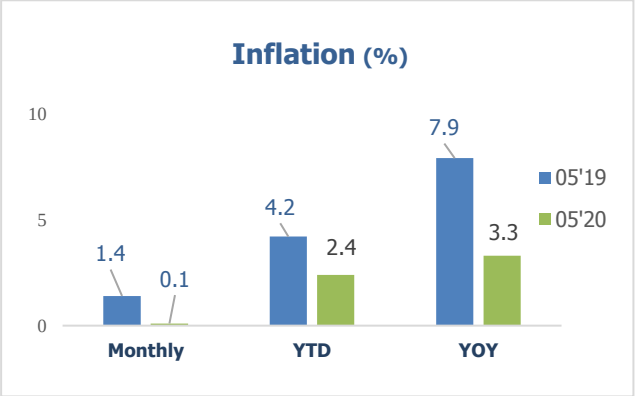
The USD exchange rate increased by MNT 14.5

In May, the average nominal exchange rate against the US dollar was MNT 2797.25 This is a 5.7% or by 152 MNT increase from the same period in 2019, and a 0.50% or by 14.05 MNT increase from April 2020. In May, foreign exchange reserves reached 3.5 billion MNT an increase 13.3 percent from the same period in 2019, and 11 percent increase from April 2020.



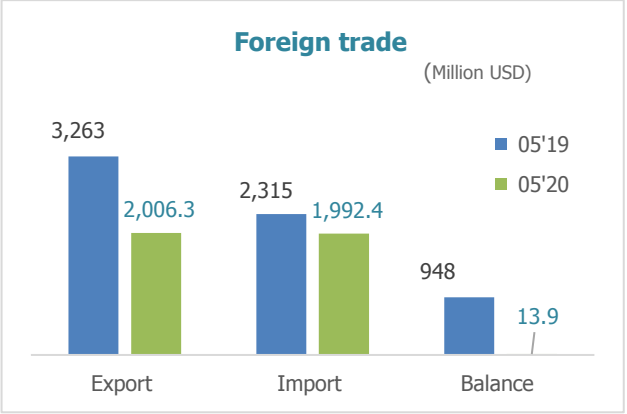
Inflation Rate is 3.3%

In May, the national consumer price index increased by 0.1% compared to April 2020, and increased by 2.4% in the year to date. Annual inflation is 3.3%. The consumer price index has increased due to prices of food and beverages, prices of transport housing, electricity, medicine and medical services.

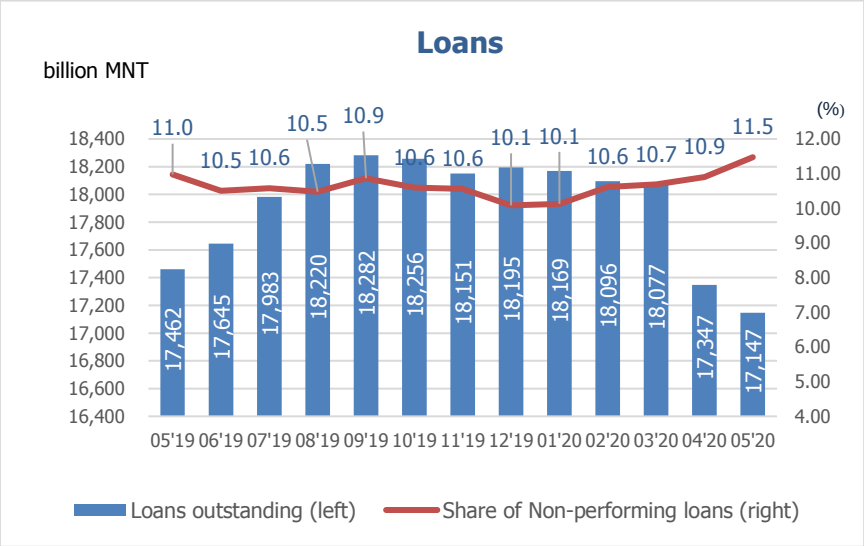


Trade Balance surplus reached 13.9 million USD

In May, Total turnover of foreign trade reached USD 3998 billion, an 23.8% decrease compared to the same period in 2019. Exports decreased by 38.5% from the last year, while imports decreased by 13.9%. The trade surplus reached USD 13.9 million.



SPECIAL FOCUS: LOANS



Source: www.1212.mn

At the end of May 2020, the amount of outstanding loan to entities, enterprises and citizens amounted MNT 17.1 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 1972 billion, increased by 5.5% 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 11.5% of total loans.

HIGLIGHTS OF THE MONTH

MONGOLIA TO RECEIVE 99 MILLION USD INSTANT FINANCING

- The International Monetary Fund (IMF) team has agreed to include Mongolia in the Rapid Financing Facility (RFF) as soon as possible to help it weather the economic hardships caused by the Covid-19 epidemic. An IMF-level working group agreement was reached to provide 72.3 million US dollars in special borrowing rights, or 99 USD million, to support the rapid disbursement of fiscal and balance of payments instruments.

AIR TRANSPORT REVENUE DECREASED BY 52.4% FROM THE SAME PERIOD IN 2019.

- The Revenues of national air carriers reached MNT 6.7 billion in the first 4 months, increasing by MNT 380.0 million (6.1%) compared to the previous month. However, revenue in the first 4 months of the year reached 58.6 billion MNT, decreasing by 64.5 billion MNT (52.4%) compared to the same period of the previous year. In the first 4 months of 2012, air passenger traffic reached 240.1 thousand persons, decreasing by 161.0 thousand persons (40.1%) compared to the same period of the previous year. In the first 4 months of 2012, international air passenger traffic reached 132.5 thousand persons (55.2%) thousand, decreasing by 140.7 thousand persons (51.5%) compared to the same period of the previous year. The decrease was mainly due to 75.8 percent decrease in Ulaanbaatar-Beijing, 63.7 percent decrease in Ulaanbaatar-Irkutsk, 67.1 percent decrease in Ulaanbaatar-Hailar, 42.5 percent decrease in Ulaanbaatar-Moscow and 40.0 percent decrease in Ulaanbaatar-Seoul.

Sources:

1. *Monthly bulletin of statistics, May 2020, National Statistics office of Mongolia*
2. *Monthly bulletin of statistics, May 2020, Mongolbank*
3. *www.1212.mn, www.mongolbank.mn; www.montsame.mn*