



KCCI - Country Wrap: Mongolia (NOV.'18)

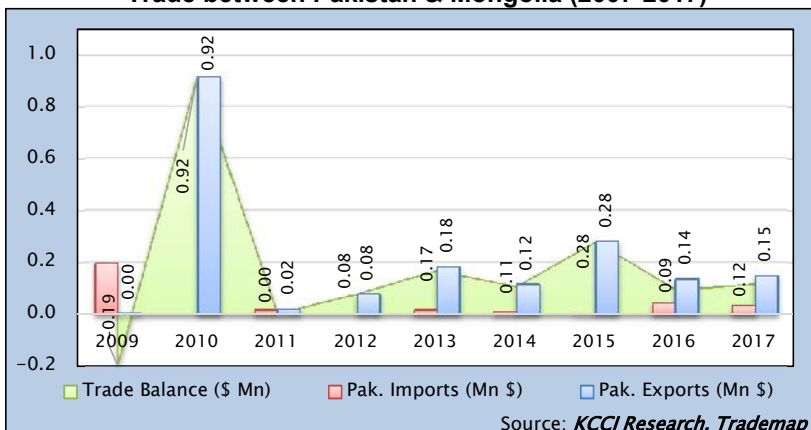


Economic Indicators

Indicators	Unit	2016	2017	Change
GDP (PPP)	\$ Bn	37.81	39.73	5.08%
GDP per Capita	\$	12,500	13,000	4.00%
GDP growth	%	1.20	5.10	3.90%
Forex Reserves	\$ Bn	1.30	3.02	132.72%
External Debt	\$ Bn	24.63	25.33	2.84%
Exports of Goods	\$ Bn	4.92	5.83	18.67%
Imports of Goods	\$ Bn	3.36	4.35	29.39%
Trade Balance	\$ Bn	1.56	1.49	-4.43%
Current Account	\$ Bn	-0.70	-1.16	-65.00%
FDI - at Home	\$ Bn	16.28	18.02	10.69%
FDI - at Abroad	\$ Bn	0.46	0.50	8.74%
CPI	%	0.50	4.60	4.10%
Prime Lending Rate	%	19.74	20.01	0.27%
Population	Mn	0.0	3.10	N/A
Unemployment	%	7.9	8.0	0.10%

Sources: KCCI Research, CIA Factbook

Trade between Pakistan & Mongolia (2007-2017)



Source: KCCI Research, Trademap

Mongolia's Top 10 Trade Items From World (2017)

Top 10 Export Items	(\$ Mn)	Top 10 Import Items	(\$ Mn)
Mineral fuels & oils	2,598.94	Mineral fuels & oils	1,018.5
Ores, slag & ash	2,166.88	Machinery & appl.	500.6
Natural or cultured pearls	662.05	Vehicles other than railway	499.2
Wool & animal hair	197.94	Electrical machinery & equip.	294.5
Copper & articles	103.46	Articles of iron or steel	165.6
Edible fruit & nuts	89.32	Plastics & articles	90.6
Meat	70.39	Pharma. products	83.5
Salt; sulphur; earths & stone	54.47	Iron & steel	68.7
Oil seeds & oleaginous fruits	44.26	Rubber & articles	61.9
Articles of apparel, knitted	32.93	Optical, photo., surgical items	60.7

Sources: KCCI Research, Trademap

Pakistan - Mongolia Top 10 Trade Items (2017)

Pakistan Export Items	(\$ Mn)	Pakistan Import Items	(\$ Mn)
Pharma. products	0.146		
Toys, games and sports	0.011		
Optical, photo., surgical items	0.002		
Articles of apparel, knitted	0.002		

Sources: KCCI Research, Trademap

Mongolia – a brief overview

Mongolia declared independence from China in December 1911 and is one of the least densely populated countries in the world, consisting of 21 provinces. Foreign direct investment is largely in the country's extractive industries based on extensive deposits of copper, gold, coal, molybdenum, fluorspar, uranium, tin, and tungsten. This has transformed Mongolia's landlocked economy from its traditional dependence on herding and agriculture. Exports now account for more than 40% of GDP. Mongolia depends on China for more than 60% of its external trade and China receives some 90% of Mongolia's exports while supplying the country with more than one-third of its imports. Remittances from Mongolians working abroad, particularly in South Korea, are significant. The current government has made restoring investor trust and reviving the economy its top priority, but is finding it difficult to invigorate the economy in the face of the large drop-off in foreign direct investment, mounting external debt, and a sizeable budget deficit. Mongolia secured a \$ 5.5Bn financial assistance package from the IMF and a host of international creditors in May 2017, which is expected to improve fiscal and economic stability.

Key Industries and Agricultural products of Mongolia

Agricultural commodities include: wheat, barley, vegetables, forage crops and livestock. Whereas, key industries are: construction and construction materials, mining (coal, copper, molybdenum, fluorspar, tin, tungsten, gold), oil, food and beverages; processing of animal products, cashmere and natural fiber manufacturing.

Major trading commodities and partners of Mongolia

Mongolia's major import commodities are: machinery and equipment, fuel, cars, food products, industrial consumer goods, chemicals, building materials, cigarettes and tobacco, appliances, soap and detergent and major import partners include: China (32.6%), Russia (28.1%), Japan (8.4%), US (4.8%), and South Korea (4.6%). On the other hand, the country's major export commodities include copper, apparel, livestock, animal products, cashmere, wool, hides, fluorspar, other nonferrous metals, coal, and crude oil whereas export partners include China (84.2%) and Switzerland (10.8%).

Economic Relations between Pakistan and Mongolia

The inaugural session of Pakistan-Mongolia Bilateral Political Consultations was held on 5th Nov' 2018 which covered variety of topics including, Pakistan-Mongolia bilateral relations, trade and business, and cooperation on multilateral issues. The two sides agreed to hold the next round in Ulaanbaatar in 2019.

Trade between Pakistan and Mongolia

Trade between Pakistan and Mongolia is barely existent. In 2017, Pakistan's export to Mongolia decreased by 37% to \$ 0.162Mn against exports of \$ 0.257Mn in 2016. Pakistan has not imported anything from Mongolia since 2015 when total import from the country were \$ 0.033Mn.

Trade Potentials of Mongolia

- Pakistan can export various commodities to Mongolia including plastic.
- Pakistan can also help Mongolia in setting up be infrastructure related to the pharmaceutical industry.
- Pakistan can utilize Mongolia's experience to explore its coal and mineral reserves.
- Pakistan can also draw from Mongolia's expertise in livestock and animal products.