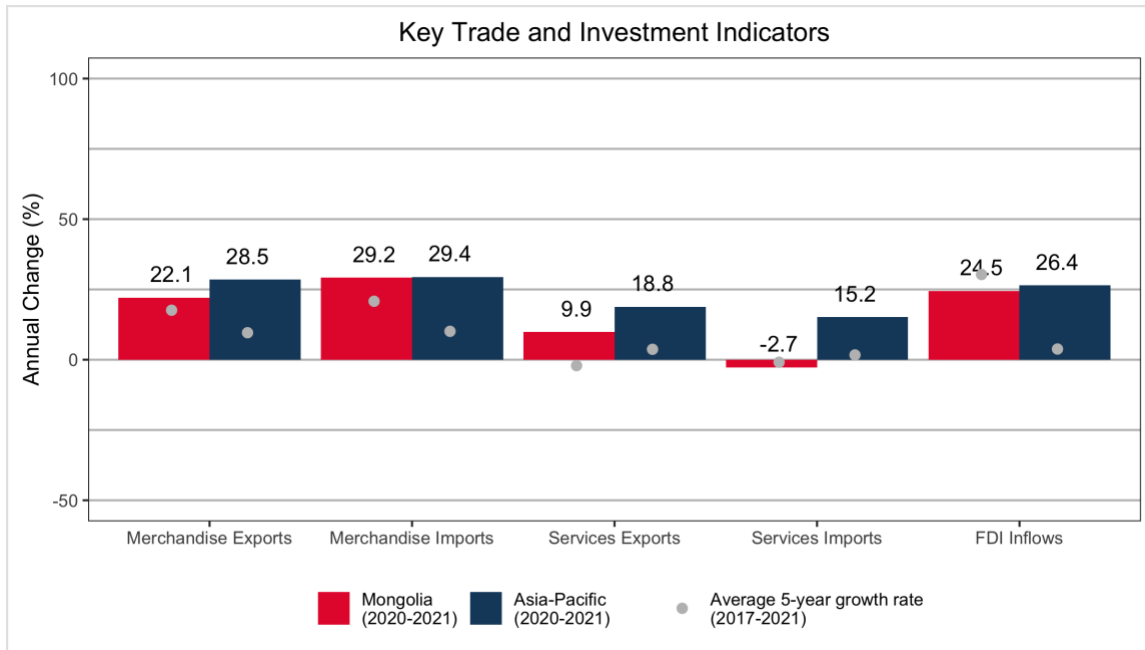




Mongolia Trade Brief



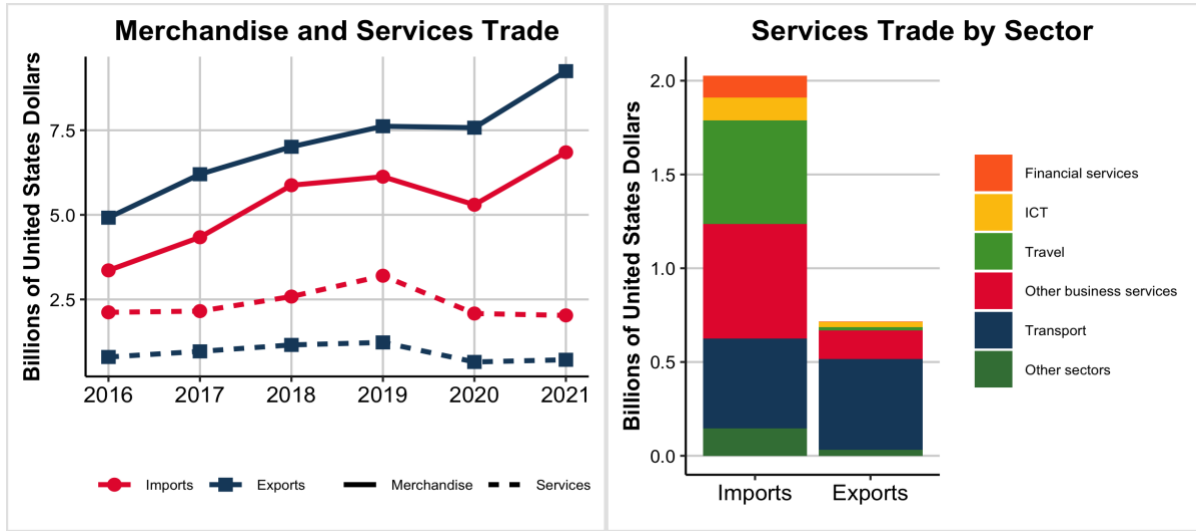
Merchandise Trade

In 2021, Mongolia registered a trade-to-GDP ratio of 124.8%, and merchandise trade accounted for 85.4% of Mongolia's total trade. From 2017-2021, Mongolia's merchandise exports grew by 17.6% and merchandise imports increased by 20.8% nominally each year on average. Merchandise exports in Mongolia experienced faster growth than the Asia-Pacific region's 9.6% annual growth during the same period. Likewise, merchandise imports for Mongolia outperformed the Asia-Pacific region's annual growth of 10.1%. In 2021, Mongolia's merchandise exports increased by 22.1% and merchandise imports grew by 29.2% nominally.

Services Trade

The services trade share of total trade by Mongolia amounted to 14.6% in 2021. Over the 2017-2021 period, commercial services exports for Mongolia contracted by 2.1% annually and commercial services imports decreased by an annual average of 0.9% in nominal terms, which was lower than the Asia-Pacific's 3.7% and 1.7% average growth, respectively. In 2021, Mongolia's services exports grew by 9.9%, following a year of 47% decline in 2020. In comparison, exports in the Asia-Pacific region grew by 18.8% in 2021, after falling by 21.4% in 2020. Commercial services imports in Mongolia declined by 2.7% in 2021, compared to 15.2% growth in the Asia-Pacific region.

Sector-wise, "Transport services" comprised 35.1% of Mongolia's total commercial services trade in 2021, followed by "Other business services" at 27.8% and "Travel services" at 20.7%. The main driver of growth in services exports for Mongolia over the 2017-2021 period was "Transport services", which saw an average 17.8% increase annually in nominal terms. On the imports side, "Travel services" was the greatest contributor to growth in commercial services, increasing 2.9% annually on average over the same period.

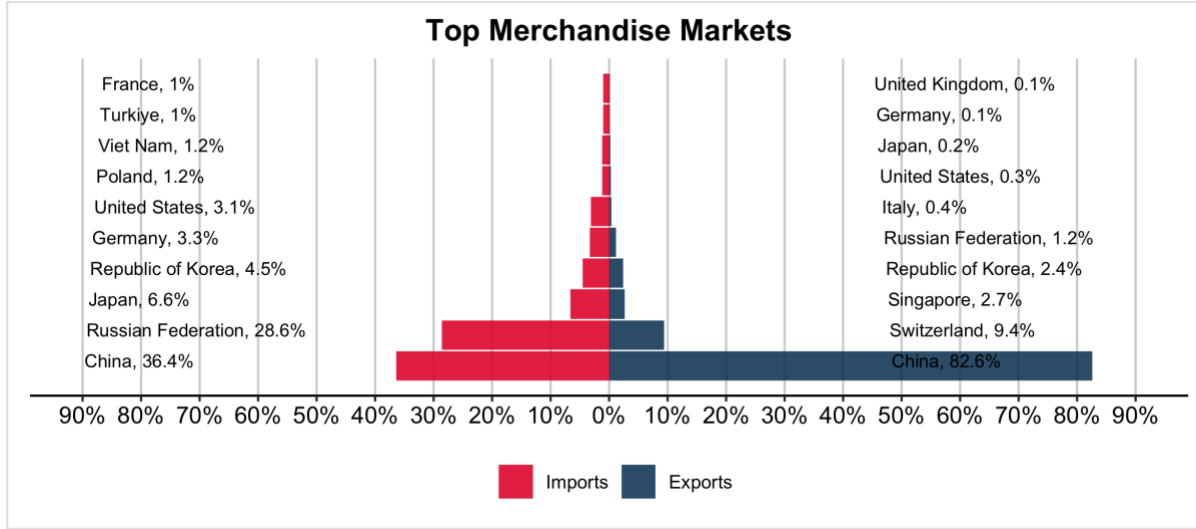


Top Trade Partners

In 2021, the largest merchandise trade partner of Mongolia was China, representing 82.6% of its exports and 36.4% of its imports. 1.2% of Mongolia's exports and 28.6% of Mongolia's imports by value were traded with the Russian Federation, its second largest trade partner. Other significant trade partners were Switzerland, the Republic of Korea, Japan, Singapore, the United States, Germany, Italy, and Poland.

Top Traded Products

The largest merchandise product category exported by Mongolia in 2021 was "Copper ores and concentrates" (2603), with an export share of 31.4% of total exports, followed by the second most exported product category, "Coal; briquettes, ovoids and similar solid fuels manufactured from coal" (2701), which accounted for 29.9% of Mongolia's total exports. In terms of imports, "Petroleum oils and oils from bituminous minerals, not crude; preparations n.e.c, containing by weight 70% or more of petroleum oils or oils from bituminous minerals; these being the basic constituents of the preparations; waste oils" (2710) represented 16.5% of total imports, standing out the top imported product category. Meanwhile, "Vehicles; for the transport of goods" (8704) had a share of 5.6%, the second largest imported product category in Mongolia in 2021.



Tariffs

In 2021, the average MFN applied and effectively applied tariff rates faced by Mongolia amounted to 2.1% and 2.1%, respectively, which were lower than the Asia-Pacific's average rates faced of 4% and 3%. As for tariffs imposed by Mongolia, the MFN applied and effectively applied tariff rates averaged 5.3% and 5.1% in 2021, and the average MFN bound tariff rate amounted to 18.9%. Mongolia's imposed tariff rates were all higher than the Asia-Pacific's average MFN applied, effectively applied and MFN bound rates of 4.2%, 3.4% and 11.5%, respectively. Mongolia acceded to the WTO on 29 January 1997. Currently, 100% of Mongolia's tariff lines are bound.

Foreign Direct Investment (FDI)

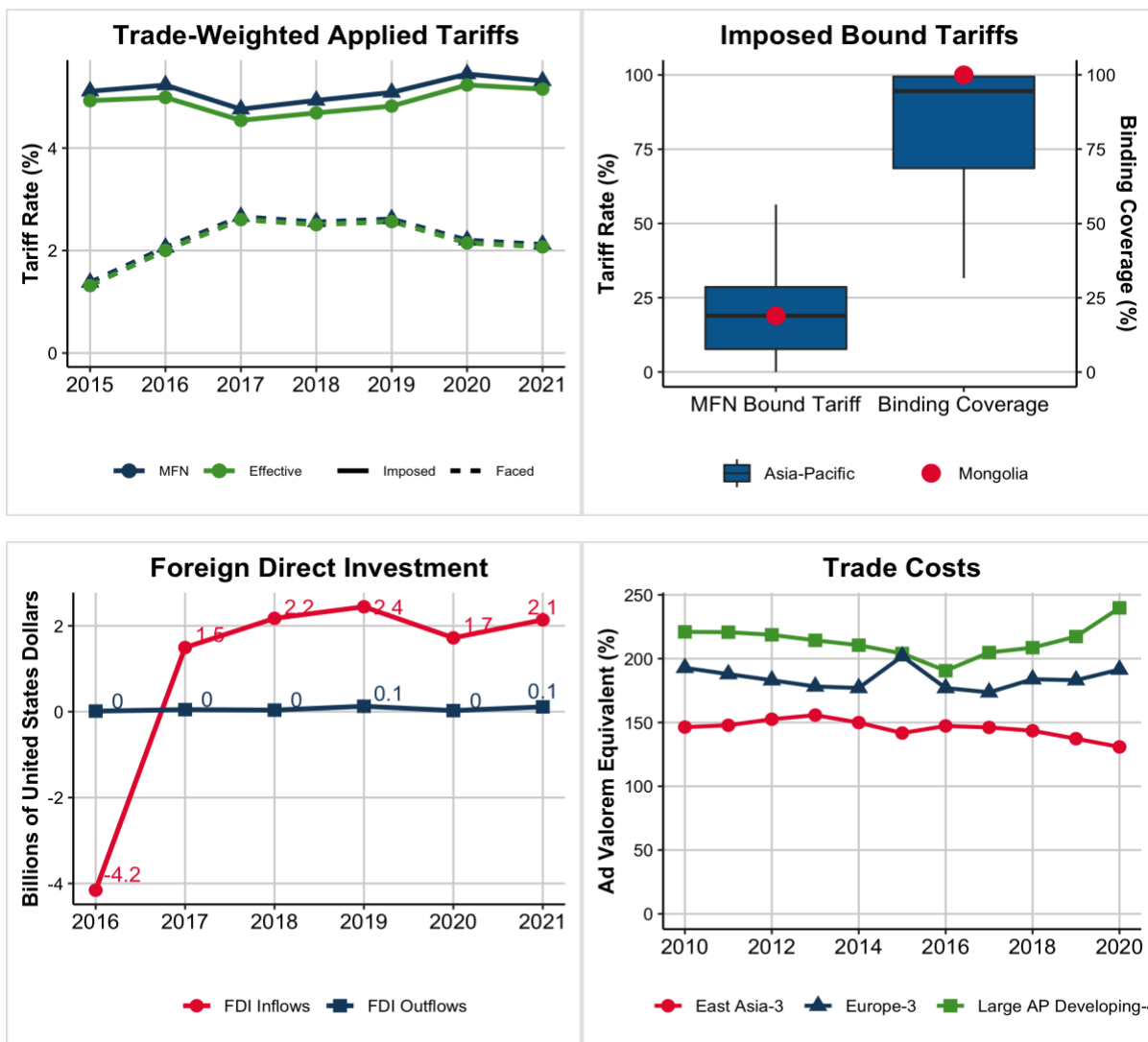
Mongolia recorded an average annual FDI inflows growth of 30.3% from 2017 to 2021, which was higher than the Asia-Pacific's 3.8% average annual FDI inflows growth. In 2021, Mongolia experienced an increase in FDI inflows by 24.5%. In terms of FDI outflows, Mongolia had an average annual FDI outflows growth of 136.3%



in the last five years, which was also higher than the Asia-Pacific's 3.2% average annual FDI outflows growth. In 2021, Mongolia experienced an increase in FDI outflows by 335.6%.

Trade Costs

Mongolia's trade costs were lowest with the East Asia-3 economies of China, Japan and the Republic of Korea. In 2020, trade costs with the East Asia-3 economies, on average, amounted to 130.8% of the value of goods, as compared to when the countries trade these goods within their borders. Trade costs were higher with the Europe-3 economies (Germany, France and the United Kingdom) and Large Asia-Pacific Developing-4 economies (China, India, Indonesia and the Russian Federation), amounting to 191.5% and 239.8%, respectively. As of 2018, Mongolia ranked in the 18th percentile for logistics performance among other countries in the Asia-Pacific region.





Trade Agreements

Mongolia had 2 trade agreements in force, 0 signed agreements pending ratification and 0 trade agreements under negotiation as of 2021. Of the economy's total exports for the year, 85.2% were directed to its trade agreement partners, while 48.6% of its total imports came from trade agreement partners.

Title	Status	Year in Force	Share of Total Exports (%)	Share of Total Imports (%)
Asia-Pacific Trade Agreement (APTA)	in force	1976	85.02	41.97
Japan-Mongolia	in force	2016	0.19	6.62

Sources: Historic merchandise trade and commercial services data were accessed from the WTO statistics website. Merchandise and services projections were obtained from the Economist Intelligence Unit. Product-level and partner-level trade data were accessed through the UN Comtrade database. Tariff data were accessed through WITS and WTO tariff database. FDI data were accessed through UNCTAD stat. Trade costs data were based on the ESCAP-World Bank trade cost database. Logistics performance data were retrieved from the World Bank LPI dataset for the latest year available. Trade-to-GDP ratio was calculated by summing commercial and merchandise exports and imports and dividing the sum by the latest GDP (current United States dollars), retrieved from the World Bank World Development indicators database. NTM data were accessed through UNCTAD TRAINS. Preferential trade agreement data were retrieved from the GPTAD database through WITS.

Note: Data are based on economies for which data available only. Merchandise trade data follow the latest HS classification. Products are defined at the 4-digit level. Tariffs are trade-weighted averages. Trade costs are simple average across country groups and exclude the cost of tariffs. NTM data may not be reported for top 10 trade partners.

Definitions: MFN bound tariff is the maximum most-favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied to imports among WTO members. The effectively applied rate is the lowest available tariff (between any preferential tariffs and MFN tariffs at the HS 6-digit level). Binding coverage refers to the share of bound tariff lines in the total number of tariff lines. For more details contact escap-tiid@un.org. For country reports on regional integration, please visit the [RIA website](#).