



NATIONAL STATISTICS OFFICE OF
MONGOLIA

GROSS DOMESTIC PRODUCT



Ulaanbaatar city
2020

MONGOLIA:

**REPORT ON GROSS DOMESTIC PRODUCT
(IN THE FIRST QUARTER OF 2020)**

National Statistical Office
Ulaanbaatar
May 25, 2020

CONTENTS

INTRODUCTION	4
I. GDP by production approach.....	6
GDP, at current prices.....	6
GDP, at 2010 constant prices.....	7
Contribution of sectors to GDP growth.....	7
Seasonally adjusted GDP.....	8
Production of the main sectors of the economy.....	9
II. GDP by expenditure approach.....	13
GDP, at current prices.....	13
GDP, at 2010 constant prices.....	14

FIGURE

Figure 1. Changes of GDP, in the first quarter 2020, by percent.....	6
Figure 2. Composition of GDP, by quarter, by share of total.....	6
Figure 3. Contribution and composition of sectors to change of GDP.....	7
Figure 4. Changes in GDP, mining and non-mining sectors, by percent.....	7
Figure 5. Quarterly changes of seasonally adjusted GDP, by percent (at 2010 constant prices, compared to the previous quarter).....	8
Figure 6. Number of survivals, losses of adult livestock, thousand heads.....	9
Figure 7. Composition of manufacturing, by share of total.....	10
Figure 8. The output of electricity, thermal energy and water supply, at current prices, billion togogs.....	10
Figure 9. Construction, capital repairs and maintenance, import, billion togogs.....	10
Figure 10. Total sales of domestic trade and import of goods.....	11
Figure 11. Total revenue for transport, billion togogs.....	11
Figure 12. The revenue of restaurants and hotels, at current price, billion togogs.....	11
Figure 13. Outstanding loans and time deposit, trillion togogs.....	12
Figure 14. Compensation of employees of government organization, billion togogs.....	12
Figure 15. Taxes on products, by type, by share of total.....	12
Figure 16. Change of GDP, by expenditure approach, at current and 2010 constant prices, by percent.....	13
Figure 17. Top-5 export products.....	15
Figure 18. Top-5 import products.....	15

TABLES

Table 1. GDP by production approach, at current prices 6

Table 2. GDP by production approach, at 2010 constant prices 7

Table 3. Contribution sectors to changes GDP, by percentage points..... 8

Table 4. Production and exports of mining and quarrying commodities..... 9

Table 5. GDP by expenditure approach, at current prices..... 13

Table 6. GDP by expenditure approach, at 2010 constant prices..... 14

Table 7. Contribution of expenditure components to GDP growth, by percentage point.....15

Table 8. Main indicators156

Note:

* Preliminary estimates

INTRODUCTION

Gross domestic product (GDP) measures the sum of value added of all economic activities within a country's territory in a given year.

There are three approaches to measuring GDP: production, expenditure, and income.

- The *production approach* calculates the difference between output and intermediate consumption and reveals which sectors generate new value added.
- The *expenditure approach* calculates the value of final consumption expenditure, gross capital formation, and net exports of goods and services (exports less imports). This approach is composed of household consumption, government consumption, the consumption of nonprofit private institutions serving household, gross fixed capital formation, changes in inventories, acquisition less disposal of valuables, and net export of goods and services, and reveals how the value added generated by producers is used where, and for what type of expenditure, as a result of procurement and selling of products and services.
- The *income approach* is the sum of compensation of employees, consumption of fixed capital, net taxes on production and imports (taxes less subsidies on production and imports), and net operating surplus or mixed income.

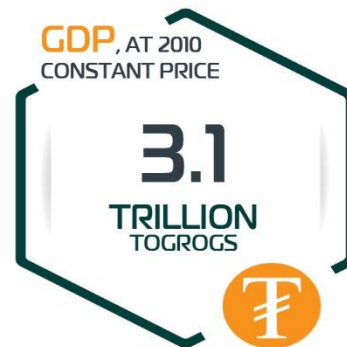
Real GDP is a macroeconomic measure of the value of economic output adjusted for price changes (that is, inflation or deflation).

This report presents the result of the GDP estimation calculated using the production and expenditure approaches, which are calculated on a quarterly basis, and some of the main macroeconomic indicators related to GDP.



GROSS DOMESTIC PRODUCT (GDP)

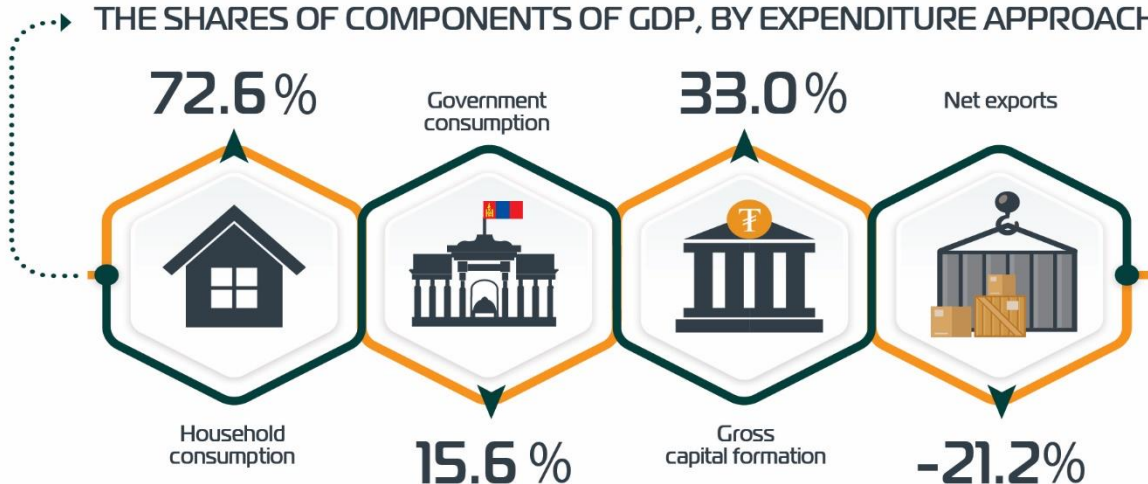
Economy of Mongolia in the first quarter of 2020



CHANGE IN GDP, BY PERCENT



THE SHARES OF COMPONENTS OF GDP, BY EXPENDITURE APPROACH



*- Mining and quarrying division is not included



SOURCE:
National Statistics Office of Mongolia

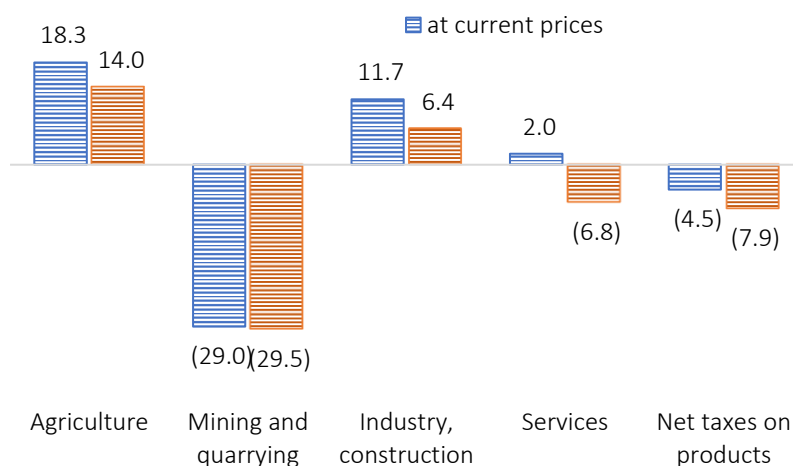
Mongolia's economy decreased by 10.7% in the first quarter of 2020

I. GDP by production approach

By production approach, Mongolia's GDP at 2010 constant prices decreased by 10.7% in the first quarter of 2020.

Figure 1. Changes in GDP, in the first quarter 2020, by percent

The value added of the mining and quarrying sector at current prices decreased by 29.0%, and the value added of the mining and quarrying sector at 2010 constant prices decreased by 29.5% compared to the first quarter of 2019. However, the value added of the agriculture, industry and construction at current prices increased by 18.3% and 11.7%, respectively. At 2010 constant prices the value added of the agriculture, industry and construction increased by 14.0% and 6.4% compared to the first quarter of 2019 (figure 1).



GDP at current prices

In the first quarter of 2020, GDP at current prices reached MNT 7,444.0 billion, which is decreased by MNT 499.3 billion (6.3%) compared to the first quarter of 2019 (table 1).

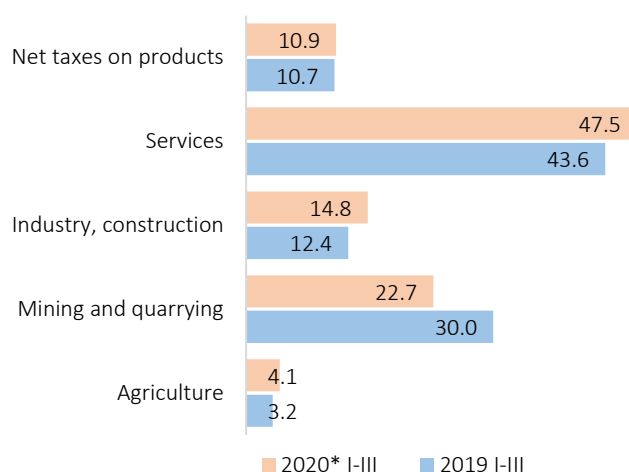
Table 1. GDP by production approach, at current prices

	2017	2018	2019*	2020*	2019* I-III		2020* I-III	
	I-III	I-III	I-III	I-III	2018	I-III	2019*	I-III
	billion togogs				percent			
GDP	5,836.2	6,822.8	7,943.3	7,444.0	116.4		93.7	
Agriculture	185.6	222.2	257.8	305.0	116.0		118.3	
Mining and quarrying	1,615.9	1,947.0	2,384.5	1,692.1	122.5		71.0	
Industry, construction	747.9	903.5	984.2	1,099.8	108.9		111.7	
Services	2,742.7	2,984.6	3,464.0	3,532.6	116.1		102.0	
Net taxes on products	544.0	765.5	852.7	814.5	111.4		95.5	

Figure 2. Structure of GDP, by quarter, by share of total

The shares of services, mining and quarrying, industry and construction, and agriculture in GDP was 47.5%, 22.7%, 14.8%, and 4.1%, respectively (figure 2).

The share of the agriculture sector in GDP increased by 0.9 percentage points (pps), share of industry and construction increased by 2.4 pps, share of services sector increased by 3.8 pps, share of net taxes on products increased by 0.2 pps, but share of the mining and quarrying decreased by 7.3 pps (figure 2).



GDP, at 2010 constant prices

GDP at 2010 constant prices in the first quarter of 2020 reached MNT 3,148.8 billion, decreased by MNT 377.2 billion (10.7%) compared to the first quarter of 2019. This decrease was mainly due to MNT 269.2 billion or 29.5% decrease in value added of the mining and quarrying sector and MNT 114.9 billion or 6.8% decrease in value added of the services sector (table 2).

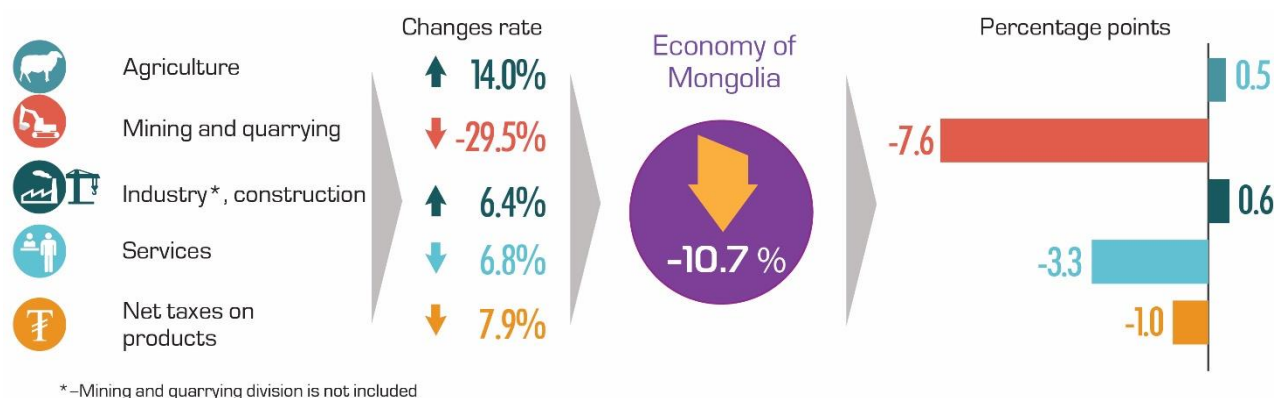
Table 2. GDP by production approach, at 2010 constant prices

	2017	2018	2019*	2020*	<u>2019* I-III</u>	<u>2020* I-III</u>
	I-III	I-III	I-III	I-III	2018 I-III	2019* I-III
	billion togrogs				percent	
GDP	3,056.8	3,245.6	3,526.0	3,148.8	108.6	89.3
Agriculture	126.9	131.6	134.4	153.2	102.1	114.0
Mining and quarrying	769.4	798.4	913.3	644.1	114.4	70.5
Industry, construction	295.8	326.6	346.8	369.1	106.2	106.4
Services	1,511.7	1,577.9	1,698.0	1,583.1	107.6	93.2
Net taxes on products	353.0	411.0	433.5	399.3	105.5	92.1

Contribution of sectors to GDP growth

In the first quarter of 2020, GDP growth was -10.7% and this decrease was mainly due to 29.5% decrease in production of mining and quarrying sector, 7.9% decrease in net taxes on products, and 6.8% decrease in production of service sector. On the other hand, the production of agricultural sector by 14.0 % and the production of industry and the construction sectors increased by 6.4% compared to the first quarter of 2019 (figure 3).

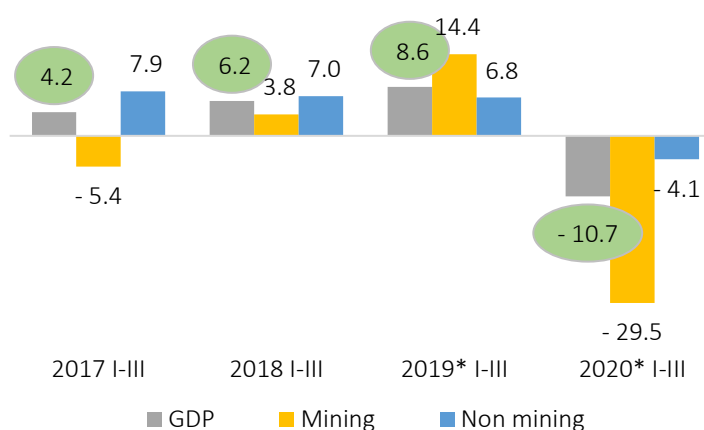
Figure 3. Contribution and composition of sectors to change of GDP



In the first quarter of 2019, the value added of the mining and quarrying sector increased by 14.4 percent compared to the first quarter of 2018 and the economic growth was 8.6 percent. But in the first quarter of 2020, the economy contracted by 10.7 percent and mining and quarrying activity declining by 29.5 percent (figure 4).

The activities of the sectors other than mining and quarrying also declined in the first quarter of 2020.

Figure 4. Changes in GDP, mining and non-mining sectors, by percent



In terms of contribution of sectors to the 10.7% decrease in GDP at 2010 percent prices, contributions of mining and quarrying, transportation, information and communication, wholesale and retail trade sectors were -7.6, -2.1 and -1.3 pps, and contribution of net taxes on products was -1.0 pps (table 3).

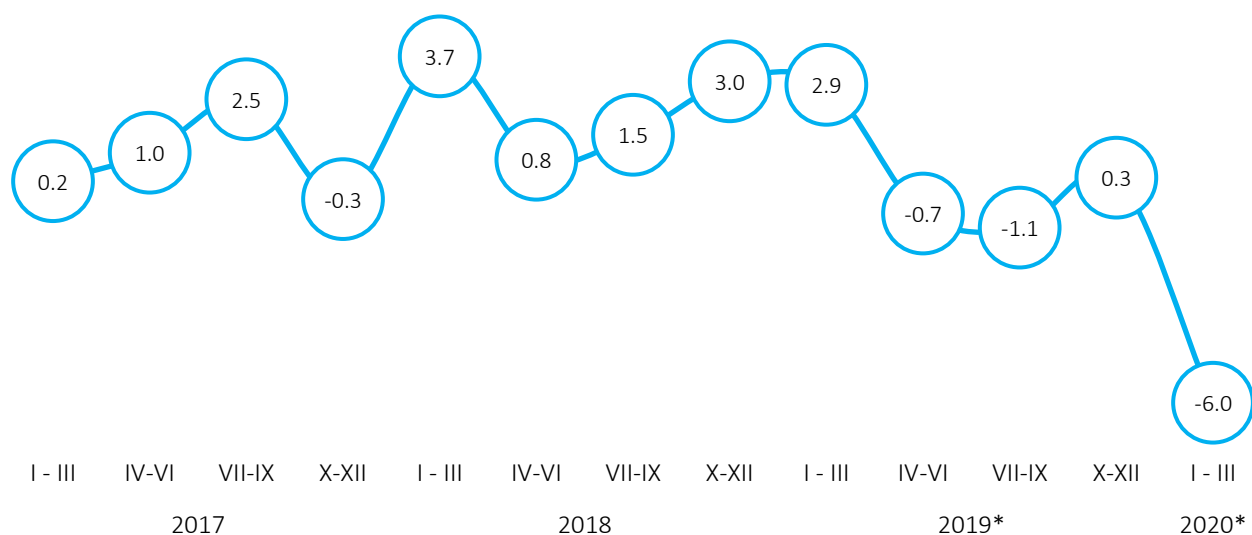
Table 3. Contribution sectors to changes GDP, by percentage points

	2017				2018				2019*				2020*
	I-III	I-VI	I-IX	I-XII	I-III	I-VI	I-IX	I-XII	I-III	I-VI	I-IX	I-XII	I-III
GDP growth, %	4.2	5.4	6.0	5.3	6.2	6.5	6.5	7.2	8.6	7.3	6.3	5.1	-10.7
Agriculture	0.2	0.6	0.6	0.2	0.2	0.2	0.3	0.6	0.1	0.7	0.6	1.1	0.5
Mining and quarrying	-1.5	-1.2	-0.2	-1.4	0.9	0.5	0.3	1.3	3.5	2.6	1.4	-0.1	-7.6
Industry, construction	0.8	0.9	1.1	1.6	1.0	1.0	0.8	1.3	0.6	0.5	0.7	1.1	0.6
Manufacturing	1.1	1.0	1.1	1.1	0.4	0.7	0.6	1.0	0.4	0.3	0.5	0.8	0.3
Electricity, gas, steam, air conditioning supply	0.1	0.1	0.1	0.1	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2
Construction	-0.3	-0.2	-0.1	0.4	0.3	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.1
Service	2.8	2.8	2.6	3.2	2.2	2.2	2.6	2.0	3.7	2.9	2.7	2.4	-3.3
Wholesale and retail trade	1.6	1.1	0.9	0.8	0.7	0.8	0.6	0.3	1.7	1.3	1.0	0.9	-1.3
Transportation, Information and communication	1.0	1.1	1.0	1.3	0.2	0.4	0.9	0.8	0.6	0.4	0.7	0.5	-2.1
Other services	0.2	0.7	0.7	1.1	1.3	1.0	1.1	1.0	1.4	1.2	1.0	1.1	0.2
Net taxes on products	1.9	2.2	1.9	1.6	1.9	2.6	2.5	2.0	0.7	0.6	0.8	0.6	-1.0

Seasonally adjusted GDP

In the first quarter of 2020, seasonally adjusted GDP at 2010 constant prices decreased by 6.0% compared to the previous quarter (figure 5).

Figure 5. Quarterly changes of seasonally adjusted GDP, by percent (at 2010 constant prices, compared to the previous quarter)



Production of main sectors of the economy

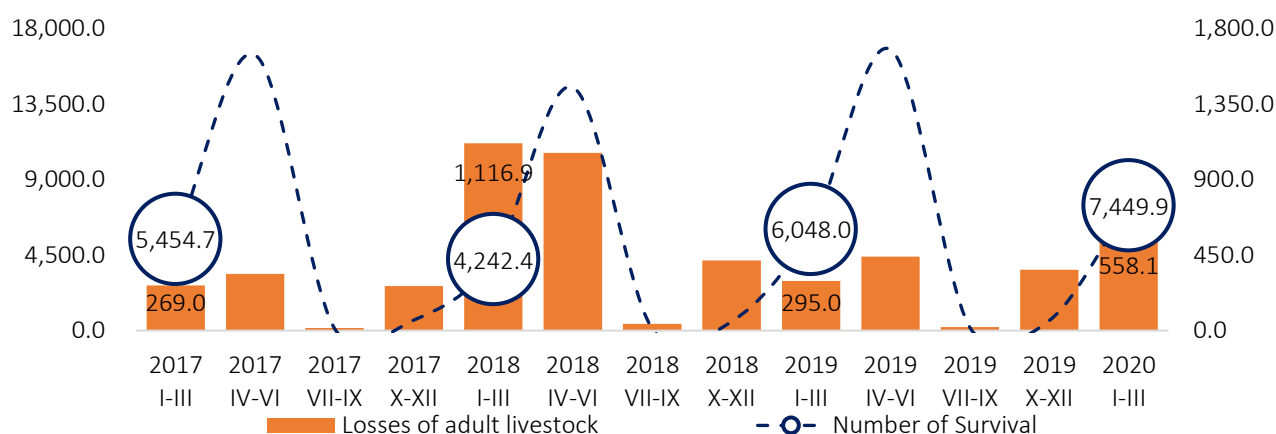
Agricultural sector

The agriculture value added at 2010 constant prices increased by 14.0% in the first quarter of 2020 compared to the same period of 2019. And it had 0.5 pps contribution to the -10.7% GDP growth.

At the national level, 7.7 million (24.7%) of the total 31.0 million breeding stock at the end of 2019 gave offspring in the first quarter of 2020. The 97.3 percent or 7.4 million of rearing young surviving animals, which is 1.4 million (23.2%) higher compared to first quarter of 2019.

In the first quarter of 2020, the total losses of adult livestock reached 558.1 thousand head, which is 263.1 thousand head (89.2%) higher compared to first quarter of 2019 (figure 6). The loss of sheeps and goats was 11.1% and loss of camels, horses and cattles was 88.9% to total losses.

Figure 6. Number of survivals, losses of adult livestock, thousand heads



Mining and quarrying

In the first quarter of 2020, the value added of the mining and quarrying sector at 2010 constant prices decreased by 29.5% compared to the same period of the previous year, and its contribution to GDP growth was -7.6 pps.

The mining and quarrying gross output reached MNT 2,021.7 billion in the first quarter of 2020, which is MNT 859.1 billion (29.8%) less compared to first quarter of 2019.

From 8 main mining outputs, the production of 5 mining outputs (crude oil by 72.4%, coal by 38.0%, iron ore and concentrate by 21.7%, zinc ore and concentrate by 16.8%, copper concentrate by 13.3%) decreased compared to same period of previous year. The exports of 6 mining commodities decreased by 0.5-80.1% (table 4).

Table 4. Production and exports of mining and quarrying commodities

Commodities	2018 I-III		2019* I-III		2020* I-III		2020* I-III 2019* I-III	
	Mining	Export	Mining	Export	Mining	Export	Mining	Export
	thousand tonnes ¹						percent	
Coal	11,197.6	6,769.0	12,887.6	7,804.2	7,987.1	3,138.3	62.0	40.2
Crude oil, thousand barrels	1,745.8	1,631.2	1,671.7	1,620.6	461.5	322.3	27.6	19.9
Molybdenum, with concentrate, tonnes	1,317.6	1,406.6	1,322.0	1,395.8	1,450.9	1,547.7	109.8	110.9
Gold, kilograms	1,870.8	2,949.9	1,307.6	4,665.2	2,411.6	1,556.0	184.4	33.4
Iron ore, concentrate	1,944.7	1,440.9	1,998.7	2,071.8	1,564.1	2,061.8	78.3	99.5
Copper concentrate	330.1	337.7	355.2	361.4	307.8	306.6	86.7	84.8
Fluorspar, concentrate	41.4	78.3	28.5	110.6	31.0	137.1	108.7	123.9
Zinc concentrate	23.4	32.9	24.0	44.0	19.9	36.9	83.2	83.9

¹ - Tonne refers to metric tonne. 1 metric tonne is equivalent to 1000 kilograms.

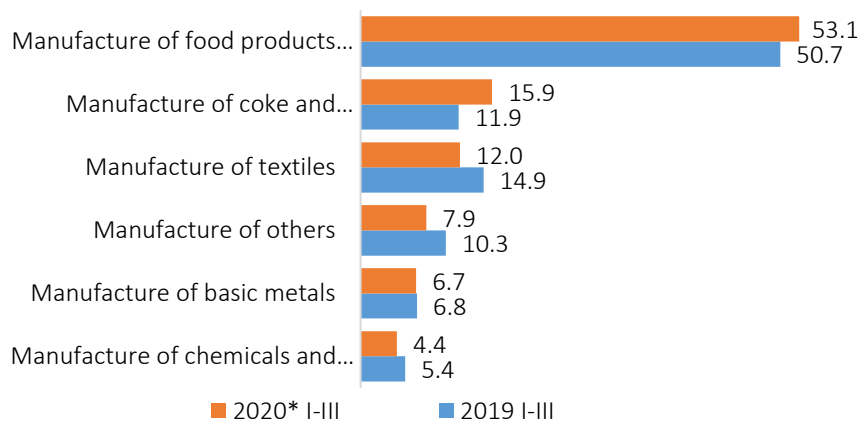
Industry and construction sectors

The value added of industry (not including mining and quarrying) and construction sectors at 2010 constant prices, increased by 6.4% compared to the first quarter of 2019. This an increase was due to 5.1% increase in value added of manufacturing, 6.8% increase in electricity and water supply and 11.9% increase in construction.

Manufacturing

In the first quarter of 2020, manufacturing output reached MNT 725.7 billion, which is MNT 23.2 billion (3.3%) higher compared to the first quarter of 2019. In the first quarter of 2020, production of food and beverage reached MNT 385.0 billion, which is 53.1% of total production of manufacturing sector (figure 7).

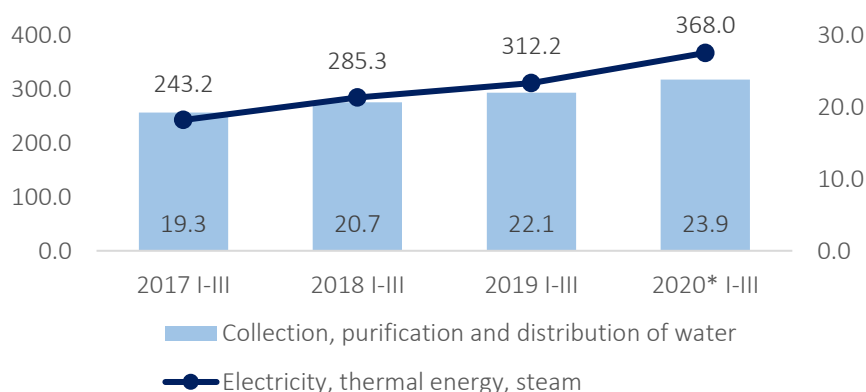
Figure 7. Composition of manufacturing, by share to total



Electricity, thermal energy, and water supply

In the first quarter of 2020, the output of electricity, thermal energy, and water supply reached MNT 391.9 billion, which is MNT 57.6 billion (17.2%) higher compared to the first quarter of 2019. Compared to the same period of the previous year, output of electricity increased by 17.9% and output of water supply sector increased by 8.2% (figure 8).

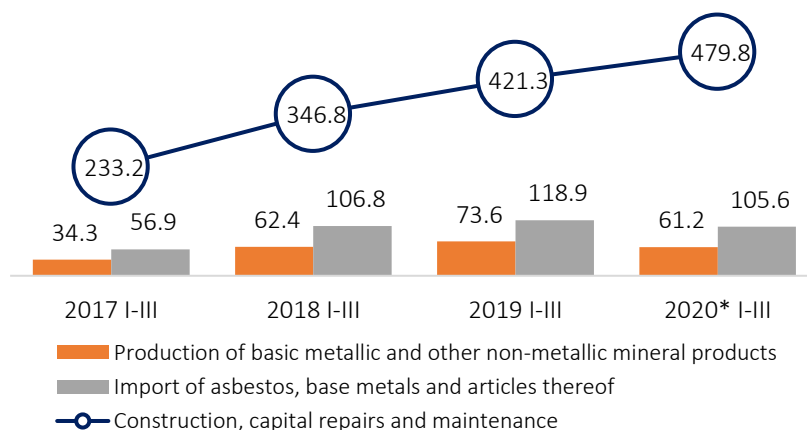
Figure 8. The output of electricity, thermal energy and water supply, at current price, billion togogs



Construction sector

In the first quarter of 2020, the output of construction, capital repairs, and maintenance reached MNT 479.8 billion, which is MNT 58.5 billion (13.9%) higher compared to the first quarter of 2019. However, production of basic metallic and other non-metallic mineral products decreased by 16.8% and import of asbestos, base metals and articles thereof decreased by 11.1% (figure 9).

Figure 9. Construction, capital repairs and maintenance, import, billion togogs



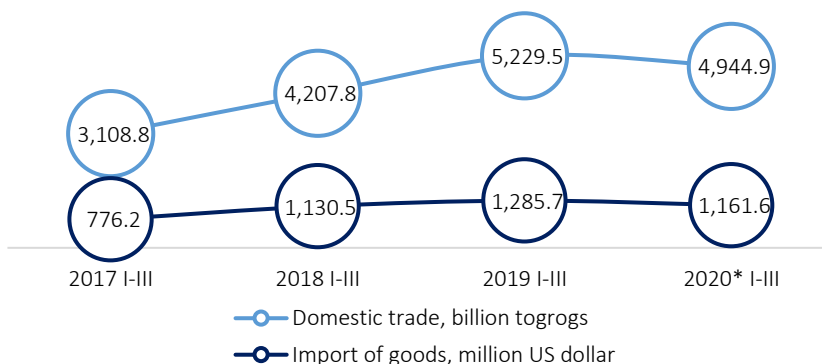
Services sector

In the first quarter of 2020, the value added of the service sector at 2010 constant prices decreased by 6.8% compared to the first quarter of 2019. In terms of contribution of sectors to the 10.7% decrease in GDP at 2010 percent prices, contributions of transportation, information and communication sector and wholesale and retail trade sector were -2.1 and -1.3 pps, correspondingly.

Wholesales and retail trade sector

In the first quarter of 2020, the wholesale and retail trade reached MNT 4,944.9 billion, which is MNT 284.6 billion (5.4%) less compared to the first quarter of 2019. In the first quarter of 2020, the imports reached USD 1,161.6 million, which is USD 124.2 million (9.7%) less compared to the first quarter of 2019 (figure 10).

Figure 10. Total sales of domestic trade and import of goods

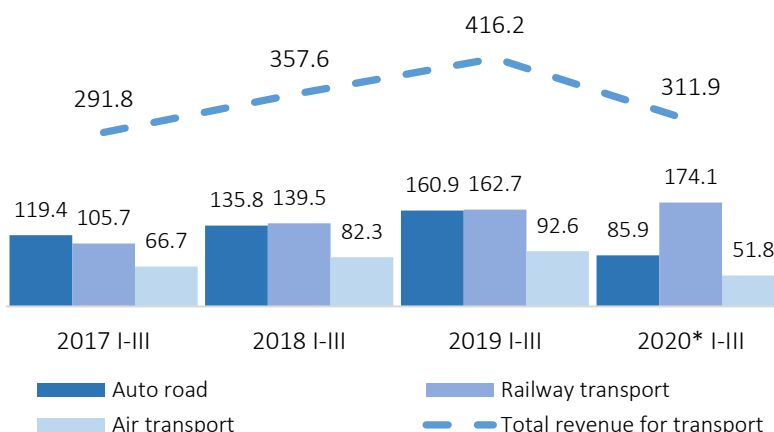


Transportation and information, communication sector

In the first quarter of 2020, the revenue of domestic transportation reached MNT 311.9 billion, which is MNT 104.3 billion (25.1%) less compared to the previous year (figure 11). In the first quarter of 2020, the total revenue of postal and telecommunications services reached MNT 303.2 billion, which is MNT 20.9 billion (7.4%) higher compared to the same period of previous year.

Figure 11. Total revenue for transport, billion togrogs

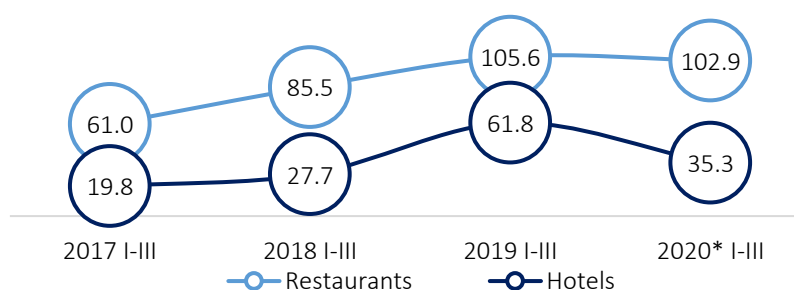
At the national level, in the first quarter of 2020, 10.2 million tonnes of freight were carried by all types of transportation, which is 5.1 million tonnes (33.4%) less compared to the previous year. This decrease was mainly due to 5.6 million tonnes (64.2%) decrease in road freight and 0.3 million tonnes (44.2%) decrease in air freight. Freight carried by railway reached 7.1 million tonnes in the first quarter of 2020, which is 0.5 million tonnes (7.7%) higher compared to the same period of the previous year.



Food and accommodation service

In the first quarter of 2020, the total revenue of accommodation services reached MNT 35.3 billion, which is MNT 26.5 billion (42.9%) less, and the revenue of food services reached MNT 102.9 billion, which is MNT 2.7 billion (2.6%) less compared to the same period of previous year (figure 12).

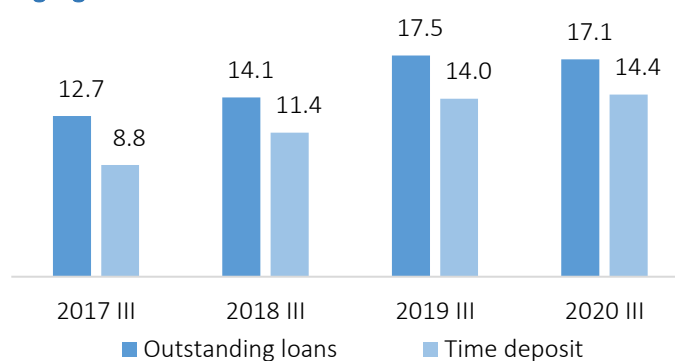
Figure 12. The revenue of food and accommodation services, at current price, billion togrogs



▪ *Financial and insurance sector*

At the end of March 2020, the total amount of outstanding loans to individuals and enterprises was MNT 17,146.5 billion, decreased by MNT 315.4 billion (1.8%), and the total amount of time deposits reached MNT 14,406.7 billion, increased by MNT 362.1 billion (2.6%) compared to the end of the previous year (figure 13).

Figure 13. Outstanding loans and time deposit, trillion togros

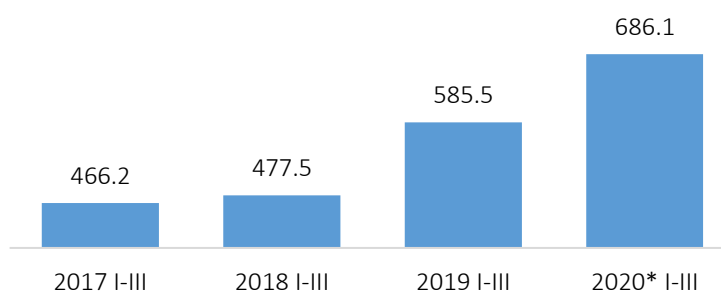


▪ *Public administration and defense, government organizations*

The majority value added of professional, scientific and technical, public administration and defense, compulsory social security, education, human health and social work, arts, and entertainment and recreation were the value added of government organizations.

Compensation of employees of government organizations reached MNT 686.1 billion, which is 17.2% higher compared in the first quarter of 2019 (figure 14).

Figure 14. Compensation of employees of government organization, billion togros



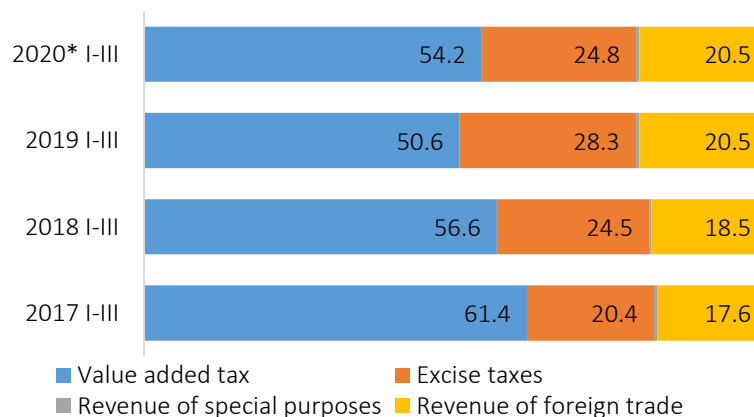
Taxes and subsidies

In the first quarter of 2020, net taxes on products (at 2010 constant prices) reached MNT 399.3 billion which is 7.9% less compared to the previous year.

In the first quarter of 2020, at current prices, the value added tax increased by 2.9%, whereas, excise taxes decreased by 15.9% and foreign trade tax decreased by 3.7% compared to the same period of the previous year.

Figure 15. Taxes on products, by type, by share of total

In terms of tax shares to the total in the first quarter of 2020, the share of value added tax increased by 3.6 pps, decreased by 3.5 pps from excise taxes and revenue from special purposes decreased by 0.1 pps from the same period of the previous year (figure 15).

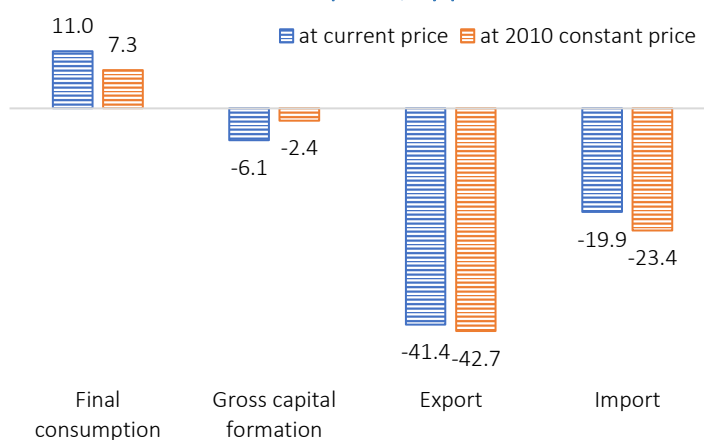


II. GDP by expenditure approach

In the first quarter of 2020, by preliminary estimation of the expenditure approach, GDP at 2010 constant prices decreased by 10.5% compared to the first quarter of 2019.

In the first quarter of 2020, the final consumption at current prices increased by 11.0% and the final consumption at 2010 constant prices increased by 7.3% compared to the previous year. Exports at current prices decreased by 41.4% and exports at 2010 constant prices decreased by 42.7%. Imports at current prices decreased by 19.9% and imports at 2010 constant prices decreased by 23.4%. The gross capital formation at current prices decreased by 6.1% and gross capital formation at 2010 constant prices decreased by 2.4% (figure 16).

Figure 16. Changes of GDP, by expenditure approach, at current and 2010 constant prices, by percent



GDP at current prices

In the first quarter of 2020, by preliminary estimation of the expenditure approach, GDP at current prices reached MNT 7,212.0 billion, decreased by MNT 468.1 billion (6.1%) compared to the previous year.

Table 5. GDP by expenditure approach, at current prices

Components	2017 I-III	2018 I-III	2019* I-III	2020* I-III	<u>2019 I-III</u> 2018 I-III	<u>2020* I-III</u> 2019* I-III
	billion togrogs				percent	
GDP	5,563.3	6,642.6	7,680.1	7,212.0	115.6	93.9
Final consumption	4,028.2	4,989.0	5,733.5	6,362.0	114.9	111.0
Household consumption ^A	3,288.1	4,164.0	4,765.0	5,235.9	114.4	109.9
Government consumption	740.1	825.0	968.5	1,126.1	117.4	116.3
Gross capital formation	1,392.8	1,984.6	2,536.2	2,381.0	127.8	93.9
Gross fixed capital formation	927.2	1,535.7	2,161.2	2,165.0	140.7	100.2
Changes in inventories ^B	465.6	448.9	375.0	216.0	83.5	57.6
Net export	142.3	-331.0	-589.6	-1,531.0	-	259.7
Export of goods and services	3,417.2	3,722.5	4,905.9	2,872.6	131.8	58.6
Import of goods and services (-)	3,274.9	4,053.5	5,495.5	4,403.6	135.6	80.1

Note: ^A - Household consumption includes nonprofit institutions serving household consumption.

^B - Changes in inventories include acquisitions less disposal of valuables.

In the first quarter of 2020, the final consumption at current prices reached MNT 6,362.0 billion, which is increased by MNT 628.5 billion (11.0%) compared to the previous year. Household consumption^A accounted for 82.3% of the final consumption (table 5). In the first quarter of 2020, the share of household consumption on food, non-food items and services in the total consumption was 40.0%, 22.3%, and 37.7%, respectively. Household food consumption increased by MNT 268.5 billion (14.8%), non-food consumption increased by MNT 11.6 billion (1.0%) and services increased by MNT 190.3 billion (10.7%) compared to the previous year.

- The increase in household food consumption was mainly due to 25.8% increase in consumption of meat and meat products, 26.8% increased in consumption of milk, cheese and egg, 39.5% increase in consumption of water, beverages and juices, and 13.5% increased in consumption of flour and flour products consumption.
- The increase in household non-food consumption was mainly due to 14.0% increase in consumption of furnishing and household equipment, 2.6% increase in housing, water, electricity, gas and other fuels.

- The increase in household services was mainly due to 34.5% increase in transport and repair services, 6.6% increase in education services, 10.1% increase in medicines and medical equipment and 5.8% increase in communication services.

In the first quarter of 2020, the gross capital formation at current prices reached MNT 2,381.0 billion, decreased by MNT 155.1 billion (6.1%) compared to the previous year. Gross fixed capital formation contributed 90.9% of gross capital formation.

- Gross fixed capital formation increased by MNT 3.8 billion (0.2%), while the changes in inventories decreased by MNT 158.9 billion (42.4%) compared to the previous year.
- Cultivated biologically resources increased by MNT 50.8 billion (19.3%), while other buildings and structures decreased by MNT 51.4 billion (7.4%).

In the first quarter of 2020, the exports of goods and services at current prices reached MNT 2,872.6 billion, decreased by MNT 2,033.3 billion (41.4%) compared to the first quarter of 2019. The imports of goods and services reached MNT 4,403.6 billion, decreased by MNT 1,091.9 billion (19.9%) compared to the previous year.

- The decrease in the exports of goods was mainly due to MNT 1,030.4 billion (64.1%) decrease in exports of hard coal, MNT 456.7 billion (36.2%) decrease in exports of copper concentrates and MNT 308.6 billion (62.7) decrease in exports of gold.
- The decrease in the exports of services was mainly due to MNT 69.9 billion (54.7%) decrease in exports of tourism services, MNT 58.2 billion (38.1%) decrease in exports of other business services and MNT 13.9 billion (32.8%) decrease in exports of construction services.
- The decrease in the imports of goods was mainly due to MNT 109.5 billion (41.7%) decrease in motor car, MNT 76.1 billion (54.7%) decrease in imports of mechanical shovels, excavators, and shovel loaders and MNT 46.7 billion (32.4%) decrease in imports of trucks.
- The decrease in the imports of services was mainly due to MNT 469.7 billion (78.7%) decrease in imports of other business services, MNT 126.3 billion (24.7%) decrease in imports of transport services and MNT 96.1 billion (15.1%) decrease in imports of tourism services.

GDP, at 2010 constant prices

In the first quarter of 2020, by preliminary estimation of the expenditure approach, GDP at 2010 constant prices reached MNT 3,330.2 billion, decreased by MNT 388.7 billion (10.5%) compared to the previous year.

Table 6. GDP by expenditure approach, at 2010 constant prices

Components	2017 I-III	2018 I-III	2019* I-III	2020* I-III	2019* I-III 2018 I-III	2020* I-III 2019* I-III
	billion togrogs				Percent	
GDP	3,155.1	3,419.7	3,718.8	3,330.2	108.7	89.5
Final consumption	2,622.7	3,099.4	3,311.6	3,554.0	106.8	107.3
Household consumption ^A	2,117.1	2,565.4	2,764.4	2,934.1	107.8	106.1
Government consumption	505.6	534.0	547.2	619.9	102.5	113.3
Gross capital formation	943.3	1,134.7	1,381.7	1,349.2	121.8	97.6
Gross fixed capital formation	634.2	929.0	1326.6	1283.0	142.8	96.7
Changes in inventories ^B	309.1	205.7	55.2	66.3	26.8	120.1
Net export	-410.9	-814.4	-974.5	-1,573.0	-	-
Export of goods and services	2,746.7	3,517.9	4,277.5	2,450.1	121.6	57.3
Import of goods and services (-)	3,157.6	4,332.3	5,252.0	4,023.1	121.2	76.6

Note: ^A - Household consumption includes nonprofit institutions serving household consumption.

^B - Changes in inventories include acquisitions less disposals of valuables.

By expenditure approach GDP grew by 8.7 percent in the first quarter of 2019, while GDP at 2010 constant prices declined by 10.5 percent in the first quarter of 2020.

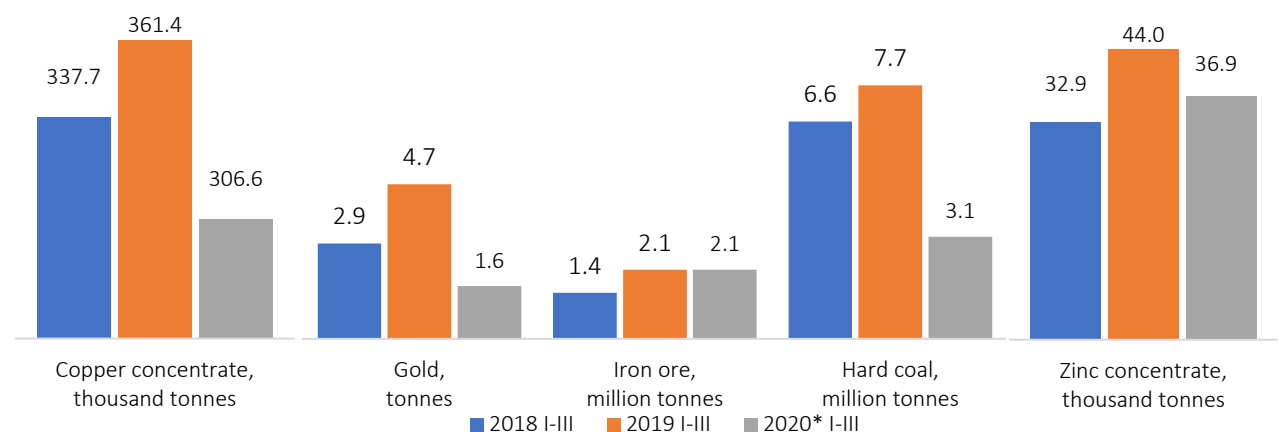
The gross capital formation had a positive effect of 7.2 percent on GDP growth of 8.7% in the first quarter of 2019, while exports and imports of goods and services had negative 49.1 pps and 33.0 pps to 10.5% decrease in GDP in the first quarter of 2020 (Table 7).

Table 7. Contribution of expenditure components to GDP growth, by percentage point

Components	2017				2018				2019*				2020*
	I-III	I-VI	I-IX	I-XII	I-III	I-VI	I-IX	I-XII	I-III	I-VI	I-IX	I-XII	I-III
GDP growth, %	2.6	4.7	5.4	5.4	8.4	6.3	6.0	7.0	8.7	7.4	6.2	4.9	-10.5
Final consumption	1.4	2.4	2.1	2.8	15.1	10.4	7.7	7.1	6.2	7.2	7.7	8.2	6.5
Household consumption	1.9	2.5	3.1	3.0	14.2	9.8	7.3	7.0	5.8	5.6	6.5	6.5	4.6
Government consumption	-0.5	-0.1	-1.0	-0.3	0.9	0.5	0.4	0.1	0.4	1.6	1.2	1.7	2.0
Gross capital formation	15.0	10.7	6.8	8.9	6.1	7.6	7.6	6.1	7.2	6.6	7.2	6.5	-0.9
Gross fixed capital formation	7.1	5.8	6.1	7.2	9.3	8.6	7.6	5.5	11.6	9.0	9.1	7.2	-1.2
Changes in inventories	7.9	4.8	0.7	1.8	-3.3	-1.1	0.0	0.6	-4.4	-2.5	-1.9	-0.7	0.3
Net export	-13.9	-8.4	-3.5	-6.3	-12.8	-11.7	-9.4	-6.2	-4.7	-6.4	-8.7	-9.9	-16.1
Export of goods and services	24.2	15.8	15.1	10.5	24.4	17.9	16.9	18.6	22.2	15.9	14.9	8.8	-49.1
Import of goods and services(-)	38.0	24.3	18.6	16.8	37.2	29.5	26.3	24.7	26.9	22.3	23.6	18.7	-33.0

This 10.5% decrease in GDP was mainly due to MNT 598.5 billion decrease in net exports (Table 6). In the first quarter of 2020, exports of goods and services reached MNT 2,450.1 billion, which is 42.7% less compared to the previous year. The top 5 export products are mining products such as coal; copper concentrates; iron ore; gold in unwrought or in semi-manufactured form; and zinc concentrates. Compared to the same period of the previous year, exports of gold decreased by 66.6%, hard coal exports decreased by 59.7%, export of zinc concentrate decreased by 16.1%, export of copper concentrate decreased by 15.2%, iron ore exports decreased by 0.5%, respectively (figure 17).

Figure 17. Top-5 export products



In the first quarter of 2020, the imports of goods and services at 2010 constant prices reached MNT 4,023.1 billion, decreased by 23.4% compared to the previous year. The top 5 imported products are petrol; trucks; motor cars; bulldozers, graders, road levelers, and rolls; and electricity. Compared to the same period of previous year, import of motor cars decreased by 27.9%, petrol import decreased by 14.6%, imports of bulldozers, graders, road levelers, and rolls decreased by 11.1%, respectively, but truck imports increased by 2.2% (figure 18).

Figure 18. Top-5 import products

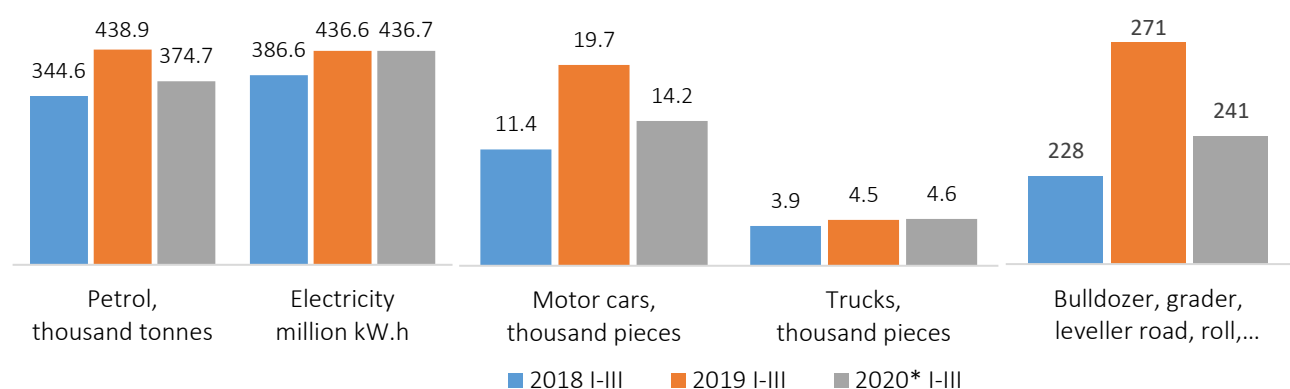


Table 8. Main indicators

Indicators	2017	2018	2019*	2020*	2019* I-III	2020* I-III	
	I-III	I-III	I-III	I-III	2018 I-III	2019* I-III	
	billion togrogs				percent		
Gross domestic products							
GDP, at the current prices	5,836.2	6,822.8	7,943.3	7,444.0	116.4	93.7	▼
GDP, at 2010 constant prices	3,056.8	3,245.6	3,526.0	3,148.8	108.6	89.3	▼
Real GDP growth, %	4.2	6.2	8.6	-10.7			▼
Mining and quarrying	-5.4	3.8	14.4	-29.5			▼
Non-mining	7.9	7.0	6.8	-4.1			▼
CPI, compared with the same time as the previous year, %	2.5	6.6	6.7	6.4			▲
Financial sector							
Total equilibrated revenue and grants of the General Government	1,504.2	1,810.9	2,163.4	2,073.8	119.5	95.9	▼
Total expenditure and net lending of the General Government	1,759.2	1,836.6	1,969.1	2,349.8	107.2	119.3	▲
Budget overall equilibrated balance	-255.0	-25.8	194.3	-276.0	-	-	▼
Monetary sector							
Money M1, at the end of the period	2,124.9	2,776.7	3,666.6	3,446.1	132.0	94.0	▼
Money M2, at the end of the period	12,259.3	16,073.9	19,699.6	20,390.3	122.6	103.5	▲
Loans outstanding, at the end of the month	12,678.5	14,139.5	17,461.9	17,146.5	123.5	98.2	▼
Total deposits, at the end of the month	8,811.6	11,372.6	14,044.6	14,406.7	123.5	102.6	▲
Foreign trade							
Foreign trade, million US dollar							
Total turnover	2,076.1	2,612.9	3,057.4	2,197.4	117.0	71.9	▼
Export	1,299.9	1,482.4	1,771.7	1,035.8	119.5	58.5	▼
Import	776.2	1,130.5	1,285.7	1,161.6	113.7	90.3	▼
Balance	523.7	351.9	485.9	-125.8	138.1	-	▼
Real sector							
Gross industrial output	2,688.9	3,252.5	3,917.5	3,139.2	120.4	80.1	▼
Mining and quarrying	1,962.2	2,332.2	2,880.8	2,021.7	123.5	70.2	▼
Non-mining	726.7	920.3	1,036.7	1,117.5	112.6	107.8	▲
Construction and capital repairs	233.2	346.8	421.3	479.8	121.5	113.9	▲
Total sales of trade	3,108.8	4,207.8	5,229.5	4,944.9	124.3	94.6	▼
Revenue of post and communication	190.5	239.8	282.2	303.2	117.7	107.4	▲
Revenue for transport	291.8	357.6	416.2	311.9	116.4	74.9	▼
In terms of million tonnes kilometre	4,546.2	5,490.6	5,935.2	5,435.2	108.1	91.6	▼
Road transport	1,722.5	1,667.1	1,676.1	826.8	100.5	49.3	▼
Railway transport	2,800.6	3,792.5	4,225.6	4,586.4	111.4	108.5	▲
Air transport	23.1	31.0	33.5	22.0	108.1	65.7	▼
Carried freight, thousand tonnes	12,310.0	13,447.0	15,364.1	10,230.3	114.3	66.6	▼
Road transport	7,507.0	7,298.3	8,780.7	3,140.5	120.3	35.8	▼
Railway transport	4,802.4	6,147.4	6,582.2	7,089.4	107.1	107.7	▲
Air transport	0.6	0.7	0.7	0.4	97.4	55.8	▼
Revenue of restaurants and hotels	80.8	113.2	167.4	138.2	147.9	82.6	▼
Coal:							
Mining, thousand tonnes	11,698.1	11,197.6	12,887.6	7,987.1	115.1	62.0	▼
Export, thousand tonnes	8,137.5	6,769.0	7,804.2	3,138.3	115.3	40.2	▼

▲ - increased from the same period of the previous year

▼ - decreased from the same period of the previous year