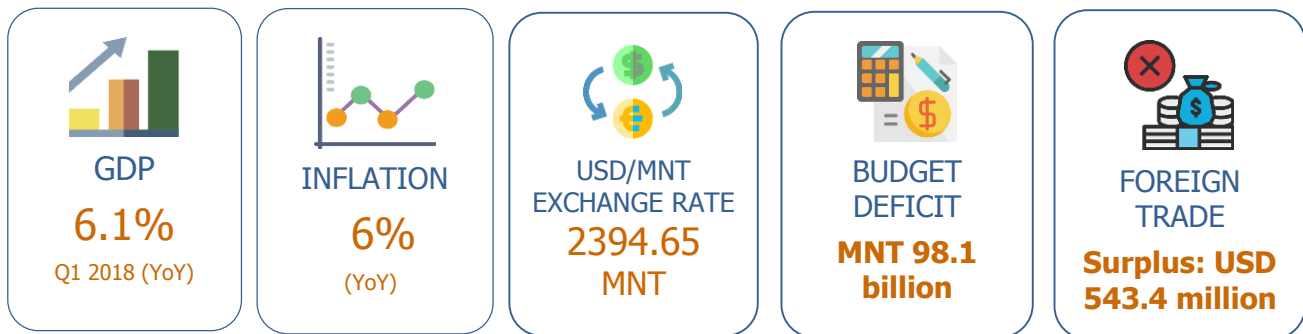


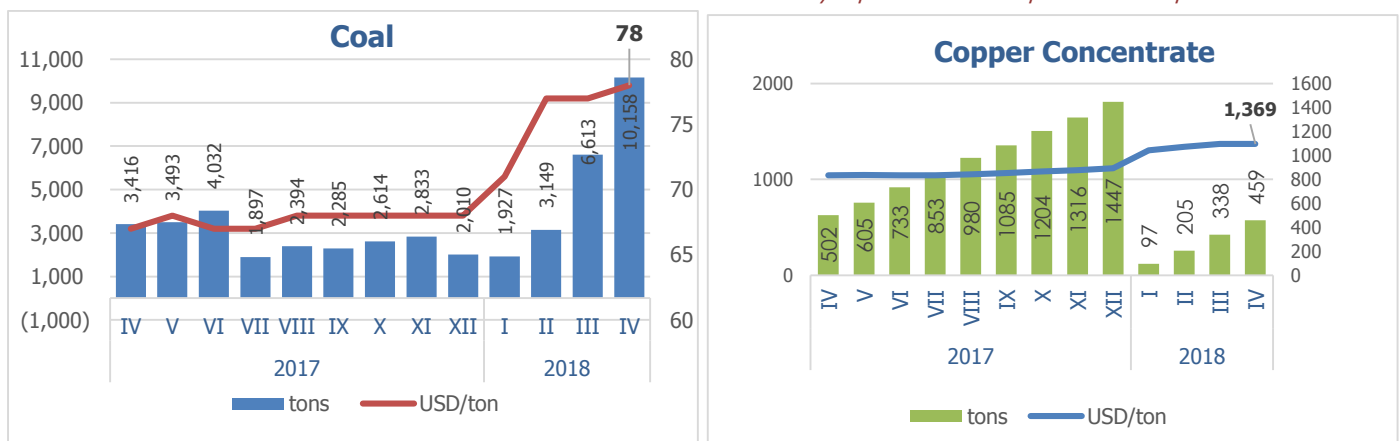
MAIN INDICATORS

Compared with March 2018



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

Compared with March 2018



ECONOMIC FORECASTS FOR MONGOLIA

GDP growth: in 2018: +3.8%, in 2019: +4.3%
 Inflation: in 2018: +8%, in 2019: +7%
 Current account balance: in 2018: -6.3% of GDP, in 2019: -7% of GDP according to a new Asian Development Bank (ADB) report (April, 2018).

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

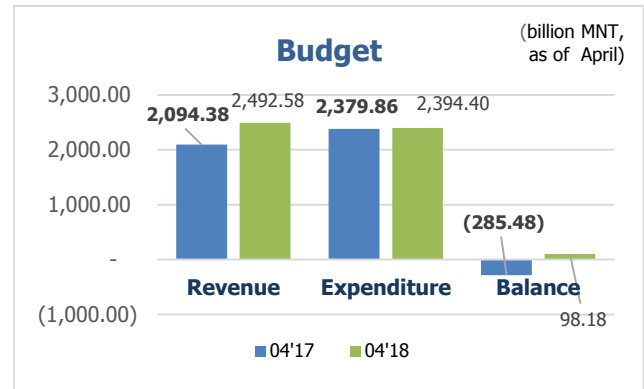
GDP growth: in 2018: +5%, in 2019: +6.3%
 Inflation: : in 2018: +6.4%, in 2019: +6.8%,
 Current account balance: in 2018: -6.4% of GDP, in 2018: -8.3% of GDP- by IMF (World Economic Outlook, April 2018)

Source: <http://bit.ly/2zsmvYo>

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

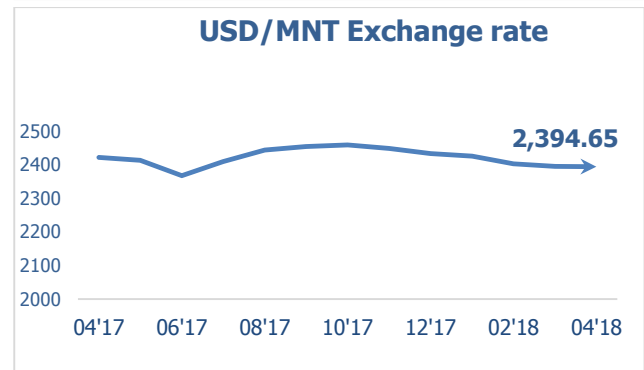
The budget deficit reached MNT 98.1 billion

Government revenues increased by 19% and expenditures increased by 0.6% relative to the same period in 2017, resulting in a budget deficit of MNT 98.1 billion, a 65.6% decline compared to the same period in 2017.

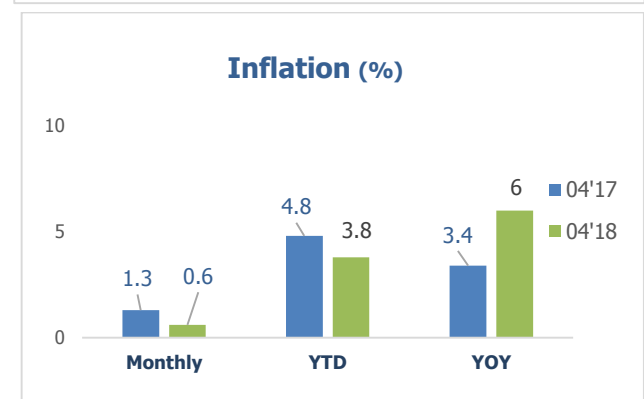
**The USD exchange rate remains flat**

In April, the average nominal exchange rate against the US dollar was MNT 2,394.65. This is a 1.1% or by 27.2 MNT decrease from the same period in 2017, and a 0.03% or by -0.7 MNT decrease from March 2018.

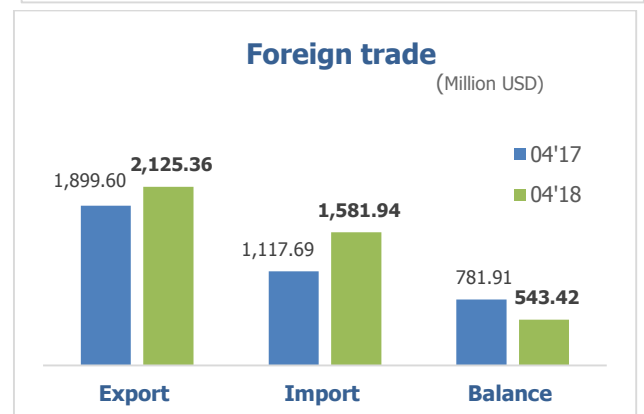
In April, foreign exchange reserves reached 2.9 billion MNT, an increase of 142% from the same period of last year.

**Inflation Rate increased 6%**

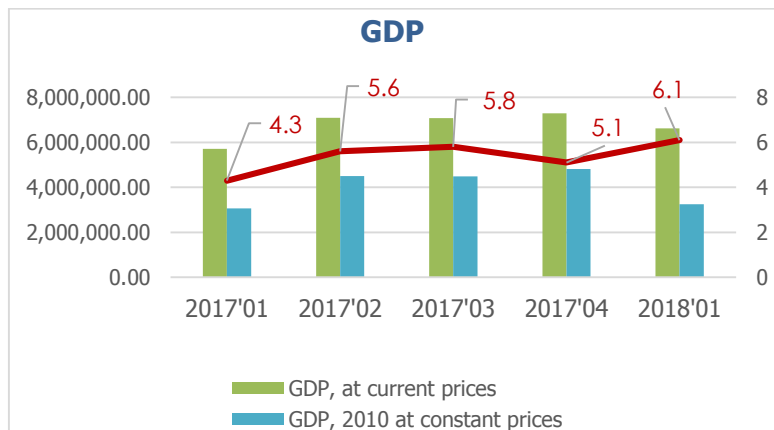
In April, the national consumer price index increased by 0.6% compared to March 2018, and increased by 3.8% in the year to date. Annual inflation is 6%. The consumer price index has increased due to prices of food and beverages, prices of transport and fuels.

**Trade Balance surplus reached 543.4 million USD**

Total turnover of foreign trade reached USD 3707 billion, an 18% increase compared to the same period in 2017. Exports increased by 1.6% from the last year, while imports increased by 47%. The trade surplus reached USD 112.3 million.



SPECIAL FOCUS: ECONOMIC GROWTH



Source: National Statistical Office

GDP growth in the first quarter of 2018 (at 2010 constant prices) reached MNT 3.2 trillion, an increase of MNT 17,061 billion from the same period in 2017 and economic growth grew by 6.1%. The net taxes on products and service sector increased by 16% and 5%. According to the Statistical office of Mongolia, economic growth (at 2010 constant prices) reached MNT 3 trillion, an increase of MNT 126.2 billion compared to the same period in 2017 and economic growth were 4.3%. The industrial and construction sector decreased by 8%, the service sector increased by 6.1%.

In the first quarter of 2018, seasonally adjusted GDP at 2010 constant prices increased by 1.6% compared with the previous quarter. According to the preliminary estimate, GDP by expenditure approach in the first quarter of 2018 reached MNT 6.4 trillion at the current price, which increased by MNT 864.6 billion (15.6%) compared with the same period of the previous year.

In the first quarter of 2018, by preliminary estimation, GDP by expenditure approach reached MNT 3.3 trillion at 2010 constant price, increased by MNT 188.1 billion (6.0%) compared with the same period of the previous year. This growth was mainly affected by an increase of MNT 506.7 billion (18.6%) in export and MNT 303.9 billion (48.1%) in gross fixed capital formation.

HIGHLIGHTS OF THE MONTH: HOUSING PRICE INCREASED, USD 2.5 MILLION GRANT FROM ADB

- Six districts of Ulaanbaatar, housing price was increased by 82.1 percent in the first quarter of 2018, a decreased by 0.5 percent from the same period of the previous year. Housing prices dropped by 0.8 percent in Songinokhairkhan district, 0.6 percent in Bayangol district, 0.4 percent in Bayanzurkh district, 0.3 percent in Khan-Uul, Sukhbaatar and Chingeltei districts.
- Asian Development Bank (ADB) has agreed to provide two technical assistance (TA) grants totaling USD2.5 million to help the Government of Mongolia strengthen water governance at the river basin level and prepare a development investment program for *aimag* and *soum* centers in the country. The USD1 million water governance TA grant aims to improve the effectiveness and sustainability of investments in the water sector and infrastructure in the country to provide socioeconomic benefits. The project will assess the current status of water governance standards, provide policy recommendations for legislative and institutional reforms, and develop and update management plans for river basins. The regional development TA grant for the AIMAG and SOUM centers is worth \$1.5 million. It will help the government develop an investment program to improve basic urban services and promote the local economy in selected aimag capitals and soum centers.

Sources:

1. *Monthly bulletin of statistics, April 2018, National Statistics office of Mongolia*
2. *Monthly bulletin of statistics, April 2018, Mongolbank*
3. www.1212.mn; www.mongolbank.mn; www.montsame.mn