**Mongolia** 

The large country (almost 4 times the size of Sweden) between Russia and China, mostly known as the transit country for travelers on the Transsiberian railway. Soon it will also be known as the country with high GDP-growth. The economic recovery after the steep recession in the end of 2008 and during most of last year, is impressive. This is driven mainly by strong demand for coal and copper from China, from where also large investments into the mining industry are coming. 90 % of all exports are going to China!

When the large copper and gold mine, Oyu Tolgoi, that recently started operations, within a few years will be in full production Mongolia will show large surpluses in trade and current account. International reserves are at record levels.

The ongoing industrialization is also benefitting the banking sector where the level of NPL´s has come down significantly from a record high of 25 %. The consumer goods sale is increasing as the purchasing power of the population is growing. Agriculture, mainly cattle-breeding on the vast steppes, partly conducted by nomads, is still in poor condition. The political system in Mongolia is fairly democratic and stable. In June the market-friendly president Tsakhialgiin Elbegdorj was re-elected for another term in office. The country has also performed very well under the various support programs of IMF.

Key facts (Sources: IMF, World Bank, The Economist, Business Monitor Int´l, Bank of Mongolia)

 2011 2012 2013f 2014f

Population (mn) 2,8 2,8 2,8 2,9

GDP (nom.; USD, bn) 8,6 10,3 11,9 15,1

GDP-growth, real (%, y-o-y) +17,3 +12,3 +11,5 +14

GDP/capita (USD) 3.111 3.671 4.250 5.200

Budget balance (% of GDP) -3,6 -7,7 -7,0 -6

Inflation (CPI; e-o-p, %) 9,1 14,3 9,5 12

Export (USD, bn) 4,7 4,3 4,5 6,3

Import (USD, bn) 5,8 5,9 5,8 8,1

Balance of trade (USD, bn) -1,1 -1,6 -1,3 -1,8

Current account (USD, bn) -2,7 -3,2 -2,7 -3,7

Current account (% of GDP) -32,0 -31,3 -22,8 -24,7

Foreign reserves (USD, bn) 2,3 3,9 4,0 4

Total external debt (USD, bn) 2,9 4,3 5,7 7,5

Total external debt (% of GDP) 33,7 41,4 48,1 49,8

Exchange rate (MNT/USD) 1.394 1.390 1.500 1.450