

Introduction

Mongolia is a landlocked country located in East and Central Asia bordered by Russia and China. The geography of Mongolia is varied with the Gobi Desert to the south and mountainous regions to the north and west. The government system is a semi-presidential republic; the chief of state is the president, and the head of government is the prime minister.

Mongolia is a member of the Asia-Pacific Trade Agreement (APTA).



Location: Eastern Asia

Capital City: Ulaanbaatar (+8 GMT)

Chief of State: President Ukhnaagiin Khürelsükh

Head of Govt.: Prime Minister Luvsannamsrai Oyun-Erdene

Currency: Tughrig (MNT)

Major Languages: <p>Mongolian 90% (official) (Khalkha dialect is predominant), Turkic, Russian (1999)</p>

Primary Religions: <p>Buddhist 51.7%, Muslim 3.2%, Shamanist 2.5%, Christian 1.3%, other 0.7%, none 40.6% (2020 est.)</p>

Calling Code: 976

Voltage: 230

Key Websites

Main Government Page: mongolia.gov.mn

Commerce Ministry: mongolchamber.mn

Investment Promotion Agency: investmongolia.gov.mn

Key Economic Facts

| | |
|--|----------------------------|
| Income Level (by per capita GNI): | Upper Middle Income |
| Level of Development: | Data Unavailable |
| GDP, PPP (current international \$): | \$48.36 billion (2022) |
| GDP growth (annual %): | 4.85% (2022) |
| GDP per capita, PPP (current international \$): | \$14,230.23 (2022) |
| External debt stocks, total (DOD, current US\$): | \$33,940,299,645.00 (2021) |
| Manufacturing, value added (% of GDP): | 7.15% (2022) |
| Current account balance (BoP, current US\$): | -\$2.30 billion (2022) |
| Inflation, consumer prices (annual %): | 15.15% (2022) |
| Labor force, total: | 1,363,210 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 8.25% (2022) |
| Imports of goods and services (current US\$): | \$12.65 billion (2022) |
| Exports of goods and services (current US\$): | \$11.72 billion (2022) |

GDP Composition %

Agriculture Services Industry Manufacturing



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|-----------|
| Corruption Perceptions Index | 109 / 178 |
| Global Competitiveness Index | 102 / 141 |
| Global Enabling Trade Index | 119 / 136 |
| Index of Economic Freedom | 73 / 176 |
| International Logistics Performance Index (LPI) | 130 / 160 |
| Inward FDI Potential Index | 71 / 139 |
| KOF Index of Globalization | 87 / 185 |
| Networked Readiness Index (NRI) | 57 / 139 |
| Open Budget Index | 36 / 114 |

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Development of colossal mining resources (coal, copper, gold) with investment reaching 40% of GDP
- Strategic geographical position between China and Europe (Silk Road Development Project)
- Potential for diversification of production, including agribusiness (livestock, dairy products, meat, cashmere) and tourism
- Important donor support (4.8% of GDP in 2019)

Weaknesses

- Small economy vulnerable to changes in commodity prices and Chinese demand
- Landlocked country
- Internal political dissensions
- Massive land degradation, 90% of the vast grasslands prone to desertification (frequent occurrence of dust storms)
- Alarming level of corruption and fragile governance (justice, public expenditure, SOEs, mining licenses and procurement)
- Risks associated with rising inequalities (28% of the population living in poverty in 2018) due to less inclusive mining development
- Insufficient foreign exchange reserves to absorb external shocks

U.S. Embassy

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