



U.S.-MONGOLIA BILATERAL PARTNERSHIP

A Brief on Trade, Investment, and Partnerships

April 2025

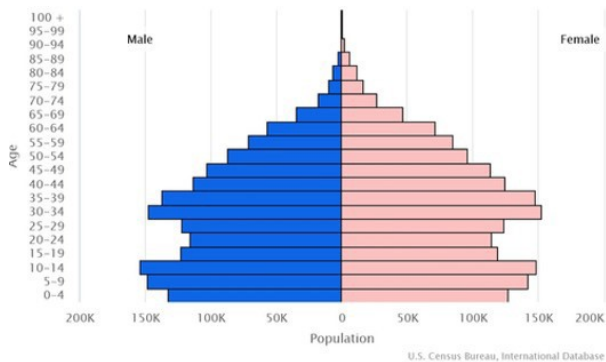


SOCIETY AND DEMOGRAPHICS¹

Population: 3.25 million (2025 est.)

Population growth rate: 0.78% (2024 est.)

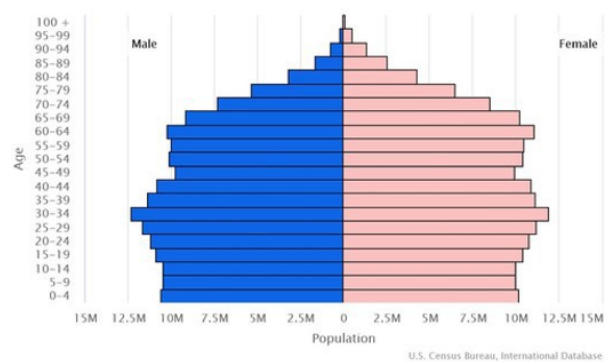
Net migration rate: -0.8 migrants/1,000 population (2024 est.)



Population: 347 million (2025 est.)

Population growth rate: 0.67% (2024 est.)

Net migration rate: 3 migrants/1,000 population (2024 est.)



ECONOMY (2025 est.)²

Real GDP growth rate: 7%

GDP per capita (current price): 7.6 thousand USD

GDP (current price): 27.2 billion USD

Inflation rate (consumer prices): 9.5%

Unemployment rate: 5%

Real GDP growth rate: 2.2%

GDP per capita (current price): 89.7 thousand USD

GDP (current price): 27.7 trillion USD

Inflation rate (consumer prices): 1.9%

Unemployment rate: 4.4%

TRADE³

Exports: 15.5 billion USD (2023 est.)

Export partners: China 78%, Switzerland 15%, Singapore 3%, South Korea 2%, Russia 1% (2022)

Export commodities: coal, copper ore, gold, animal hair, iron ore (2022)

Imports: 13.5 billion USD (2023 est.)

Import partners: China 36%, Russia 29%, Japan 7%, South Korea 5%, U.S. 3% (2022)

Import commodities: refined petroleum, cars, trucks, trailers, raw iron bars (2022)

Exports: 3.1 trillion USD (2023 est.)

Export partners: Canada 16%, Mexico 15%, China 8%, Japan 4%, UK 4% (2022)

Export commodities: refined petroleum, crude oil, natural gas, cars, integrated circuits (2022)

Imports: 3.9 trillion USD (2023 est.)

Import partners: China 18%, Canada 14%, Mexico 14%, Germany 5%, Japan 4% (2022)

Import commodities: crude oil, cars, broadcasting equipment, garments, computers (2022)

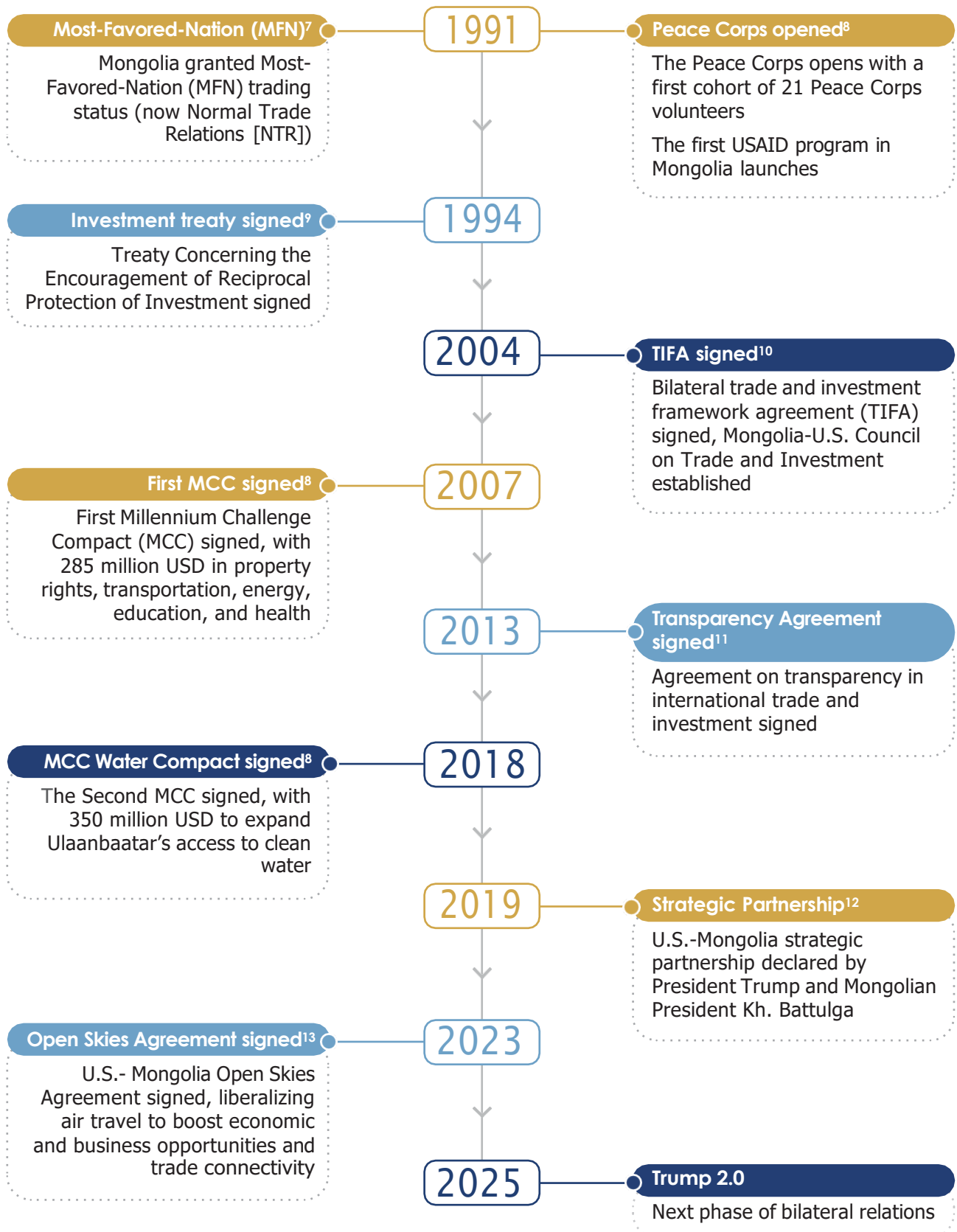
U.S.-MONGOLIA ECONOMIC AND TRADE RELATIONS

Meetings and High-level Visits

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- A vertical timeline on the left side of the page, marked with yellow dots, indicates the progression of time from 1990 to 2024. Each year is highlighted in a blue rounded rectangle, followed by a light blue rounded rectangle containing the details of the visit. The visits alternate between Mongolian officials visiting the United States and U.S. officials visiting Mongolia.
- 1990 Mongolian Deputy Prime Minister D. Byambasuren visits the United States⁴
 - 1990 U.S. Secretary of State James Baker visits Mongolia
 - 1991 Mongolian President P. Ochirbat becomes the first Mongolian President to visit the United States
 - 1991 U.S. Secretary of State James Baker visits Mongolia for a second time
 - 1996 Mongolian President P. Ochirbat visits the United States, welcomed by U.S. President Bill Clinton
 - 1998 U.S. Secretary of State Madeleine Albright visits Mongolia
 - 2004 Mongolian President N. Bagabandi visits the United States, welcomed by U.S. President George W. Bush
 - 2005 U.S. President George W. Bush visits Mongolia
 - 2007 Mongolian President N. Enkhbayar visits the United States and signs the first MCC with President George W. Bush
 - 2011 Mongolian President Ts. Elbegdorj visits the United States, welcomed by U.S. President Barack Obama
 - 2011 U.S. Vice President Joe Biden visits Mongolia
 - 2012 U.S. Secretary of State Hillary Rodham Clinton visits Mongolia
 - 2018 Mongolian Prime Minister U. Khurelsukh visits the United States
 - 2019 Mongolian President Kh. Battulga visits the United States, welcomed by U.S. President Donald Trump
 - 2023 Mongolian Prime Minister L. Oyun-Erdene visits the United States⁵
 - 2024 U.S. Secretary of State Antony J. Blinken visits Mongolia⁶

U.S.-MONGOLIA ECONOMIC AND TRADE RELATIONS

Bilateral Agreements and Economic Mechanisms



U.S.-MONGOLIA ECONOMIC AND TRADE RELATIONS

Bilateral Agreements and Economic Mechanisms



Transparency Agreement

The U.S.-Mongolia Transparency Agreement, signed in 2013 and fully in effect since 2017, was recognized as a significant step in strengthening economic ties.

Covering trade, investment, financial services, and intellectual property, it aims to enhance transparency in policymaking, facilitate information exchange, and combat corruption to attract foreign investment.

While Mongolia ratified the agreement, it is over seven years behind in implementing key commitments, including public notice and comment periods for new trade and investment regulations.

Progress has been made through LegalInfo.mn, but further measures are needed to ensure full compliance.



Strategic Partnerships

The U.S.-Mongolia Strategic Partnership Declaration was announced in 2019 during the visit of Mongolian President Khaltmaagiin Battulga to Washington, D.C. The declaration marked a significant milestone in the two countries' diplomatic relationship.

Key areas:

- Strengthen democratic values, human rights, and anti-corruption efforts
- Promote Indo-Pacific stability and fair economic growth
- Enhance security, peacekeeping, and disaster response
- Expand trade, support women entrepreneurs, and implement the Transparency Agreement
- Prevent trafficking and improve aviation safety
- Combat terrorism, cyberattacks, pandemics, and organized crime
- Support independent media and civil society
- Increase high-level dialogues and people-to-people exchanges



Open Skies Agreement

In 2023, the United States and Mongolia finalized an Open Skies Agreement to enhance air connectivity between the two nations.

This agreement established the legal framework for non-stop passenger flights, fostering increased travel and economic opportunities. Mongolia's national carrier, MIAT Mongolian Airlines, has been granted authority to serve the United States under this new arrangement. Mongolia is the 132nd U.S. Open Skies partner.

Starting May 1, 2025, United Airlines will be the first U.S. airline to offer seasonal direct flights between the U.S. and Ulaanbaatar through Tokyo.

U.S.-Mongolia Economic and Trade Relations

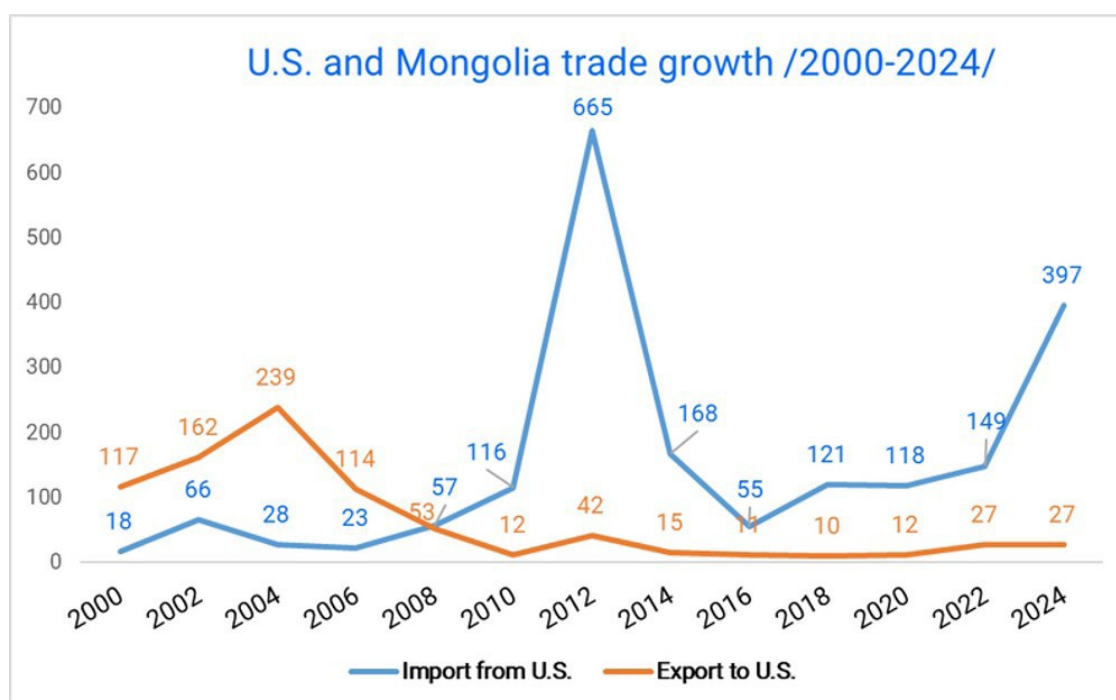
Bilateral Trade and Investment

Investment¹⁴

U.S. foreign direct investment (FDI) in Mongolia totaled 680 million USD as of 2023. U.S. companies are active in critical infrastructure sectors in Mongolia, as evidenced by recent aircraft, railway, mining equipment, and telecommunications deals.

Bilateral Trade 2020-2024¹⁵

From 2000 to 2024, Mongolia's trade balance with the U.S. shifted from a significant trade surplus to a substantial deficit, driven primarily by a steady increase in U.S. imports and a decline in Mongolian exports after 2012. The turning point occurred in 2008 when Mongolia briefly reached a trade deficit. From 2010 onward, the deficit expanded due to surging imports from the U.S., **peaking in 2024 with a 369.6 million USD surplus**. This suggests Mongolia's increasing reliance on U.S. goods in sectors such as machinery, technology, and agriculture. Mongolia's exports to the U.S. remain minimal and stagnant, indicating limited diversification.



Major export to the U.S.

- Edible nuts – 59%
- Wool knitwear – 14%
- Tungsten ore – 13%
- Pre-fabricated buildings – 2%
- Textiles (blankets, scarves) – 2%
- Other products – 11%

Major imports from the U.S.

- Vehicles and auto parts – 41%
- Pneumatic tires – 11%
- Diesel engines and machinery – 16%
- Electronics – 8%
- Chemicals and petroleum – 5%
- Other products – 19%

U.S.-Mongolia Economic and Trade Relations

Finance

DFC

The **U.S. International Development Finance Corporation (DFC)** manages a diverse portfolio focused on supporting small businesses and sustainable economic growth in Mongolia. Below are the DFC financed projects, reflecting active DFC commitments as of December 2024¹⁶:

- **Trade and Development Bank JSC** [2024]: Direct Loan to Trade and Development Bank JSC to support MSME on-lending [[\\$120,000,000](#)].
- **GN Beverages 2** [2023]: Expansion of a carbonated and non-carbonated beverage bottling plant's capacity [[\\$7,700,000](#)]. GN Beverages fully repaid a \$6 million OPIC expansion loan in 2017.
- **Bogd Bank JSC** [2022]: Expand on-lending to Mongolian SMEs with a focus on 2X eligible enterprises and environmentally friendly business activities [[\\$15,000,000](#)].
- **MSM Group LLC** [2022]: MSM is a commercial equipment sale, rental and leasing company seeking to expand its industrial, agricultural and commercial vehicle divisions [[\\$10,000,000](#)].
- **Goyol Cashmere, LLC** [2020]: Expansion of a women owned cashmere clothing business including a manufacturing facility and worker housing [[\\$5,000,000](#)].
- **Gobi Finance Non-Bank Finance Institution** [2018]: Expansion of an existing NBFI to support Mongolian Micro and SMEs and to finance short-term consumer loans [[\\$2,000,000](#)].
- **International School of Ulaanbaatar** [2017]: Expansion of an internationally accredited, non-profit, K-12 school. Over 40% of its students are local Mongolians [[\\$20,000,000](#)].
- **Schulze Global Finance Facility Mongolia** [2013]: Debt facility for small and medium enterprises in Mongolia [[\\$9,999,999](#)].



U.S.-Mongolia Economic and Trade Relations

Development Cooperation



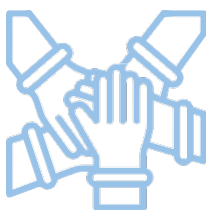
\$635M

MCC

Mongolia has signed two Millennium Challenge Corporation (MCC) compacts, totaling 635 million USD.¹⁷

The first MCC Compact had a budget of around 285 million USD, focusing on land tenure security, healthcare, vocational education, energy efficiency, and transportation infrastructure.

The second MCC Compact, the Mongolia Water Compact, allocated 350 million USD to address water scarcity in Ulaanbaatar by enhancing the water supply and wastewater recycling, focusing on sustainable water management and long-term water security.



1,500+

Peace Corps Volunteers

The United States maintains a robust Peace Corps program in Mongolia. Since the arrival of the first volunteers in 1991, almost 1,500 volunteers have served in every province of Mongolia.

There are 63 volunteers currently in-country focusing on Mongolia's English language education and community development priorities.



\$200M+

USAID

Since 1991, the United States Agency for International Development (USAID) has provided over 200 million USD in assistance to Mongolia, focusing on democratic development, economic growth, and civil society initiatives.

In 2024, USAID contributed 12 million USD before a funding freeze was implemented.

In response to the COVID-19 pandemic, the U.S. provided more than 24.8 billion MNT (approximately 8 million USD) to support Mongolia's response efforts.

U.S.-Mongolia Economic and Trade Relations

U.S. businesses in Mongolia



The renowned agricultural machinery manufacturer John Deere operates in Mongolia through a partnership with MSM Group, the country's authorized dealer. Established in 1998, MSM Group engages in agriculture, automotive, industrial equipment, chemicals, and beverage imports. They are the sole distributor of John Deere equipment in Mongolia.¹⁸

Product Portfolio and Operations:

MSM Group offers a range of John Deere machinery tailored to Mongolia's agricultural needs:

- **Tractors & Heavy Machinery:** John Deere offers a range of tractors, from standard models like the 6095B and 6210J to powerful heavy-duty options such as the 9R 440 and 8R series.
- **Harvesting & Seeding Equipment:** The S760 and W155 harvesters ensure efficient crop collection, while advanced seeding solutions like the 1910 Commodity Air Cart support precision planting.
- **Hay, Forage & Tillage Equipment:** From hay balers and forage harvesters to robust tillage tools like the 2625 heavy disk, John Deere provides essential machinery for soil preparation and crop management.

Highlights:

- 2014: MSM extended industrial equipment line by John Deere.



U.S.-Mongolia Economic and Trade Relations

U.S. businesses in Mongolia



Barloworld Mongolia LLC, established in 1995, is the official Caterpillar dealer in Mongolia, providing products and support services to the mining, construction, and road sectors.¹⁹

Operations and Portfolio:

- **Caterpillar Equipment Sales and Rental:** Barloworld offers a broad selection of new and used Caterpillar machinery for mining, construction, and road-building projects. This includes heavy equipment such as excavators, bulldozers, and trucks.
- **Parts and Service Support:** The company provides parts supply, maintenance, and repair services to ensure the longevity and reliability of its equipment.
- **Technology Solutions:** Barloworld also offers integrated technology services, including fleet management, telematics, and digital solutions to improve efficiency and productivity on construction sites and mines.
- **Rental Services:** Barloworld offers equipment rental options for projects where purchasing may not be the best option.

Highlights:

- **2025:** Celebrating 30 years in operation, Barloworld Mongolia marked its continued presence in the market, adapting to the evolving needs of Mongolia's industries while maintaining strong customer support and service offerings.



U.S.-Mongolia Economic and Trade Relations

U.S. businesses in Mongolia



As part of the U.S.-Mongolia Open Skies Agreement, United Airlines has expanded its international network by introducing seasonal direct flights between the U.S. and Mongolia through Tokyo Narita (NRT), making it the only U.S. airline to serve this route. The service will commence on May 1, 2025, with three weekly flights operated by Boeing 737-800 aircraft.²⁰

Key Details:

- Launch: May 1, 2025
- Frequency: Three weekly flights
- Aircraft: Boeing 737-800
- Seasonality: Summer seasonal service

This development enhances connectivity between the U.S., Japan, and Mongolia, offering travelers more options for international travel. It also aligns with broader U.S. efforts to enhance trade, tourism, and diplomatic ties with Mongolia through increased air traffic



U.S.-Mongolia Economic and Trade Relations

Notes

Bilateral Data

1. Demographic indicators: *CIA World Factbook* (2024), <https://www.cia.gov/the-world-factbook/>; *Worldometer, Countries of the World* (2025), <https://www.worldometers.info/geography/countries-of-the-world/>.
2. Economic indicators: International Monetary Fund, *World Economic Outlook Database* (October 2024), <https://www.imf.org/en/Publications/WEO>.
3. Trade indicators: *CIA World Factbook* (2023), <https://www.cia.gov/the-world-factbook/countries/mongolia/#economy>.

Meetings and Visits

4. 1990-2019 visits: U.S. Embassy Mongolia, *History of the U.S. and Mongolia* (2024), <https://mn.usembassy.gov/our-relationship/policy-history/io/>.
5. 2023 visit: White House, *Remarks by Vice President Harris and Prime Minister Oyun-Erdene of Mongolia*, August 2, 2023, <https://bidenwhitehouse.archives.gov/briefing-room/speeches-remarks/2023/08/02/remarks-by-vice-president-harris-and-prime-minister-oyun-erdene-luvsannamsrai-of-mongolia/>.
6. 2024 visit: U.S. Embassy in Mongolia, *Secretary of State Antony J. Blinken's Visit to Mongolia*, August 2, 2024, <https://mn.usembassy.gov/pr-080224/>.

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7. Most-Favored-Nation (1991): Consulate General of Mongolia in San Francisco, *U.S.-Mongolia Trade Relations*, <https://sanfrancisco.consul.mn/subcategory/247>.
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9. Investment Treaty (1994): U.S. Department of State, *Treaty Between the U.S. and Mongolia Concerning the Encouragement and Reciprocal Protection of Investment* (1994), <https://www.state.gov/97-101-/>.
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11. Transparency Agreement Text (2013): Office of the U.S. Trade Representative, *U.S.-Mongolia Transparency Agreement* (2013), <https://ustr.gov/sites/default/files/US-Mongolia%20Transparency%20Agreement-English-Final-As%20Posted.pdf>
12. Strategic Partnership (2019): Office of the President of Mongolia, *Declaration on the Strategic Partnership Between Mongolia and the United States*, July 31, 2019, <https://president.mn/en/2019/08/01/declaration-on-the-strategic-partnership-between-mongolia-and-the-united-states-of-america/>.
13. Open Skies Agreement (2023): U.S. Department of State, *U.S.-Mongolia Air Transport*

Agreement, February 8, 2023, <https://www.state.gov/u-s-mongolia-air-transport-agreement/>.

Bilateral Trade and Investment

14. Bilateral investment: <https://www.state.gov/reports/2024-investment-climate-statements/mongolia/>
15. Bilateral trade 2000–2024: <https://www.census.gov/foreign-trade/balance/c5740.html>

DFC

16. DFC: <https://www.dfc.gov/what-we-do/active-projects>

Development Cooperation

17. Millennium Challenge Corporation: <https://www.mcc.gov/where-we-work/country/mongolia/>

U.S. business in Mongolia

18. John Deere: <https://www.msmsgroup.mn/en/industrial/agriculture>
19. Barloworld Mongolia: <https://www.barloworld.mn/>
20. United Airlines flight: One Mile at a Time, United Airlines' Mongolia Flight (Tokyo to Ulaanbaatar) Now on Sale (2025), <https://onemileatatime.com/news/united-airlines-mongolia-flights/>.

