

COUNTRY PROFILE



Mongolia

GLOBAL RANK: 77th of 104



The disparity between Mongolia's Economic Competitiveness (55th) and Comparative Liveability (93rd) is due to its surprisingly high education scores, contrasted with the detrimental effect of a cold climate, low incomes, and poor health. The country ranks 77th overall.

● BACKGROUND

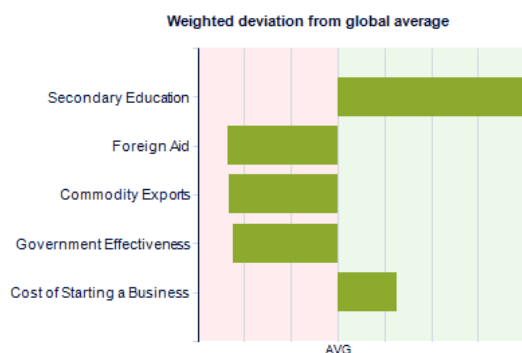
This landlocked Central Asian state, composed mostly of desert and steppe grasslands, is the world's most sparsely populated country. Nearly a third of the population still leads a nomadic or semi-nomadic way of life, although this traditional way of life is diminishing. Since the loss of financial support from the Soviet Union, Mongolia has reinvented itself as a market economy with steady growth driven primarily by agricultural and mineral exports. Mongolia's recent reputation for political stability was undermined in the 2008 elections, when claims of electoral fraud led to rioting and deaths in Ulan Bator.

FAST FACTS

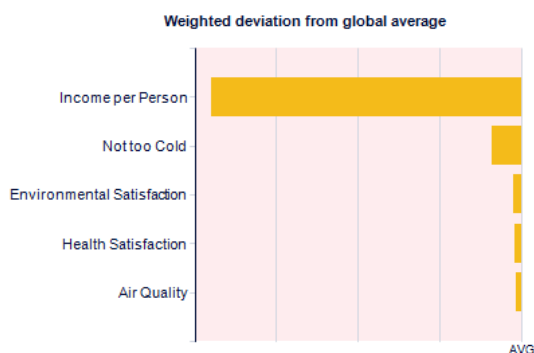
<b>Population:</b>	3 million (2008 est.)	<b>FDI (net inflow):</b>	9.69% (2005 est.)
<b>Life Today</b>	4.6 (2007 est.)	<b>Exports</b>	48.82% (2006 est.)
<b>GDP (PPP)</b>	\$8.42 billion (2007 est.)	<b>Imports</b>	47.01% (2006 est.)
<b>GDP (Growth)</b>	9.9% (2007 est.)	<b>Unemployment:</b>	3% (2007)
<b>GDP (per Capita)</b>	\$3,200 (2007 est.)	<b>Life Expectancy</b>	67.32 years (2008 est.)
<b>Political System:</b>	Mixed Parliamentary/Presidential		
<b>Foreign Aid:</b>	5.56% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Mongolia's economy collapsed after the withdrawal of Soviet support in 1990. Growth rates remained sluggish until 2003, but recently the economic outlook has improved, as a global commodities boom has coincided with increased exploitation of the country's natural mineral wealth. Mongolia is a more open economy than many at its level of income, receiving sizeable levels of investment in recent years from its key trade partners, Russia and China.

However, trade and investment are overwhelmingly focused on the exploitation of commodities. Mongolia scores poorly for dependence on commodity exports, which make up around one-third of GDP, and dependency on foreign aid, with funds from the

Mongolia's low ranking on Comparative Liveability is a product of low incomes, poor standards of healthcare and satisfaction with health, and increasing environmental degradation. Yet the country differs in several ways from other post-communist states. Community life is much more intact than in Russia or the Central Asian republics. Partly because of the vitality of traditional Mongolian cultures, family life is strong, with nearly 90%<sup>9</sup> of respondents to the Gallup World Poll indicating that they have sufficient friends and family to rely on in times of need, and one in five stating they have recently volunteered for philanthropic purposes.

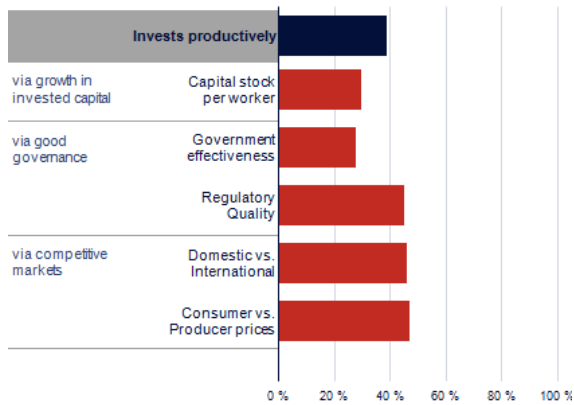
Extreme temperatures and sharp seasonal fluctuations give Mongolia the lowest climate score of any country in the Index. Across the

IMF and other donors making up a further 2%.

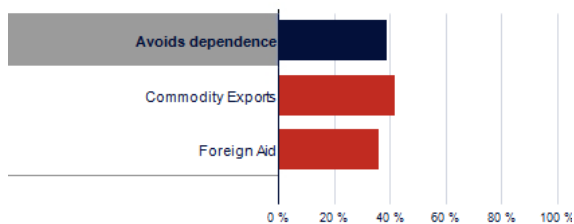
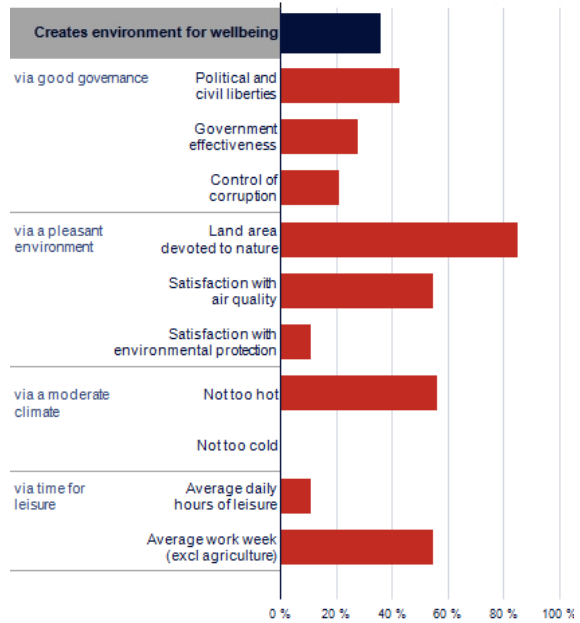
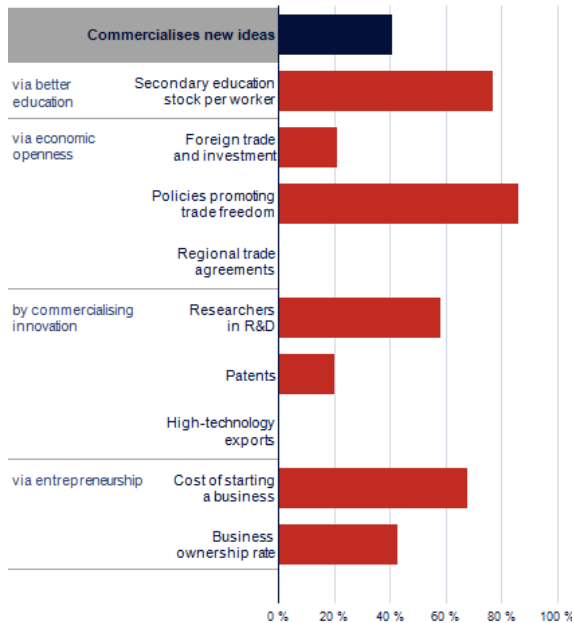
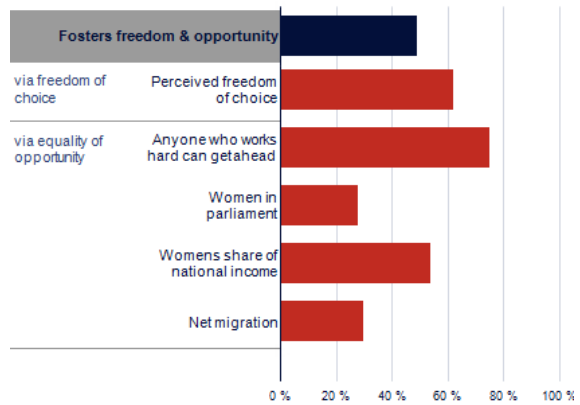
On a more positive note, Mongolia has introduced economic reforms in recent years, and the low costs of starting a business may allow growth to flourish. Workers benefit from a good state educational system, which provides a number of years of secondary education per worker. However, this figure should be interpreted with some caution, as years of schooling gained under communist educational regimes can be difficult to value accurately. Educational quality and the economic structure do not translate into a high innovation score, and government effectiveness is poor.

country, average temperatures range from -20 to 20 C, and during a long winter that can last from October to February, temperatures can fall to -40 C in the country's southern region. In summer, drought can destroy the livelihoods of families who still live a nomadic lifestyle, herding their animals from winter to summer pastures. However, increasing urbanisation is mitigating the effect of seasonal factors. Although less than half of the population lived in cities in 1975, the proportion is likely to approach two-thirds by 2015, according to UN estimates, with the poor air quality increasingly reducing life satisfaction.

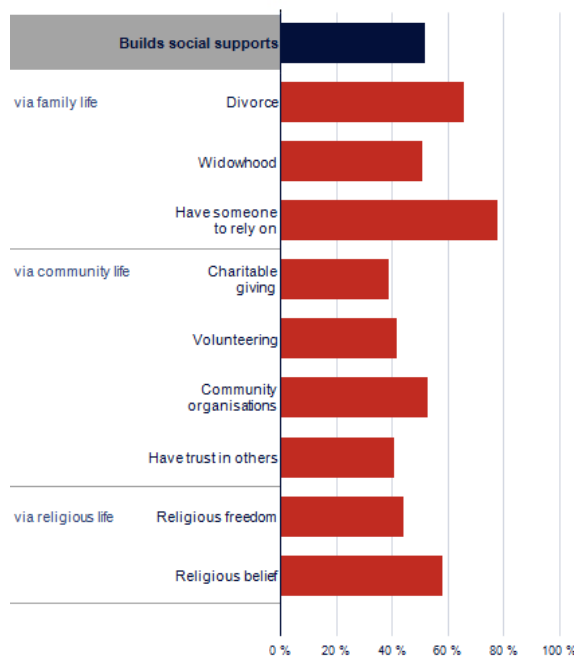
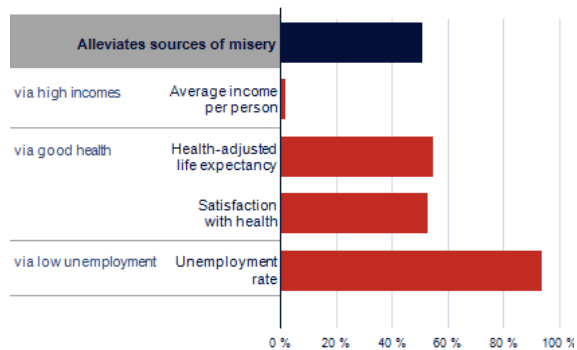
## ECONOMIC COMPETITIVENESS: SCORECARD



## COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.