

Dealing with Mongolia's debt crisis (Summary)

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Debt can be an engine of economic growth, yet it can be a cause of an economic disaster as well. An economic development cycle of Mongolia in the past few years is a testament to it. A closer look at an economic crisis Mongolia is facing now reveals two explicit features of the crisis: excessive

private debt that we neglect to discuss in times of crisis, a high ratio debt denominated in foreign currencies known as “original sin” in economics and mostly comprises of external debt. These are two explicit issues the country has to deal with in seeking for an exit out of crisis.