

The Contribution of Agriculture to Economic Growth in Mongolia (Summary)

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Despite the fact that Mongolia's real economy declined by -1.3% in 2009, it actually increased by an average of 7% between 2000 and 2016. However, the real economic growth of the country has had an uneven impact on the lives of the people and the inequality in income is continually increasing. In recent years, many projects have been implemented to support SME's in order to increase production and create more jobs in Mongolia. Also some discounted loans have been provided for the same purpose. Unfortunately these large loans and other policy support have not been effective. This is evident due to the fact that the poverty rate increased by 8 percentage points to 29.6% from 2014 to 2017, and additionally, the unemployment

rate went from 8.6% at the end of 2016 to 9.1% by the third quarter of 2017, compared to the 7.8% rate at the end of 2013.

Foreign trade turnover was US\$11.1 billion at the end of 2012, and dropped to US\$8.3 billion by the end of 2016, which was a decrease of some US\$2.8 billion, or 25.6%.

In this study, we will look into the contribution of the agricultural sector toward improving economic growth, and we will propose some useful ideas to help develop the agricultural sector, including some innovations for creating more export-oriented jobs in order to improve the real economic growth of the country as a whole.