

Asia Against COVID-19

Mongolia fighting COVID-19

Abstract

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Keywords:

COVID-19 – coronavirus – pandemic – Mongolia – emergency response – vaccination – containment – socio-economic impact

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Brief facts about Mongolia

Mongolia is a landlocked country in the north-east of Asia with a population of 3.3 million, spread across a vast area of land equal in size to Western Europe (1.5 million square km). The country borders Russia in the north and China in the south. In Mongolia, the climate is severe continental with long, cold winters and short, warm summers.

Around 45% of the population lives in the capital city Ulaanbaatar and the rest resides across 21 provinces. Approximately 30% of the population are nomadic herders. The economy of Mongolia is traditionally based on agriculture and livestock. It is ranked as a lower-middle-income country by the World Bank and in 2020 its GDP was US\$12.9 billion and the GDP per capita was US\$4,020.¹

1. Introduction: a short overview of the progression of COVID-19 in Mongolia

In the year between March 2020 and March 2021, the total number of registered COVID-19 cases in Mongolia reached 6,693, with six cases of death.² Of all cases, 92% (6,157) were the result of community transmission and only 8% were imported. In addition, 84% (5,607) of all cases were detected in Ulaanbaatar, with the other cases being reported in 13 provinces.

Here is a short summary of the progression of COVID-19 in Mongolia:

- COVID-19 first emerged in China in December 2019. In Mongolia, the first public precautions were introduced by the Ministry of Health (MoH) on January 6, 2020.
- On 13 February 2020, the Mongolian government declared a State of High Preparedness. All passenger trains and flights between China and Mongolia were suspended. Kindergartens, schools, universities, and vocational and training centres were closed. The celebration of the Mongolian Lunar New Year was also cancelled.
- The first case in Mongolia was registered on March 10, 2020 when a foreign citizen visiting the country tested positive. The government closed its borders with the rest of the world, with the exception of Mongolian nationals arriving through special flights chartered by the government. Hygiene protocols were adopted and all citizens were required to wear masks, have their temperature checked when visiting public places, keep physical distance, and wash their hands regularly. Exports of coal and crude oil were briefly stopped between February 10 and March 2, 2020 to minimize the risk of infection of truck drivers over the Mongolia–China border.

- The government suspended community activities including meetings, training, sport competitions, and cultural activities. Nightclubs, karaoke bars, and temples were banned from operating, and cafés and restaurants were instructed during to close at 10:00 p.m. rather than the usual 12:00 a.m.
- In April 2020, the government announced economic and social measures to fight the COVID-19 pandemic. The measures included income tax breaks for business entities and individuals working in the private sector and increasing allowances and cash handouts for vulnerable groups.
- Starting in May 2020, Mongolia began gradually easing restrictions. Businesses resumed their operations although mass gatherings were still prohibited. International flights and travel were still banned and the schools remained closed until the end of the academic year.
- By early November, a total of 374 cases of coronavirus infections had been registered in Mongolia. All were imported by citizens coming from abroad.
- The first case of community transmission was reported on November 10, 2020 and the government imposed a complete lockdown on November 11, 2020. There were a total of three lockdowns between November 2020 and February 2021.
- In February 2021, a mass testing campaign “One door – one test”, was launched in Ulaanbaatar. A total of 442,300 tests were conducted and 176 new cases were detected. The same kind of mass testing had already taken place earlier in November 2020 in Darkhan, the second largest city in Mongolia.
- On February 23, the government lifted the strict lockdown in Ulaanbaatar and allowed 95% of all business activities to

reopen. On the same day, the government began its vaccination programme. By the end of March 2021, 269,400 people (13.37% of all planned vaccinations) had received their first injection, with the intention that 60% of the total population will be vaccinated by July 2021.

- However, the situation began to rapidly deteriorate, and the number of new cases began to grow. On March 26, 437 new cases were reported, the highest number per day since the start of the outbreak. The government is now considering, at the time of writing, imposing a new national lockdown in April 2021, to control the surge of new cases.

2. Fighting the pandemic

Government strategy

According to the Disaster Protection Law, the National Management Agency (NEMA) and the State Emergency Committee (SEC) are authorized to direct emergency policies and measures. The legal enforcement of precautionary measures led by SEC enabled a unified and focused administration of COVID-19 disaster management.

The Mongolian government worked closely with the World Health Organization (WHO) to develop early interventions. By early January 2020, Mongolia had initiated countrywide control measures according to its disaster preparedness legal framework. On April 29, 2020, the Mongolian parliament adopted the Law on COVID-19 to prevent, protect, and mitigate the health and socio-economic impact of the pandemic. This authorized the government to regulate quarantine, traffic movement, and other public safety measures to stop the spread of the virus.

Strict implementation of social distancing, mobility restrictions, and quarantine measures have helped Mongolia contain the worst health effects of the COVID-19 pandemic.

Mongolia's healthcare system³

The efficiency of the emergency response in managing this disease greatly depends on how the healthcare system will cope following a widespread outbreak. Mongolia is currently undergoing a health system reform nationally, with primary care and secondary care centres well established. There are approximately 12,000 doctors nationwide, resulting in one physician for 283 citizens, and more than 20,000 mid-level health workers of which more than 12,000 are nurses; this high ratio of doctors to patients is also a health system legacy from the socialist era.

Although the general infrastructure and facilities are largely inadequate and often not well equipped, Mongolia's intensive care unit capacity is remarkably higher than most other low-to-middle-income countries (LMIC). With a total of 349 intensive care unit beds and 443 critical care ventilators in 70 intensive care unit facilities countrywide, this translates to approximately 11 intensive care unit beds per 100,000 inhabitants.

Prevention and containment measures

The government announced various measures to control the outbreak. These included suspension of all international flights and passenger trains. Various businesses were closed, including temples, night clubs, gyms, and cinemas. All public events including conferences and sporting and cultural events were cancelled, while all educational institutes were closed until May 30, 2020. Citizens were prohibited from travelling to the countries affected by the outbreak and all travellers from abroad were subject to a 21-day quarantine and one week of home isolation, which later changed to 14 days of quarantine.

Hygiene and safety protocols

Starting in February 2020, the government began enforcing strict hygiene and safety

protocols. Under these new rules, citizens were required to wear masks, keep a physical distance of 1.5 metres from each other and have their body temperature checked when visiting public places (shops, trade centres, business offices) and when entering the capital city and provincial centres.

All business offices, trade centres, and other public places were required to follow safety and hygiene protocols such as cleaning and disinfecting every day, of all shared rooms, surfaces, floors, and bathrooms, as well as proper ventilation of rooms, and requiring staff to wash their hands regularly and wear masks and gloves. Offices shifted their employees to working remotely and developed work schedules so that employees would work at the office only if necessary and only if the office is less than 30% full.

Media coverage

The Mongolian media, because of the country's close proximity to China, began to pay attention to reports on the COVID-19 outbreak in Wuhan earlier than the media of most other countries. The media relayed precautionary messages issued by the MoH, which warned the population to limit any non-essential travel to China, avoid meat markets, wash hands with soap, wear face masks, and stay at home. From February 2020, the MoH began holding daily press briefings about the current situation on COVID-19.

The Mongolian media's coverage of the coronavirus crisis has been based almost exclusively on official sources. Government warnings of legal action against anyone found guilty of disseminating disinformation have led journalists to adopt a cautious approach, resulting in self-censorship.

Closing of educational institutions

All schools, colleges, universities, and other educational organizations were first closed on January 27 until 2 March 2020. The ban

was later extended until the end of the academic year. All children switched to TV lessons and online learning. On September 1, the schools opened again, but due to community transmission cases in early November, they then shut down again. By March 1, 2021, all rural schools reopened and began classroom learning. However, due to the serious COVID situation in Ulaanbaatar, the city government hasn't yet decided to reopen their schools.

Repatriation flights

As a result of travel bans, thousands of Mongolians in foreign countries were stranded, the only option being to return on government-chartered evacuation flights or by designated entry points on land. Evacuation flights were restricted to 900 passengers per month due to multiple factors, including the limited availability of quarantine camp accommodation and a shortage of flight crew (as they were isolated along with incoming citizens). The State Emergency Committee prioritized people with serious health conditions, infants and children, older people (>60 years), and women in the late stages of pregnancy for such evacuation flights. The government cancelled repatriation flights during the lockdowns, but resumed them again as soon as the ban was lifted.

Most charter flights took place to and from five main destinations: Japan, Korea, Germany, Turkey, and Kazakhstan. By the end of March 2021, more than 30,000 people had been repatriated; however, thousands more still remain stranded abroad, often living in extreme conditions because of diminishing funds. The government plans to bring 1,920 Mongolian citizens home in March 2021 via 12 chartered flights.

Isolation and treatment

Upon arrival, all passengers were PCR (polymerase chain reaction) tested and placed in a 21-day mandatory strict quarantine to limit the risks of domestic contagion. This strict

quarantine was later eased and now the passengers are required to stay 14 days in specialized isolation facilities, usually hotels in and around Ulaanbaatar. People who test positive are transferred to specialized medical centres such as the National Center for Communicable Diseases (NCCD) where they are closely monitored and receive treatment if their condition deteriorates.

During quarantine, each person undergoes regular tests. More than 2 million tests (2,041,428) had been conducted by March 27, 2021 and 6,693 people had tested positive. Of all infected people, 77.8% experienced mild or no symptoms, 19.8% experienced moderate symptoms, and only 2.4% were in serious or critical condition and had to be treated. There have been a total of six deaths.

Lockdown and curfew

The first case of community transmission was registered in Mongolia on November 10, 2020. This incident triggered a nationwide lockdown for 19 days that was later reduced to the capital city and two provincial centres with the most community transmission cases. After that, the Mongolian government twice re-imposed lockdown measures in Ulaanbaatar, which was the hardest hit by the coronavirus outbreak, in December and February 2021, to curb resurging local cases.

During lockdowns, all businesses except essential services were closed or made to work from home. Police and military personnel were authorized to patrol the streets. Only 14 essential services were allowed to operate, including power plants, healthcare services, diplomatic organizations, grocery stores, supply of fuel, coal, animal feed and fodder, press, postal service, banks, funeral services, and some essential government agencies.

Supermarkets, grocery stores, and pharmacies were warned not to increase prices, on pain of fines of US\$7,000. During the first lockdown,

the sale of alcohol was prohibited (the ban was later lifted), pedestrian and automobile movement in the city was restricted to grocery, healthcare, and other essential services only, public transportation was limited, all non-essential travel between regions was prohibited, and charter flights were suspended. The authorities traced all domestic infections and conducted PCR tests on suspected cases, as well as on close and secondary contacts of all confirmed cases. Between lockdowns, a number of economic activities that were able to enforce social distancing were allowed to reopen. Passenger travel between towns remained conditional on PCR testing.

During the third lockdown in February 2021, the government cancelled the celebration of the Mongolian Lunar New Year.

“One door – one test” campaign

In February 2021, the government successfully carried out mass testing of all households in Ulaanbaatar under the “One test – one household” initiative. One member of each household was tested at one of 50 mobile and 73 temporary testing centres. In total, 442,300 PCR tests were performed and 176 new cases were detected in a period of 12 days in the capital city. The campaign included 7,279 doctors and hospital workers and 5,849 essential workers.

COVID-19 vaccination programme

The country has a well-established immunization system, with the coverage of the child immunization programme at 99.4% in 2019. However, COVID-19 vaccination differs from the routine immunization programme due to the difference in target groups (adults) and super-cold freezer capacity requirements for the cold chain for some vaccines. To address these challenges, the MoH conducted a readiness assessment and, based on the results of the assessments, the government estimated about 60% of the population was at high risk of infection.

Since February 2020, Mongolia has been negotiating with the WHO and several countries to procure and bring essential vaccines to the country. Accordingly, Mongolia has prepared a comprehensive COVID-19 vaccine deployment strategy. Under this strategy, 1.91 million people or 60% of the population would be vaccinated by July 2021. The initial vaccination targets healthcare workers, police, and emergency service workers. After that, the priority will shift to people aged 50 and older, those with disabilities or chronic diseases, people working in customs and border patrols, coal truck drivers, staff of educational institutions, and the rest of the population who need vaccination.

Mongolia negotiated with the WHO and other key vaccine producers and began receiving four types of vaccines: Pfizer-BioNTech, AstraZeneca, Sputnik, and Sinopharm. The first doses of AstraZeneca vaccines arrived from India on February 23, 2021. Pfizer-BioNTech and AstraZeneca vaccines are part of the COVID-19 Vaccines Global Access, abbreviated as COVAX. Under COVAX, Mongolia aims to vaccinate about 20% of its population.

By March 27, 2021, 269,400 people had their received first vaccine injections –13.37% of the planned number.

Government support

To support its economy through the crisis, Mongolia has announced a series of economic and policy measures, rolling out the COVID-19 relief package of US\$1.2 billion (over 9% of GDP). The government response focused on supporting vulnerable households particularly affected by the economic downturn, and on small and medium-sized enterprises (SMEs) to cushion loss of income and avoid mass unemployment and bankruptcies. This includes over 3% of GDP in tax relief measures and 6% of GDP in increased social transfers and higher health spending.

The measures included:

- Imports of all essential medicine, test kits, medical supplies, and equipment were exempt from VAT and customs tax. In addition, the government lifted VAT and customs taxes on imports of essential food items such as sugar, vegetable oil, and all types of grain.
- The amount of social benefits and allowances increased. The Child Money Program (CMP) is the largest social protection programme in Mongolia and covers 90% of all who are classed as poor and 80% of all children. The government expanded CMP's monthly benefit level from US\$7 to US\$35 per child for 15 months from April 2020 to July 2021. A total of 1.25 million children under the age of 18 (38% of the total population) receive this assistance.
- The average monthly food stamp benefits doubled to US\$11.2 per adult and US\$5.6 per child. A total of 122,000 adults and 118,000 children receive food stamps.
- People from vulnerable groups received a monthly allowances of US\$35 from the government between May and October 2020. The vulnerable groups included orphans, single parents, and people with disabilities.
- To support herders who were heavily affected by the drop in cashmere prices, the government offered US\$7 of subsidy per kilogram of cashmere sold in 2020.
- An amnesty on penalties for late payment of energy bills was offered to households from March to September. In December 2020, the government announced that the state would pay the water and electricity bills for all households and businesses until July 2021.
- All private entities were freed from paying social insurance contributions during April–September. Later, the government offered an amnesty on penalties for late payment of social contributions to all private entities between November 2020 and the end of June 2021.
- All SMEs with annual income less than US\$526,000 were not obliged to pay income tax between April and October 2020.
- Employees of private entities and firms who kept their staff on despite the declining incomes of their firms received monthly cash handouts amounting to US\$70 for 3 months.
- Individuals working in the private sector were permitted a break from paying income tax from April 1 to September 30, 2020. Income tax accounts for 10% of the salary and therefore these tax breaks were a significant help for people.
- Businesses and individuals were granted an extension of loan repayment deadlines. They could contact the relevant financial institutions to reschedule loan repayments or delay interest payments between April and the end of September 2020.
- The Bank of Mongolia lowered the interest rate to 6%, the lowest in the country's history.
- The new government, formed in January 2021, announced US\$3.5 billion of economic aid to revive its economy, support domestic businesses, and create jobs by offering low-interest loans to agricultural-, processing-, and construction-sector entities.

3. Social and political consequences of the pandemic in Mongolia

The impacts of COVID-19 can be divided into the categories economic and social. Given

the relatively limited number of COVID-19 infections in Mongolia, households were more likely to be impacted by indirect economic shocks. The social impact is mainly related to service delivery disruptions in health, education, and social protection.

Macro-economic impact

The economic impact of the COVID-19 pandemic on Mongolia has been severe and widespread. The economy contracted by 5.3% in 2020, the first contraction since 2009, according to the National Statistics Office (NSO). The government revenue fell by 8.6% year on year, while expenditure went up 19.3%. Mongolia has a large amount of debt, which means that there is an increased risk of defaulting on that debt.

The mining sector was affected significantly by a sharp decline in demand for key commodities and border closures with China. Mongolia's mineral exports dropped 30% in the first eight months of 2020 compared with the same period in 2019. The services sector was also hit hard due to mobility restrictions and falling incomes. As Mongolia closed its borders relatively early, the country experienced a trade shock earlier than many other countries.

In the 3 years prior to the COVID-19 outbreak, tourism made up around 10% of Mongolia's annual GDP. With foreign travel restricted, hospitality and tourism revenues plummeted. Total revenue for Mongolia's hospitality sector fell by 42.9% in the first half of 2020.

The Mongolian currency depreciated moderately, but the level of foreign exchange reserves reached a historical high of US\$4.5 billion, supported also by higher gold purchases by the authorities.

Effect of the pandemic on the private sector

The impact of the COVID-19 shock was very severe for private enterprises in the man-

ufacturing, tourism, trade, transportation, construction, and education sectors. According to the survey conducted in July 2020 by the United Nations Industrial Development Organization (UNIDO) among 130 small, medium, and large companies from Ulaanbaatar and four other provinces, the most significant financial problems were indicated as loan repayments (78% of respondents), wages and social security (66%), and fixed costs (49%). In addition to the financial problems, many enterprises have been confronting other business problems such as disruption of logistics (53%), reduction of orders (49%), increased difficulty of financing (35%), and no extension of loans (23%). Another consequence of the restrictions was signalled by 97% of all respondents as the shortage of cash flow. More than half of the firms were considering layoffs. More specifically, job cuts were strongly expected in small enterprises (71%) and exporter firms (74%). The operations of seven out of every 10 firms were currently being affected. If this pattern were to continue, more than 70% of global value-chain firms would need to close their operations within 3 months, while around 20% of exporter firms were relatively optimistic that they would be able to sustain their operations for more than a year. In accordance with the package of stimulation measures, approximately 50% of the firms who responded had received some government support, particularly the social insurance exemption. The main recipients were SMEs, large firms, and exporting companies rather than micro enterprises.

The Friedrich Ebert Foundation carried out a further survey on the impact of COVID-19 on micro and small enterprises. The survey was conducted among 1,145 business operators in the trade and service sectors in Ulaanbaatar. The survey found that due to the pandemic, the number of entrepreneurs with 1–3 million MNT (US\$351–1,053) of monthly income accounted for only 18.3% of all business people compared to 43.5% before the pandemic; people who earned 3–5 million MNT (US\$1,053–1,754) declined three-fold

from 10.3% to 3%; and people who made more than 5 million (US\$1,754) decreased four-fold from 13.9% to 3.2%.

Of all respondents, 28.3% indicated that their sales declined a little, while 62.7% experienced a drastic drop in sales. Almost all types of services were hit by plummeting sales other than wholesale trade of food items, and clothing repair and mending services.

Unemployment and household income

Despite fewer confirmed cases in Mongolia than in neighbouring countries, the household-level shocks caused by COVID-19 may be long-lasting and are likely to disproportionately affect the poor and vulnerable. This group generally have limited resources to protect themselves and are therefore likely to be most exposed to the negative impacts of such economic shocks.

Households from various segments of the income distribution scale have been affected by COVID-19-related shocks, with those employed in the low-skilled informal sectors and those living just above the national poverty line at greater risk of falling below the poverty line.

The latest Household Response Phone Surveys (HRPS) jointly conducted by the NSO and the World Bank reveal that household income from labour was affected by the pandemic, as many people stopped working due to business closures or were faced with a reduction in working hours. The government's generous direct transfers to households helped partially to mitigate the sudden impact of the negative effects upon income. A poverty micro-simulation analysis, using the HRPS from 2018 and the latest GDP growth forecasts, indicates that without mitigating measures, approximately 195,000 to 260,000 more people could have been pushed into poverty, bringing the poverty rate up to 33.6% in 2020 from 28.4% in 2018.

The study, conducted by the Mongolian research and consulting firm SICA, of 401 households in Ulaanbaatar, revealed that the monthly average household income during the lockdown decreased by 40% or US\$185 compared to pre-lockdown.

In addition, access to food and other consumables became problematic. Nearly 16% of households surveyed had suffered from shortages of meat, flour, and vegetables, while 60% had taken out some form of loan and 13.8% are overdue on their repayments.

The COVID-19 pandemic has led to job losses in several sectors and has also affected the structure and conditions of the labour market. While some sectors, including hospitality and entertainment, experienced declining employment, employment did increase in some sectors, such as information technology, as demand for online services increased.

The proportion of those who had stopped working by December 2020 among the industry sectors – namely, manufacturing, utilities, construction, and mining – reached 70%. In particular, the construction and manufacturing sectors were heavily affected by the series of lockdowns between November 2020 and February 2021.

However, sizable policy support partially mitigated the impact of COVID-19 and encouraged firms to limit layoffs and opt for reduced working hours instead. At the same time, generous income support as well as the lack of adequate and affordable childcare during the closure of schools contributed in part to declining labour force participation.

Impact on children and families

The government's measures to mitigate the negative impact of the pandemic on children included introduction of distance learning and allowing salary-earning parents and guardians of children younger than 12 to work from home. The government offered 7–14

days' paid leave for parents of sick children, the reduction of in-office work hours, and a social security payment waiver for 6 months.

The NGO Save The Children conducted a rapid needs assessment on the effects of the pandemic prevention measures on education, child protection, food security, and livelihoods of children and families in July 2020. The assessment revealed that two out of three parents surveyed were emotionally unstable due to financial difficulties and anxiety caused by COVID-19 preventive measures. Of the child protection service providers surveyed, 45.9% reported an increase in violence against children, including emotional abuse and neglect, since the commencement of quarantine. There was also some increase in physical and sexual violence against children, while the incidence of domestic injuries was found to be relatively low or normal.

The suspension of face-to-face teaching has resonated across all levels of education, despite it being important to contain the disease. The main consequences of school suspensions included unintentional violations of children's right to education, and at times neglect and difficulties in people meeting their parental duties. Together with these issues, home confinement for schooling has affected the physical and psychological wellbeing of children and adolescents.

Lifestyle changes during such home confinements are inevitable, ranging from a reduction in physical activity to less social interaction with peers and an increased use of smartphones and social media. Children were confined to their home for long periods with few opportunities to spend time outside for play or to socialize with peers. Parents who were reliant on schools and kindergartens for education and childcare during working hours were forced to leave their children home unattended, contributing to unintentional or accidental injuries to children in their homes.

The fact that 3.4% of surveyed children between the ages of 12 and 14 reported that they were performing some paid work because of financial difficulties within their families warns of potential cases of child labour exploitation. Similarly, the worst forms of child labour exploitation may increase if similar circumstances recur, continue, or worsen.

Food security and livelihoods

The most affected in terms of food security were families that experienced declining incomes, or had no income at all, including the self-employed, informal and seasonal workers, and individuals working for private companies. The highest negative impact was noted among women, especially single mothers, and mothers of several children. Also included among those experiencing a high negative impact were young people working in the mining and construction sectors, and children from families with declining incomes. To ensure their food security, a common coping strategy was to increase basic food consumption – meat, flour, rice, etc. – while significantly reducing nutritious foods such as vegetables, fruit, and eggs.

Ulaanbaatar has a persistently high population that lives under the poverty line, comprising those who are mostly dependent on daily wage work. Although some such workers have continued to go to work, if they have to stay at home because of self-isolation, or the nature of their work or childcare, they face extreme hardship because of the consequences of these emergency response actions. These groups do not benefit from paid leave and other government support.

Impact on the healthcare system

COVID-19 is putting enormous pressure on the healthcare system of Mongolia. The government has utilized to the limits the resources of the healthcare system. Expenditure for the testing, overtime remuneration for front-line healthcare workers and other relevant

civil staff, and preparations for the surge of COVID-19 infections and hospitalizations, including expensive intensive care capacities, has placed enormous pressure on the already strained state budget. The Ministry of Finance (MoF) reported that in 2020, the government allocated an additional sum of US\$4.7 billion for COVID-19 related expenses, including US\$77.1 million or 16% of the total additional amount for the health sector.⁴ Therefore, vaccination against COVID-19 is becoming a crucial intervention, since a surge in infections has already resulted in a shortage of quarantine facilities, necessary equipment, drugs, and other essential resources.

National and local elections

Despite COVID-19, Mongolia was able to hold its regular national and local parliamentary elections without any significant challenges in June and October 2020 respectively. Despite a variety of safety measures having been put in place, the parliamentary election concluded with 73.6% voter turnout – the highest since 2000.

The incumbent ruling party, Mongolian People's Party (MPP), won in both national and local elections. MPP gained 82% of all seats in the national parliament (62 seats out of 76) and in 13 provinces out of 21.

One of key factors behind the MPP's re-election was the government's early and decisive preventive measures to contain the spread of COVID-19. As of 14 July 2020, Mongolia reported only 243 imported cases, 204 of which recovered, with no deaths. These policy achievements were praised by the public and contributed to the MPP's re-election. Lastly, Mongolia's electoral system and COVID-19-related emergency restrictions constrained the opposition and smaller parties while conferring significant advantages on the ruling MPP.

Resignation of the Cabinet

However, the long and continuous state of high preparedness and a series of strict lockdowns had a negative economic and social effect on many communities. Growing unemployment and declining household incomes increased public discontent with the government's strategy in handling this crisis. A small protest broke out in Ulaanbaatar on January 20, 2021 after TV footage appeared of a woman who had just given birth being escorted in slippers and a thin robe from the maternity ward to a special wing for COVID-19 patients while holding her newborn. This protest evolved into a demonstration protesting against the poor handling of COVID-19 by the government and demanding the resignation of the head of SEC and the Minister of Health.

The next day, the prime minister announced his decision to resign. The new prime minister L. Oyun-Erdene was sworn in on January 26 and his Cabinet swiftly announced a US\$3.5 billion economic stimulus package to boost the economy and earn the confidence of the people for the upcoming presidential elections.

International relations

During the COVID-19 pandemic, Mongolia restricted all passenger travel in and out of the country. However, international relations were even more active than ever. Mongolia negotiated with a number of international financial organizations in relation to assistance in responding to COVID-19. A number of foreign countries (namely USA, France, China, Germany, Japan), the European Union, and international organizations including the United Nations, World Bank, Asian Development Bank, International Monetary Fund, private entities such as Oyu Tolgoi,⁵ and individuals offered assistance to mitigate the impact of the virus. As a result, Mongolia established agreements and contracts with its international partners worth US\$418.8 million⁶ in the form of loans and grants to support the

budget and fund projects to help mitigate the effects of the pandemic. The government is spending that assistance on preparedness activities, diagnosis, procuring medical equipment, vaccination, protecting livelihoods of citizens, and supporting the economy.

4. Conclusion: what did COVID-19 mean for the country?

The COVID-19 pandemic has without a doubt been one of the most serious crises faced by Mongolia since its peaceful transition to democracy and market system in 1990. The negative impact could be compared to the 2008–2009 financial crisis when Mongolia's GDP fell by 18.4%, or three consecutive dzuds⁷ in 1999–2001 when Mongolia lost 29% of all livestock population,⁸ and thousands of impoverished herder households moved to Ulaanbaatar and other cities in search of a better life.

Mongolia's response to COVID-19 has so far been successful at preventing the spread of the virus. By acting early and decisively, Mongolia was one of the few countries in the world with no proven local transmission of COVID-19 for 8 months until November 2020. With 6,693 cases of transmission and six deaths, Mongolia is ranked 155th among 221 countries with confirmed cases of COVID-19.⁹

The whole country unanimously united to protect against this disaster. The decisive action, of course, has involved major restrictions on everyday life and daily sacrifices by Mongolian citizens. The Mongolian people, as individuals, families, organizations, and institutions, have adjusted to these restrictions with strength, resilience, creativity, and ingenuity.

COVID-19 has proved to be a real-life test for Mongolia's emergency preparedness system. Knowing that the healthcare system was not adequately equipped to respond to the pandemic, the government focused on preven-

tion, containment, restrictions, and testing measures.

The main priority for Mongolia now is an economic recovery. Mongolia has limited capacity to cope with economic shocks. The country is highly indebted, with government debt standing at around 70% of GDP. Moreover, Mongolia is entering a period that requires significant repayment of its bonds. However, according to a World Bank report, the Mongolian economy is expected to recover moderately from the pandemic, and real GDP growth is projected to accelerate to about 5% in 2021–22, as the authorities take control of the pandemic, stimulus measures prop up domestic demand, the adverse impact of the global economy recedes, and businesses and consumers adjust to the new norm of living with the pandemic, and vaccines are introduced.

The strategy of the new Cabinet is to eliminate the virus by vaccinating 60% of the population and revitalize the economy with a US\$3.5-billion economic stimulus package within 3 years. The main focus would be on creation of jobs, supporting SMEs, and provision of low-interest loans to agricultural-, processing-, and construction-sector entities.

Mongolia needs the assistance of international institutions to address various challenges brought about by the pandemic. A total of US\$418.8 million has been provided or pledged by various donor organizations and countries to fight and help bring the pandemic to an end.

Moreover, Mongolia, like other countries, will need to transition from policies focused on short-term economic relief to accelerating recovery and building resilience. The recovery is still subject to risks of (a) a sharp rise in domestic COVID-19 cases that could trigger stricter and prolonged lockdowns; (b) the potential for further global waves of the virus that would worsen the domestic and external environment; (c) possible financial

instability; (d) weather-related shocks (for example, a harsh winter, which could hit the agriculture sector); and (e) the likelihood of new spending and overstretched public finances in the run-up to the presidential election.

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FOOTNOTES

- 1 Source: National Statistical Office. Retrieved from: https://www.1212.mn//stat.aspx?LIST_ID=976_L05
- 2 Source: Worldometer. Retrieved from: <https://www.worldometers.info/coronavirus/country/mongolia/>
- 3 Erkhembayar et al. (2020)
- 4 Source: Ministry of Finance of Mongolia. Retrieved from: <https://mof.gov.mn/article/entry/covid-19-nemelt-zart-suulaltiin-tailan>
- 5 Oyu Tolgoi is the copper-gold mine located in the south Gobi region of Mongolia.
- 6 Source: Ministry of Finance of Mongolia. Retrieved from: https://mof.gov.mn/article/entry/News_2020_11_19
- 7 Dzd is a Mongolian term for a severe winter in which a large number of livestock dies, primarily due to starvation, being unable to graze, or in other cases directly from the cold.
- 8 Source: National Statistical Office. Retrieved from: <https://www.1212.mn/>
- 9 Source: Worldometer. Retrieved from: <https://www.worldometers.info/coronavirus/>