

MONTHLY MACROECONOMIC UPDATE

April 2024

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▶ MAIN ECONOMIC INDICATORS

GDP growth

(Q1 2024)

7.8 percent

International reserves

(April 2024)

4,986 million \$

Inflation

(April 2024)

6.4 percent

Budget balance

(April 2024)

2.1 trillion ₺

Exports

(April 2024)

4,937 million \$

Imports

(April 2024)

3,426 million \$

FDI

(2023)

3.1 billion \$

Loan rate

(April 2024)

17.2 percent

Number of employees

(Q1 2024)

1.3 million

* As of Q1 2024 the labor force participation rate is 60 percent.

Real wage growth

(Q4 2023)

16.4 percent

Number of enterprises operating

(End of 2023)

96.8 thousand

* Mainly in trade, services, construction and manufacturing sectors

Household real income growth

(Q4 2023)

14.1 percent

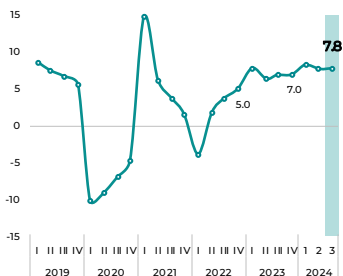


1.1 GDP

The real GDP increased by 7.8 percent as of Q1 2024. Non-agricultural production supported the economic growth. The mining sector's growth contribution declined due to the high base of the previous year, while the service sector propelled the economic growth.

REAL GDP GROWTH

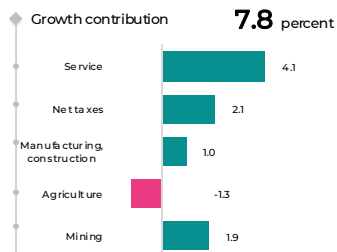
(percent)



Source: National Statistics Office

REAL GDP GROWTH

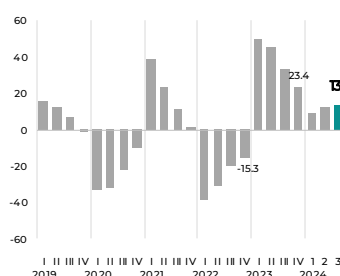
(2023, percentage points)



Source: National Statistics Office

MINING

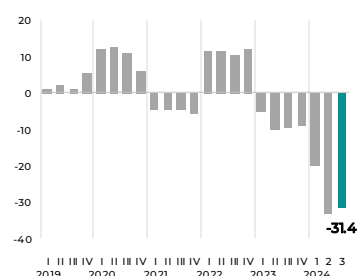
(growth rate, percent)



Source: National Statistics Office

AGRICULTURE

(growth rate, percent)



Source: National Statistics Office

- The real GDP grew by 7.8 percent in first quarter of 2024.
- Primary sector: The mining sector expanded by 13.1 percent and the agriculture sector contracted by 31.4 percent.
- Secondary sector /manufacturing, construction, electricity, water supply/ expanded by 8.5 percent, contributing 0.9 pp to the overall growth;
- Service sector activity increased, experiencing 7.7 percent growth, contributing 4.1 pp to the overall growth;
- Net taxes on products increased by 13.1 percent as of Mar 2024, contributing 2.1 pp to the overall growth;

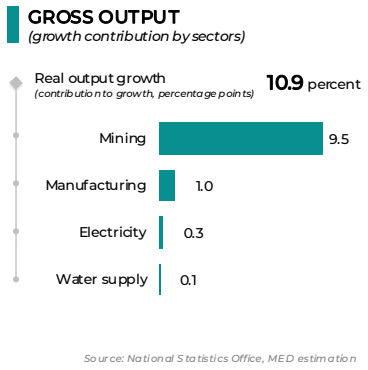
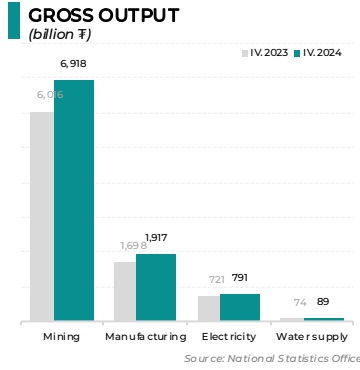
- The service sector output as well as increased net tax revenue contributed to the economic growth. Furthermore, the manufacturing and construction sectors' output experienced growth.
- However, agriculture contracted by 31.4 percent due to the loss of adult animals.

- The mining sector output increased by 13.1 percent in Mar 2024.
- The production of mining commodities, excluding crude oil and gold, increased, leading to mining sector expansion.

- The agricultural sector shrank by 31.4 percent in March compared to SPLY.
- The number of natural losses of adult livestock reached 6.3 million, increased by 5.4 million from SPLY. Also, it is accounting for 9.8 percent of the total livestock counted beginning of the year.



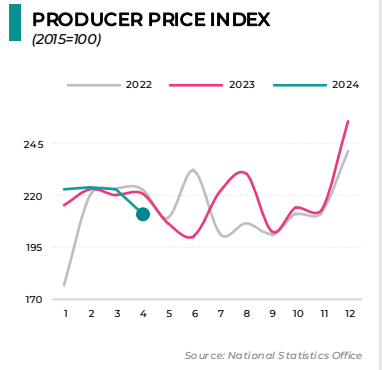
Industrial production increased by 14.3 percent in the first 4 months of 2024 compared to the same period of the previous year. The production of the mining sector continues to support industrial growth.



MINING PRODUCTION (by main commodities)

Commodity	Production	YoY change:
Coal	297 m.h.t	25%
Copper concentrate	480 thous.t	4%
Crude oil	14 mln.barrel	-10%
Gold	30 t	-3%
Iron ore	2,350 thous.t	92%

Source: National Statistics Office



- The gross industrial output reached ₹9.7 trillion in the first quarter of 2024, an increase of 14.3 percent from the same period previous year.
- This growth was mainly driven by a 15.1 percent increase in mining gross output due to the increased production volume of coal, iron ore and zinc concentrate.
- The manufacturing gross output increased by 12.9 percent from the previous year due to the production increase of beverages (alcoholic, pure water and soft drinks), and lime.

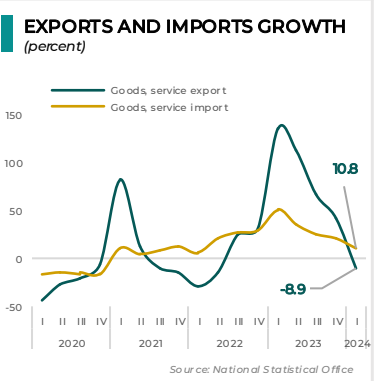
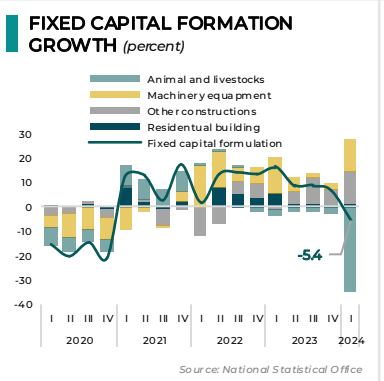
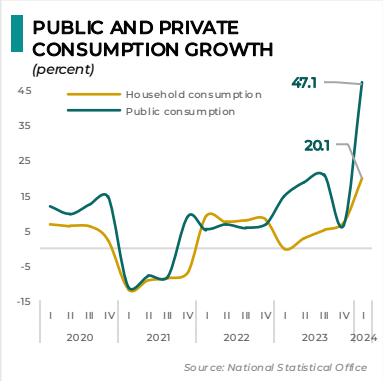
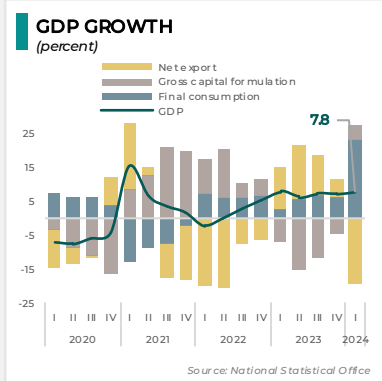
- The real gross industrial output experienced 10.9 percent growth in the first 4 months of 2024.
- The mining sector accounted for 9.5 percentage points of the growth.
- The output of other industrial sectors, such as manufacturing, electricity, and water supply also experienced modest growth.

- Coal production amounted to 30 million tons in the 4 months of 2024, an increase of 25 percent from the same period last year.
- Iron ore and iron ore concentrate production showed a significant increase of 92 percent.
- Copper concentrate production is at the same level as the same period last year. While gold production declined by 3 percent.
- However, crude oil production has decreased compared to the previous year.

- The producer price index (PPI) decreased by 4.4 percent from the same period last year and increased by 47.4 percent from the pre-pandemic period.
- PPI has increased in:
 - Food production by 13.6 percent,
 - Beverages and alcoholic beverages by 11.4 percent,
 - Textile by 8.2 percent respectively;
- PPI decreased in:
 - Production of leather and leather products by 0.4 percent,
 - Mining by 6.7 percent,



Robust domestic demand encouraged the economic growth.



- Economic growth by expenditure approach, estimated at 7.8%.
- Final consumption contributed by 23.4 percentage points and capital formation by 3.8 percentage points to the growth, while net exports reduced growth by 19.4 percentage points.

- Public consumption expanded by 47.1 percent from the same period of previous year and stimulated the overall demand in the economy.
- Improvement of 19.8 percent in household real income encouraged the private consumption, which grew by 20.1 percent compared to the first quarter of 2023.

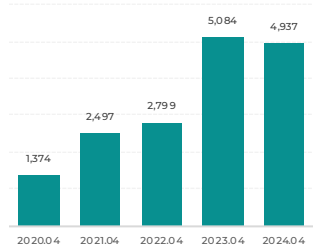
- Losses of adult livestock reached at 6.3 million headcount. As a result, fixed capital formation contracted by 5.4 percent.

- In 2024Q1, export revenue reduction due to coal, copper price and service export decline, decreased goods and service exports by 8.9 percent compared to same period of previous year.
- The goods and service import increased by 10.8 percent from the first quarter of 2023, mainly affected by 24.4 percent growth in goods import.



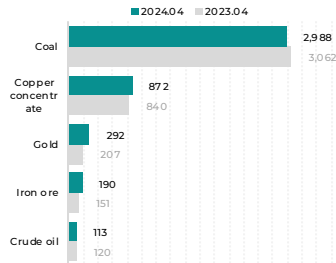
The foreign trade balance reached \$1,511 million by April 2024, decreasing by 37.7 percent from the same period of the previous year.

EXPORTS (million \$)



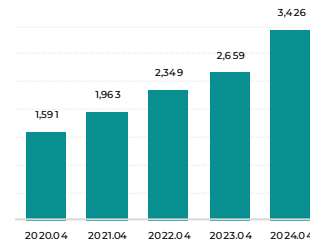
Source: MGCA

EXPORTS BY MAIN PRODUCTS (million \$)



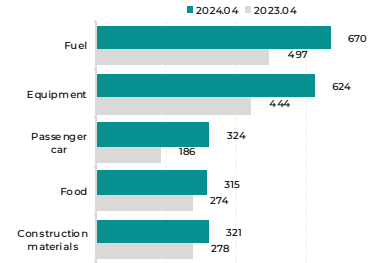
Source: MGCA

IMPORTS (million \$)



Source: MGCA

IMPORTS BY MAIN PRODUCTS (million \$)



Source: MGCA

- In April 2024, exports have surged to \$4,937 million, marking a 3 percent decrease compared to the previous year.
- Mining products accounted for 95 percent of total exports, including coal exports, which alone accounted for 60 percent.

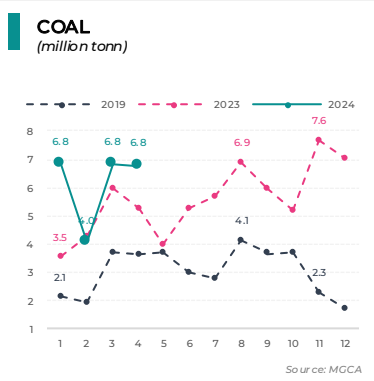
- Revenue from coal exports surged to \$2,988 million, marking a 2 percent decrease compared to the previous year.
- Copper concentrate export revenue reached \$872 million, an increase of 4 percent from the same period last year.
- Gold export income reached \$292 million, increasing by 29 percent from the same period last year.
- Iron ore export reached \$189 million, an increase of 21 percent from the same period last year.

- In the first 4 months of 2024, imports reached \$3,426 million, an increase of 28.9 percent from the same period of the previous year.
- Petroleum products accounted for 20 percent of the total imports, while equipment and automobiles accounted for 18 percent and 9 percent, respectively.

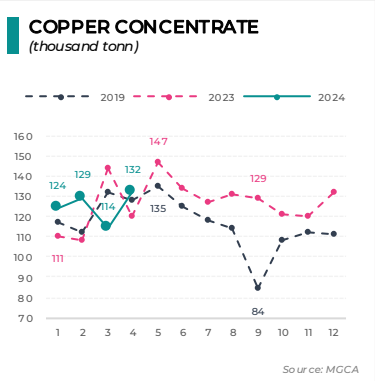
- Petroleum products imports reached \$670 million, which increased by 34.8 percent compared to the previous year.
- Equipment import reached \$624 million, which increased by 40.6 percent from the same period of the previous year.
- Passenger car imports reached \$324 million, which increased 74.2 percent from the same period of the previous year.



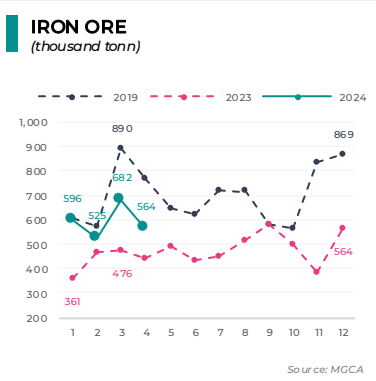
In April 2024, mining products accounted for 95 percent of total exports, including coal and copper concentrate alone for 80 percent.



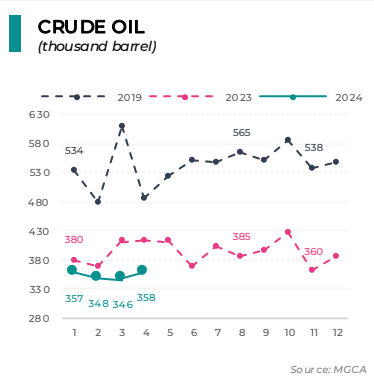
- Coal exports reached 6.8 million tons in April 2024, marking a 29 percent increase compared to the previous year.
- Coal exports were distributed as follows: 3.3 million tons through Gashuunsuhait port, 2.3 million tons through Shiveehuren port, 0.6 million tons through Khangai port, and 0.4 million tons through various other ports.



- Copper concentrate exports reached 132 thousand tons in April 2024, marking a 10 percent decrease compared to the previous year.
- Copper concentrate exports were distributed as follows: 86 thousand tons through Gashuunsuhait port, 46 thousand tons through Zamyn-Ud port.



- Iron ore exports reached 564 thousand tons in April 2024, marking a 28 percent increase compared to the previous year.
- Iron ore exports were distributed as follows: 539 thousand tons through Zamyn-Ud port, 14 thousand tons through Burgastai port, and 11 thousand tons through various other ports.

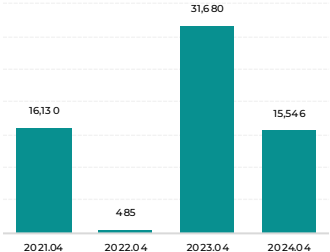


- Crude oil exports reached 346 thousand tons in April 2024, marking a 14 percent decrease compared to the previous year.
- Crude oil exports were distributed as follows: 324 thousand tons through Zamyn-Ud port, and 34 thousand tons through various other ports.



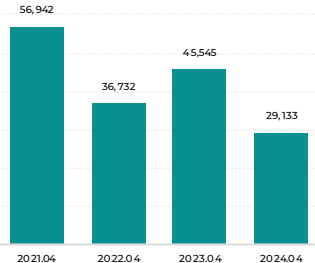
In April 2024, exports of the main agricultural products, except for cashmere, decreased from a year earlier.

MEAT
(thousand tonn)



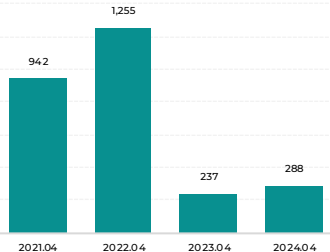
Source: MGCA

SKINS, LEATHER, FURSKINS
(square meter)



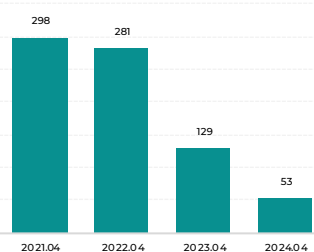
Source: MGCA

CASHMERE
(thousand tonn)



Source: MGCA

WOOL
(thousand tonn)



Source: MGCA

- During the initial four months of 2024, exports of meat amounted to 15,546 tons, marking a 51 percent decrease compared to the previous year.
- In particular, the export of canned meat decreased by three times compared to the same period last year and reached 5,555 thousand tons.

- During the initial four months of 2024, exports of Skins, leather, and furskins amounted to 29,133 tons, marking a 36 percent decrease compared to the previous year.

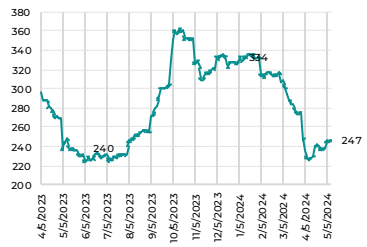
- During the initial four months of 2024, exports of Cashmere amounted to 288 tons, marking a 21 percent increase compared to the previous year.

- During the initial four months of 2024, exports of Wool amounted to 53 tons, marking a 59 percent decrease compared to the previous year.



GLOBAL COMMODITY PRICE TRENDS

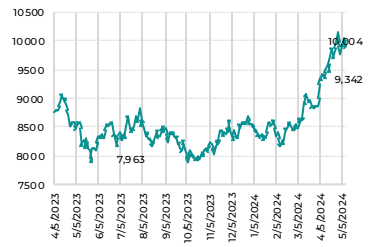
COAL
(\$/tonn, Australian high quality coking coal, SCX)



Source: Bloomberg

- The average price of Australian high-quality coking coal on the Singapore Exchange in April 2024 was \$293, marking a 11 percent decrease from the previous year.

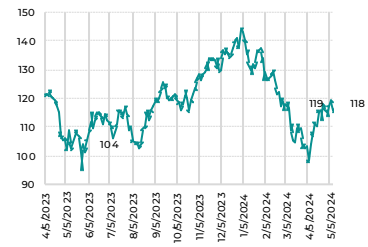
COPPER
(\$/tonn, LME)



Source: Bloomberg

- The average price of copper on the London Metal Exchange in April 2024 was \$8,697, marking a 2 percent decrease from the previous year

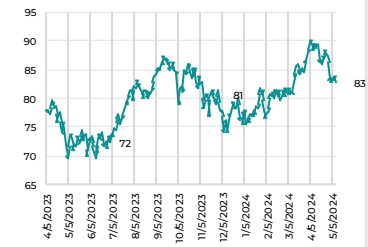
IRON CONCENTRATE
(\$/tonn, Iron Concentrate 62%, Northwest China)



Source: Bloomberg

- The average price of Iron ore in Northwest China in April 2024 was \$120, marking a 2 percent decrease from the previous year

CRUDE OIL
(\$/BBL, Brent)



Source: Bloomberg

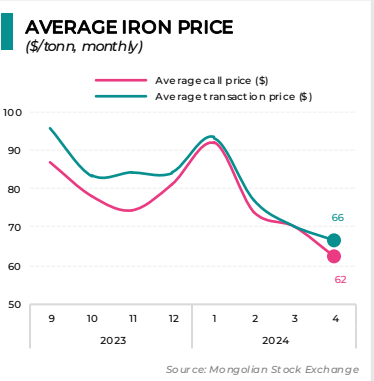
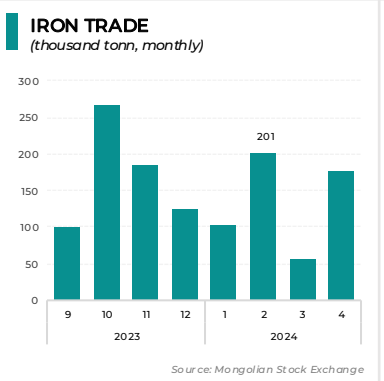
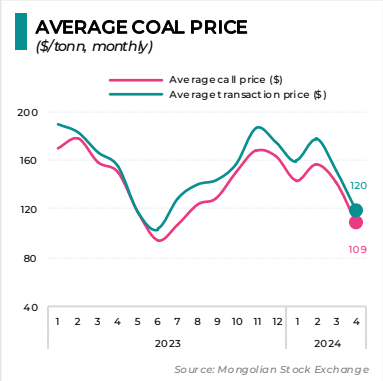
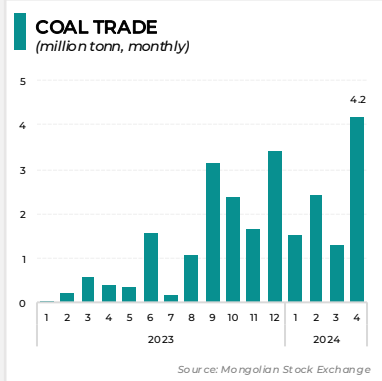
- The average price of Brent oil in April 2024 was \$82, marking a 7 percent increase from the previous year

4. THE MINING COMMODITY EXCHANGE TRADE

APRIL 2024



As of April 2024, a total of 24 million tons of coal, 1,212 thousand tons of iron ore, and concentrates were traded on the mining commodity exchange since 2023.



- As of April 2024, a total of 24 million tons of coal was traded and \$3.3 billion was earned.
- In the first 4 months of 2024, 9.4 million tons of coal were traded and \$1,216 million were earned.
- A total of 4.2 million tons of coal were sold in April 2024, compared to 1.3 million in March 2024.

- The average call price of coal in April 2024 was \$109, and the average transaction price was \$109.
- Depending on the type of coals, in April 2024, the minimum transaction price reached \$58, the maximum price reached \$180, and the average price was \$120.

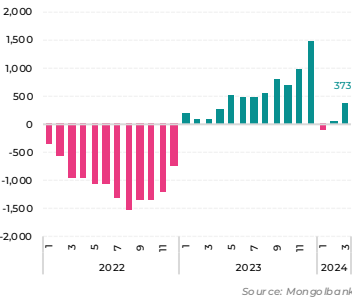
- The trading of iron ore and concentrates began in September 2023, and a total of 677.5 thousand tons of iron ore and concentrates were traded in 2023, and sales of ₮196 billion or \$57 million were made.
- In the first 4 months of 2024, 535 thousand tons of iron were traded and \$40 million was earned.

- The average call price of iron ore and concentrate for April fell to \$62, and the transaction price reached \$66 during trading.
- Depending on the type of iron, in April 2024, the minimum price of the deal was \$61, the maximum price was \$73, and the average price was \$66.



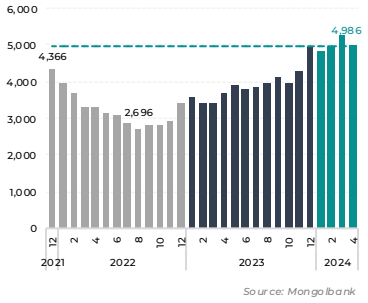
The balance of payments recorded a surplus of \$39 million at the end of February 2024. At the end of March 2024, the gross international reserves increased by \$1.8 trillion or 52.7 percent from the same period last year and the MNT continued to appreciate against the USD.

BALANCE OF PAYMENTS (million \$)



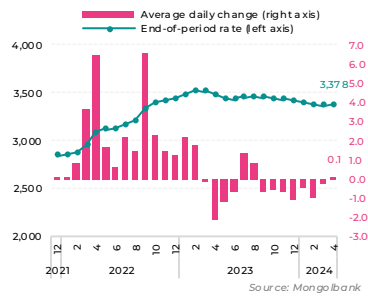
- The balance of payments recorded a surplus of \$373 million in the first 3 months of 2024, up \$294 million from the same period last year.
- Compared to a year earlier, exports of goods and services increased by \$116 million but imports surged by \$640 million, resulting in a deterioration of the current account balance.
- Net FDI inflow* stood at \$713 million as of March 2024, up by \$395 million from the same period last year.

GROSS INTERNATIONAL RESERVES (million \$)



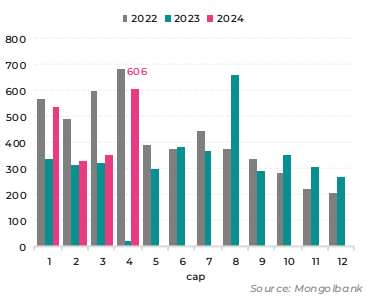
- Gross international reserves (GIR) stood at \$4,986 million at the end of April 2024, up \$1.3 billion or 35.1 percent from a year earlier, but down \$264 million from the previous month.

EXCHANGE RATE (MNT/USD)



- The average daily fluctuation of the MNT/USD exchange rate was 0.1 in April 2024.
- At the end of April 2024, the MNT/USD rate reached 3,378, down 32 or 0.9 percent compared to the beginning of the year.

FOREIGN EXCHANGE AUCTIONS (million \$)

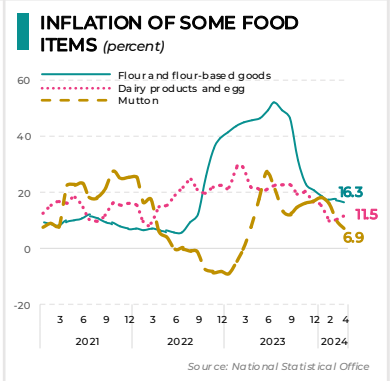
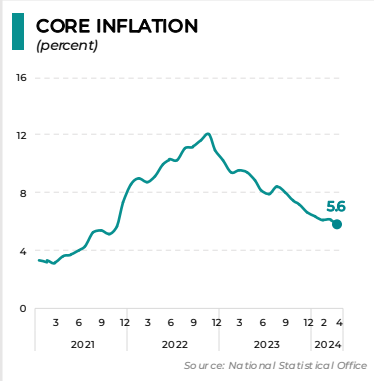
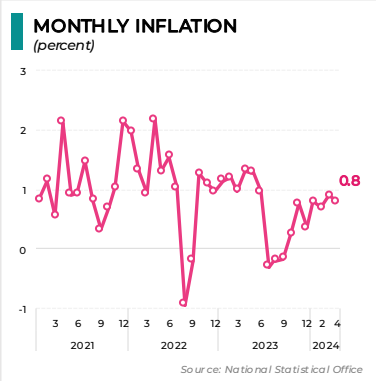
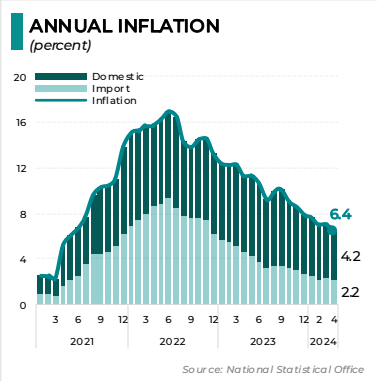


- In April 2024, the Bank of Mongolia sold \$606 million to commercial banks, up 28-fold compared to April 2023, but down 11 percent or \$77 million from April 2022.

*Net FDI inflow excludes transactions related to outflows of disinvestment and loan repayments



The annual inflation rate slowed to 6.4 percent in April 2024. On a monthly basis, consumer prices increased by 0.8 percent in April.



- In April, the annual inflation rate slowed to 6.4 percent.
- Inflation from imported goods contributed 2.2 percentage points, accounting for 34.1 percent of the annual inflation.
- Inflation from domestic goods and services contributed 4.2 percentage points, accounting for 65.9 percent of the annual inflation.

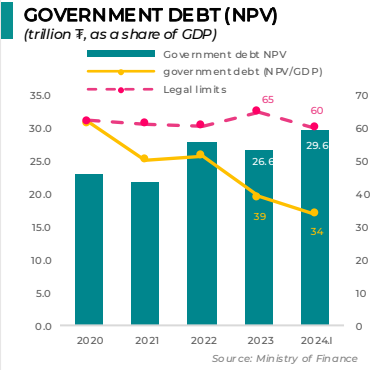
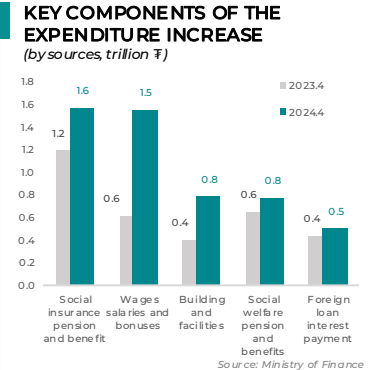
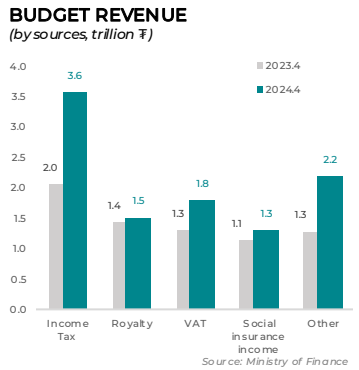
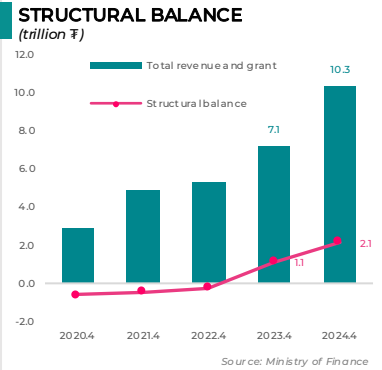
- On a monthly basis, consumer prices increased by 0.8 percent in April.
- Monthly inflation was mainly due to increases in prices of food group, constituting around 83.7 percent of total inflation.
- Mutton, milk, and flour-based goods contributed 65 percent, 5 percent, and 5 percent, respectively, to the monthly inflation.

- Core inflation is measured by excluding volatile food and energy costs from headline inflation.
- Core inflation stood at 5.6 percent in April 2024, which contributed 3.7 percentage points to annual inflation.
- Core inflation declined gradually for the last eight months.

- Price increases in meat, dairy products, and flour-based goods contributed 23 percent to annual inflation in April 2024.
- Flour and flour-based goods prices rose 16.3 percent year-over-year.
- Dairy products and egg prices increased 11.5 percent year-over-year.
- Mutton price increased 6.9 percent year-over-year.



The consolidated budget recorded a surplus of ₹2.1 billion in April 2024. The improvement was mainly attributed to the increase in corporate income tax.



- In April 2024, the structural balance of the consolidated budget yielded a surplus of ₹2.1 trillion, an increase of ₹1,034 billion (94%) from the same period of the last year.

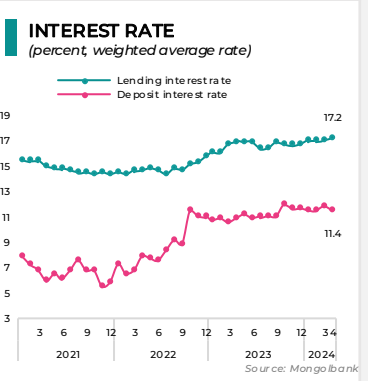
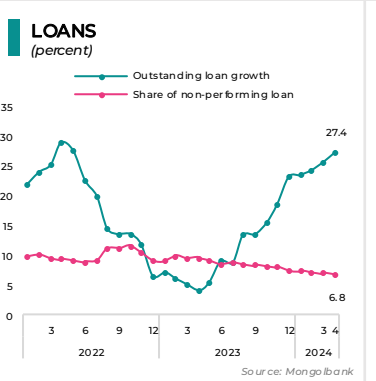
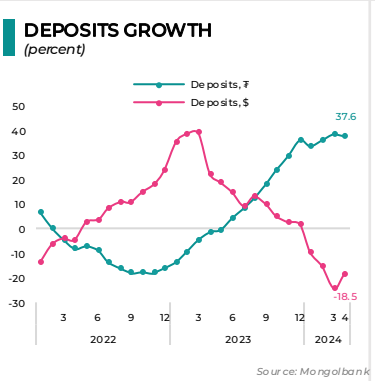
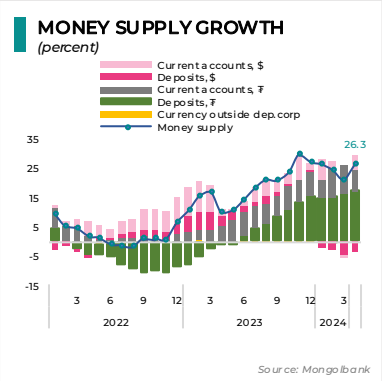
- In April 2024, the total revenue within the consolidated budget amounted to ₹10.3 trillion, reflecting an increase of ₹3.2 trillion (44.5%) compared to the same period of the last year.
- This upsurge was mainly driven by an increase of ₹1.5 trillion (74.9%) in income tax, ₹82.7 (5.8%) billion in royalties and ₹480.4 (37.3%) billion in value added tax.

- In April 2024, the total expenditure of the consolidated budget amounted to ₹7.8 trillion, an increased of ₹2.2 (38.7%) trillion from the same period of the previous year.
- In 2024, it is planned to increase the salaries of all government employees by 10 percent, and the salaries of general service employees by 20 percent.

- As of the 1st quarter of 2024, the government debt reached ₹29.8 trillion, accounting for 33.7 percent of GDP in present value.
- The preliminary results show that the government debt level, as a share of GDP in present value, aligns with the special fiscal requirements.



Annual growth of money supply decreased by 5.4 percentage points from the previous month. Compared to the previous month, foreign currency current and deposit accounts decreased, while domestic currency current and deposit accounts increased. Annual growth rate of outstanding loans increased by 1.7 percentage point compared to the previous month.



- In April 2024, the money supply reached 38.1 trillion MNT, an increase of 26.3 percent from the same period of previous year.
- Domestic currency current and deposit accounts contributed 24.5 percentage points, while foreign currency current and deposit accounts contributed 1.5 percentage points.

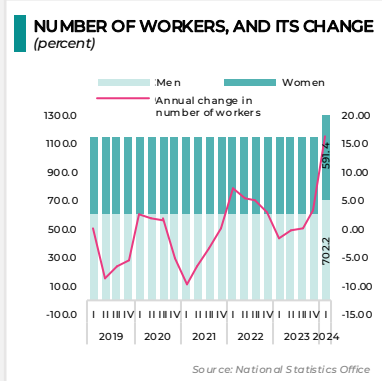
- Total deposits reached 23.0 trillion MNT, an increase of 21.8 percent from the same period last year.
- Domestic currency deposits reached 18.7 trillion MNT, which increased 37.6 percent from the same period last year and 2.8 percent from the previous month.
- Foreign currency deposits reached 4.4 trillion MNT, decreased by 18.5 percent from the same period last year and 3.3 percent from the previous month.

- In April 2024, outstanding loans reached 29.8 trillion MNT, an increase of 27.4 percent from the same period last year.
- The share of non-performing loans in total loans reached 6.8 percent, down by 2.9 percentage points from same period of last year.

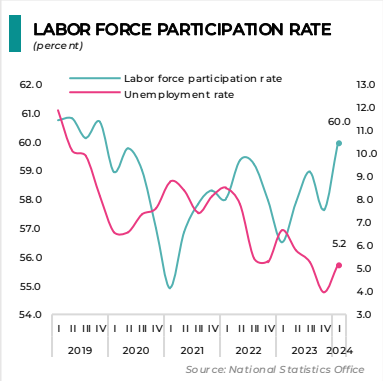
- In April 2024, the weighted average lending interest rate on new loans was at 17.2 percent, an increase of 1.7 percentage point from the same period last year.
- The weighted average interest rate on new deposits was at 11.4 percent, up 1.3 percentage point from a year earlier.



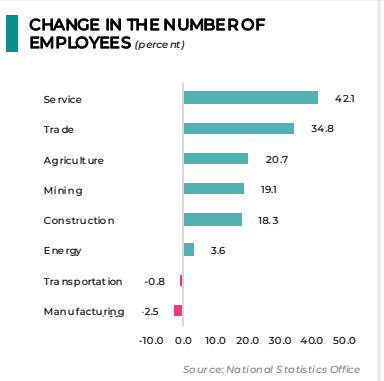
The labor market indicators, which had declined due to the epidemic, have improved with economic growth, bringing the number of workers to 1.3 million.



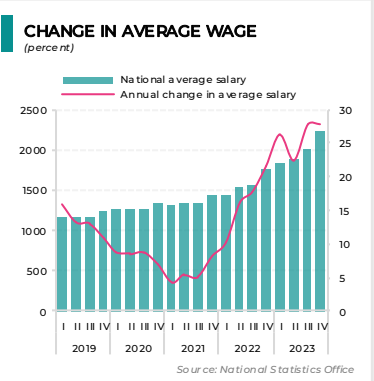
- The number of employees increased by 182.3 thousand compared to the same period of the previous year, reaching 1,293.6 thousand, which is 150.5 thousand higher than before the pandemic.
- In the first quarter of 2024, the number of male employees increased by 129.2 thousand compared to the same period last year, while the number of female employees increased by 53.2 thousand.



- The labor force participation rate rose to 60.0 percent, which is 0.7 percentage points higher than before the pandemic.
- The number of unemployed population decreased by 7.8 thousand in the first quarter of 2024 compared to the same period last year, reaching 71 thousand.
- The unemployment rate dropped by 1.4 percentage points from the same period last year, reaching 5.2 percent.



- By the first quarter of 2024, the number of employees reached 1.3 million, reflecting an increase of 182 thousand person compared to the same period the previous year.
- Sectors including service, trade, agriculture, mining, construction, energy, experienced a rise in employment, contributing to the overall increase.
- On the other hand, the transportation and manufacturing sector's employment declined.

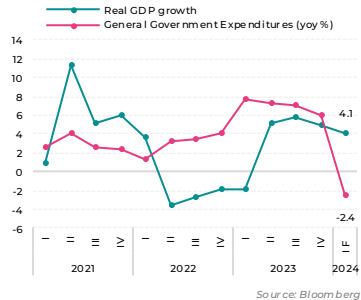


- In the fourth quarter of 2023, the average salary reached ₺2,235 thousand, showing a notable increase of 27.7 percent compared to the same period last year.
- By industry, the average salary in the mining sector stands at 2.3 times to the national average.



In April 2024, the Bank of Russia decided to keep the key rate at 16.0 percent per annum and inflationary pressures are gradually easing but remain high.

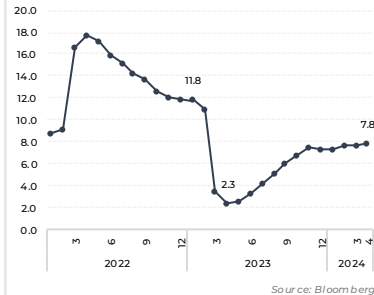
GDP GROWTH (percent)



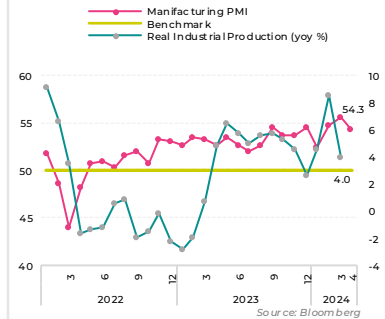
EXPORTS & IMPORTS GROWTH (percent, year-on-year)



INFLATION (percent)



PURCHASING MANAGERS' INDEX (PMI)



- GDP growth reached 4.9 percent in 2023 Q4 and expected to grow 4.1 percent in 2024 Q1.
- Government final consumption expenditure drove up 6.0 percent in 2023 Q4.
- The economy has reached its highest growth rate since the 1st quarter of 2022, due to the expansion of budget expenditures related to the increase in the cost of the Russian military and the increase in commodity prices.

- Exports rose 2.0 percent year-on-year in March 2024, the highest since October 2022.
- The growth of exports was mainly boosted by higher oil and natural gas prices.
- Imports plunged by 18.1 percent year-on-year in March 2024, affected by tight monetary policy.

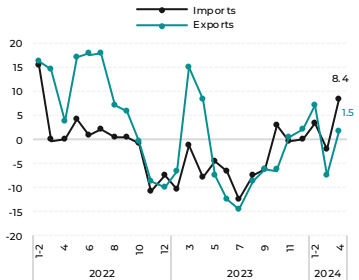
- In April 2024, the inflation rate reached 7.8 percent, increasing by 0.1 percentage point from the previous month.
- Since December 2023, the inflation rate has been gradually increasing, which is still above the Central Bank's target level of 4 percent.

- In April 2024, the manufacturing sector PMI index reached 54.3, which decreased by 1.4 percentage points from previous month.
- The sector's expansion was the softest since January, driven by lower output, new orders and lower foreign demand.
- The real growth of industrial production decreased by 4.5 percentage points from the previous month due to the slowdown in the growth of the manufacturing and mining sectors.



In April 2024, the official manufacturing purchasing managers' index declined from the previous month but growth in exports, imports, and industrial output accelerated.

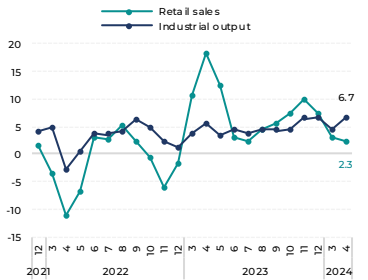
EXPORTS & IMPORTS GROWTH
(percent)



Source: National Bureau of Statistics of China

- Exports fell by 1.5 percent in April 2024 from a year earlier, after falling by 7.5 percent in March 2024, mainly due to a lower base for comparison.
- Imports increased by 8.4 percent in April 2024 from a year earlier, beating market expectations.

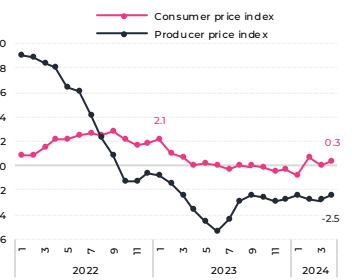
INDUSTRIAL OUTPUT, RETAIL SALES GROWTH
(percent)



Source: National Bureau of Statistics of China

- Industrial output growth reached 6.7 percent in April 2024, up 0.2 percentage points from the previous month.
- Retail sales growth slowed from 3.1 percent in March 2024 to 2.3 percent in April 2024.

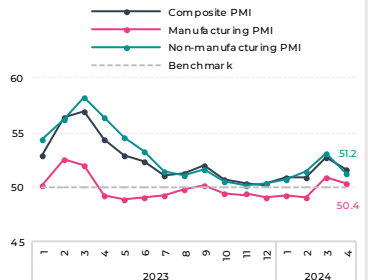
INFLATION
(percent)



Source: Bloomberg

- The consumer price index was up 0.3 percent in April 2024, holding above zero for a 3rd month.
- The producer price index, on the other hand, stayed negative for the 19th consecutive month, dropping 2.5 percent in April 2024.

PURCHASING MANAGERS' INDEX (PMI)



Source: National Bureau of Statistics of China

- The manufacturing PMI fell to 50.4 in April 2024, down 0.4 from March 2024.
- The non-manufacturing and composite PMI also declined but remained above 50.

Purchasing Managers' Index (PMI) is an index summarized and compiled through the results of the monthly survey of enterprises purchasing managers, involving 3200 samples from the manufacturing industry as well as 4300 samples from the non-manufacturing industry. The PMI above 50 reflects expansion in the overall economy over the last month; while PMI below 50 indicates contraction.



MINISTRY OF ECONOMY AND DEVELOPMENT