

MONTHLY MACROECONOMIC UPDATE

February 2025

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▸ MAIN ECONOMIC INDICATORS - 2025.02

GDP growth

(2024)

4.9 percent

International reserves

(February 2025)

4,763 million \$

Inflation

(February 2025)

9.6 percent

Budget balance

(February 2025)

-566 billion ₺

Exports

(February 2025)

2,005 million \$

Imports

(February 2025)

1,711 million \$

FDI

(2024)

4,005 million \$

Loan rate

(February 2025)

17.1 percent

Number of employees

(Q4 2024)

1.35 million

* As of Q4 2024 the labor force participation rate is 62.2 percent.

Real wage growth

(Q4 2024)

7.9 percent

Number of enterprises operating

(Q4 2024)

108.4 thousand

*Mainly in trade, services, construction and manufacturing sectors

Household real income growth

(Q4 2024)

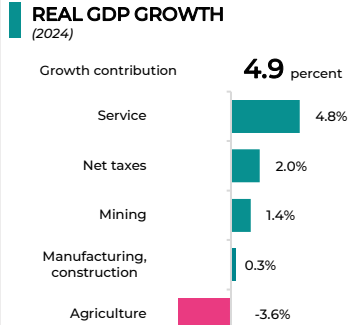
5.9 percent



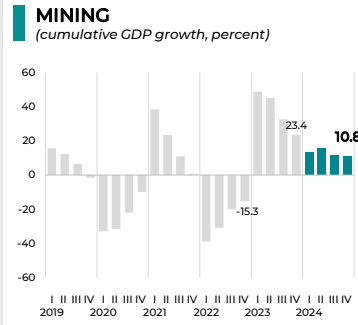
Economic growth reached 4.9 percent in 2024, with nominal GDP reaching ₪80 trillion and GDP per capita rising to \$6,890. The growth was mainly driven by strong performance in the trade and services sectors, along with robust net taxes. However, contractions in the agriculture and manufacturing sectors constrained overall growth.



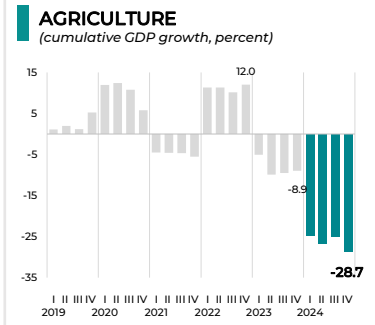
Source: National Statistics Office



Source: National Statistics Office



Source: National Statistics Office



Source: National Statistics Office

- The real GDP grew by **4.9 percent in 2024** (preliminary results).
- Primary sector: The mining sector expanded by 10.8 percent while the agriculture sector contracted by 28.7 percent.
- Secondary sector /manufacturing, construction, electricity, water supply/ expanded by 2.5 percent, contributing 0.3 pp to the overall growth;
- The services sector grew by 9.8 percent, contributing 4.8 pps to the overall growth;
- Net taxes on products increased by 16.1 percent, contributing 2.0 pps to the overall growth.

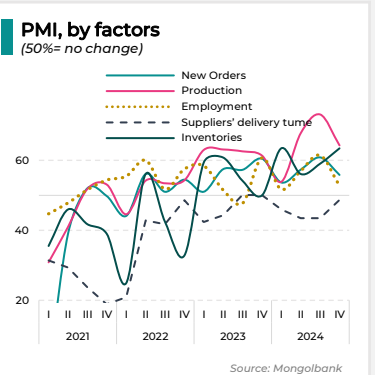
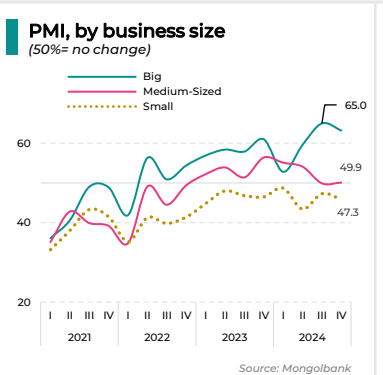
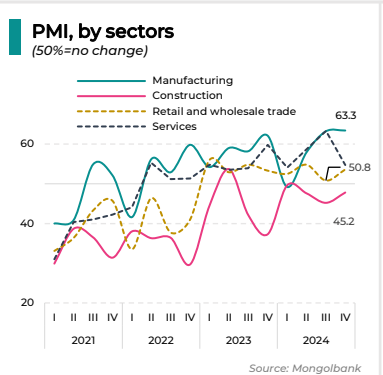
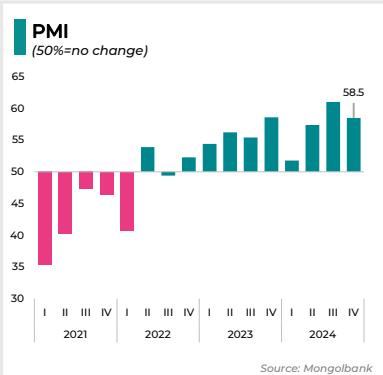
- Economic growth was primarily driven by trade and services sectors and higher net taxes on products.
- However, the agriculture sector contracted, reflecting the livestock losses due to the severe weather conditions.

- The mining sector output increased by 10.8 percent in 2024.
- The coal production reached 100.1 million tons in 2024, up by 23 percent from the previous year.
- The production of copper concentrate and iron ore increased by 12 percent and 32 percent, respectively.
- However, gold and crude oil production declined compared to the previous year.

- The agriculture sector shrank by 28.7 percent in 2024.
- The number of natural losses of adult livestock reached 9.4 million in 2024, increasing by 4.4 million from the previous year. This accounted for 14.5 percent of the total livestock counted at the beginning of 2023.
- The total livestock population reached 57.6 million head, nearly matching the level recorded in 2015.
- The amount of sown area and harvested cereals decreased by 1.5 percent and 5.4 percent, respectively.



Despite remaining in expansion territory, the PMI index to decreased to 58.5 percent in 2024Q4 from 61 percent in 2024Q3.



- Purchasing Managers' Index (PMI), which measures the economic expectations of manufacturers and service providers, fell to 58.5 percent in 2024Q4, down from 61 percent in 2024Q3, and slightly below 58.6 percent in 2023Q4.

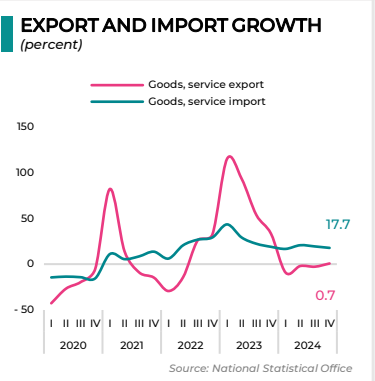
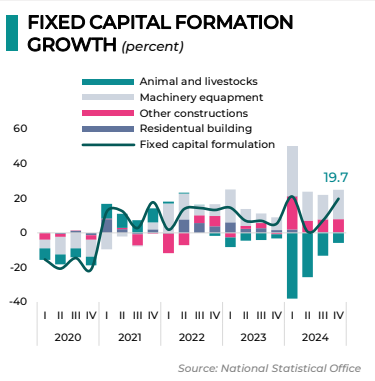
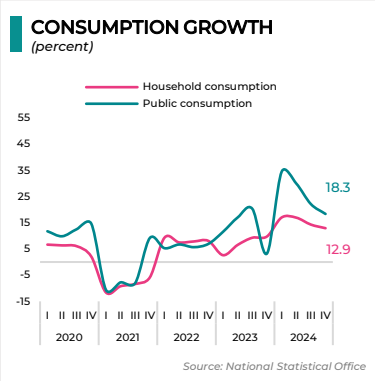
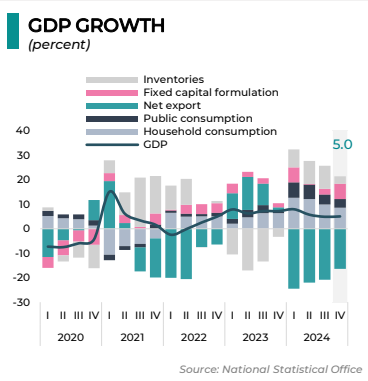
- Except construction sector, PMI in other sectors remained in expansionary territory.
- Due to the growth in mining sector, industrial PMI index was highest among all other sectors, at 63.4 percent.
- Services PMI declined by 8.6 percentage points from 2024Q3 to 54.7 percent in 2024Q4.
- PMI for retail and wholesale trade improved by 2.8 percentage points from the previous quarter, reaching 53.6 percent in 2024Q4.

- PMI for large companies with more than 200 employees was estimated at 63.2 percent in 2024Q4 down from 65.0 in 2024Q3.
- PMI for medium-sized businesses with 50-199 employees rose to 50.1 percent in 2024Q4, turning to expansionary territory.
- However, PMI for small businesses remained in contractionary territory, reflecting low confidence.

- Businesses reported that new orders, production, inventories, and employment are expected to grow. However, supplier deliveries continued to lengthen for the 16th consecutive quarter.



Real GDP, calculated using the expenditure approach, grew by 5.0 percent in 2024. Domestic demand was the main driver of growth, while the rise in imports of goods and services—spurred by consumption and investment activity—slowed the overall expansion.



- Robust domestic demand contributed positively to the growth. Particularly, household consumption contributed 8.6 percentage points, government consumption 3.6 percentage points, and investment 6.2 percentage points, respectively.
- Rapid growth in imports reduced net exports, weakening the overall growth.

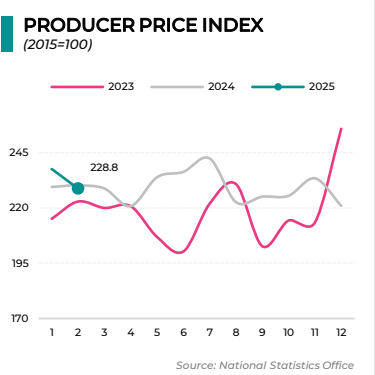
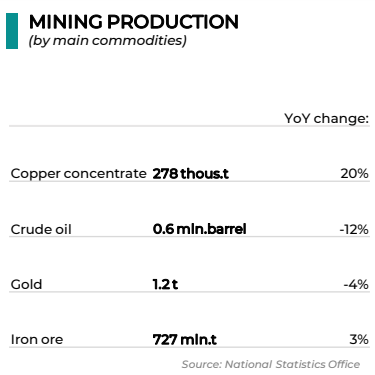
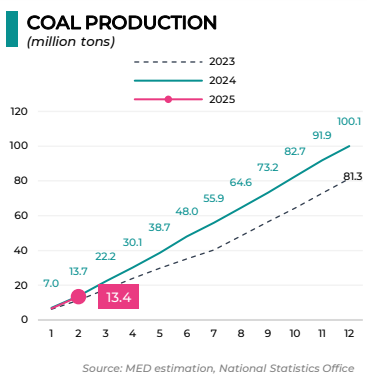
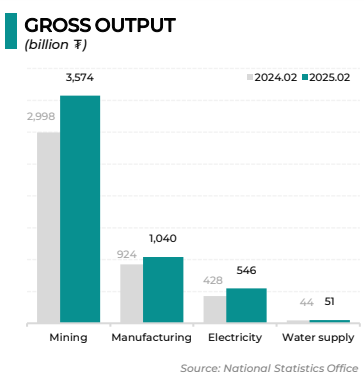
- Government consumption growth slowed in the second half of 2024 and reached 18.3 percent at the end of 2024.
- Household consumption increased by 12.9 percent, driven by higher wages, benefits, pensions, and credit growth.

- Fixed capital formation increased by 19.7 percent, driven by substantial accumulation of heavy machinery for mining, as well as constructions of roads and engineering structures.

- Exports of goods and services grew by 0.7 percent, while imports surged by 17.7 percent due to higher consumption and investment.



Gross industrial output increased by 16.4 percent in the first 2 months of 2025. While the production of copper concentrate and iron ore grew, coal, gold, and oil production declined compared to a year earlier. The mining sector's producer price index fell, reflecting the drop in coal prices.



- The gross industrial output reached ₹5.2 trillion in February 2025, marking 18.8 percent increase compared to the same period last year.
- The growth was mainly driven by a 19.2 percent increase in the mining sector due to the higher production of copper concentrate and iron ore.
- The manufacturing gross output increased by 12.6 percent from the same period last year, driven by higher output of dairy products, other food products, and chemicals.

- The mining sector contributes approximately 70 percent of total industrial output, of which coal making up 43 percent.
- As of February 2025, coal production reached 13.4 million tons, reflecting a 4 percent decline from the previous year.

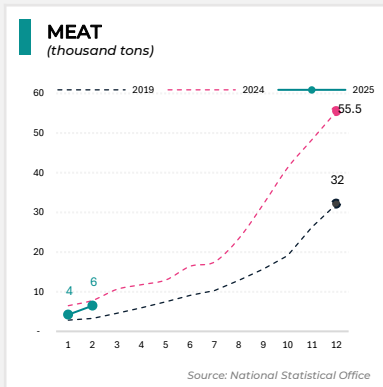
- Copper concentrate production rose by 20 percent, reflecting Oyu Tolgoi's higher copper concentrate output.
- The production of iron ore and concentrate increased by 3 percent in February 2025, reaching 727 thousand tons.
- However, gold and oil production remained below last year's levels for the same period.

- In February 2025, the producer price index (PPI) decreased by 0.6 percent year-on-year.
- PPI increased in:**
- Food production by 7.8 percent,
 - Beverages by 10.1 percent,
 - Wood, as well as products made from wood and cork except furniture by 88.2 percent,
 - Electricity by 80.7 percent respectively;
- PPI decreased in:**
- Coal mining by 9.4 percent,
 - Extraction of crude petroleum by 3.4 percent,
 - Mining of metal ores by 4.7 percent.

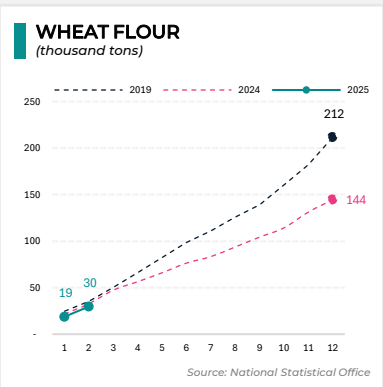
*As of 2024



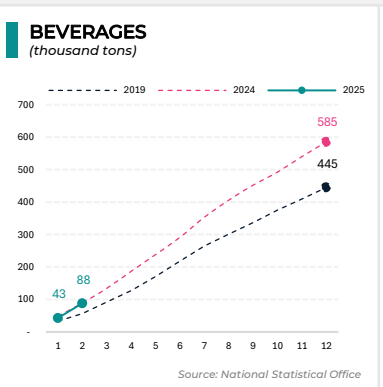
The manufacturing sector production increased by 7.2 percent in real terms (adjusted by the industrial producer price index) in February 2025, mainly driven by increases in the production of dairies, textiles, and chemical products.



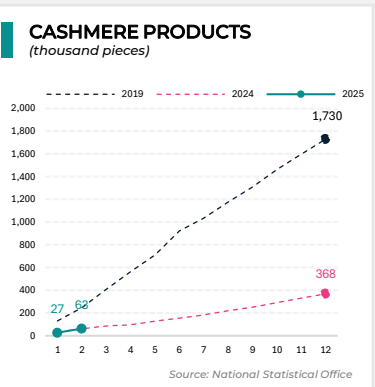
- Processed animal meat reached 6.5 thousand tons in February 2025, marking a decrease of 23 percent from the same period last year.
- This led to a 4.6 percent year-over-year decline in meat processing and canning operations (adjusted by the industrial production index), which account for about 8-10 percent of the manufacturing sector.



- The flour production reached 29.7 thousand tons in February 2025, marking a decrease of 9 percent from the same period last year.
- The decline in flour production was a major contributor to the 19.1 percent year-on-year decrease in the manufacturing of grain mill products (adjusted for the producer price index), which accounts for about 5-7 percent of the manufacturing sector.



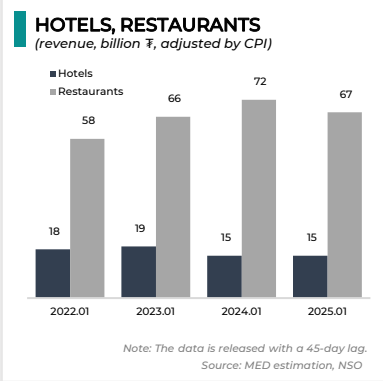
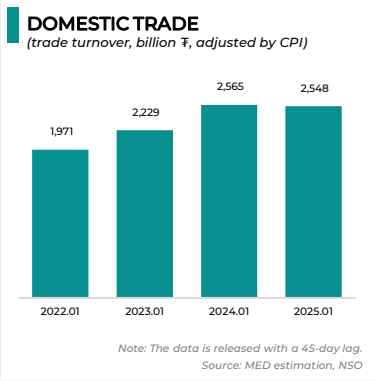
- The production volume of alcoholic and non-alcoholic beverages reached 88.2 thousand tons, reflecting a 1 percent decrease from the same period last year.
- This decline in production volume resulted in 8.0 percent decrease in total beverage production (adjusted for the producer price index), which accounts for around 20-25 percent of the manufacturing sector.



- The physical volume of cashmere products reached 63 thousand pieces in February 2025, marking an increase of 5 percent from the same period last year.
- There was a 35.5 percent year-on-year increase in real textile production (adjusted for the producer price index), which accounts for about 3-5 percent of the manufacturing sector.



The trade and service activities slowed down, due to the rising inflation as of January of 2025. The rail freight transport decreased due to lower coal production and exports. However, the number of inbound tourists rose by 18 percent.

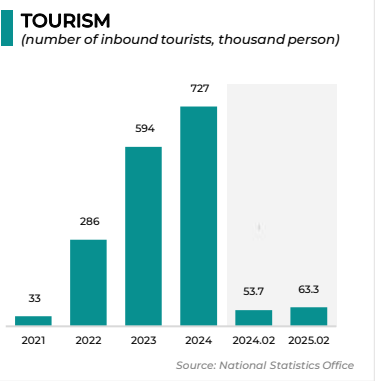


TRANSPORTATION

(carried freight, million tons)

	2024.02	2025.02	YoY change:
Railway	7.0	6.9	-1%
Mining products	5.1	4.9	-4%
Air*	1.4	1.3	-7%
	2023.12	2024.12	0
Road	69.9	85.2	22%
Mining products	66.9	81.9	22%

Note: The data of road transport is released on quarterly basis. Source: National Statistics Office



- Wholesale and retail trade account for the largest share of the services sector.
- Total revenue in the sector amounted to ₮5.0 trillion in January 2025, reflecting a 6.8 percent year-on-year increase. The revenue in real terms (adjusted by CPI) declined by 0.6 percent.

- The revenue of hotels and restaurants rose by 15.7 percent and 9.0 percent, respectively, in January 2025.
- However, with rising inflation, CPI-adjusted real revenue declined by 0.6 percent in the hotel and 6.4 percent in the restaurants.

- Freight in railway totaled 6.9 million tons in February 2025, down 1 percent from the same period last year, primarily due to the lower transport of coal and petroleum products.
- Air freight transport declined by 7 percent from the same period last year.
- A total of 85.2 million tons of freight were transported by road in 2024, with 96 percent consisting of mining products.

- The number of tourists visiting Mongolia reached 63.3 thousand in February 2025, marking an 18 percent increase from the same period last year.

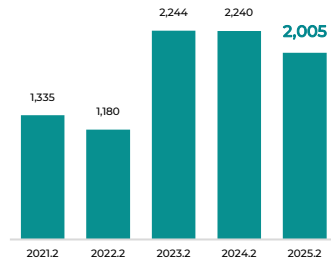
*thousand tons



The foreign trade turnover reached \$3.7 billion, resulting in a trade surplus of \$294 million.

EXPORTS

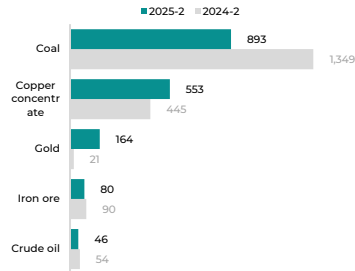
(million \$)



Source: MGCA

EXPORTS BY MAIN PRODUCTS

(million \$)



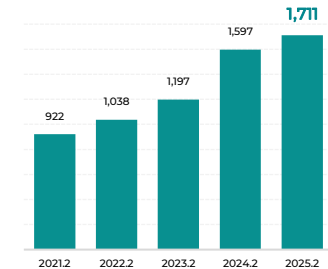
Source: MGCA

- In February 2025, exports reached \$2,005 million, marking a decline of 11 percent from the same period last year.
- Mining products accounted for 94 percent of total exports, with coal exports alone making up 54 percent.

- Coal export reached \$893 million, decreasing by 34 percent compared to the same period last year.
- Copper concentrate export reached \$553 million, increasing by 24 percent from the same period last year.
- Gold export reached \$164 million, marking an eight-fold increase compared to the same period last year.
- Iron ore export reached 80 million, decreasing by 11 percent compared to the same period last year.

IMPORTS

(million \$)

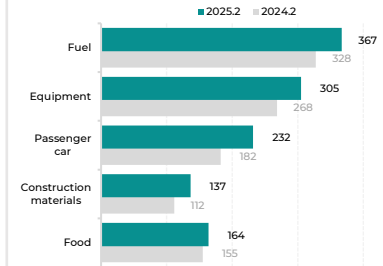


Source: MGCA

- In February 2025, imports reached \$1,711 million, an increase of 7 percent from the same period last year.
- Petroleum products accounted for 18 percent of the total imports, while equipment and automobiles accounted for 21 percent and 14 percent, respectively.

IMPORTS BY MAIN PRODUCTS

(million \$)



Source: MGCA

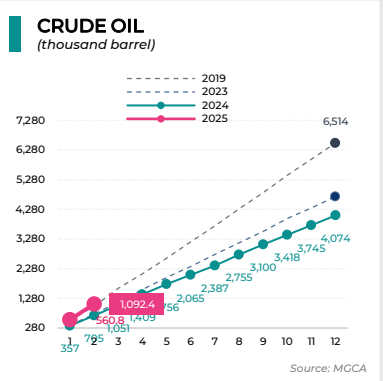
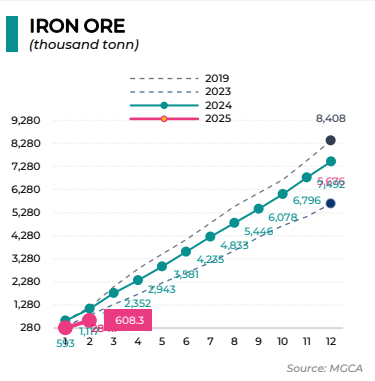
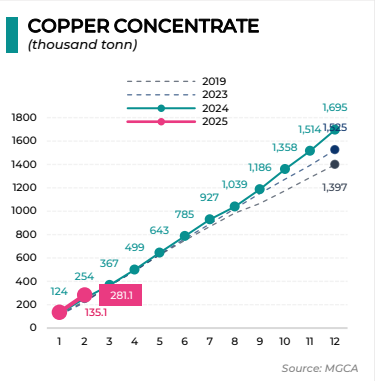
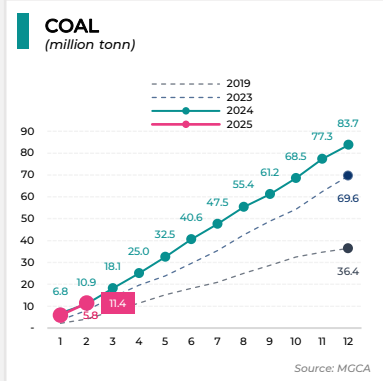
- Equipment import reached \$305 million, up 13 percent compared to a year earlier.
- Petroleum product imports reached \$367 million, up 12 percent compared to a year earlier.
- Passenger car imports reached \$232 million, up 27 percent compared to a year earlier.
- Construction material imports reached \$137 million, up 22 percent compared to a year earlier.

2.2 MINERAL PRODUCTS

FEBRUARY 2025



As of February 2025, mining products made up 94 percent of total exports, with coal and copper concentrate alone accounting for 88 percent.



- In February 2025, coal exports reached 11.4 million tons, increasing by 4.2 percent compared to the same period last year.

- In February 2025, copper concentrate exports reached 281 thousand tons, increasing by 10.8 percent increase compared to the same period last year.

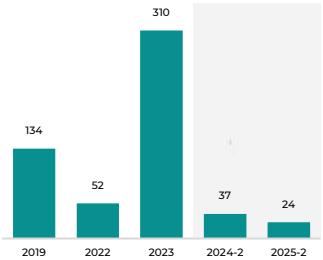
- In February 2025, iron ore exports reached 608 thousand tons, decreasing by 13.7 percent compared to the same period last year.

- In February 2025, crude oil exports reached 1,092 thousand barrels, decreasing by 2.2 percent compared to the same period last year.



In February 2025, exports of the main agricultural products declined compared to a year earlier.

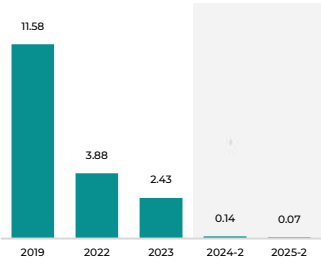
MEAT
(million \$)



Source: MGCA

- In February 2025, meat exports reached \$24 million, a decrease of 36 percent compared to a year earlier.
- In particular, canned meat exports fell by threefold.

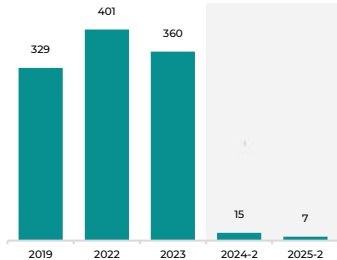
SKINS, LEATHER, FURSKINS
(million \$)



Source: MGCA

- In February 2025, skins, leather, furskins exports reached \$71 thousand, a decrease of 48 percent compared to a year earlier.

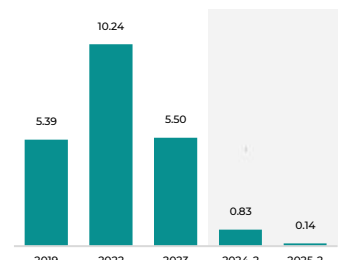
CASHMERE
(million \$)



Source: MGCA

- In February 2025, cashmere exports reached \$7 million, a decrease of 52 percent compared to a year earlier.

WOOL
(million \$)



Source: MGCA

- In February 2025, wool exports reached \$135 thousand, a decrease of 84 percent compared to a year earlier.



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 February 2025 was \$180, marking a 37 percent decrease from the same period last year.

COPPER

(\$/tonn, LME)

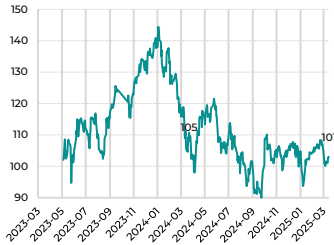


Source: Bloomberg

- The average price of copper on the London Metal Exchange in February 2025 was \$9,616 marking a 10 percent increase from the same period last year.

IRON CONCENTRATE

(\$/tonn, iron concentrate 62%, Northwest China)

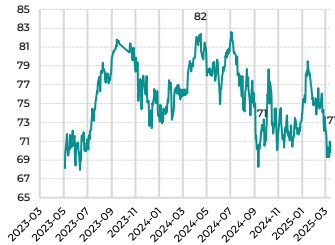


Source: Bloomberg

- The average price of iron ore in Northwest China in February 2025 was \$101, marking a 7 percent decrease from the same period last year.

CRUDE OIL

(\$/bbl, Brent)



Source: Bloomberg

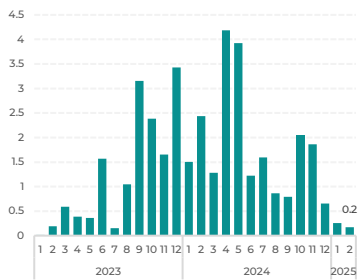
- The average price of Brent oil in February 2025 was \$70, marking a 9 percent increase from the same period last year.



In the first 2 months of 2025, 429 thousand tons of coal, 1.9 million tons of iron ore and concentrate, 3.3 tons of fluoride, and 4.5 tons of copper concentrates were traded on the Mining commodity exchange.

COAL TRADE

(million tonn, monthly)

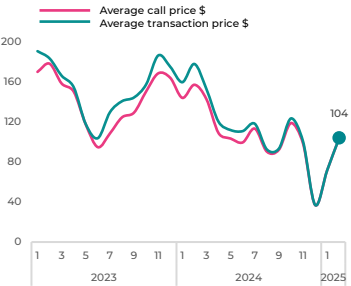


Source: Mongolian Stock Exchange

- Between January 2023 and February 2025, a total of 37.7 million tons of coal were traded, generating \$4.6 billion in revenue.
- In 2024, 22.4 million tons of coal were traded, generating \$2.4 billion in revenue.
- A total of 0.4 million tons of coal were sold in the first 2 months of 2025.

AVERAGE COAL PRICE

(\$/tonn, monthly)

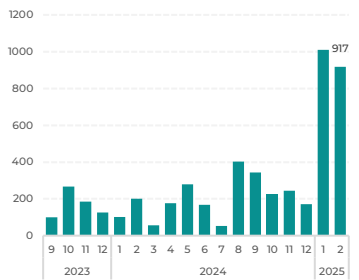


Source: Mongolian Stock Exchange

- As of February 2025, the average call price of coal was \$104, and the average transaction price was \$104.
- Depending on the type of coals, in February 2025, the minimum transaction price reached \$72, and the maximum price reached \$114.

IRON TRADE

(thousand tonn, monthly)

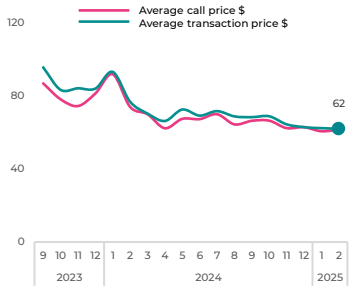


Source: Mongolian Stock Exchange

- Between September 2023 and February 2025, a total of 5.0 million tons of iron ore and concentrate were traded, generating \$338 million in revenue.
- In 2024, 2.4 million tons of iron ore and concentrate were traded, generating \$167 million in revenue.
- A total of 1.9 million tons of iron ore and concentrate were sold in the first 2 months of 2025.

AVERAGE IRON PRICE

(\$/tonn, monthly)



Source: Mongolian Stock Exchange

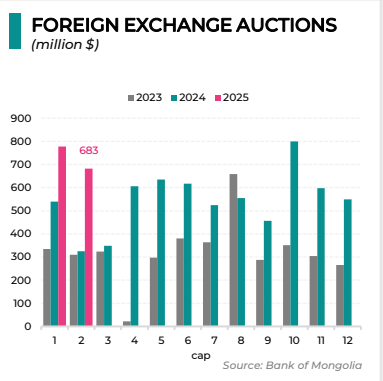
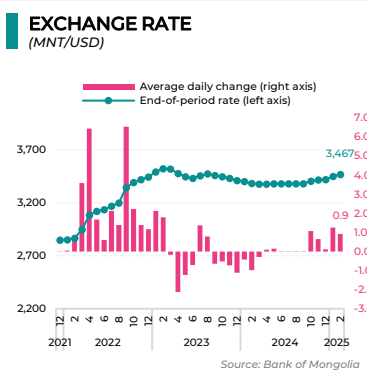
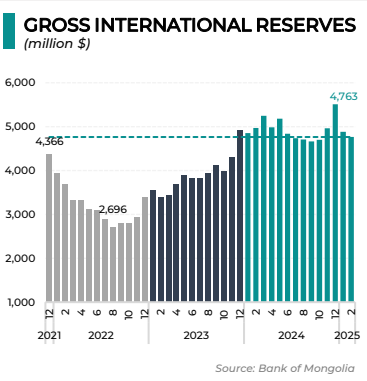
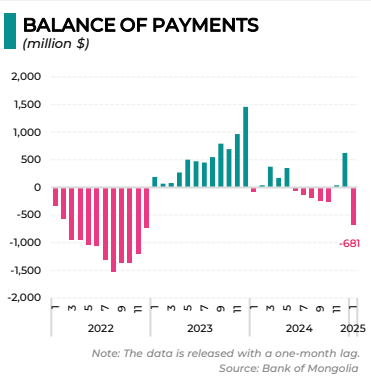
- The average call price of iron ore and concentrate rose to \$62 in February 2025, and the average transaction price reached \$62.
- Depending on the type of iron, in February 2025, the minimum transaction price was \$55, and the maximum price was \$88.

5. BALANCE OF PAYMENTS, GROSS INTERNATIONAL RESERVES

JAN 2025-FEB 2025



The balance of payments recorded a deficit of \$681 million in January 2025, reflecting deterioration in the financial account. Gross international reserves declined to \$4,763 million February 2025, down \$121 million from the previous month.



- The balance of payments recorded a deficit of \$681 million in January 2025.
- The balance declined by \$594 million compared to a year earlier, mainly due to a decline in the financial account surplus. In January 2024, MIK issued new external bond, and the net inflow of direct investment* was \$133 million higher compared to January 2025.
- In January 2025, exports of goods and services decreased by \$185 million, while imports increased by \$1 million compared to a year earlier.

- Gross international reserves declined to \$4,763 million at the end of February 2025, down \$121 million from the previous month.

- The average daily change in the MNT/USD rate was 0.9 in February 2025, and the exchange rate reached 3,467 at the end of the month.

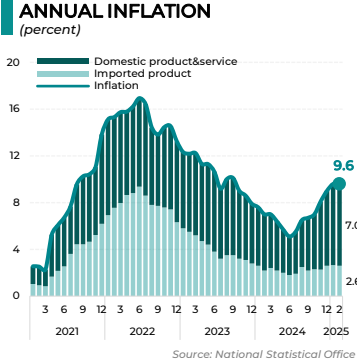
- In February 2025, the Bank of Mongolia sold \$683 million to the commercial banks.
- In the first 2 months of 2025, total intervention reached \$1.5 billion, marking a 68.8 percent (\$595 million) increase compared to the same period last year.

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

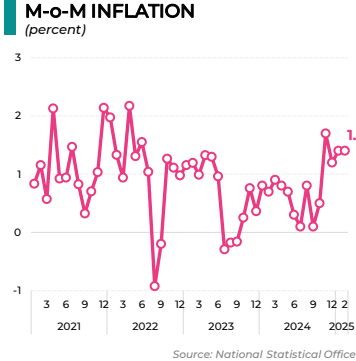


The annual inflation rate reached 9.6 percent in February 2025, marking an increase of 0.9 percentage points* from the previous month. The acceleration was primarily driven by rising prices in the food, rent, and transportation sectors. On a monthly basis, prices of consumer goods and services increased by 1.4 percent.

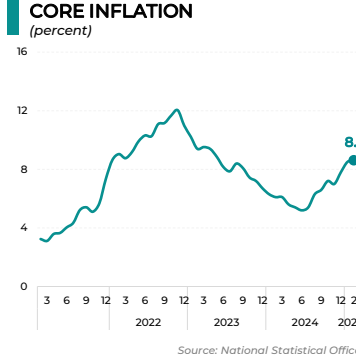
*2023=100 reference base



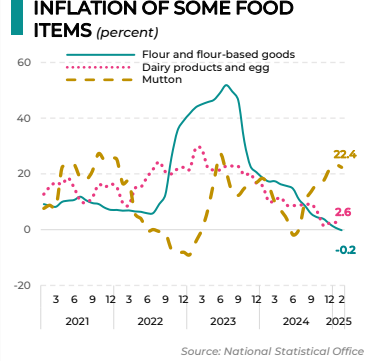
- In February 2025, the annual inflation rate reached 9.6 percent.
- Inflation from imported goods contributed 2.6 percentage points, accounting for 27.4 percent of the annual inflation.
- Inflation from domestic goods and services contributed 7.0 percentage points, accounting for 72.6 percent of the annual inflation.



- On a monthly basis, consumer prices increased by 1.4 percent in February 2025.
- The increase was mainly driven by a 2.1 percent increase in food, 3.5 percent increase in transportation, and a 1.7 percent increase in housing, water, electricity, and fuel prices.



- Core inflation is measured by excluding the volatile prices of food and energy from headline inflation.
- Core inflation increased to 8.6 percent in February 2025, contributing 5.7 percentage points to the annual inflation.
- Core inflation increased for the eighth consecutive month.

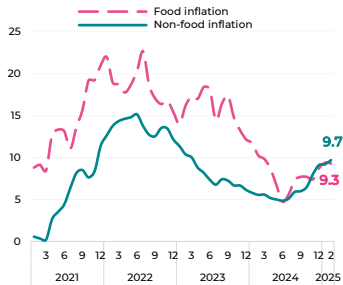


- Price increases in meat, dairy products, and flour-based goods accounted for 19 percent of the annual inflation in February 2025.
- Prices of flour and flour-based goods decreased by 0.2 percent year-over-year.
- Prices of dairy products and eggs increased by 2.6 percent year-over-year.
- Mutton price increased by 22.4 percent year-over-year.



Global container shipping price reached \$2,368, down by 25 percent compared to a year earlier. Meanwhile, the FAO Food Price Index (FFPI) increased by 8.2 percent in February 2025.

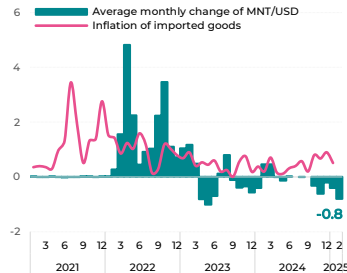
FOOD AND NON-FOOD INFLATION (percent)



Source: National Statistical Office

- Food inflation was at 9.3 percent, accounting for 2.6 percentage points of annual inflation in February 2025.
- Non-food inflation was at 9.7 percent, accounting for 7.0 percentage points of annual inflation. Non-food inflation accelerated from the previous month, primarily due to rising prices for housing, water, electricity, fuel, and transportation.

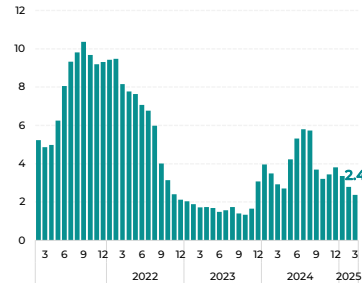
IMPORTED INFLATION AND EXCHANGE RATE (percent)



Source: National Statistical Office, Bank of Mongolia

- In February 2025, the average MNT/USD rate depreciated by 0.8 percent from the previous month to 3,459.
- Inflation of imported goods increased by 0.5 percent from the previous month in January 2025.

WORLD CONTAINER INDEX (1000\$/40 fut container)



Source: Drewry's World Container Index

- International shipping costs have been surging due to disruptions from attacks in the Red Sea/Suez Canal, but started to decline in the second half of 2024.
- As of March 13, 2025, the Drewry World Container Index (WCI) reached \$2,368 per 40-ft container, down 25 percent compared to a year earlier.
- The decline in international shipping costs is alleviating supply-side inflationary pressures.

FOOD PRICE INDEX (percent)

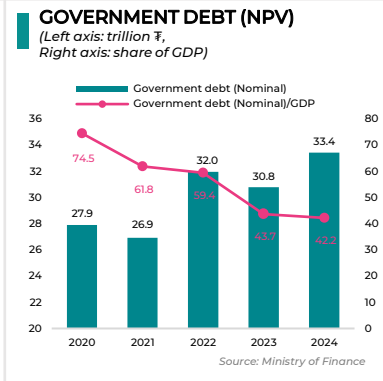
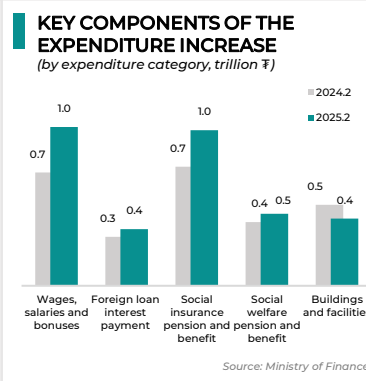
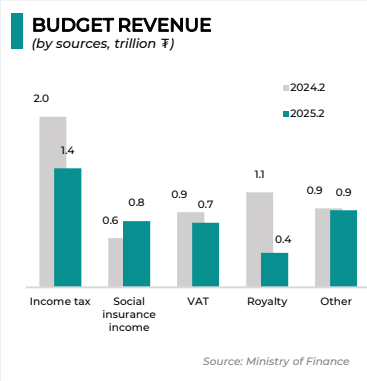
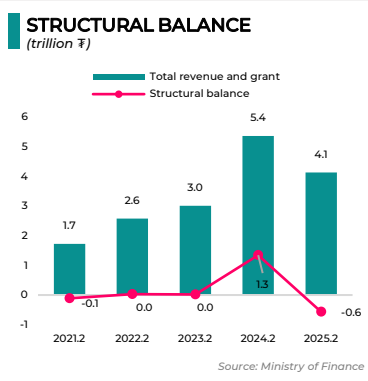


Source: FAO

- The FAO Food Price Index (FFPI) measures the monthly change in international prices of a basket of food commodities. It is calculated as the average of price indices for five commodity groups.
- The FFPI stood at 127.2 points in February 2025, up 8.2 percent compared to the previous year and 1.6 percent from the previous month.
- In January 2025, prices of sugar, vegetable oils and meat declined, while dairy products and cereals prices increased.



The structural revenue reached ₹4.0 trillion, while total expenditure amounted ₹4.6 trillion, resulting in a budget deficit of ₹566 billion as of February 2025. The decline in the budget revenue was mainly due to the drop in revenue from coal exports.



- As of February 2025, the structural balance of the consolidated budget recorded a deficit of ₹566 billion, a decrease of ₹1.9 trillion compared to the same period last year.
- The slowdown in the budget revenue, due to the decline in coal prices, was the main factor contributing to the overall deficit in the balanced budget.

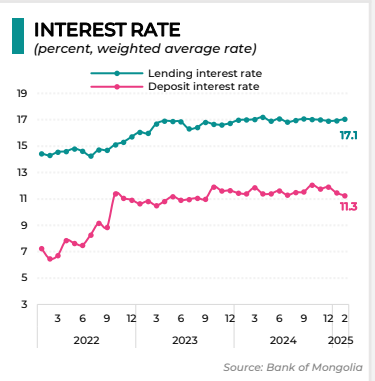
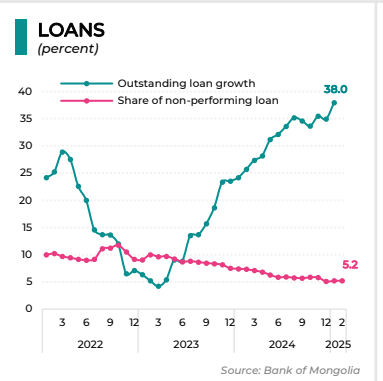
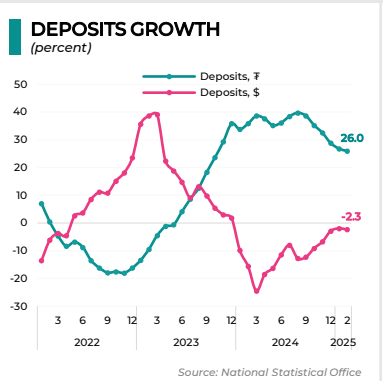
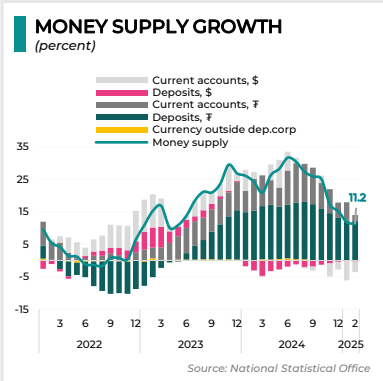
- The total revenue and grant reached ₹4.1 trillion, a decrease of ₹1.2 trillion (-22.9 percent) comparing to the same period last year.
- The decrease was mainly due to a decrease of ₹592 billion (-30.3 percent) in income tax, ₹643 billion (-41.0 percent) in corporate income tax, ₹120 billion (-13.9 percent) in value added tax, and ₹691 billion (-63.6 percent) in royalty.

- The total expenditure amounted to ₹4.6 trillion, an increase of ₹830.4 billion MNT (+22.1 percent) from the same period of last year.
- Pensions and public servant salaries were increased by inflation rate of 6 percent in January 2025, in accordance with the 2025 Budget Law.
- The rise in spending was driven by an increase of 40.1 percent in compensation of employees and 24.6 percent in pensions and social benefit expenses.

- In 2024, the government debt (nominal) reached ₹33.4 trillion, equivalent to 42.2 percent of GDP.
- The government debt (nominal)-to-GDP ratio aligns with the special fiscal requirements.



The money supply increased by 11.2 percent year-on-year to ₮41.8 trillion in February 2025. The outstanding loans increased by 38.0 percent year-on-year in February 2025, reaching ₮38.4 trillion.



- In February 2025, the money supply reached ₮41.8 trillion, an increase of 11.2 percent from a year earlier.
- Domestic currency current and deposit accounts contributed 14.0 percentage points, while foreign currency current and deposit accounts contributed -3.3 percentage points and -0.3 percentage points to the growth, respectively.

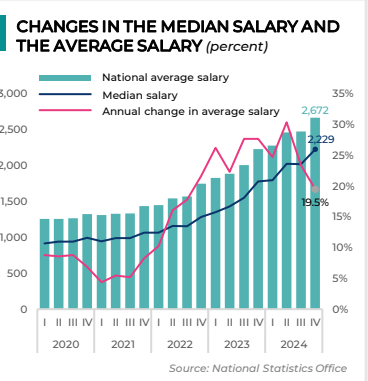
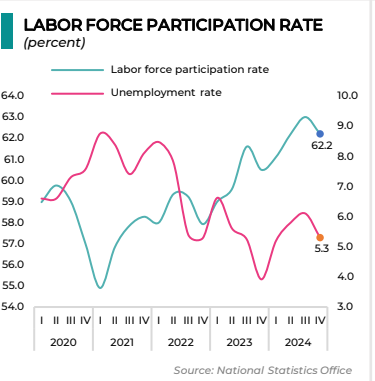
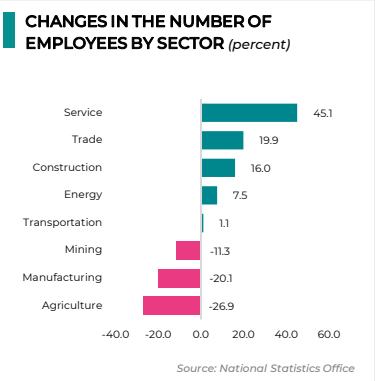
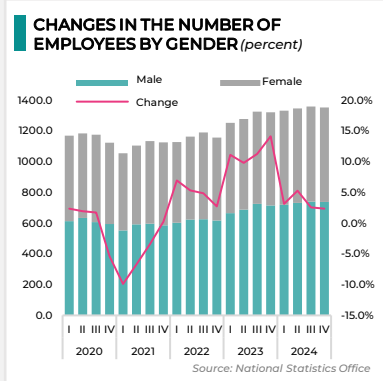
- Total deposits reached ₮26.9 trillion, an increase of 19.8 percent from a year earlier.
- Domestic currency deposits reached ₮22.1 trillion, up 26.0 percent from last year and 2.4 percent from the previous month.
- Foreign currency deposits reached ₮4.8 trillion, down 2.3 percent compared to the same period last year and 1.6 percent from the previous month.

- In February 2025, outstanding loans reached ₮38.4 trillion, marking an increase of 38.0 percent from a year earlier.
- The share of non-performing loans in total loans was 5.2 percent, a decrease of 2.1 percentage points from a year earlier.

- In February 2025, the weighted average interest rate on outstanding loans was 17.1 percent, up by 0.1 percentage points from the previous month.
- The interest rate on new deposits was 11.3 percent, marking a decrease of 0.2 percentage points from the previous month.



Reflecting increased economic activity, the labor market became more active, reaching a total number of employees of 1.35 million and a labor force participation rate of 62.2 percent in the fourth quarter of 2024.



- The number of employees increased by 31 thousand that is 2 percent from the same period last year, reaching 1,353 thousand, which is 165 thousand above the pre-pandemic level.
- In the fourth quarter of 2024, the number of male employees grew by 21.8 thousand from the same period last year, while female employees increased by 9.4 thousand compared to the same period last year.

- The growth in the number of employees was positively influenced by increases in employment across the service, trade, construction and energy (water and electricity) sectors.
- Nevertheless, the decline in the number of workers in the agricultural sector, as well as in the processing and mining sectors, had a negative impact.

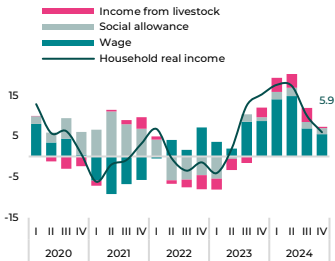
- The labor force participation rate reached 62.2 percent, reflecting an increase of 1.7 percentage points compared to the same period last year and 1.5 percentage points relative to the pre-pandemic period.
- However, the number of unemployed individuals rose by 22 thousand to 75.4 thousand in the fourth quarter of 2024. Consequently, the unemployment rate increased by 1.4 percentage points year-on-year, reaching 5.3 percent.

- In the fourth quarter of 2024, the average salary increased by 19.5 percent compared to the same period last year, reaching ₱2,672 thousand.
- The national median salary for the fourth quarter of 2024 rose by 25% from the same period last year, amounting ₱2,229 thousand (which is ₱442 thousand less than the average salary). This indicates that more than half of employees earn less than the average wage.
- By sectors, the average salary in the mining sector is the highest among other sectors, 2 times higher than the national average.



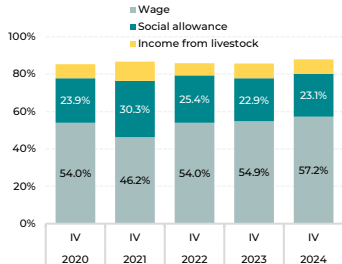
Even though household real income has been increasing for seven consecutive quarters, the pace of growth has slowed.

AVERAGE REAL INCOME GROWTH (percent)



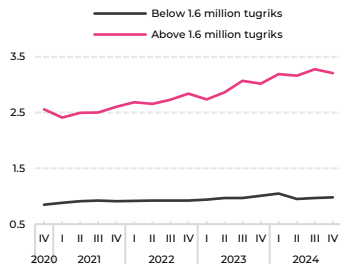
Source: National Statistics Office

REAL INCOME COMPOSITION (percent)



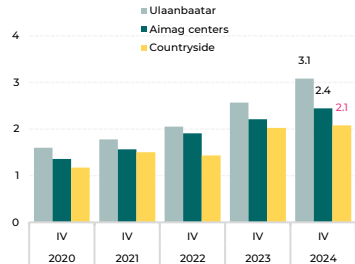
Source: National Statistics Office

AVERAGE NOMINAL INCOME (million ₮)



Source: National Statistics Office

AVERAGE NOMINAL INCOME (million ₮)



Source: National Statistics Office

- The average real household income growth slowed to 5.9 percent, due to base effects.
- The growth was mainly driven by an increase in wage income by ₮233 thousands, pension and benefit income by ₮76 thousands from the year earlier.

- The share of wages in total household real income reached 57.2 percent, up 2.3 percentage points from a year earlier.
- The growth was due to not only an increase in average wages but also a rise in employment.

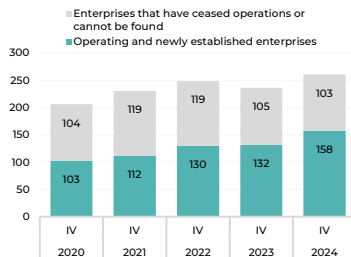
- Real income growth among low-income households remains insignificant.
- Households with incomes below ₮1.6 million make up 43.7 percent of all households, and their average monthly nominal income stood at ₮981 thousands.
- In contrast, households with incomes above ₮1.6 million had average monthly income of ₮3.2 million.

- The average household income in Ulaanbaatar reached ₮3.1 million, while average household income in rural areas remains lower.
- Wage income makes up 65.4 percent of household income in Ulaanbaatar, while in rural areas, it accounts for 15.2 percent, with agricultural income making up 37 percent.



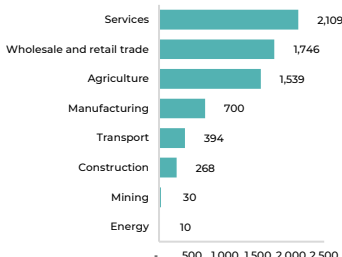
In 2024, the total number of enterprises registered in the Business Registration Database reached 261.2 thousand, an increase of 20.2 thousand or 10.4 percent from last year.

TOTAL NUMBER OF REGISTERED ENTERPRISES (thousands, by operating status)



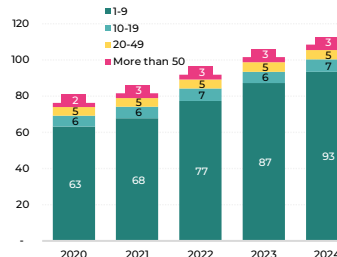
Source: National Statistics Office

CHANGE IN THE NUMBER OF ENTERPRISES OPERATING BY SECTOR (the number of enterprise)



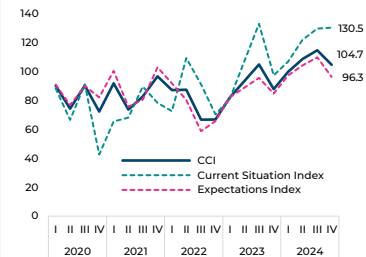
Source: National Statistics Office

THE NUMBER OF ENTERPRISES OPERATING BY SECTOR (thousands, by number of employees)



Source: National Statistics Office

CONSUMER CONFIDENCE INDEX (by quarter, 2018=100)



Source: National Research and Consulting Center (NRCC Co. Ltd)

- In 2024, the total number of enterprises registered in the Business Registration Database reached 261.2 thousand, an increase of 20.2 thousand or 10.4 percent from last year.
- Of this growth, 19.2 thousand were newly established enterprises that have not yet commenced operations, while 6.8 thousand were actively operating enterprises.
- The increase in both actively operating and newly established enterprises indicates enhanced business activity.

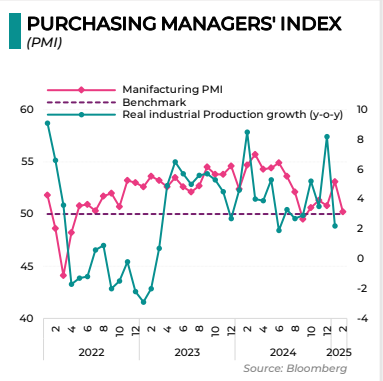
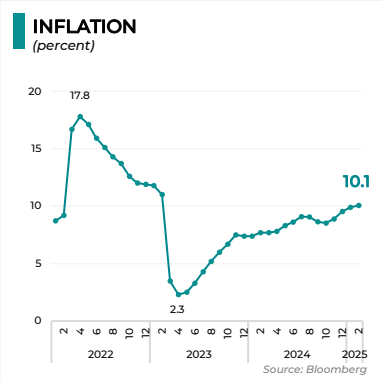
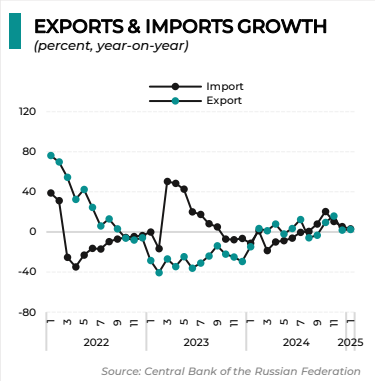
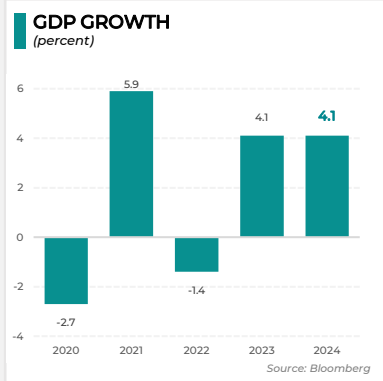
- Due to the activation of the domestic economy and improved purchasing power, the trade and services sectors accounted for the largest share of growth, with 3.8 thousand actively operating enterprises added.
- Additionally, with the implementation of policies supporting agriculture, the number of enterprises in this sector increased by 43 percent for operating enterprises.

- Out of the 108.4 thousand operating enterprises, 93.5 thousand are micro-enterprises with 1-9 employees.
- Moreover, micro-enterprises with 1-9 employees account for 91% of the growth in operating enterprises.

- As of the fourth quarter of 2024, the Consumer Confidence Index (CCI) reached 104.7, improving by 16.7 points compared to the same period last year.
- By CCI components, the Current Situation Index, which shows citizens' perceptions of the current economic situation, has increased by 32.9 points, and the Expectations Index, which shows citizens' outlook on economic conditions for the 6 months, has increased by 11.5 points.
- This was mainly driven by improved evaluation and outlook for job availability and business conditions.



Russian economic grew by 4.1 percent in 2024. In October 2024, the Central Bank of Russia raised its monetary policy interest rate by 2 percentage points to 21 percent. The inflation rate reached 10.1 percent in February 2025, from 9.9 percent in January 2025.



- Russian economy grew by 4.1 percent in 2024, as in 2023.
- As a result, economic growth remained at the same level as the previous year.

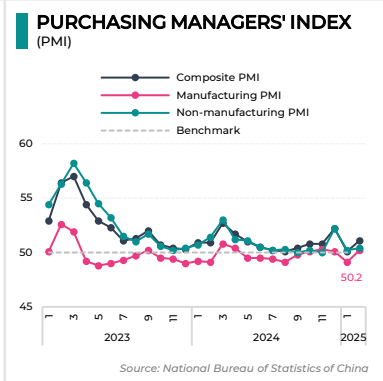
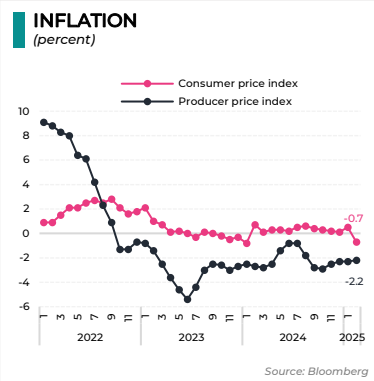
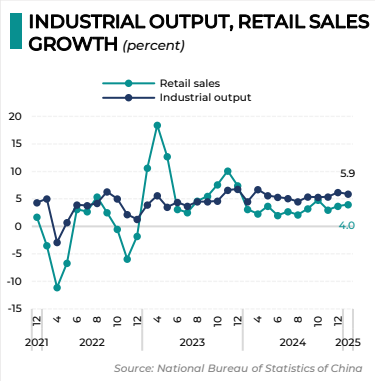
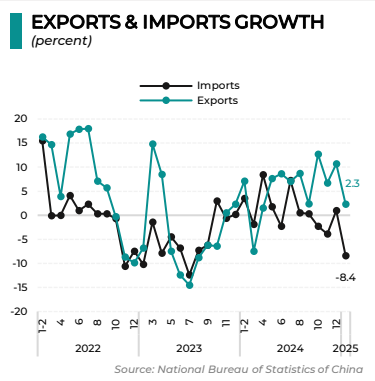
- As of January 2025, exports reached \$29.2 billion and imports reached \$22.1 billion, resulting in a trade surplus of \$7.2 billion.
- Exports increased by 2.4 percent in January 2025 compared to a year earlier.
- Imports increased by 3.2 percent in January 2025 compared to a year earlier.

- The inflation rate reached 10.1 percent in February 2025, up 0.2 percentage points from the previous month.
- The inflation rate remains above the target level of 4 percent.
- The Central Bank of Russia raised the policy rate by 2 percentage points to 21 percent in October 2024.

- In February 2025, the Purchasing Manager's Index (PMI) for the industrial sector reached 50.2 reflecting a decrease of 2.9 points from the previous month.
- As of January 2025, the growth of real industrial production reached 2.2 percent, down by 6 percentage points from the previous month.



China set 2025 growth target at around 5 percent. As of the first 2 months of 2025, export growth was lower than expected, while imports recorded the sharpest fall since July 2023. The consumer price index returned to deflationary territory in February 2025.



- Exports grew by 2.3 percent in the first 2 months of 2025 from a year earlier, marking the slowest growth since April 2024.
- Imports declined by 8.4 percent in the first 2 months of 2025 compared to a year earlier, the sharpest fall since July 2023.

- Industrial output growth decelerated to 5.9 percent in the first 2 months of 2025
- Retail sales growth increased to 4.0 percent in the first 2 months of 2025.

- The consumer price index declined by 0.7 percent in February 2025, marking the first deflation since January 2024.
- The producer price index declined by 2.2 percent in February 2025.

- The manufacturing PMI stood at 50.2 in February 2025, climbing back to expansion territory.
- The non-manufacturing PMI and composite PMI both remained above the 50-point mark.

Combined trade data for January and February will be released in March.

Combined data for January and February will be released in March.

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