Ministry of Economy and Development

MONTHLY MACROECONOMIC UPDATE

September 2025

CONTENTS:

‣ MAIN ECONOMIC INDICATORS - 2025.09

GDP growth
(Q1 2025)

5.6 percent

International reserves
(September 2025)

5,875 million $

Inflation
(September 2025)

9.0 percent

Budget balance
(September 2025)

-1.335 billion ₮

Exports
(September 2025)

10.7 billion $

Imports
(September 2025)

8.5 billion $

FDI
(Q2 2025)

695 million $

Loan rate
(September 2025)

17.3 percent

Number of employees
(Q2 2025)

1.39 million

** As of Q2 2025 the labor force participation rate is 61.9 percent.*

Real wage growth
(Q2 2025)

8.4 percent

**CPI 2020=100*

Number of enterprises operating
(Q1 2025)

109.8 thousand

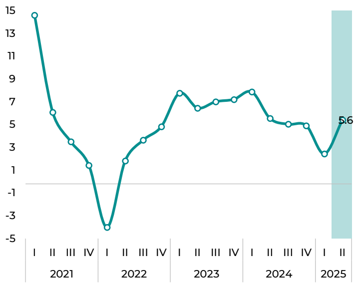
**Mainly in trade, services, construction and manufacturing sectors*

Household real income growth
(Q2 2025)

8.0 percent

Economic growth rebounded to 5.6 percent in the first half of 2025. Growth was driven by the agriculture, manufacturing, energy, and construction sectors, while contractions in the trade and transportation sectors put downward pressure on growth.

REAL GDP GROWTH
(percent)



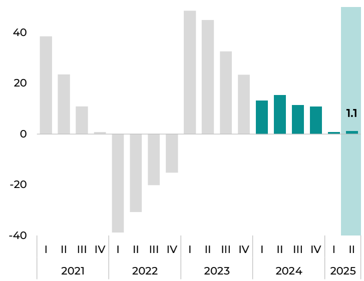
Source: National Statistics Office

REAL GDP GROWTH
(by sectors)

ДНБ	2024.II	2025.II
	5.7	5.6
Agriculture	-26.7	35.6
Mining	15.3	1.1
Manufacturing	4.1	5.8
Electricity, water	5.3	8.4
Construction	22.0	25.2
Wholesale, retail trade	10.9	-5.7
Transportation	20.1	-12.5
Information, communication	19.0	16.6
Other services	7.7	4.5
Net taxes on products	13.8	0.9

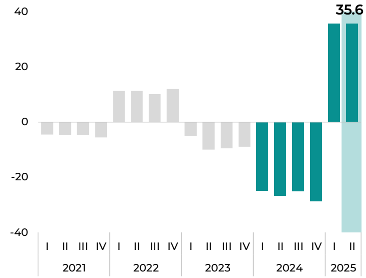
Source: National Statistics Office

MINING
(cumulative GDP growth, percent)



Source: National Statistics Office

AGRICULTURE
(cumulative GDP growth, percent)



Source: National Statistics Office

- The real GDP grew by **5.6 percent in first half of 2025.**
- Primary sector: The agriculture sector expanded by 35.6 percent, contributing 3.6 percentage points to growth, and the mining sector by 1.1 percent, contributing 0.1 percentage points to growth.
- Secondary sector (manufacturing, construction, electricity, and water supply) expanded by 9.6 percent, contributing 1.0 percentage points to the overall growth.
- The services sector grew by 1.5 percent, contributing 0.7 percentage points to the overall growth.
- Net taxes on products grew by 0.9 percent, contributing 0.2 percentage points to the overall growth.

- Economic growth was primarily driven by the recovery of the agricultural sector and the expansion of other service sectors.
- Production in the mining, manufacturing, electricity, and water supply sectors increased, contributing positively to growth.
- However, construction activity declined due to a high base effect from the previous year, while the transportation sector contracted, reflecting the lower revenues from coal transport enterprises.
- In addition, non-food product sales decreased, leading to a contraction in overall trade sector.

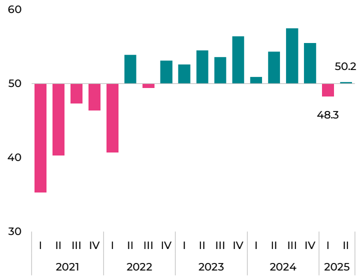
- The mining sector grew by 1.1 percent in first half of 2025.
- The growth was mainly driven by a 32 percent increase in copper concentrate production, which reached 970 thousand tons.
- However, the production of coal, gold, crude oil, and iron ore declined in first half of 2025
- Specifically, coal production reached 44 million tons, down 11 percent year-on-year. Iron ore production decreased by 4.8 percent, crude oil by 11 percent, and gold by 16 percent.

- The agricultural sector expanded by 35.6 percent in first half of 2025.
- Favorable weather conditions and a reduction of 7.9 million in adult livestock losses compared to the same period last year contributed to the recovery of the agricultural sector, which had contracted for two consecutive years. The number of matured livestock reached 20.8 million, with a maturing rate of 98.5 percent, an increase of 5.4 million head from the previous year.

1.2 PURCHASING MANAGERS INDEX (PMI) 2025 Q2

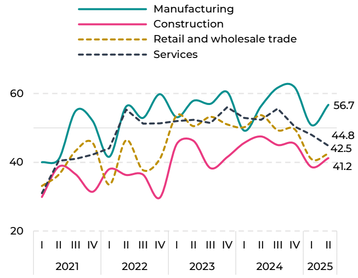
Purchasing managers index (PMI), which reflects the economic expectations of manufacturers and service providers, reached 50.2 in 2025Q2, marking a return to positive territory.

PMI
(50=no change)



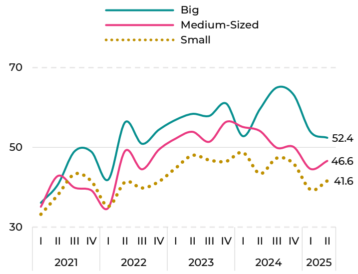
Source: Bank of Mongolia

PMI, by sectors
(50=no change)



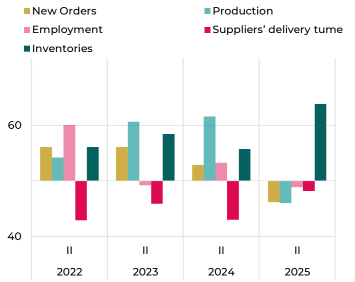
Source: Bank of Mongolia

PMI, by business size
(50= no change)



Source: Bank of Mongolia

PMI, by factors
(50= no change)



Source: Bank of Mongolia

- The Purchasing Managers' Index (PMI), which measures the economic expectations of manufacturers and service providers, stood at 50.2 in the second quarter of 2025, up 1.9 points from the previous quarter but down 4.1 points compared to the same period last year.

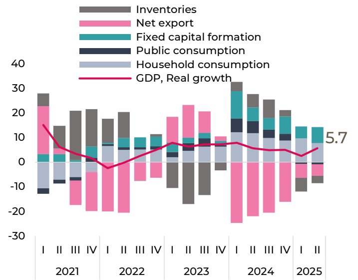
- Construction PMI improved by 2.6 points from the previous quarter, yet remained at 41.2, continuing to signal contractionary conditions.
- Industrial PMI remained in expansionary territory, rising by 5.9 points compared to the previous quarter.
- Meanwhile, the Services PMI has remained in negative territory for two consecutive quarters, while the Retail and Wholesale Trade sector has recorded a persistently negative PMI for four consecutive quarters.

- The PMI for large companies with more than 200 employees stood at 52.4 in 2025Q2, remaining in expansionary territory. However, it has declined for three consecutive quarters.
- The PMI for medium-sized businesses with 50-199 employees rose by 2.0 points from 2025Q1 to 46.6, yet remained in contractionary territory.
- The PMI for small businesses stood at 41.6 and has remained in contractionary territory for the past 5 years.

- Business expectation for inventory sufficiency remain relatively strong compared to the same periods in previous years. Although, all other indicators such as production volume and number of new orders are expected to decline.

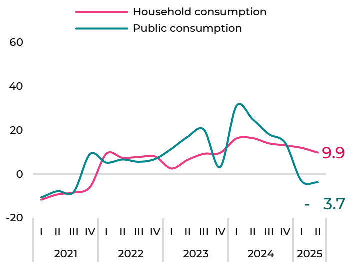
On the demand side, household consumption and investment were main drivers of economic growth.

GDP GROWTH
(percent)



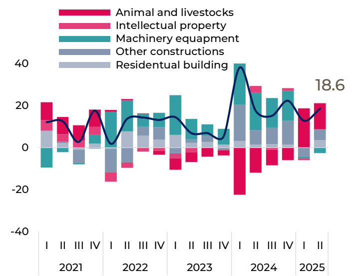
Source: National Statistical Office

CONSUMPTION GROWTH
(percent)



Source: National Statistical Office

FIXED CAPITAL FORMATION GROWTH *(percent)*



Source: National Statistical Office

EXPORT AND IMPORT GROWTH
(percent)

Source: National Statistical Office

- Domestic demand was the primary driver of overall growth, with household consumption contributing 7.8 percentage points and investment contributing 6.5 percentage points.
- Net export contributed -4.7 percentage points to overall growth, with exports contributing -3.0 percentage points, imports contributing -1.7 percentage points.

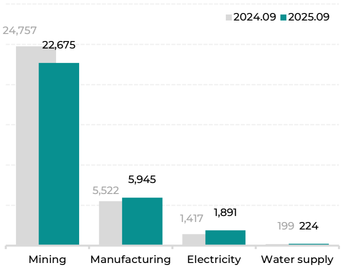
- Government consumption declined by 3.7 percent compared to a year earlier, while household consumption expanded by 9.9 percent.

- Fixed capital formation increased by 18.6 percent, driven by MNT 1.1 billion nominal rise in animal and livestock assets, a 20.5 percent real increase in residential buildings and a 19.7 percent increase in other construction assets.

- Exports of goods and services contracted by 4.5 percent compared to the same period last year, while growth of imports slowed to 1.5 percent, helping to mitigate the decline in net export.

Gross industrial output decreased by 5.8 percent in the first nine months of 2025, primarily due to reduced production volumes of coal, gold, and crude oil compared to the same period last year.

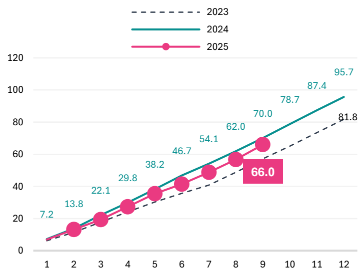
GROSS OUTPUT
(billion ₮)



Source: National Statistics Office

- Industrial output totaled MNT 30.7 trillion in the first nine months of 2025, down 3.6 percent year over year.
- Despite higher copper concentrate production, declines in crude oil and mining support activities led mining sector output to fall 8.4 percent in nominal terms.
- Manufacturing output (nominal) rose 7.7 percent in the first nine months of 2025, driven by increases in meat, beverage, and non-metallic mineral production.

COAL PRODUCTION
(million tons)



Source: National Statistics Office

- Mining accounts for roughly 70 percent of total industrial output, with coal extraction alone contributing 43 percent.
- Coal production reached 65.9 million tons in the first nine months of 2025, down 5.7 percent year over year. However, in September 2025, monthly coal output increased by 15.2 percent compared with the same month last year.

**As of 2024*

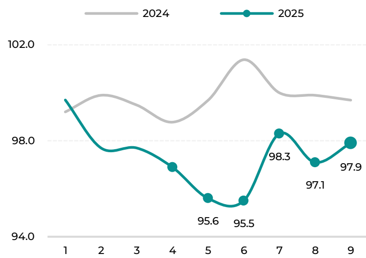
MINING PRODUCTION
(by main commodities)

		YoY change:
Copper concentrate	**1,516 thous.t**	37%
Crude oil	**2.8 thous.t**	-11%
Gold	**8.7 thous.t**	-8%
Iron ore	**9.5 thous.t**	31%

Source: National Statistics Office

- Boosted by higher output at Oyu Tolgoi, copper concentrate production rose 37.3 percent to 1,516 thousand tons in the first nine months of 2025.
- Iron ore and iron ore concentrate output reached 9.5 million tons, up 31.2 percent year over year.
- By contrast, gold and crude oil production remained below the levels of the same period a year earlier.

PRODUCER PRICE INDEX
(2024=100)



Source: National Statistics Office

- In September 2025, the producer price index (PPI) decreased by 1.8 percent year-on-year.

<u>PPI increased in:</u>

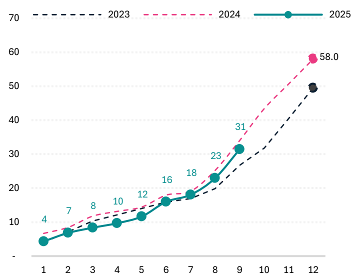
- Food products by 9.1 percent,
- Beverage products by 17.8 percent,
- Furniture production by 9.6 percent,
- Electricity, gas, steam, and air conditioning by 38.2 percent,
- Metal ore mining by 28.8 percent., respectively;

<u>PPI decreased in:</u>

- Coal mining by 35.7 percent,
- Crude oil extraction by 9.3 percent.

Total production volume of the manufacturing sector increased by 1.7 percent in real terms in the first nine months of 2025, primarily driven by growth in the production of non-metallic mineral products, meat processing and preserving, and metal production.

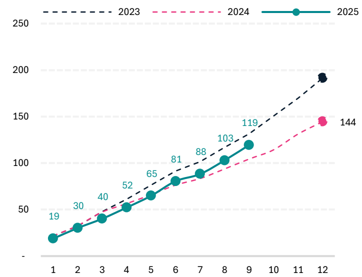
MEAT
(thousand tons)



Source: National Statistics Office

- Total processed livestock meat reached 31.5 thousand tons in the first nine months of 2025, marking a decrease of 7.5 percent from the same period last year.
- Despite the decline in processed meat volume, the production of meat processing and canning operations—accounting for about 8-10 percent of manufacturing output—grew by 10.2 percent year-over-year, driven by improvements in beef and horse meat processing (adjusted for the producer price index based on 2024).

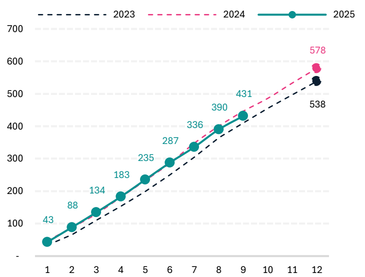
WHEAT FLOUR
(thousand tons)



Source: National Statistics Office

- Flour production reached 119.4 thousand tons in the first nine months of 2025, marking an increase of 14.4 percent compared to the same period last year.
- Despite the rise in flour production volume, the manufacturing of grain flour, starch, and starch products—accounting for about 5-7 percent of the processing sector—declined by 5.0 percent in real terms (adjusted for the producer price index based on 2024) compared to the same period last year.

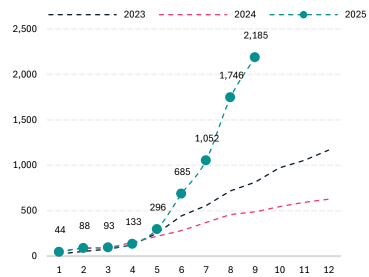
BEVERAGES
(thousand tons)



Source: National Statistics Office

- The production volume of alcoholic and non-alcoholic beverages reached 431.4 thousand tons in the first nine months of 2025, marking a decrease of 3.3 percent compared to the same period last year.
- Despite the decline in production volume, the real output of beverages—accounting for approximately 20-25 percent of the manufacturing sector—grew by 1.2 percent year-over-year (adjusted for the producer price index based on 2024).

CASHMERE PRODUCTS
(tons)

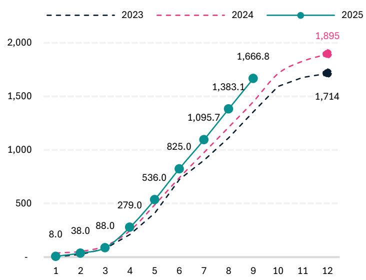


Source: National Statistics Office

- The production volume of combed cashmere reached 2.2 thousand tons in the first nine months of 2025, marking an increase of 347.8 percent year-on-year.
- However, despite the rise in combed cashmere production, textile production—which accounts for about 3 to 5 percent of the manufacturing sector—contracted by 15.8 percent year-on-year* (adjusted for the producer price index based on 2024).

Production of key inputs in the construction sector, including cement, windows, and doors increased, while the production of base metal and metal casts declined.

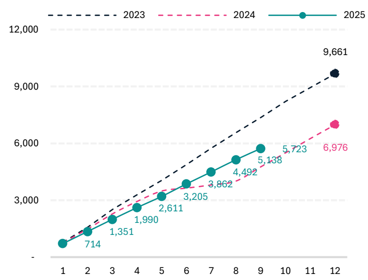
CEMENT
(thousand tons)



Source: National Statistical Office

- Cement production reached 1,667 thousand tons in the first 9 months of 2025, up by 14.8 percent from the same period last year.

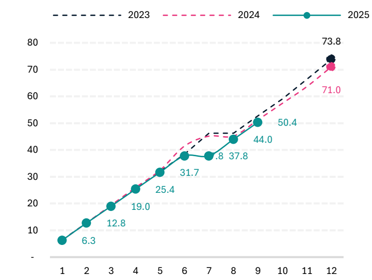
COPPER CATHODE 99%
(tons)



Source: National Statistical Office

- Copper cathode reached 5.7 thousand tons in the first 9 months of 2025, marking an increase of 20.3 percent from the same period last year.

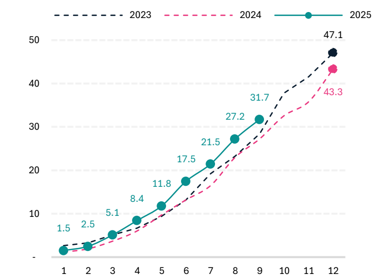
BASE METAL AND FOUNDRIES
(thousand tons)



Source: National Statistical Office

- Metal steel and foundries reached 50.4 thousand tons in the first 9 months of 2025, marking a decrease of 1.7 percent from the same period last year.

WINDOW AND DOORS
(thousand m2)



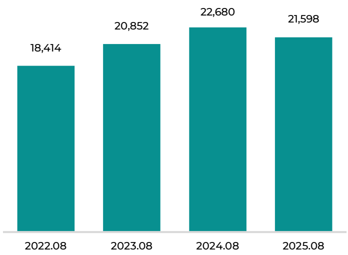
Source: National Statistical Office

- Window and doors production reached 31.7 thousand m^2 in the first 9 months of 2025, marking an increase of 16.5 percent from the same period last year.

Rail freight transport reached the same level as the previous year in the first nine months of 2025 due to the rebound in coal transport. Real income in the trade, catering, and hotel sectors declined as inflation remained high.

DOMESTIC TRADE

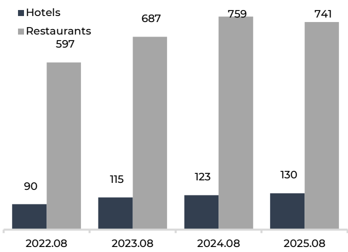
(trade turnover, billion ₮, adjusted by CPI)



Note: The data is released with a 45-day lag.
Source: MED estimation, NSO

HOTELS, RESTAURANTS

(revenue, billion ₮, adjusted by CPI)



Note: The data is released with a 45-day lag.
Source: MED estimation, NSO

TRANSPORTATION

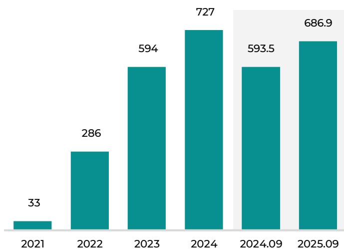
(carried freight, million tons)

	2024.08	2025.08	YoY change:
Railway	29.3	29.5	0.5%
Mining products	20.8	15.5	-25.5%
Air	6.46	6.30	-2.6%
	2024.II	2025.II	
Road	41.3	40.8	-1.1%
Mining products	40.7	38.6	-5.1%

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

TOURISM

(number of inbound tourists, thousand person)



Source: National Statistics Office

- Wholesale and retail trade account for the largest share of the services sector.
- In the first eight months of 2025, sector sales reached ₮42.5 trillion in nominal terms, up 0.3 percent year over year, while in real terms (adjusted for prices), they fell by 4.8 percent.

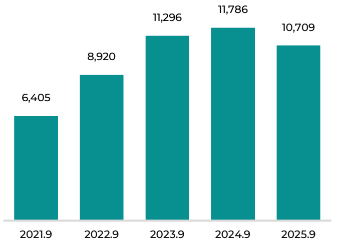
- In the first eight months of 2025, sales revenue in the hotel sector increased by 3.5 percent in nominal terms, while sales revenue in the food services sector declined by 2.4 percent.
- With inflation intensifying, real (price-adjusted) revenue in the hotel sector decreased by 9 percent, and real revenue in the food services sector fell by 14 percent.

- In the first nine months of 2025, rail freight totaled 34.2 million tons, a 2.9 percent increase compared to the same period last year. As previously sluggish coal transport recovered, total rail cargo returned to last year's level.
- Air cargo increased by 0.8 percent compared to the same period a year earlier.
- Due to shorter export haul distances for coal, road freight totaled 40.8 million tons in the first half of 2025, down 1.1 percent year over year.

- As of the first nine months of 2025, inbound tourist arrivals to Mongolia reached 687,000, a 15.7 percent increase compared to the same period last year. The number of tourists received in September marked the highest figure on record for that period.

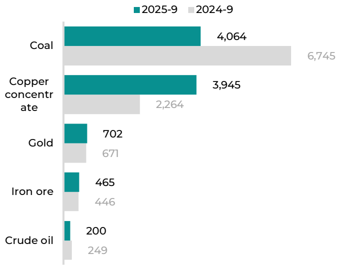
As of the first nine months of 2025, foreign trade turnover reached $19.2 billion, while the trade balance recorded a surplus of $2.2 billion.

EXPORTS
(million $)



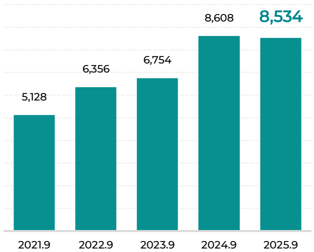
Source: MGCA

EXPORTS BY MAIN PRODUCTS
(million $)



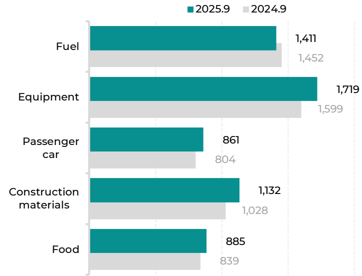
Source: MGCA

IMPORTS
(million $)



Source: MGCA

IMPORTS BY MAIN PRODUCTS
(million $)



Source: MGCA

- By the September 2025, exports reached $10,709 million, marking a decline of 2 percent from the same period last year.
- Mining products accounted for 95 percent of total exports.

- Coal export reached $4,064 million, decreasing by 40 percent compared to the same period last year.
- Copper concentrate export reached $3,945 million, increasing by 74 percent compared to the same period last year.
- Gold export reached $702 million, increasing by 5 percent compared to the same period last year
- Iron ore export reached $465 million, increasing by 4 percent compared to the same period last year.

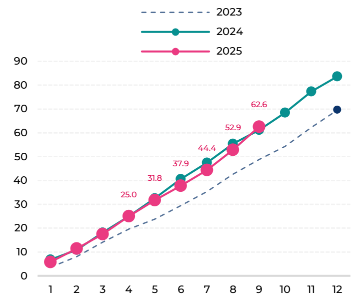
- By September 2025, imports reached $8,534 million, a decrease of 0.9 percent from the same period last year.
- Petroleum products accounted for 17 percent of the total imports, while equipment and automobiles accounted for 20 percent and 10 percent, respectively.
- Imports of trucks decreased by 27 percent, gasoline imports by 5.2 percent, and diesel fuel imports by 2.2 percent, contributing to the decline in total imports.

- Petroleum product imports reached $1,411 million, down 2.8 percent compared to a year earlier.
- Equipment import reached $1,719 million, up 7.5 percent compared to a year earlier.
- Automobile imports reached $861 million, up 7.1 percent compared to a year earlier.
- Construction materials' imports reached $1,132 million, up 10.1 percent compared to a year earlier.
- Food imports reached $885 million, up 5.5 percent compared to a year earlier.

2.2 MINERAL PRODUCTS SEPTEMBER 2025

As of September 2025, mining products made up 95 percent of total exports.

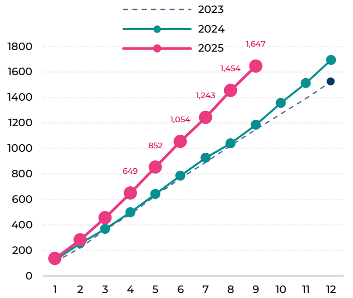
COAL
(million tons)



Source: MGCA

- As of September 2025, coal exports reached 62.6 million tons, decreasing by 2.3 percent compared to the same period last year.

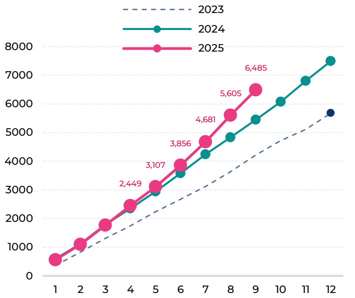
COPPER CONCENTRATE
(thousand tons)



Source: MGCA

- As of September 2025, copper concentrate exports reached 1,647 thousand tons, increasing by 38.9 percent compared to the same period last year.

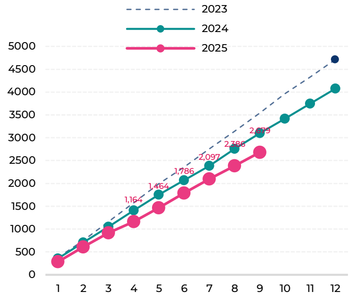
IRON ORE
(thousand tons)



Source: MGCA

- As of September 2025, iron ore exports reached 6,485 thousand tons, increasing by 19.1 percent compared to the same period last year.

CRUDE OIL
(thousand barrel)

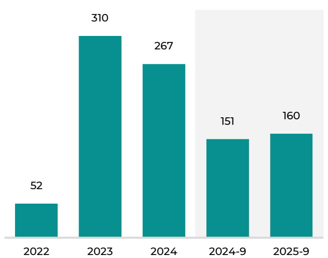


Source: MGCA

- As of September 2025, crude oil exports reached 2,679 thousand barrels, decreasing by 13.6 percent compared to the same period last year.

By the first nine months of 2025, exports of the main agricultural products declined compared to the same period a year earlier.

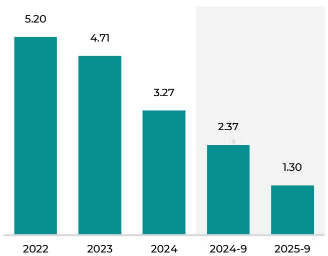
MEAT
(million $)



Source: MGCA

- In September 2025, meat exports reached $160 million, increasing by 6 percent compared to the same period last year.

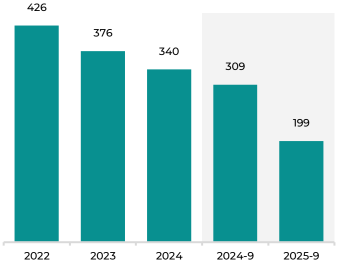
SKINS, LEATHER, FURSKINS
(million $)



Source: MGCA

- In September 2025, skins, leather, fur skins exports reached $1 million, decreasing by 45 percent compared to the same period last year.

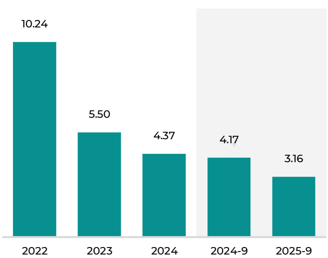
CASHMERE
(million $)



Source: MGCA

- In September 2025, cashmere exports reached $149 million, decreasing by 36 percent compared to the same period last year.

WOOL
(million $)



Source: MGCA

- In September 2025, wool exports reached $2.7 million, decreasing by 24 percent compared to the same period last year.

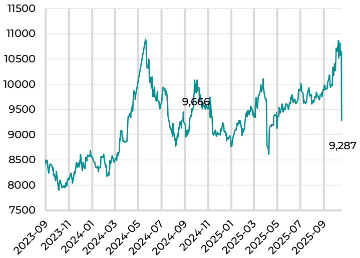
GLOBAL COMMODITY PRICE TRENDS

COAL
($/tons, Australian high quality coking coal, SGX)

Source: Bloomberg

- The average price of Australian high-quality coking coal on the Singapore Exchange in September 2025 was $191, marking a 9 percent decrease from the same period last year.

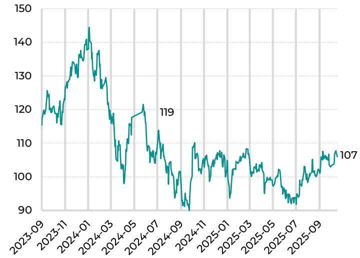
COPPER
($/tons, LME)



Source: Bloomberg

- The average price of copper on the London Metal Exchange in September 2025 was $10,594 marking a 11 percent increase from the same period last year.

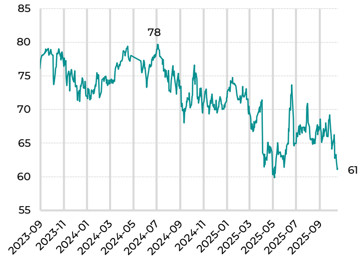
IRON CONCENTRATE
($/tons, iron concentrate 62%, Northwest China)



Source: Bloomberg

- The average price of iron ore in Northwest China in September 2025 was $105, marking a 0 percent increase from the same period last year.

CRUDE OIL
($/bbl, Brent)



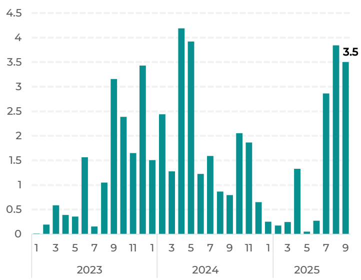
Source: Bloomberg

- The average price of Brent oil in September 2025 was $63, marking a 12 percent decrease from the same period last year.

4. THE MINING COMMODITY EXCHANGE TRADE SEPTEMBER 2025

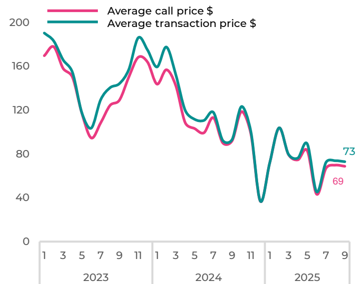
In the first 9 months of 2025, the Mining commodity exchange traded 12.5 million tons of coal, 4.2 million tons of iron ore and concentrate, 41.5 tons of fluoride, and 31.7 tons of copper concentrates.

COAL TRADE
(million tons, monthly)



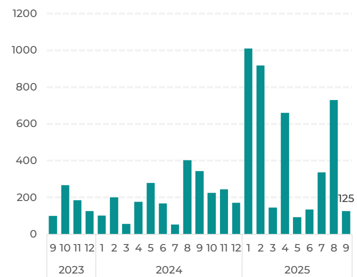
Source: Mongolian Stock Exchange

AVERAGE COAL PRICE
($/tons, monthly)



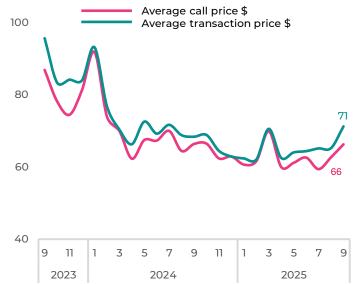
Source: Mongolian Stock Exchange

IRON TRADE
(thousand tons, monthly)



Source: Mongolian Stock Exchange

AVERAGE IRON PRICE
($/tons, monthly)



Source: Mongolian Stock Exchange

- Between January 2023 and September 2025, a total of 49.8 million tons of coal were traded, generating $5.4 billion in revenue.
- In 2024, 22.4 million tons of coal were traded, generating $2.4 billion in revenue.
- A total of 12.5 million tons of coal were sold in the first 9 months of 2025.

- As of September 2025, the average call price of coal was $69, and the average transaction price was $73.
- Depending on the type of coal, in September 2025, the minimum transaction price reached $20, and the maximum price reached $134.

- Between September 2023 and September 2025, a total of 7.2 million tons of iron ore and concentrate were traded, generating $480 million in revenue.
- In 2024, 2.4 million tons of iron ore and concentrate were traded, generating $167 million in revenue.
- A total of 4.1 million tons of iron ore and concentrate were sold in the first 9 months of 2025.

- The average call price of iron ore and concentrate was $60 September 2025, and the average transaction price reached $71.
- Depending on the type of iron, the minimum transaction price in September 2025 was $66, and the maximum price was $88.

5. BALANCE OF PAYMENTS, GROSS INTERNATIONAL RESERVES AUG-SEP 2025

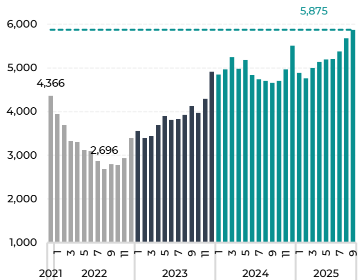
The balance of payments recorded a surplus of $5 million in August 2025, while gross international reserves increased to $5,875 million at the end of September 2025.

BALANCE OF PAYMENTS
(million $)

Note: The data is released with a one-month lag.
Source: Bank of Mongolia

- The balance of payments recorded a surplus of $5 million in August 2025.
- Compared to a year earlier, the current account deficit increased by $619 million, while the financial account surplus rose by $1,080 million.

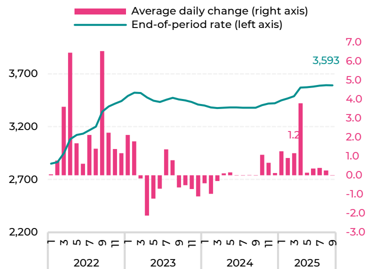
GROSS INTERNATIONAL RESERVES
(million $)



Source: Bank of Mongolia

- Gross international reserves stood at $5,875 million at the end of September 2025, up $191 million from the previous month, $1,212 million from the period last year.

EXCHANGE RATE
(MNT/USD)



Source: Bank of Mongolia

- The average daily change in the MNT/USD rate was 0.0 in September 2025, and the exchange rate stayed 3,593 at the end of the month.

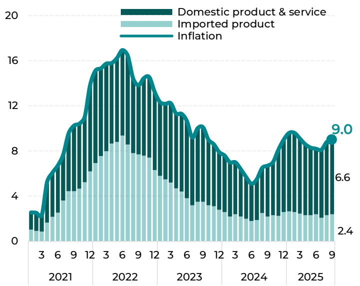
FOREIGN EXCHANGE AUCTIONS
(million $)

Source: Bank of Mongolia

- In September 2025, the Bank of Mongolia sold $442 million to the commercial banks.
- In the first 9 months of 2025, total intervention reached $4.6 billion, marking a $40 million increase compared to the same period last year.

The annual inflation rate reached 9.0 percent in September 2025, marking an increase of 0.2 percentage points from the previous month. The rise in inflation was mainly driven by higher prices of flour, medicine, and medical services. On a monthly basis, prices of consumer goods and services increased by 0.2 percent.

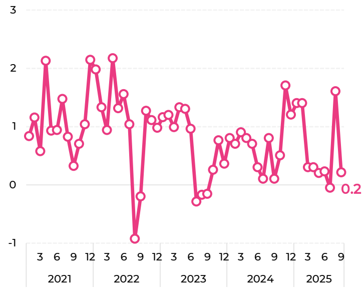
ANNUAL INFLATION
(percent)



Source: National Statistical Office

- In September 2025, the annual inflation rate reached 9.0 percent.
- Inflation from imported goods contributed 2.4 percentage points, accounting for 26.4 percent of the annual inflation.
- Inflation from domestic goods and services contributed 6.6 percentage points, accounting for 73.6 percent of the annual inflation.

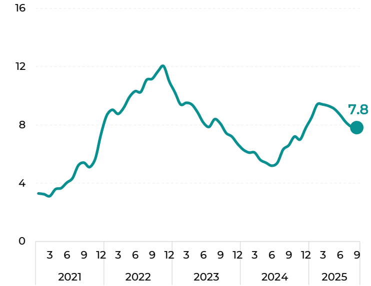
M-o-M INFLATION
(percent)



Source: National Statistical Office

- On a monthly basis, consumer prices increased by 0.2 percent in September 2025.
- This was mainly driven by a 0.9 percent increase in clothes and a 3.5 percent increase in furniture. Food prices decreased by 0.3 percent from the previous month.

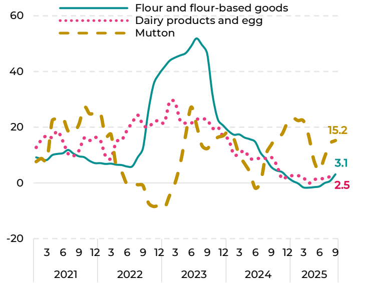
CORE INFLATION
(percent)



Source: National Statistical Office

- Core inflation excludes the volatile prices of food and energy from headline inflation.
- Core inflation fell to 7.8 percent in September 2025, contributing 4.8 percentage points to the annual inflation.
- Core inflation has declined for six consecutive months.

INFLATION OF SOME FOOD ITEMS *(percent)*

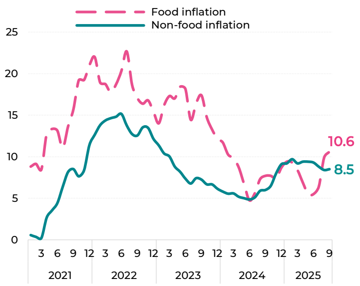


Source: National Statistical Office

- Price increases in meat, dairy, and flour products accounted for 8.2 percent of the annual inflation in September 2025.
- Prices of flour and flour-based products increased 3.1 percent from the same period last year.
- Prices of dairy products and eggs increased by 2.5 percent year-over-year.
- Mutton price increased by 15.2 percent year-over-year.

Global container shipping price reached $1,687, down by 48 percent compared to the same period last year. Meanwhile, the FAO Food Price Index (FFPI) increased by 3.4 percent in September 2025.

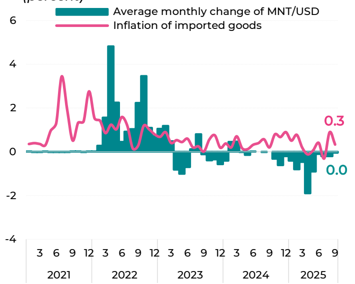
FOOD AND NON-FOOD INFLATION
(percent)



Source: National Statistical Office

- Food inflation was at 10.6 percent, accounting for 2.8 percentage points of annual inflation in September 2025. The acceleration in food inflation was driven by price increases for meat and flour, and flour-based goods.
- Non-food inflation was at 8.5 percent, accounting for 6.2 percentage points of annual inflation.

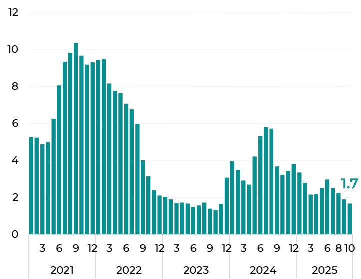
IMPORTED INFLATION AND EXCHANGE RATE
(percent)



Source: National Statistical Office, Bank of Mongolia

- In September 2025, the average MNT/USD rate depreciated by 0.05 percent from the previous month to MNT 3,594.
- In September 2025, prices of imported goods rose by 0.3 percent from the previous month.

WORLD CONTAINER INDEX
(1000$/40-foot container)



Source: Drewry's World Container Index

- International shipping costs have been rising due to the US tariff policy, but have gradually begun to decline since June.
- As of October 16, 2025, the Drewry World Container Index (WCI) reached $1,687 per 40-ft container, down 48 percent compared to the previous month.
- The decline in container shipping prices is easing supply-driven inflationary pressure.

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 128.8 points in September 2025, up 3.4 percent compared to the previous year.
- In September 2025, declines in the cereal, dairy, sugar, and vegetable oil indices outweighed an increase in the meat index.

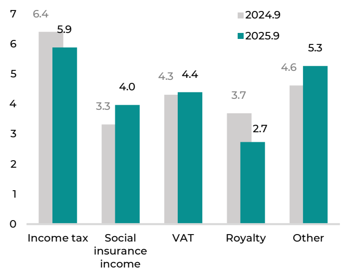
7. BUDGET

AUGUST 2025

Due to the decline in coal prices, total budget revenue reached ₮22.2 trillion as of September 2025, a decrease of ₮0.6 trillion (2.7 percent) compared to the same period last year.

BUDGET REVENUE

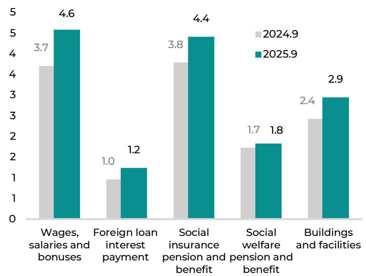
(by sources, trillion ₮)



Source: Ministry of Finance

KEY COMPONENTS OF THE EXPENDITURE INCREASE

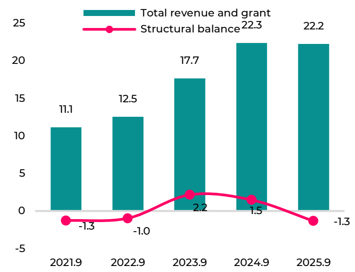
(by expenditure category, trillion ₮)



Source: Ministry of Finance

STRUCTURAL BALANCE

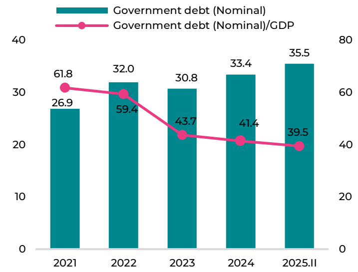
(trillion ₮)



Source: Ministry of Finance

GOVERNMENT DEBT (NPV)

(Left axis: trillion ₮,
Right axis: share of GDP)



Source: Ministry of Finance

- Total budget revenue reached ₮22.2 trillion, a decrease of ₮0.6 trillion (2.7 percent) from the same period last year.
- The decline in budget revenue was mainly due to a decrease in the total revenue of royalties by ₮1.0 trillion (25.8 percent), from the previous year, and that of corporate income tax by ₮0.9 trillion (19.2 percent).

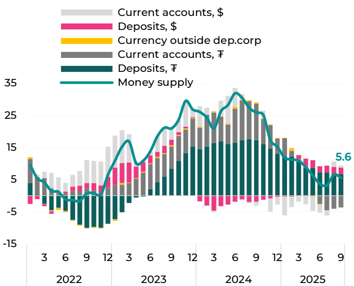
- As of September 2025, total expenditure amounted to ₮22.1 trillion, an increase of ₮2.2 trillion (+11.3 percent) compared to the same period last year.
- Pensions and public servant salaries were increased by an inflation rate of 6 percent in January 2025, in accordance with the 2025 Budget Law.
- The increase in spending was mainly driven by a 23.7 percent rise in civil servant wages and salaries, and a 13.1 percent increase in pensions and social benefit expenses.

- As of September 2025, the structural balance of the consolidated budget recorded a deficit of ₮1.3 trillion.
- The main factor contributing to the deficit was the slowdown in budget revenue, primarily due to the decline in coal prices, royalties, and reduced corporate income tax collections.

- As of the second quarter of 2025, the government debt (nominal) reached ₮35.5 trillion, equivalent to 39.5 percent of GDP.
- The government debt (nominal)-to-GDP ratio aligns with the special fiscal requirements.

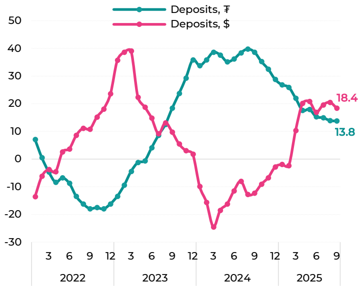
The money supply increased 5.6 percent year-on-year to ₮44.1 trillion in September 2025. The outstanding loans increased by 22.1 percent year-on-year in September 2025, reaching ₮42.7 trillion.

MONEY SUPPLY GROWTH
(percent)



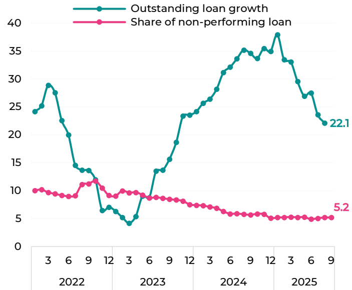
Source: Bank of Mongolia

DEPOSITS GROWTH
(percent)



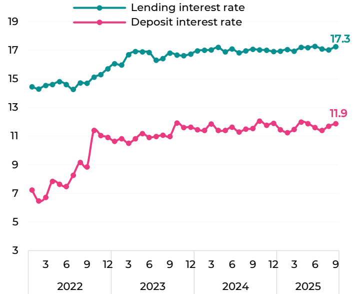
Source: Bank of Mongolia

LOANS
(percent)



Source: Bank of Mongolia

INTEREST RATE
(percent, weighted average rate)



Source: Bank of Mongolia

- In September 2025, the money supply reached ₮44.1 trillion, marking an increase of 5.6 percent from a year earlier.
- Domestic deposit and current account contributed 6.8 percentage points and 0.6 percentage points, while foreign currency current and deposit accounts contributed 0.6 percentage points and 2.0 percentage points to the growth, respectively.

- Total deposits reached ₮28.7 trillion, an increase of 14.6 percent from a year earlier.
- Domestic currency deposits reached ₮23.5 trillion, up 13.8 percent from a year earlier and 1.9 percent from the previous month.
- Foreign currency deposits reached ₮5.3 trillion, up 18.4 percent compared to the same period last year.

- In September 2025, outstanding loans reached ₮42.7 trillion, marking an increase of 22.1 percent from a year earlier.
- The share of non-performing loans in total loans was 5.2 percent, marking a decrease of 0.5 percentage points from a year earlier.

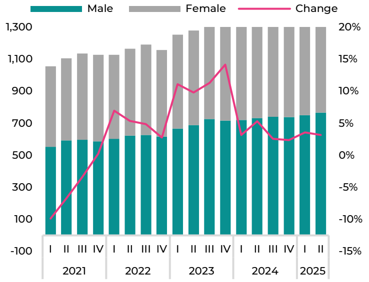
- In September 2025, the weighted average interest rate on outstanding loans was 17.3 percent, up 0.3 percentage points from the previous month.
- The interest rate on new deposits was 11.9 percent, marking an increase of 0.2 percentage points from the previous month.

9.1 LABOR MARKET

2025 Q2

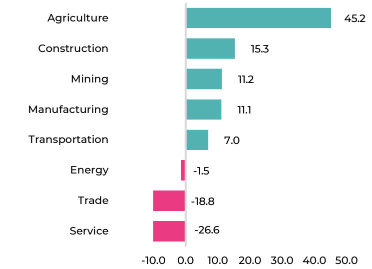
Although growth in the agricultural sector has stabilized and total employment has reached 1.39 million, the labor force participation rate has declined to 61.9 percent, driven by a decrease in the number of unemployed individuals.

CHANGES IN THE NUMBER OF EMPLOYEES BY GENDER
(thousand persons, percent)



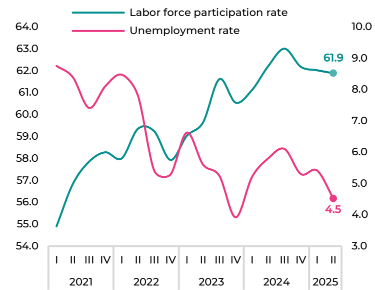
Source: National Statistics Office

CHANGES IN THE NUMBER OF EMPLOYEES BY SECTOR
(thousand persons)



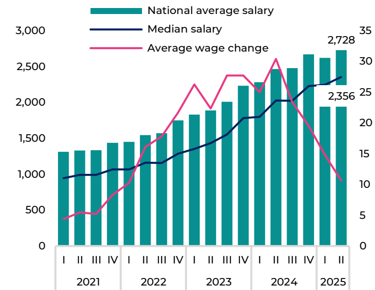
Source: National Statistics Office

LABOR FORCE PARTICIPATION RATE
(percent)



Source: National Statistics Office

THE AVERAGE, MEDIAN, REAL SALARY
(thousand ₮)



Source: National Statistics Office

- The number of employees increased by 43 thousand, or 3.2 percent, from the same period last year to 1 million 390 thousand, which is 228 thousand higher than before the pandemic.
- In the second quarter of 2025, the number of male employees increased by 34.3 thousand year-on-year, and the number of female employees increased by 8.7 thousand year-on-year.

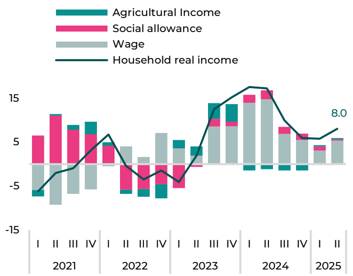
- The increase in the number of employees was mainly due to the recovery of the number of employees in the agricultural sector, which had been declining, increasing by 45 thousand compared to the same period of the previous year. In addition, the number of employees in the construction sector, mining, manufacturing and transportation sectors contributed positively
- However, the decrease in the number of employees in the energy, and trade and services sectors had a negative impact.

- The number of unemployed people decreased by 16 thousand compared to the same period of the previous year, bringing the unemployment rate to 4.5 percent, down 1.2 percentage points from the same period of the previous year.
- However, the labor force participation rate decreased by 0.3 percentage points from the same period of the previous year to 61.9 percent, due to the decrease in the number of unemployed people.

- In the second quarter of 2025, the average salary increased by 11 percent compared to the previous year, reaching 2 million 728 thousand ₮.
- The national median salary rose by 356 thousand ₮, or 16 percent from the last year, amounting 2 million 356 thousand ₮ (which is ₮372 thousand less than the average salary). This indicates that more than half of employees earn less than 2.4 million ₮.
- Real wages, adjusted for the consumer price index, increased by 8.4 percent from the previous year to 1 million 916 thousand ₮.

Household real income, which had declined for the past three consecutive quarters, recovered and grew by 8.0 percent in the first half of 2025.

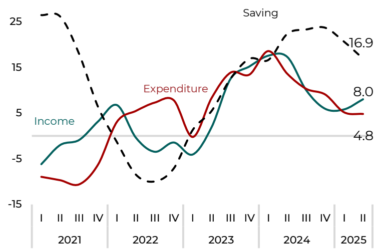
AVERAGE REAL INCOME GROWTH
(percent)



Source: National Statistics Office

- The average real household income grew by 8.0 percent in the second quarter of 2025.
- The growth was mainly driven by an increase in wage income by ₮264.4 thousands, pension and benefit income by ₮55.3 thousands from the year earlier.

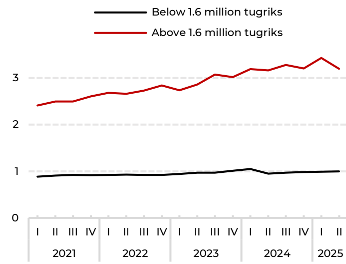
NOMINAL INCOME, EXPENDITURE AND SAVING
(percent)



Source: National Statistics Office

- Wage income has risen rapidly since Q2 2024, accounting for 54.0 percent of total income.
- Household income growth is starting to outpace expenditure growth, but savings growth has slowed this year.

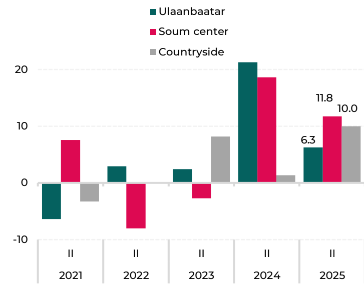
AVERAGE NOMINAL INCOME
(million ₮)



Source: National Statistics Office

- Real income growth among low-income households remains insignificant.
- Households with incomes below ₮1.6 million account for 30.8 percent of all households. Their average monthly nominal income stood at ₮994 thousands, increasing by only ₮5.6 thousands compared to 2025Q1.
- On the other hand, for households with incomes above ₮1.6 million, average monthly income reached ₮3.2 million, down by ₮229 thousands from 2025Q1.

AVERAGE REAL INCOME GROWTH
(percent)



Source: National Statistics Office

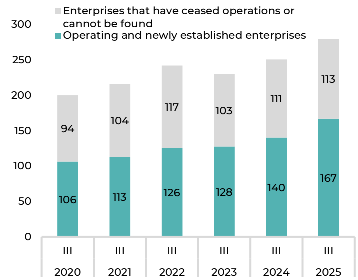
- Average income in rural areas and Soum centers increased faster than national average and Ulaanbaatar's.
- This growth in rural areas was primarily driven by a 40 percent wage increase in Soum centers, effective April 1, 2024

10. ENTERPRISES

2025 Q2-Q3

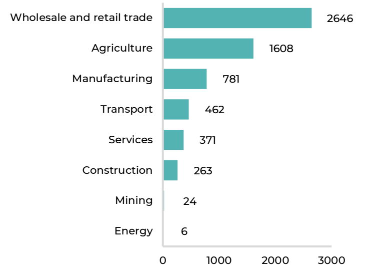
In the third quarter of 2025, the total number of enterprises registered in the Business Registration Database reached 279.9 thousand, an increase of 29.0 thousand or 11.6 percent from same period last year.

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



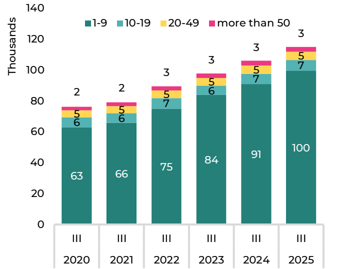
Source: National Statistics Office

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



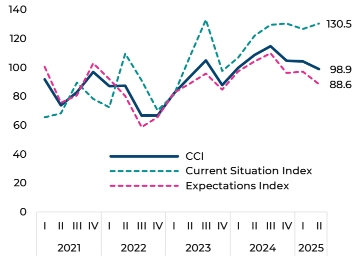
Source: National Statistics Office

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 the third quarter of 2025, the total number of enterprises registered in the Business Registration Database reached 279.9 thousand, an increase of 29.0 thousand or 11.6 percent from same period last year.
- Of this growth, 17.7 thousand were newly established enterprises that have not yet commenced operations, while 8.9 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 thousand actively operating enterprises added.
- Additionally, with the implementation of policies supporting agriculture, the number of enterprises in this sector increased by 24 percent for operating enterprises.

- Out of the 115.0 thousand operating enterprises, 99.7 thousand are micro-enterprises with 1-9 employees.
- Moreover, micro-enterprises with 1-9 employees account for 96.7% of the growth in operating enterprises.

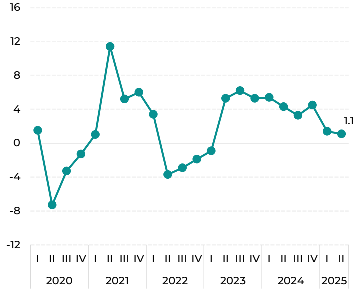
- As of the second quarter of 2025, the Consumer Confidence Index (CCI) reached 98.9, declining by 9.8 points compared to the same period last year.
- By CCI components, the Current Situation Index, which shows citizens' perceptions of the current economic situation, has increased by 8.3 points. This was driven by improved evaluation for job availability.
- On the other hand, the Expectations Index, which reflects citizens' six-month outlook on economic conditions, has decreased by 15.7 points, due to a deterioration in expectations regarding future business conditions, job availability, and income.

11.1 WORLD ECONOMY- RUSSIA

Aug-Sep 2025

The Russian economy grew by 1.1 percent in the second quarter of 2025. The inflation rate declined to 8.0 percent in September 2025, showing a 0.16 percentage point decline from the previous month.

GDP GROWTH
(percent)



Source: Bloomberg

- Russia's economic growth slowed to 1.1 percent, marking a decline of 3.2 percentage points in the second quarter of 2025.

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

Source: Central Bank of the Russian Federation

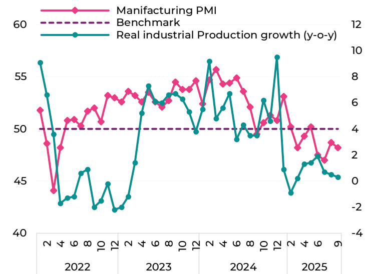
- As of August 2025, exports reached $31.5 billion and imports reached $24.0 billion, resulting in a trade surplus of $7.4 billion.
- Exports decreased by 8.9 percent in August 2025 compared to a year earlier.
- Imports decreased by 7.3 percent in August 2025 compared to a year earlier.

INFLATION
(percent)

Source: Bloomberg

- The inflation rate remains above the central bank's target level of 4 percent.
- The inflation rate reached 8.0 percent in September 2025, down 0.16 percentage points from the previous month and 0.7 percentage points from the same period last year.
- The Central Bank of Russia reduced its policy rate by 2 percentage points to 18 percent in July 2025.

PURCHASING MANAGERS' INDEX
(PMI)

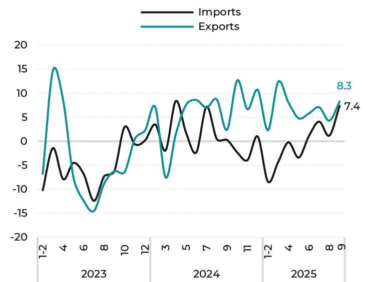


Source: Bloomberg

- In September 2025, the Purchasing Manager's Index (PMI) for the industrial sector reached 48.2, reflecting a decreased of 0.5 points from the previous month.
- As of September 2025, the growth of real industrial production reached 0.3 percent, down by 0.2 percentage points from the previous month.

Despite weak domestic demand, China's economy expanded by 5.2% in the second quarter of 2025, supported by policy-supported exports and investment.

EXPORTS & IMPORTS GROWTH
(percent)

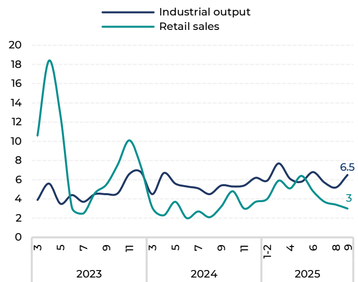


Source: National Bureau of Statistics of China

- China's GDP grew by 5.2 percent in 2025Q2.
- Export growth decelerated to 8.3 percent in September 2025, while import growth also decelerated to 7.4 percent this month.

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

INDUSTRIAL OUTPUT, RETAIL SALES GROWTH *(percent)*

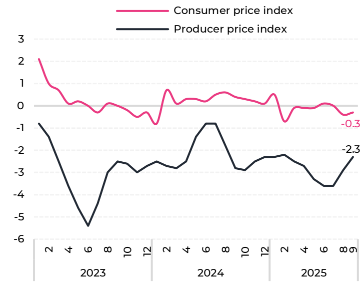


Source: National Bureau of Statistics of China

- After two months of decline, industrial output rebounded in September 2025, increasing by 6.5 percent.
- Retail sales growth - a key indicator of consumption behavior - slowed to 3.0 percent in September 2025.

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

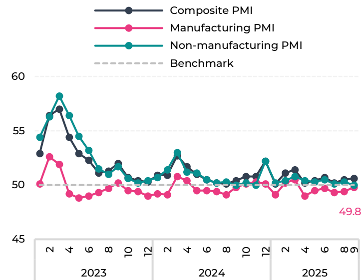
INFLATION
(percent)



Source: Bloomberg

- The consumer price index turned to -0.3 percent, indicating deflation in September 2025.
- The producer price index fell by 2.3 percent in September 2025, with the pace of price decline easing compared to the previous months.

PURCHASING MANAGERS' INDEX
(PMI)



Source: National Bureau of Statistics of China

- The manufacturing PMI increased to 49.8 in September 2025, remaining in contraction territory.
- The non-manufacturing and composite PMIs rose from the previous month and remained above the 50 threshold, indicating continued expansion.

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.