Ministry of Economy and Development

MONTHLY MACROECONOMIC UPDATE

May 2026

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‣ MAIN ECONOMIC INDICATORS - 2026.05

GDP growth
(April 2025)

7.8 percent

International reserves
(May 2026)

7,733 million $

Inflation
(May 2026)

11.2 percent

Budget balance
(May 2026)

-1,351 billion ₮

Exports
(May 2026)

8.5 billion $

Imports
(May 2026)

4.9 billion $

FDI
(Q1 2026)

1.4 billion $

Loan rate
(May 2026)

17.5 percent

Number of employees
(Q1 2026)

1.34 million

** As of Q1 2026 the labor force participation rate is 60.4 percent.*

Real wage
(May 2026)

2.3 million

**CPI 2023=100*

Number of enterprises operating
(Q1 2026)

117.3 thousand

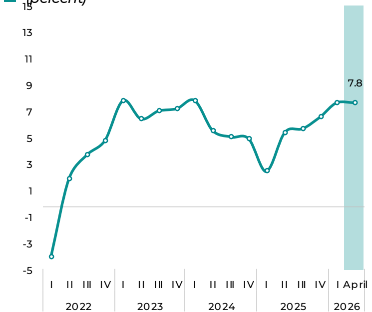
**Mainly in trade, services, construction and manufacturing sectors*

Household real income growth
(Q4 2025)

5.0 percent

Economic growth reached 7.8 percent in April 2026. Growth was mainly supported by increased mining production. In addition, growth in the agricultural sector remained stable and service sector output increased, supporting growth.

REAL GDP GROWTH
(percent)



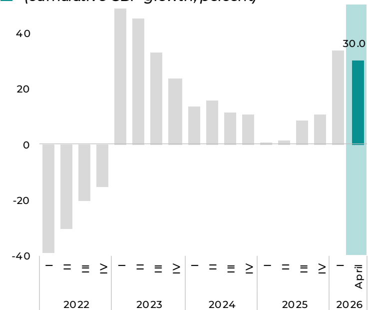
Source: National Statistics Office

REAL GDP GROWTH
(by sectors)

GDP	2025.I	**2026.I**
	2.6	**7.9**
Agriculture	35.6	**11.4**
Mining	0.7	**33.6**
Manufacturing	5.3	**-6.6**
Electricity, water	5.5	**8.0**
Construction	-0.8	**9.5**
Wholesale, retail trade	-5.5	**-0.8**
Transportation	-11.4	**23.8**
Information, communication	17.5	**6.6**
Other services	6.1	**2.7**
Net taxes on products	-3.1	**1.1**

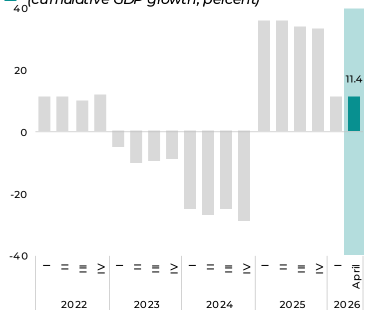
Source: National Statistics Office

MINING
(cumulative GDP growth, percent)



Source: National Statistics Office

AGRICULTURE
(cumulative GDP growth, percent)



Source: National Statistics Office

- Real GDP grew by **7.8 percent** in April 2026.
- Primary sector: Agriculture expanded by 11.4 percent, contributing 1.3 percentage points to growth, while the mining sector increased by 33.0 percent, contributing 4.0 percentage points to overall growth.
- Secondary sector (industry, construction): Output grew by 2.9 percent, contributing 0.3 percentage points to overall growth.
- Services sector: Expanded by 4.2 percent, contributing 2.1 percentage points to overall growth.
- Net taxes on products increased by 0.9 percent, supporting growth by 0.1 percentage points.

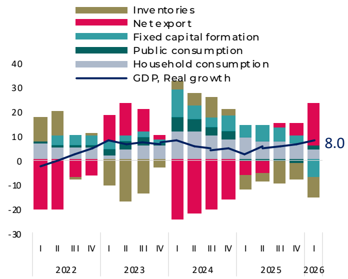
- Economic growth was mainly supported by expansions in the agricultural and mining sectors, while a contraction in the trade sector dampened overall growth.
- Manufacturing, construction, electricity, water, and transportation sectors dampened overall growth.
- The trade sector remained in decline, largely due to a decrease in sales of non-food products.

- The mining sector grew by 33.0 percent in April 2026.
- This growth was mainly driven by coal production, which reached 50.5 million tons, increasing by 44 percent compared to the previous year, and copper concentrate production, which reached 972 thousand tons, increasing by 21 percent year-on-year.

- The agriculture sector grew by 11.4 percent in April 2026.
- Despite weather condition were relatively normal, adverse weather in spring affected livestock outcomes. The number of matured young livestock reached 14.0 million (98.9 percent), decreasing by 820 thousand head year-on-year, while adult livestock losses increased to 230.8 thousand head, up by 114 thousand compared to the same period last year, indicating a slowdown in growth.

On the demand side, net exports and household consumption contributed to economic growth.

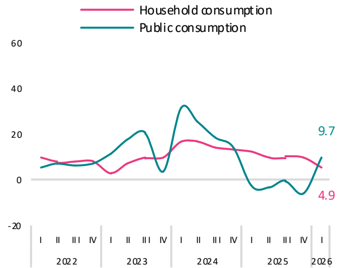
GDP GROWTH
(percent)



Source: National Statistical Office

- Economic growth was mainly supported by external demand. Net exports contributed 16.6 percentage points to total growth, while household consumption contributed 6.4 percentage points.
- In contrast, the decline in gross capital formation reduced growth by 15.0 percentage points.

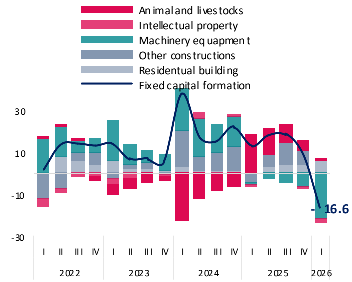
CONSUMPTION GROWTH
(percent)



Source: National Statistical Office

- Government consumption increased by 9.7% in real terms compared to the same period of the previous year, while household consumption increased by 4.9%.

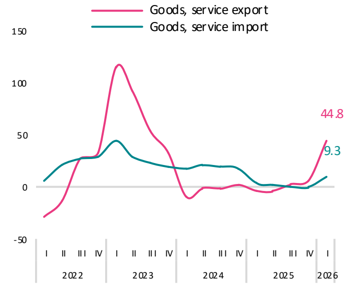
FIXED CAPITAL FORMATION GROWTH *(percent)*



Source: National Statistical Office

- Gross fixed capital formation declined by 16.6%, mainly driven by a 34.8% decrease in machinery and equipment accumulation compared to the previous year.

EXPORT AND IMPORT GROWTH
(percent)



Source: National Statistical Office

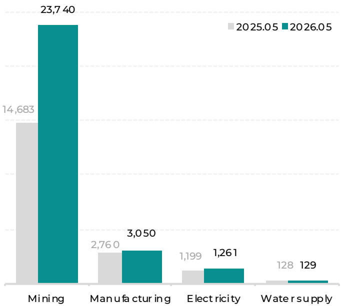
- Exports of goods and services increased by 44.8% compared to the previous year, while imports growth continued to slow, recording a 9.3% increase, contributing positively to net exports.

1.3 INDUSTRIAL PRODUCTION

MAY 2026

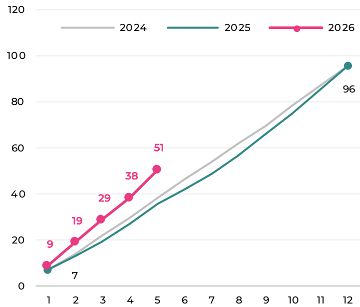
Industrial sector output increased by 50.1 percent in May 2026. The growth was mainly driven by higher volumes of coal, copper, and iron ore production in the mining sector.

GROSS OUTPUT
(billion ₮)



Source: National Statistics Office

COAL PRODUCTION
(million tons)



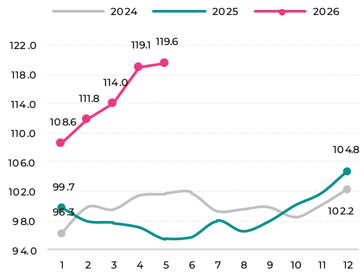
Source: National Statistics Office

MINING PRODUCTION
(by main commodities)

		YoY change:
Copper concentrate	972 thoust	21.1%
Crude oil	1,480 thoust	-7.0%
Gold	3.7 tonn	4.7%
Iron ore	3.3 milt	35.0%

Source: National Statistics Office

PRODUCER PRICE INDEX
(2024=100)



Source: National Statistics Office

- Industrial sector output reached MNT 28.2 trillion in May 2026, increasing by 50.1 percent compared to the same period of the previous year.
- Although crude oil and zinc concentrate production declined, growth in coal and metal ore extraction led to a 61.7 percent increase in nominal output.
- The manufacturing sector (in nominal terms) grew by 10.5 percent, driven by an increase in food production due to increased dairy production, and an increase in the production of chemicals and chemical products.

- Around 80 percent of total industrial output* is generated by the mining sector, of which coal extraction accounts for approximately 40 percent.
- Coal production reached 50.6 million tons in May 2026, increasing by 44.2 percent compared to the previous year.

As of 2025

- Copper concentrate production increased by 21.1 percent in May 2026, reaching 972 thousand tons.
- Iron ore and iron ore concentrate production reached 3.3 million tons, increasing by 35 percent.
- Gold production reached 3.7 tons, rising by 4.7 percent compared to the same period of the previous year.
- Meanwhile, crude oil production declined by 7 percent.

- The Producer Price Index (PPI) increased by 25.2 percent year-on-year in May 2026.

PPI increased in:

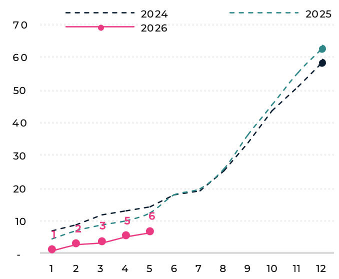
- Chemical and chemical products manufacturing by 56.7 percent;
- Crude oil and natural gas extraction by 53.9 percent;
- Metal ore mining by 52.4 percent;
- Paper and paper products manufacturing by 49.6 percent;

1.4 MANUFACTURING PRODUCTS

MAY 2026

The manufacturing sector output decreased by 3.9 percent in real terms in May 2026. This decline was mainly driven by lower production in meat processing, wheat flour production, beverage production, and metal processing.

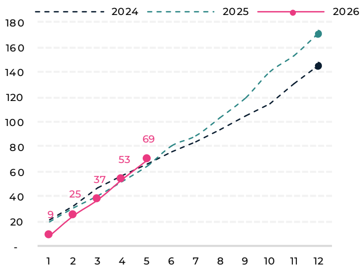
MEAT
(thousand tons)



Source: National Statistics Office

- Processed livestock meat reached 6.2 thousand tons in May 2026, decreasing by 50 percent compared to the same period of the previous year.
- As the physical volume of processed meat declined, real output in meat processing and preservation activities, which account for around 8–10 percent of manufacturing output, decreased by 26.5 percent year-on-year (adjusted using the 2024-based producer price index).

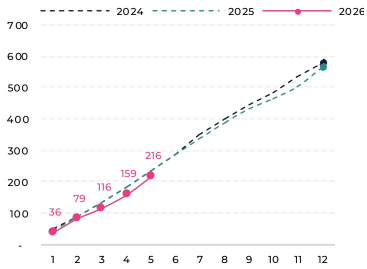
WHEAT FLOUR
(thousand tons)



Source: National Statistics Office

- Flour production reached 68.9 thousand tons in May 2026, increasing by 6.4 percent compared to the same period of the previous year.
- As the physical volume of flour production increased, real output of flour, starch, and starch products-accounting for around 5-7 percent of the manufacturing sector decreased by 7 percent year-on-year (adjusted for the producer price index based on 2024).

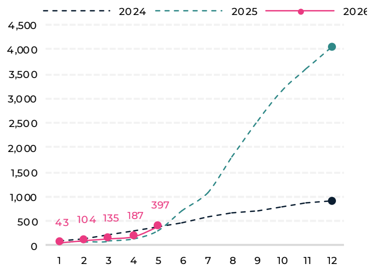
BEVERAGES
(thousand tons)



Source: National Statistics Office

- The production volume of alcoholic and non-alcoholic beverages reached 216.2 thousand tons in May 2026, decreasing by 8.1 percent compared to the same period of the previous year.
- As the physical volume declined, real output of beverages, which account for around 20–25 percent of the manufacturing sector decreased by 4 percent year-on-year (adjusted for the 2024-based producer price index).

CASHMERE PRODUCTS
(tons)



Source: National Statistics Office

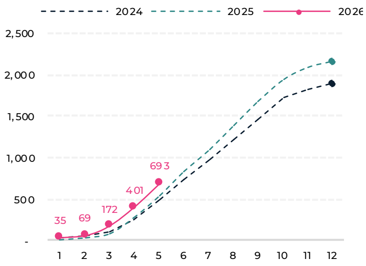
- Combed cashmere production reached 397 tons in May 2026, increasing by 32.9 percent compared to the same period of the previous year.
- Despite the increase in physical output, real production in spinning, weaving, and textile materials—accounting for around 3–5 percent of the manufacturing sector, remained at around the same level as the previous year (adjusted for the 2024-based producer price index).

Note: The industrial sector's statistics for October have not been released.

1.5 MANUFACTURING PRODUCTS: Construction inputs — MAY 2026

Production of key inputs in the construction sector increased, including cement, vacuum windows and doors, and base metals and rolled products, while cathode copper production declined.

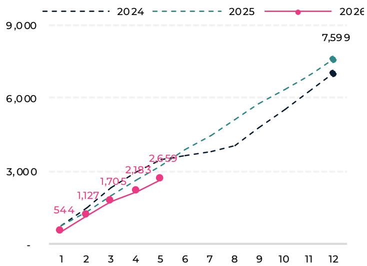
CEMENT
(thousand tons)



Source: National Statistical Office

- Cement production reached 693 thousand tons in May 2026, increasing by 29.2 percent compared to the same period of the previous year.

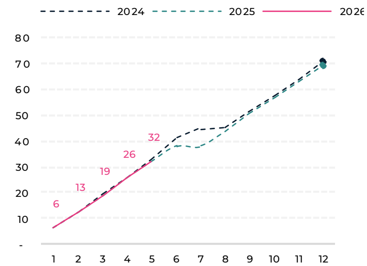
COPPER CATHODE
(tons)



Source: National Statistical Office

- Cathode copper production reached 2,659 tons in May 2026, decreasing by 17 percent compared to the same period of the previous year.

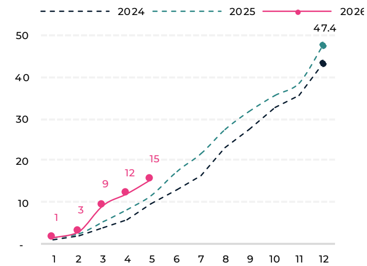
BASE METAL AND FOUNDRIES
(thousand tons)



Source: National Statistical Office

- Metal billets and rolled products production reached 32.1 thousand tons in May 2026, increasing by 1.4 percent compared to the same period of the previous year.

WINDOW AND DOORS
(thousand m2)



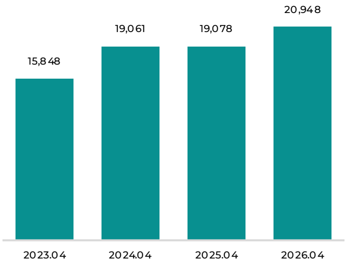
Source: National Statistical Office

- Vacuum windows and doors production reached 15.3 thousand m² in May 2026, increasing by 30.2 percent compared to the same period of the previous year.

Note: The industrial sector's statistics for October have not been released.

Higher coal transportation led to an increase in freight transport activity in the transportation sector. In inflation-adjusted terms, real revenues in the trade and hotel sectors has accelerated, while real income growth in the catering sector has slowed.

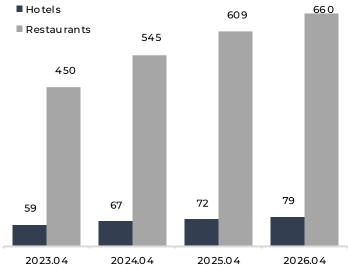
DOMESTIC TRADE
(trade turnover, billion ₮, adjusted by CPI)



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

- Wholesale and retail trade account for the largest share of the services sector.
- In April 2026, sales revenue in the sector reached MNT 20.9 trillion in nominal terms, increasing by 9.8 percent compared to the same period of the previous year, while real sales, adjusted for price effects, declined by 1.6 percent.

HOTELS, RESTAURANTS
(revenue, billion ₮, adjusted by CPI)



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

- In April 2026, nominal sales revenue in the hotel sector increased by 9.8 percent, while revenue in the food services sector rose by 8.5 percent.
- In real terms, adjusted for price effects, hotel sector revenue increased by 2.1 percent, food services revenue increased by 0.8 percent.

TRANSPORTATION
(carried freight, million tons)

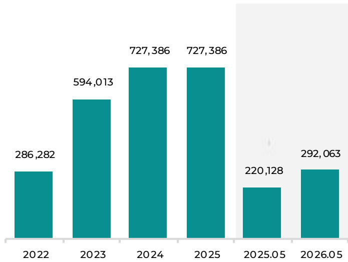
	2025.05	2026.05	YoY change:
Railway	17.3	25.6	47.5%
Mining products	12.5	19.5	56.3%
Air	3.81	3.63	-4.8%
	2025.I	2026.I	
Road	18.4	28.6	55.1%
Mining products	12.2	18.7	52.5%

**thousand tons*

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

- Rail transport reached 25.6 million tons as of May 2026, increasing by 47.5 percent compared to the same period of the previous year.
- Air freight declined by 4.8 percent year-on-year.
- Road transport reached 28.6 million tons in Q1 2026, increasing by 55.1 percent compared to the previous year.

TOURISM
(number of inbound tourists, thousand person)



Source: National Statistics Office

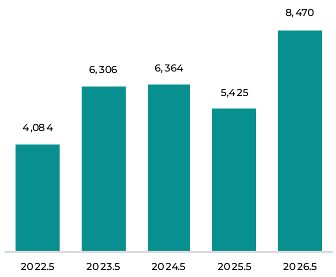
- The number of inbound tourists reached 292 thousand in the first five months of 2026, increasing by 32.7 percent compared to the same period of the previous year.

2.1 FOREIGN TRADE

May 2026

As of May 2026, total foreign trade turnover reached USD 13.4 billion, while the trade balance recorded a surplus of USD 3.6 billion.

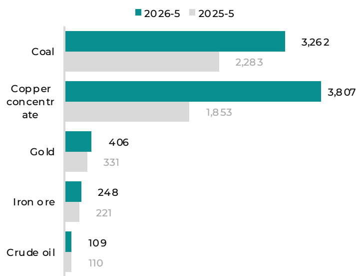
EXPORTS
(million $)



Source: MGCA

- In May 2026, exports reached $8,470 million, increase of 56 percent from last year.
- Mining products accounted for 96 percent of total exports.

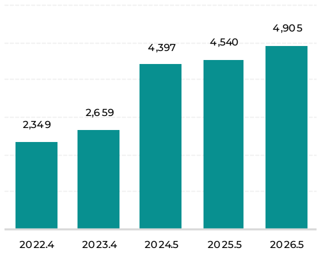
EXPORTS BY MAIN PRODUCTS
(million $)



Source: MGCA

- Coal export reached $3,262 million, increasing by 43 percent compared with the previous year.
- Copper concentrate export reached $3,807 million, increasing by 105 percent compared with the previous year.
- Gold export reached $406 million, increasing by 23 percent compared with the previous year.
- Iron ore export reached $248 million, increasing by 12 percent compared with the previous year.

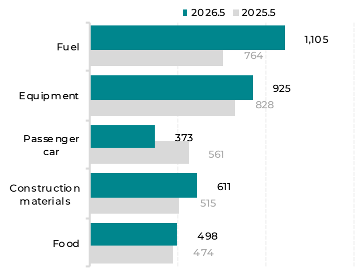
IMPORTS
(million $)



Source: MGCA

- In May 2026, imports reached $4,905 million, an increase of 8 percent from last year.
- Fuel accounted for 23 percent of the total imports, equipment for 19 percent, construction materials for 12 percent, food products for 10 percent, and passenger cars for 8 percent.
- Imports of fuel increased by 45 percent, construction materials by 19 percent, equipment by 12 percent, and food imports by 5 percent, contributing to the overall increase in total imports.

IMPORTS BY MAIN PRODUCTS
(million $)

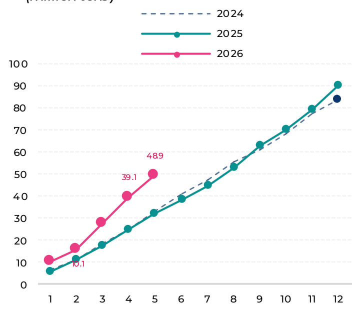


Source: MGCA

- Fuel imports reached $1,105 million, up 45 percent compared to a year earlier.
- Equipment import reached $925 million, up 12 percent compared to a year earlier.
- Passenger car imports reached $373 million, down 33 percent compared to a year earlier.
- Construction materials' imports reached $611 million, up 19 percent compared to a year earlier.
- Food imports reached $498 million, up 5 percent compared to a year earlier.

As of May 2026, mining products made up 95 percent of total exports.

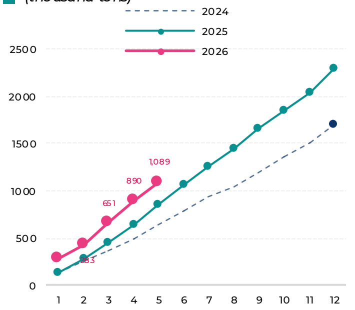
COAL
(million tons)



Source: MGCA

- In May 2026, coal exports reached 48.9 million tons, increasing by 54 percent with the previous year.

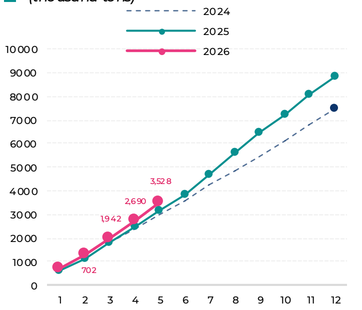
COPPER CONCENTRATE
(thousand tons)



Source: MGCA

- In May 2026, copper concentrate exports reached 1,089 thousand tons, increasing by 28 percent compared with the previous year.

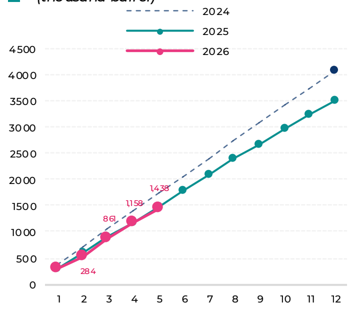
IRON ORE
(thousand tons)



Source: MGCA

- In May 2026, iron ore exports reached 3,528 thousand tons, increasing by 14 percent compared with the previous year.

CRUDE OIL
(thousand barrel)

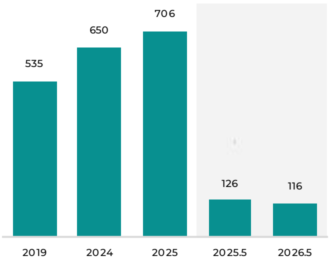


Source: MGCA

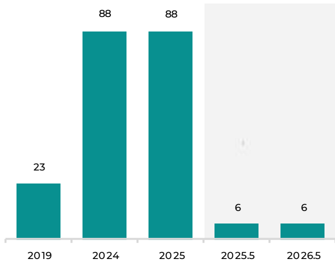
- In May 2026, crude oil exports reached 1,438 thousand barrels, unchanged from the same period of the previous year.

In May 2026, agricultural exports decreased by 8 percent compared with the previous year.

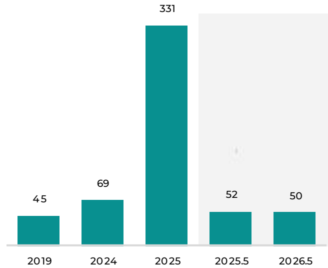
TOTAL AGRICULTURAL EXPORTS
(million USD)



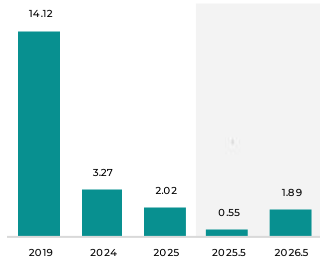
MEAT OF SHEEP AND GOAT
(million USD)



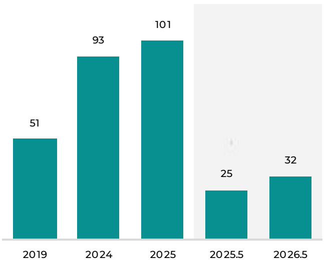
CASHMERE, WASHED
(million USD)



FURS, HIDES AND SKINS
(million USD)

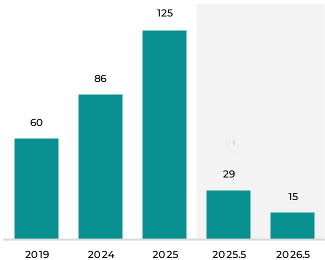


CANNED MEATS
(million USD)



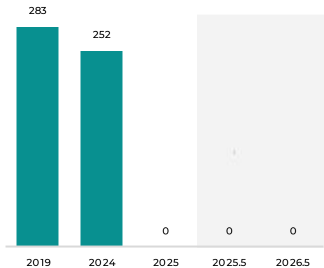
Source: MGCA

MEAT OF HORSE AND BOVINE
(million USD)



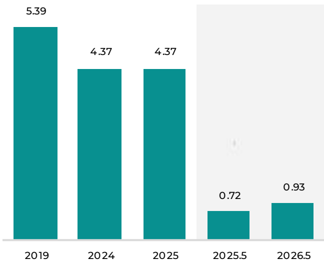
Source: MGCA

CASHMERE, COMBED
(million USD)



Source: MGCA

WOOL
(million USD)



Source: MGCA

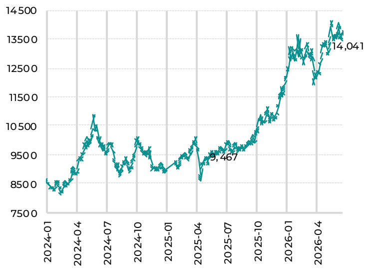
GLOBAL COMMODITY PRICE TRENDS

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

Source: Bloomberg

- The average price of Australian premium coking coal traded on the Singapore Exchange (SGX) reached USD 244 in May 2026, up 2 percent from the previous month and 35 percent from the same period of the previous year.

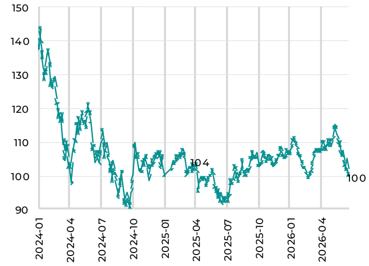
COPPER
($/tons, LME)



Source: Bloomberg

- The average price of refined copper on the London Metal Exchange (LME) reached USD 13,647 in May 2026, up 38 percent from the same period of the previous year.

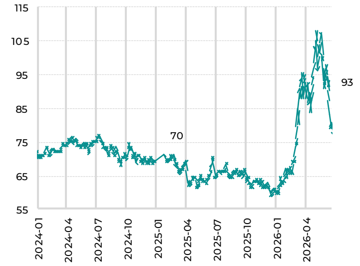
IRON CONCENTRATE
($/tons, iron concentrate 62%, Northwest China)



Source: Bloomberg

- The average price of iron ore concentrate in Northeast China reached USD 102 in May 2026, down 8 percent from the previous month but up 9 percent from the same period of the previous year.

CRUDE OIL
($/bbl, Brent)



Source: Bloomberg

- The average price of Brent crude oil reached USD 87 in May 2026, down 12 percent from the previous month, although it increased by 31 percent from the same period of the previous year.

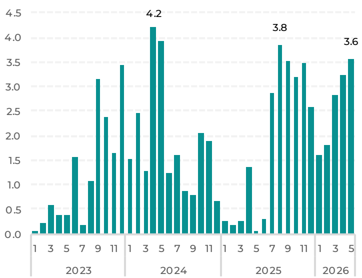
4. THE MINING COMMODITY EXCHANGE TRADE

MAY 2026

In May 2026, the Mining Commodity Exchange traded 13 million tons of coal and 2.0 million tons of iron ore.

COAL TRADE

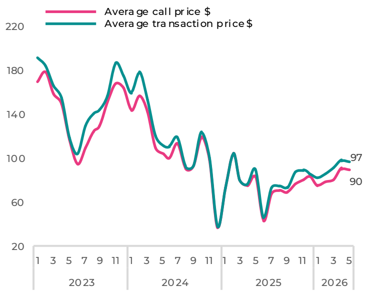
(million tons, monthly)



Source: Mongolian Stock Exchange

AVERAGE COAL PRICE

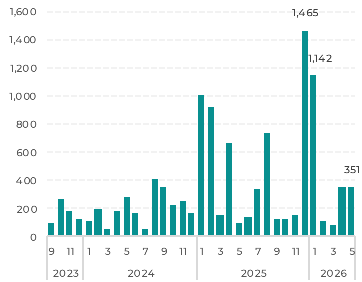
($/tons, monthly)



Source: Mongolian Stock Exchange

IRON TRADE

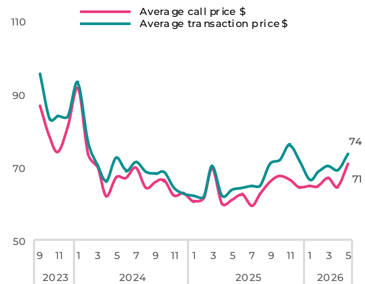
(thousand tons, monthly)



Source: Mongolian Stock Exchange

AVERAGE IRON PRICE

($/tons, monthly)



Source: Mongolian Stock Exchange

- Between January 2023 and May 2026, a total of 72.1 million tons of coal were traded, generating $7.3 billion in revenue.
- In 2025, 21.8 million tons of coal were traded, generating $1.6 billion in revenue.
- In May 2026, 13 million tons of coal were sold.

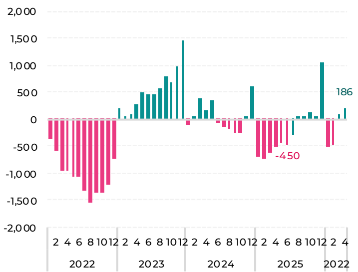
- In May 2026, the average call price of coal was $90, and the average transaction price was $97.
- Depending on the type of coal, in May 2026, the minimum transaction price reached $21, and the maximum price reached $153.

- Between September 2023 and May 2026, a total of 11 million tons of iron ore and concentrate were traded, generating $732million in revenue.
- In 2025, 5.9 million tons of iron ore and concentrate were traded, generating $380 million in revenue.
- In May 2026, 2 million tons of iron ore were sold.

- The average call price of iron ore and concentrate was $71 in May 2026, and the average transaction price reached $74.
- Depending on the type of iron, the minimum transaction price in May 2026 was $60, and the maximum price was $97.

The balance of payments recorded a $186 million surplus in April 2025, while gross international reserves increased to $7,733 million at the end of May 2026.

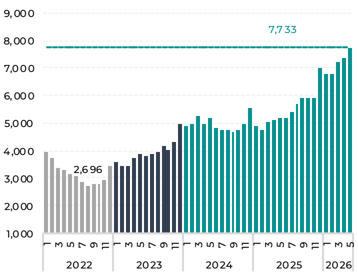
BALANCE OF PAYMENTS
(million $)



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

- The balance of payments recorded a surplus of $186 million in April 2026.
- The current account is $311 million surplus, while the financial account is $227 million surplus.

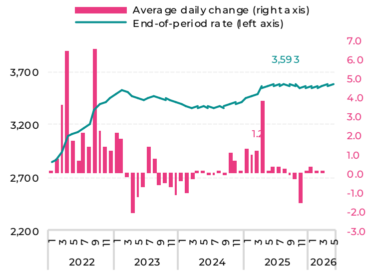
GROSS INTERNATIONAL RESERVES
(million $)



Source: Bank of Mongolia

- Gross international reserves stood at $7,733 million at the end of May 2026, up $406 million from the previous month, $2,539 million from the period last year.

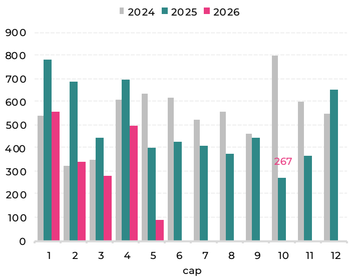
EXCHANGE RATE
(MNT/USD)



Source: Bank of Mongolia

- The average daily change in the MNT/USD rate was 0 in May 2026, and the exchange rate remained at 3,576.

FOREIGN EXCHANGE AUCTIONS
(million $)



Source: Bank of Mongolia

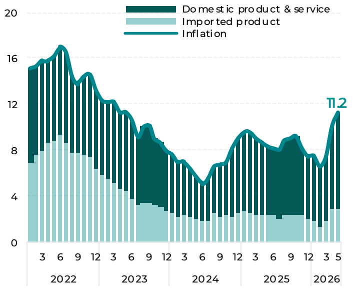
- In May 2026, the Bank of Mongolia sold $88 million to the commercial banks.
- As of the first five months of 2026, total intervention reached $1,756 million, marking a $1,756 million decrease compared to the previous year.

6.1 INFLATION

MAY 2026

The annual inflation rate reached 11.2 percent in May 2026, marking an increase of 2.9 percentage points compared to the same period last year. Although the base effect of electricity tariffs dissipated, price increases in the food and transportation groups primarily drove the year-on-year acceleration in inflation. Prices of goods and services increased by 1.1 percent from the previous month.

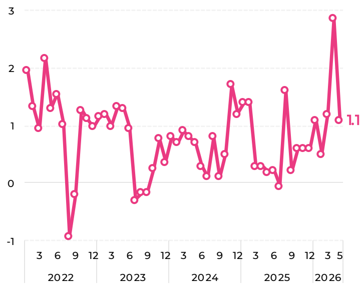
ANNUAL INFLATION
(percent)



Source: National Statistical Office

- In May 2026, the annual inflation rate stood at 11.2 percent.
- Inflation from imported goods contributed 2.9 percentage points, accounting for 25.3 percent of the annual inflation.
- Inflation from domestic goods and services contributed 8.3 percentage points, accounting for 74.7 percent of the annual inflation.

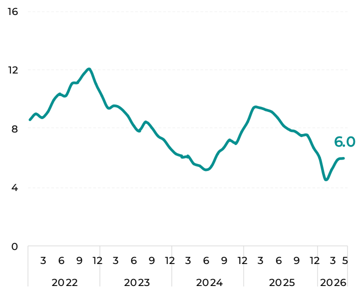
M-o-M INFLATION
(percent)



Source: National Statistical Office

- On a month-over-month basis, consumer prices increased by 1.1 percent in May 2026.
- This increase was primarily driven by a 9.9% rise in the prices of meat and meat products.

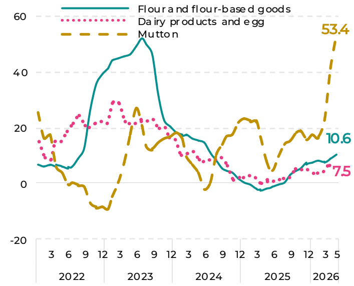
CORE INFLATION
(percent)



Source: National Statistical Office

- Core inflation excludes the volatile prices of food and energy from headline inflation.
- Core inflation estimated at 6.0 percent in May 2026, contributing 3.7 percentage points to the annual inflation.
- Core inflation increased last month.

PRICE TRENDS FOR KEY FOOD COMMODITIES *(percent)*



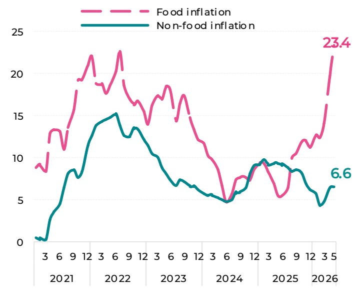
Source: National Statistical Office

- Price increases in meat, dairy, and flour products accounted for 43.7 percent of the annual inflation in May 2025.
- Prices of flour and flour-based products increased 10.6 percent from the same period last year.
- Prices of dairy products and eggs increased by 7.5 percent year-over-year.
- Mutton price increased by 53.4 percent year-over-year.

Global container shipping price rise to $3,433, marking a 15.1 percent increase from the same period last year. Meanwhile, the FAO Food Price Index (FFPI) rose by 0.1 percent month over month in May 2026.

FOOD AND NON-FOOD INFLATION

(percent)

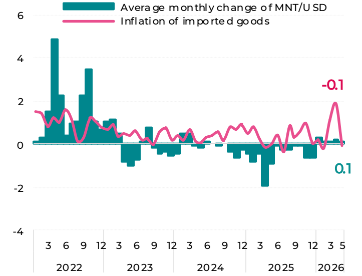


Source: National Statistical Office

- Food inflation was at 23.4 percent, accounting for 6.4 percentage points of annual inflation in May 2026. The acceleration in food inflation was driven by price increases in meat and meat products.
- Non-food inflation was at 6.6 percent, accounting for 4.8 percentage points of annual inflation.

IMPORTED INFLATION AND EXCHANGE RATE

(percent)

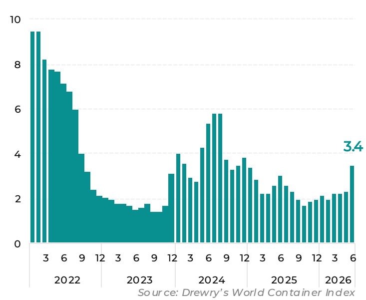


Source: National Statistical Office, Bank of Mongolia

- In May 2026, the average MNT/USD rate appreciated by 0.1 percent from the previous month to MNT 3,576.
- In May 2026, prices of imported goods down by 0.1 percent from the previous month.

WORLD CONTAINER INDEX

(1000$/40-foot container)



Source: Drewry's World Container Index

- Container freight rates, which had been increasing at a relatively stable pace following the conflict in the Middle East, rose sharply over the past month.
- As of June 4, 2026, the Drewry World Container Index (WCI) reached $3,433 per 40-ft container, up 15.1 percent compared to a year earlier and up 50.2 percent from the last month.
- The increase in container shipping costs are increasing supply-driven inflationary pressure.

FOOD PRICE INDEX

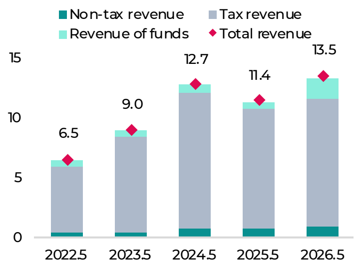
(percent)

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 130.8 points in May 2026, increasing by 2.4 percent y-o-y, and by 0.1 percent compared to the previous month.
- Over the past month, prices of cereals and sugar have increased in the global market, while prices of dairy products and vegetable oils have decreased. Meat prices remained unchanged.

Year-on-year revenue performance improved by 18.7%, reaching 13,510.2 billion MNT. Meanwhile, expenditure rose to 13,022.8 billion MNT, a 18.7% increase compared to the same period last year.

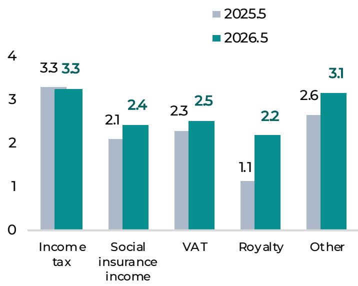
BUDGET REVENUE
(by source, trillion ₮)



Source: Ministry of Finance

- Since the beginning of 2026, 65 percent of royalty revenue has been allocated to the Future Heritage Fund, contributing to a 2.0 times increase in fund revenue accumulation year-on-year.
- The structural revenue reached MNT 11.7 trillion as of May 2026, increasing by MNT 960.0 billion (9.0 percent) year-on-year.
- Tax revenue reached MNT 10.7 trillion as of May 2026, increasing by MNT 645.4 billion (6.4 percent) year on year. This growth was mainly driven by increases in VAT and social insurance revenue.

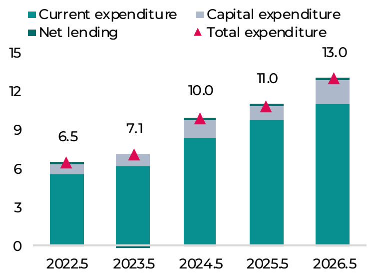
TAX REVENUE
(by type of taxes, trillion ₮)



Source: Ministry of Finance

- Driven by higher global copper prices and the volume of mineral exports, royalty revenue reached MNT 2.2 trillion, increasing by MNT 1,067.0 billion (1.5 times) compared to the same period of the previous year, thereby contributing positively to overall budget revenue growth.
- In contrast, corporate income tax revenue declined by MNT 137.0 billion (6.3 percent) from the same period of the previous year. In comparison, excise tax revenue decreased by MNT 134.8 billion (28.2 percent) over the same period.

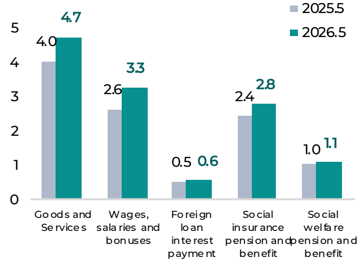
CONSOLIDATED BUDGET
(by category, trillion ₮)



Source: Ministry of Finance

- In May 2026, budget expenditure amounted to MNT 13.0 trillion, an increase of MNT 2.1 trillion (18.7 percent) year-on-year.
- This increase was driven mainly by higher current and capital spending, which contributed 11.0 and 7.1 percentage points to the growth, respectively
- Capital expenditure amounted to MNT 1.9 trillion, an increase of 784.2 billion (1.7 times) year-on-year.

CURRENT EXPENDITURE
(by expenditure category, trillion ₮)

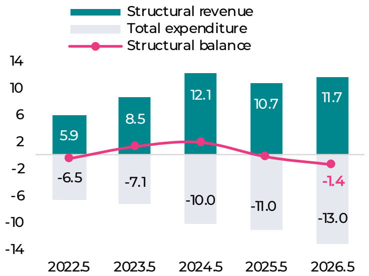


Source: Ministry of Finance

- The increase in current expenditure was mainly due to salary spending reaching MNT 3.3 trillion, an increase of MNT 633.6 billion (24.1 percent) year-on-year. Similarly, pension and benefit costs rose to MNT 3.9 trillion, up by MNT 410.0 billion (11.9 percent).
- In contrast, current transfers declined to MNT 1,146.6 billion, down by MNT 90.1 billion (7.3 percent) year-on-year. While other expenditures on goods and services declined to MNT 349.4 billion, down by MNT 68.4 billion (16.4 percent) year-on-year.

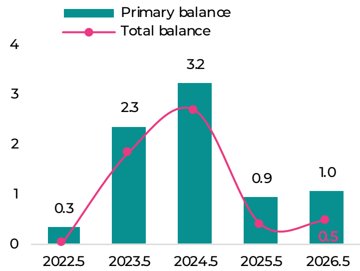
In May 2026, the structural balance recorded a deficit of MNT 1,351.2 billion.

STRUCTURAL BALANCE
(trillion ₮)



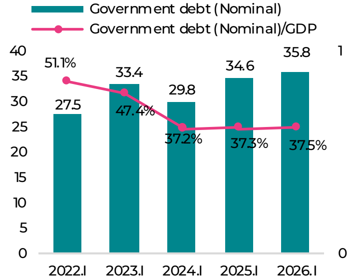
Source: Ministry of Finance

CONSOLIDATED BALANCE
(trillion ₮)



Source: Ministry of Finance

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



Source: Ministry of Finance

GOVERNMENT DEBT (NPV)
(trillion ₮)

	2025.I	2026.I	growth
Government total debt	34.6	35.8	3.4%
Debt-to-GDP ratio	*37.3%*	*37.5%*	*0.2%*
Government domestic debt	0.4	1.1	160.8%
Government external debt	31.4	32.0	1.9%
Securities	8.7	9.1	4.5%
Loans	22.7	22.9	0.9%
Other government debt	2.8	2.7	-2.0%
Government debt	0.2	0.2	-7.9%
Capital city Securities	2.6	2.6	-1.6%

Source: Ministry of Finance

- The structural balance recorded a deficit of MNT 1.4 trillion in May 2026.
- The deficit was mainly driven by increased expenditures resulting from adjustments to public sector wages and pensions.

- As of May 2026, the overall budget balance recorded a surplus of MNT 487.4 billion, representing a year-on-year increase in the budget surplus of MNT 77.3 billion.
- Meanwhile, the primary balance (which excludes interest payments) stood at a surplus of MNT 1,040.6 billion during this period.
- This indicates that the budget's underlying core operations remained profitable, excluding debt service obligations.

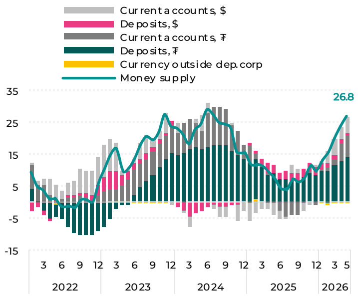
- As of the first quarter of 2026, government debt reached MNT 35.8 trillion, equivalent to 37.5 percent of GDP, reflecting an increase of MNT 1.2 trillion (3.4 percent) year-on-year.
- The government's nominal debt-to-GDP ratio remains within the limits prescribed under the fiscal responsibility law.

- The composition of government debt is dominated by external borrowing instruments. External debt accounts for 89.4% of total government debt, of which 63.9 percent is external loans and the remaining 25.5 percent is external securities.
- This indicates a relatively high exposure to risks arising from exchange rate fluctuations, changes in international market conditions, and volatility in interest rates.

8.1 MONEY AND FINANCE MAY 2026

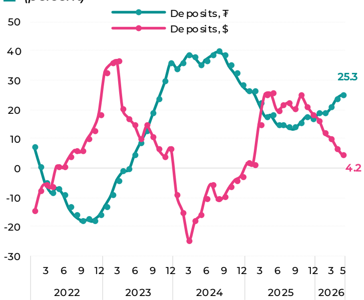
The money supply increased 26.8 percent year-on-year to ₮51.7 trillion in May 2026. The outstanding loans increased by 17.1 percent year-on-year in May 2026, reaching ₮47.3 trillion.

MONEY SUPPLY GROWTH
(percent)



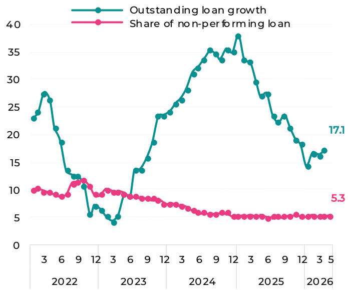
Source: Bank of Mongolia

DEPOSITS GROWTH
(percent)



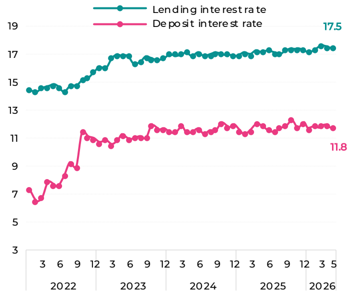
Source: Bank of Mongolia

LOANS
(percent)



Source: Bank of Mongolia

INTEREST RATE
(percent, weighted average rate)



Source: Bank of Mongolia

- In May 2026, the money supply reached ₮51.7 trillion, marking an increase of 26.8 percent from a year earlier.
- Domestic deposit accounts contributed 13.8 percentage points to growth, while foreign currency current and deposit accounts contributed 5.8 percentage points. In addition to this, domestic current accounts contributed 7.0 percentage points.

- Total deposits reached ₮33.3 trillion, an increase of 21.2 percent from a year earlier.
- Domestic currency deposits reached ₮27.8 trillion, up 25.3 percent from a year earlier.
- Foreign currency deposits reached ₮5.5 trillion, up 4.2 percent from a year earlier.

- In May 2026, outstanding loans reached ₮47.3 trillion, marking an increase of 17.1 percent from a year earlier.
- The share of non-performing loans in total loans was 5.3 percent, an increase of 0.04 percentage points from the same period last year.

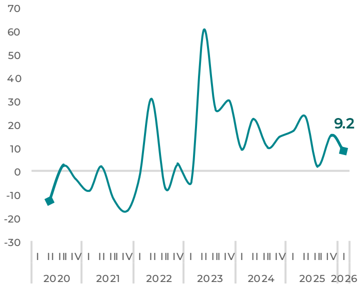
- In May 2026, the weighted average interest rate on outstanding loans was 17.5 percent, up 0.3 percentage points from a year earlier and down 0.03 percentage points from the previous month.
- The interest rate on new deposits was 11.8 percent, decreasing by 0.1 percentage points from the same period of the previous year and by 0.13 percentage points from the previous month.

8.2 GREEN FINANCE

2026 Q1

As of the first quarter of 2026, banks' outstanding green loan balance reached MNT 2.5 trillion, increasing by 2.9% compared to the previous quarter. The share of green loans in total outstanding bank loans reached 5.7%.

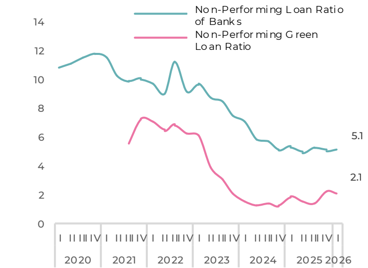
GROWTH OF OUTSTANDING GREEN LOANS *(quarterly growth, %)*



Source: Bank of Mongolia

- As of the first quarter of 2026, the outstanding balance of green loans increased by 9.2% compared to the previous quarter, continuing its upward trend. Although the growth rate has moderated compared to the sharp expansion observed in 2022–2023, it indicates that green financing is becoming more firmly established within the banking sector.

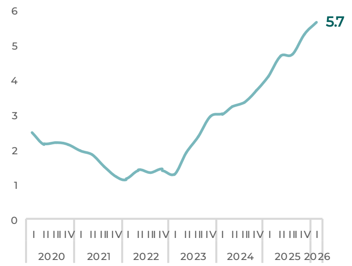
NON-PERFORMING LOAN RATIO



Source: Bank of Mongolia

- The non-performing loan (NPL) ratio of green loans remained lower than the overall banking sector average at 2.1%, compared to 5.1% for total loans. This suggests that green loans carry relatively lower financial risk and demonstrate stronger repayment performance.

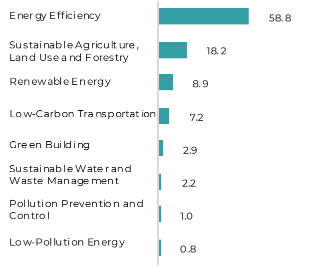
SHARE OF GREEN LOANS IN TOTAL OUTSTANDING LOANS *(percentage)*



Source: Bank of Mongolia

- Green loans accounted for 5.7% of total outstanding loans, showing steady growth in recent years. However, compared to the overall loan portfolio of the banking sector, the share of green financing remains relatively small, indicating significant room for further expansion.

OUTSTANDING GREEN LOANS BY SECTOR *(sectoral distribution, %))*



Source: Bank of Mongolia

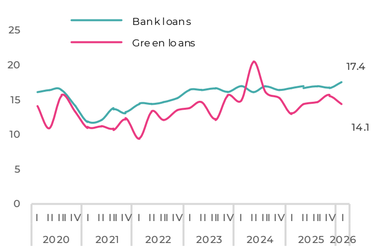
- As of the first quarter of 2026, 58.8% of total outstanding green loans were concentrated in the energy-efficient housing sector. This was followed by the agriculture sector with 18.2% and the renewable energy sector with 8.9%. Compared to these sectors, green financing in other sectors remains relatively limited.

8.2 GREEN FINANCE

2026 Q1

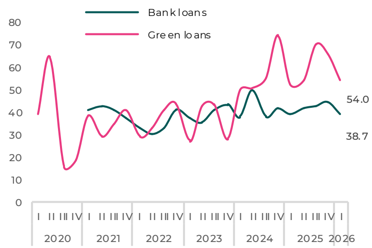
The weighted average interest rate of newly issued green MNT loans stood at 14.1%, while the weighted average maturity reached 54.0 months. Compared to overall bank lending, green loans continue to be issued at relatively lower interest rates and longer maturities, reflecting growing support for sustainable long-term investment.

INTEREST RATE OF NEWLY ISSUED MNT LOANS *(weighted average interest rate, %)*



Source: Bank of Mongolia

MATURITY OF NEWLY ISSUED MNT LOANS *(weighted average maturity, months)*



Source: Bank of Mongolia

- The weighted average interest rate on newly issued green MNT loans was 14.1%, lower than the banking sector average of 17.4%. In recent years, green loans have consistently been provided at more favorable financing terms compared to overall bank lending, indicating continued support for green financing.

- The weighted average maturity of newly issued green MNT loans reached 54.0 months, compared to the banking sector average of 38.7 months. The relatively longer maturity of green loans reflects increasing efforts to finance long-term sustainable and environmentally friendly investment projects.

GREEN BOND INFORMATION – 2026.03

GREEN BOND – 1
Commercial bank *(2023.12.15)*
17 bil. ₮
16% | 3 years

GREEN BOND – 2
Commercial bank *(2024.10.17)*
25 mil. $
SOFR+3.4% | 3 years

GREEN RECYCLE BOND (TRANCHE-1)
Waste Recycling Sector *(2024.11.06)*
11 mil. $
10% | 3 years

GREEN RECYCLE BOND (TRANCHE-2)
Waste Recycling Sector *(2025.01.03)*
4 mil. $
10% | 3 years

SENIOR UNSECURED GREEN AND SOCIAL BOND
Арилжааны банк *(2024.10.23)*
50 mil. $
9.5% | 5 years

GREEN AND SOCIAL BOND
Арилжааны банк *(2025.01.02)*
50 mil. $
8% | 5 years

Source: Financial Regulatory Commission

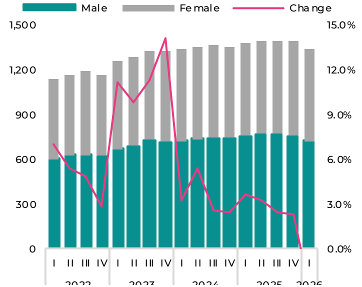
9.1 LABOR MARKET

2026 Q1-2026.05

The number of employed persons decreased to 1.34 million, while the number of unemployed persons increased, leading to a decline in the labor force. As a result, the labor force participation rate fell to 60.4 percent.

CHANGES IN THE NUMBER OF EMPLOYEES BY GENDER

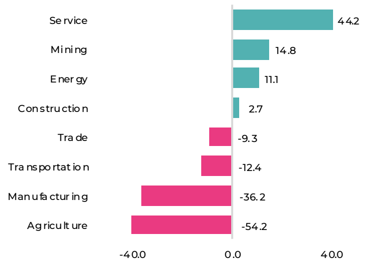
(thousand persons, percent)



Source: National Statistics Office

CHANGES IN THE NUMBER OF EMPLOYEES BY SECTOR

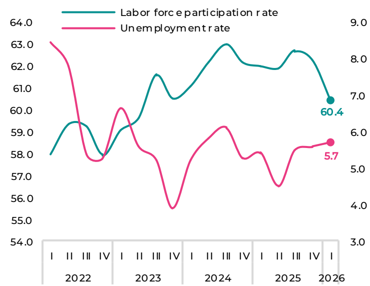
(thousand persons)



Source: National Statistics Office

LABOR FORCE PARTICIPATION RATE

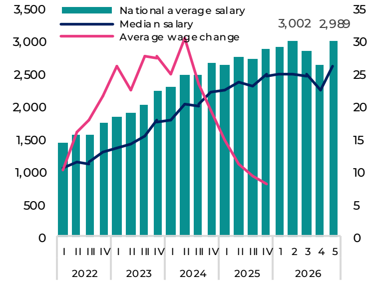
(percent)



Source: National Statistics Office

THE AVERAGE, MEDIAN, REAL SALARY

(thousand ₮)



Source: National Statistics Office

- The number of employees decreased by 39 thousand, or 2.8 percent, from the same period last year to 1 million 340 thousand, the first decrease in 17 quarters and reaching the level of 2024.
- In the first quarter of 2026, the number of male employees decreased by 31 thousand from the same period last year, and the number of female employees decreased by 9 thousand from the same period last year.

- The increase in the number of employees was mainly due to the growth in the mining sector, which increased the number of employees in the sector, and the increase in employees in other service sectors, electricity and water sectors, which supported the total number of employees.
- However, the decrease in the number of employees in the agriculture, processing, transportation and trade sectors mainly contributed to the decrease in the total number of employees.

- The number of unemployed citizens increased by 1.6 thousand compared to the same period of the previous year, bringing the unemployment rate to 5.7 percent, an increase of 0.3 percentage points compared to the same period of the previous year.
- However, the labor force participation rate decreased by 1.6 percentage points compared to the same period of the previous year to 60.4 percent, due to the decrease in the number of employees.

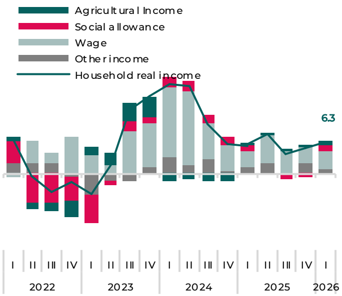
- The average salary as of May 2026 is 2 million 989 thousand tugriks.
- The median salary is 2 million 624 thousand tugriks (364 thousand tugriks less than the average salary). This means that more than half of the workers receive a salary of less than 2.6 million tugriks.
- The real salary adjusted by the consumer price index reached 2 million 351 thousand tugriks.

(CPI 2023=100)

9.2 HOUSEHOLD INCOME 2026 Q1

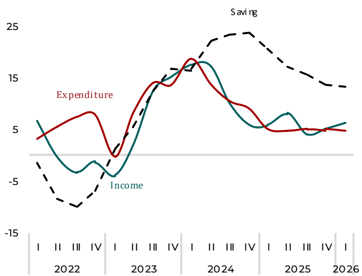
Household real income grew by 6.3 percent.

AVERAGE REAL INCOME GROWTH
(percent)



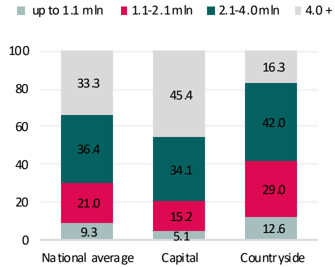
Source: National Statistics Office

NOMINAL INCOME, EXPENDITURE AND SAVING
(percent)



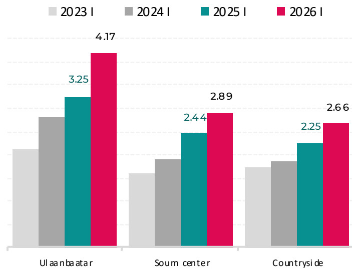
Source: National Statistics Office

AVERAGE NOMINAL INCOME
(percent)



Source: National Statistics Office

AVERAGE REAL INCOME GROWTH
(mln MNT)



Source: National Statistics Office

- The growth momentum of households' real income improved compared to the previous quarter, increasing by 6.3%*.
- The growth was mainly driven by an increase in wage income by ₮224.0 thousands, pension and benefit income by ₮80.0 thousands from the year earlier.

Note: Starting from the first quarter of 2026, the National Statistics Office began calculating household real income based on 2023 constant prices. Household real income data for the period from Q1 2022 to Q4 2025 were calculated using 2020 constant prices.

- While household income growth continues to outpace expenditure growth, the rate of increase in household savings has kept slowing.

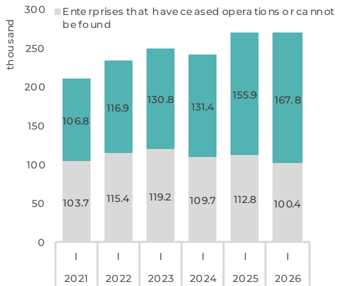
Note: Starting from the first quarter of 2026, the National Statistics Office began calculating household real income and expenditure based on 2023 constant prices. Household real income and expenditure data for the period from Q1 2022 to Q4 2025 were calculated using 2020 constant prices.

- Up to 42% of rural households and about 20% of households in the capital, monthly incomes of up to MNT 2.1 million.
- In contrast, 16% of rural households earn more than MNT 4 million, while the share is significantly higher in the capital, where 45% of households incomes above MNT 4.0 million.

- The nominal income gap between urban and rural households remains persistent. In Q1 2025, the average income of households in the capital was 1.5 times higher than that of rural households.
- By Q1 2026, this disparity had slightly widened to 1.6 times. Although rural household income growth is accelerating, the income gap continues to persist.

The total number of enterprises registered in the Business Register reached **268.3 thousand** in the first quarter of 2026, decreasing by **367 entities**, or **0.1 percent**, compared to the same period of the previous year.

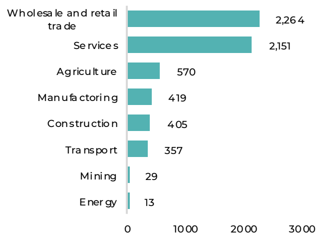
TOTAL NUMBER OF REGISTERED ENTERPRISES *(thousands, by operating status)*



Source: National Statistics Office

CHANGE IN THE NUMBER OF ENTERPRISES OPERATING BY SECTOR

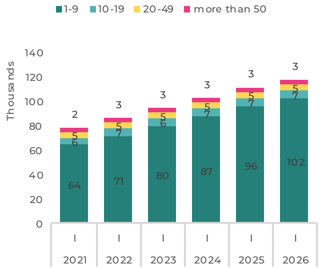
(the number of enterprise)



Source: National Statistics Office

THE NUMBER OF ENTERPRISES OPERATING BY SECTOR

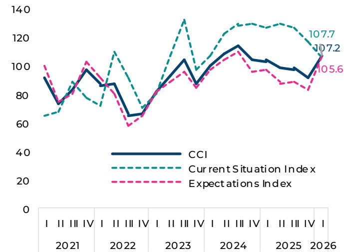
(thousands, by number of employees)



Source: National Statistics Office

CONSUMER CONFIDENCE INDEX

(by quarter, 2018=100)



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

- The total number of enterprises registered in the Business Register reached 268.3 thousand in the first quarter of 2026, decreasing by 367 compared to the same period of the previous year.
- Enterprises that are active or have not yet started operations increased by 7.7 percent compared to the same period last year, while enterprises that have ceased operations or are untraceable decreased by 10.9 per cent.
- Although the total number of registered enterprises has declined, the increase in the number of actively operating enterprises indicates economic dynamism.

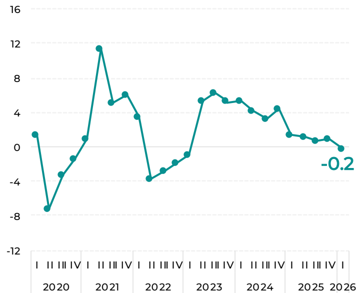
- As the domestic economy becomes more active and purchasing power improves, the number of operating enterprises increased by 2.2 thousand in the trade sector and by 2.1 thousand in the services sector.
- Additionally, due to the implementation of policies supporting agriculture, the number of operating enterprises in this sector grew by 13 percent.

- Out of 117.3 thousand operating enterprises, 102.0 thousand are micro-enterprises with 1–9 employees.
- Furthermore, micro-enterprises with 1–9 employees account for 102.9 percent of the growth in operating enterprises.

- The Consumer Confidence Index (CCI) reached to 107.2 in the first quarter of 2026, raised by 2.8 points compared to the same period of the previous year.
- A breakdown of the CCI shows that the Current Situation Index, which reflects consumers' assessment of current economic conditions, decreased by 21.1 points from a year earlier.
- The Expectations Index, which measures expectations for the next six months, increased by 10.5 points, mainly due to improving expectations regarding business conditions, job availability, and income prospects.

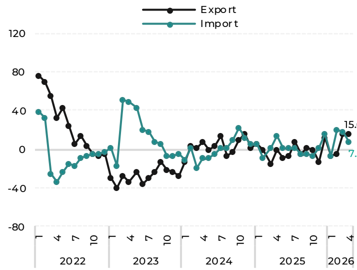
The Russian economic growth slowed to -0.2 percent in the first quarter of 2026. The inflation rate reached 5.3 percent in May 2026, down 4.6 percentage points from the same period last year.

GDP GROWTH
(percent)



Source: Bloomberg

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

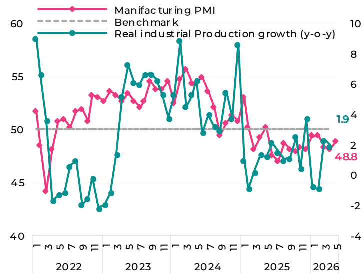


Source: Central Bank of the Russian Federation

INFLATION
(percent)

Source: Bloomberg

PURCHASING MANAGERS' INDEX
(PMI)



Source: Bloomberg

- The Russian economic growth slowed to -0.2 percent in the first quarter of 2026, marking a decline of 1.5 percentage points from the same period last year.

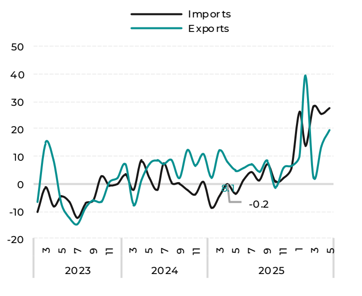
- As of April 2026, exports reached $38.8 billion, and imports reached $27.4 billion, resulting in a trade surplus of $11.4 billion.
- Exports rose by 15.6 percent year-on-year in April 2026.
- Imports increased by 7.5 percent year-on-year in April 2026.

- The inflation rate remains above the central bank's target level of 4 percent.
- Inflation stood at 5.3 percent in May 2026, decreasing by 0.3 percentage points from the previous month and by 4.6 percentage points year-on-year.
- The annual inflation reached 8.7 percent in 2025, showing a 0.3 percentage point increase from the previous year.
- The Central Bank of Russia reduced its policy rate by 0.5 percentage points to 14.5 percent in April 2026.

- In May 2026, the Purchasing Manager's Index (PMI) for the industrial sector reached 48.8, reflecting an increase of 0.7 points from the previous month.
- As of April 2026, the growth of real industrial production reached 1.9 percent, a decrease of 0.4 percentage points from the previous month.

Despite weak domestic demand, China’s economy expanded by 5.0 % in the first quarter of 2026, supported by increased exports and domestic demand.

EXPORTS & IMPORTS GROWTH
(percent)

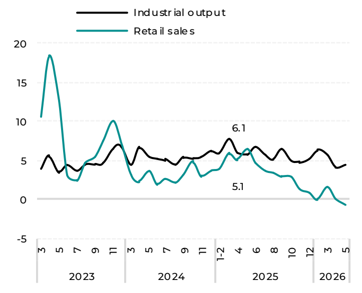


Source: National Bureau of Statistics of China

- China’s GDP grew by 5.0 percent in the first quarter of 2026.
- Export growth accelerated to 19.4 percent in May 2026, while import growth also accelerated to 27.4 percent this month.

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

INDUSTRIAL OUTPUT, RETAIL SALES GROWTH *(percent)*

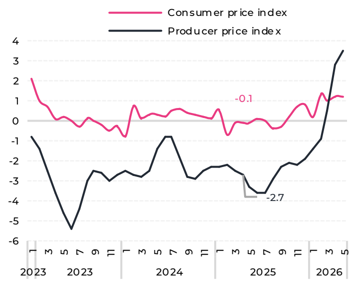


Source: National Bureau of Statistics of China

- Industrial output decelerated 4.5 percent in May 2026.
- Retail sales growth - a key indicator of consumption behavior - accelerated to -0.6 percent in May 2026.

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

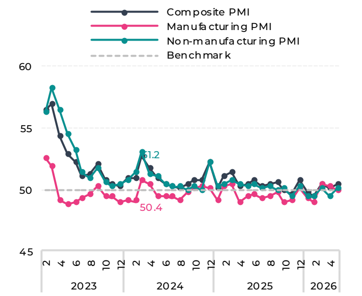
INFLATION
(percent)



Source: Bloomberg

- The consumer price index turned to 1.2 percent, out of the deflation zone, in May 2026.
- The producer price index rose by 3.5 percent in May 2026, leaving the price decline zone and rising sharply.

PURCHASING MANAGERS' INDEX
(PMI)



Source: National Bureau of Statistics of China

- The manufacturing PMI rose to 50 in May 2026, indicating constant.
- The non-manufacturing and combined PMI both rose to 50 from the previous month.

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