Ministry of Economy and Development

MONTHLY MACROECONOMIC UPDATE

June 2026

CONTENTS:

▸ MAIN ECONOMIC INDICATORS - 2026.06

GDP growth
(May 2025)

7.3 percent

International reserves
(June 2026)

7,656 million $

Inflation
(June 2026)

12.0 percent

Budget balance
(June 2026)

-2,144 billion ₮

Exports
(June 2026)

10.4 billion $

Imports
(June 2026)

6.1 billion $

FDI
(Q1 2026)

1.4 billion $

Loan rate
(June 2026)

17.6 percent

Number of employees
(Q1 2026)

1.34 million

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

Real wage
(June 2026)

2.4 million

**CPI 2023=100*

Number of enterprises operating
(Q2 2026)

119.1 thousand

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

Household real income growth
(Q1 2026)

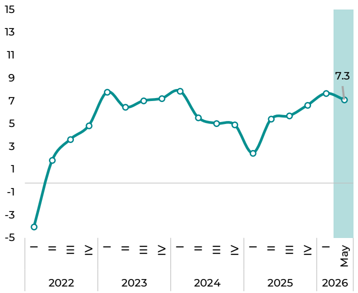
6.3 percent

1.1 GDP: Production

2026 May

Economic growth reached 7.3 percent in May 2026. Growth was mainly supported by the continued strong expansion of mining sector output. In addition, growth in the agricultural sector remained stable, supporting overall economic growth.

REAL GDP GROWTH
(percent)



Source: National Statistics Office

- Real GDP grew by **7.3 percent** as of May 2026.
- Primary sector: Agriculture expanded by 11.5 percent, contributing 1.5 percentage points to growth, while the mining sector increased by 29.2 percent, contributing 3.7 percentage points to overall growth.
- Secondary sector (industry and construction): Output grew by 2.6 percent, contributing 0.3 percentage points to overall growth.
- Services sector: Expanded by 4.0 percent, contributing 1.9 percentage points to overall growth.
- In contrast, net taxes on products declined by 0.6 percent, reducing overall growth by 0.1 percentage points.

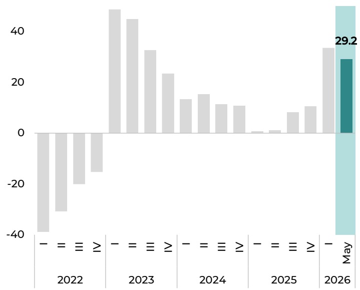
REAL GDP GROWTH
(by sectors)

GDP	2025.05 Growth (%)	2025.05 Contribution to Growth (pp)	2026.05 Growth (%)	2026.05 Contribution to Growth (pp)
		5.8		**7.3**
Agriculture	36.3	*3.7*	11.5	*1.5*
Mining	3.1	*0.4*	29.2	*3.7*
Industry and construction	6.8	*0.7*	2.6	*0.3*
Services	1.4	*0.7*	4.0	*1.9*
Net taxes	1.6	*0.3*	-0.6	*-0.1*

Source: National Statistics Office

- Economic growth was mainly supported by expansions in the mining and agricultural sectors.
- Growth in the construction and industrial sectors has slowed compared with the same period last year.
- The decline in net taxes on products dampened overall growth.

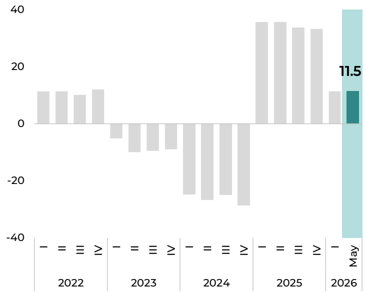
MINING
(cumulative GDP growth, percent)



Source: National Statistics Office

- The mining sector grew by 29.2 percent in May 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.

AGRICULTURE
(cumulative GDP growth, percent)



Source: National Statistics Office

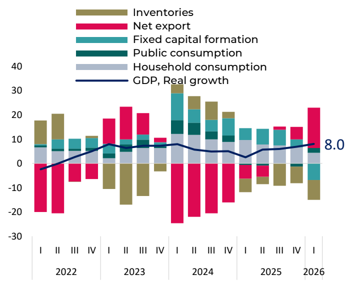
- The agriculture sector grew by 11.5 percent in May 2026.
- Despite weather condition were relatively normal, adverse weather in spring affected livestock outcomes. The number of matured young livestock reached 14.0 million (98.9 percent), decreasing by 820 thousand head year-on-year, while adult livestock losses increased to 230.8 thousand head, up by 114 thousand compared to the same period last year, indicating a slowdown in growth.

1.2 GDP: Demand

2026 Q1

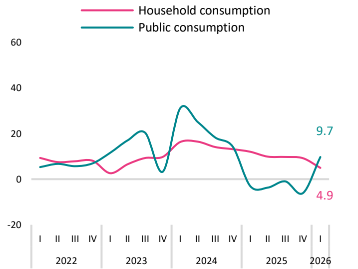
On the demand side, net exports and household consumption contributed to economic growth.

GDP GROWTH
(percent)



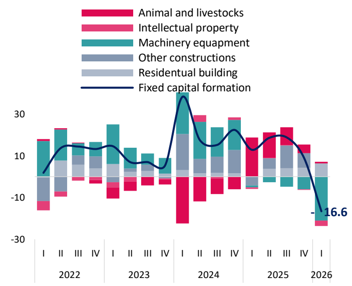
Source: National Statistical Office

CONSUMPTION GROWTH
(percent)



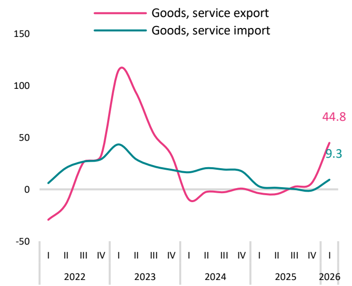
Source: National Statistical Office

FIXED CAPITAL FORMATION GROWTH *(percent)*



Source: National Statistical Office

EXPORT AND IMPORT GROWTH
(percent)



Source: National Statistical Office

- 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.

- 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%.

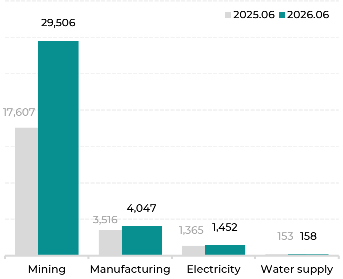
- Gross fixed capital formation declined by 16.6%, mainly driven by a 34.8% decrease in machinery and equipment accumulation compared to the previous year.

- 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.

Industrial sector output grew by 55.9% in June 2026. The increase in the volume of coal, copper, and iron ore extraction in the mining sector continued to be the primary driver of growth in industrial production.

GROSS OUTPUT*

(billion ₮)

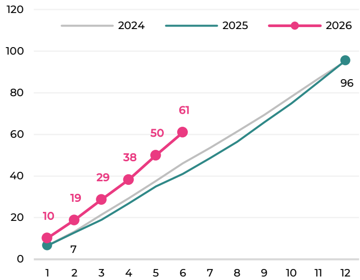


Source: National Statistics Office

- Industrial sector output reached MNT 35.3 trillion in June 2026, increasing by 55.9 percent compared to the same period of the previous year.
- Growth in coal and metal ore extraction led to a 68.2 percent increase in nominal output.
- The manufacturing sector (in nominal terms) grew by 15.4 percent, driven by an increase in food production due to increased dairy production, and an increase in the production of chemicals and chemical products.

COAL PRODUCTION*

(million tons)



Source: National Statistics Office

- 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 61.0 million tons in June 2026, increasing by 48.7 percent compared to the same period of the previous year.

**As of 2025*

MINING PRODUCTION*

(by main commodities)

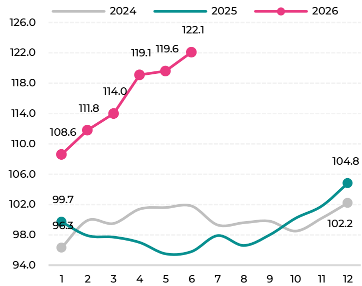
		YoY change:
Copper concentrate	**1,163 thous.t**	20.0%
Crude oil	**1,761 thous.t**	-7.3%
Gold	**4.5 tonn**	Maintained the previous year's level
Iron ore	**4.1 mil.t**	21.7%

Source: National Statistics Office

- Copper concentrate production increased by 20.0 percent in June 2026, reaching 1,163 thousand tons.
- Iron ore and iron ore concentrate production reached 4.1 million tons, increasing by 21.7 percent compared to the same period of the previous year.
- Gold production remained at the same level as the corresponding period of the previous year.
- Meanwhile, crude oil production declined by 7.3 percent.

PRODUCER PRICE INDEX

(2024=100)



Source: National Statistics Office

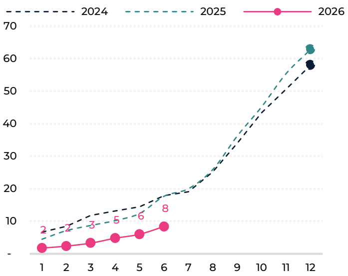
- The Producer Price Index (PPI) increased by 27.5 percent year-on-year in June 2026.

<u>PPI increased in:</u>

- Chemical and chemical products manufacturing by 56.7 percent;
- Metal ore mining by 48.8 percent;
- Paper and paper products manufacturing by 56.7 percent;
- Mining and quarrying products manufacturing by 32.6 percent;

The manufacturing sector output decreased by 0.3 percent in real terms in June 2026. This decline was mainly driven by lower production in meat processing, wheat flour production, beverage production, and metal processing.

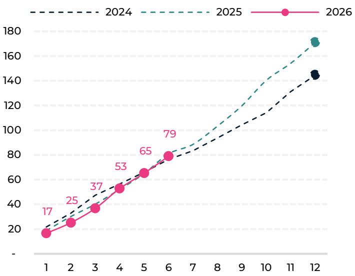
MEAT
(thousand tons)



Source: National Statistics Office

- Processed livestock meat reached 8.4 thousand tons in June 2026, decreasing by 52.5 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 29 percent year-on-year (adjusted using the 2024-based producer price index).

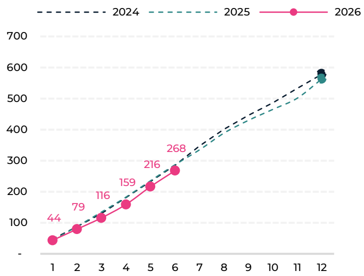
WHEAT FLOUR
(thousand tons)



Source: National Statistics Office

- Flour production reached 78.9 thousand tons in June 2026, decreasing by 2.5 percent compared to the same period of the previous year.
- As the physical volume of flour production declined, real output of flour, starch, and starch products-accounting for around 5-7 percent of the manufacturing sector decreased by 10 percent year-on-year (adjusted for the producer price index based on 2024).

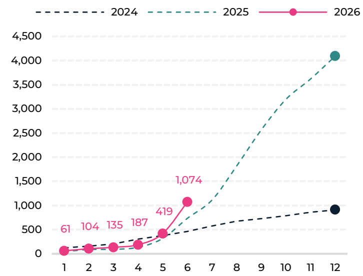
BEVERAGES
(thousand tons)



Source: National Statistics Office

- The production volume of alcoholic and non-alcoholic beverages reached 267.5 thousand tons in June 2026, decreasing by 6.7 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 3 percent year-on-year (adjusted for the 2024-based producer price index).

CASHMERE PRODUCTS
(tons)

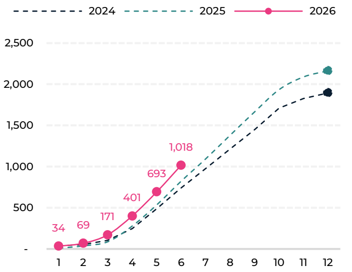


Source: National Statistics Office

- Combed cashmere production reached 1,074 tons in June 2026, increasing by 46.4 percent compared to the same period of the previous year.
- As the physical volume of cashmere production increased, the real output of spinning, weaving, and textile materials—accounting for around 3–5 percent of the manufacturing sector increased by 32.9 percent year-on-year. (adjusted for the 2024-based producer price index).

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.

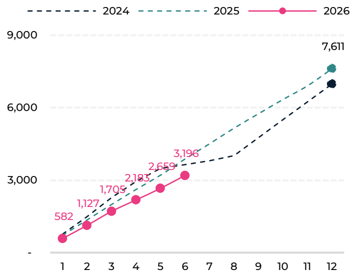
CEMENT
(thousand tons)



Source: National Statistical Office

- Cement production reached 1,018 thousand tons in June 2026, increasing by 23.6 percent compared to the same period of the previous year.

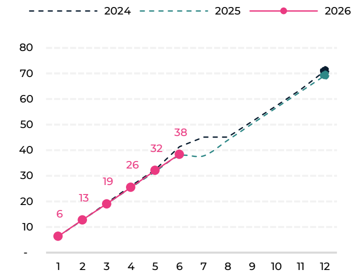
COPPER CATHODE
(tons)



Source: National Statistical Office

- Cathode copper production reached 3,196 tons in June 2026, decreasing by 17.5 percent compared to the same period of the previous year.

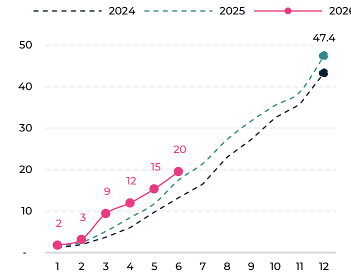
BASE METAL AND FOUNDRIES
(thousand tons)



Source: National Statistical Office

- Metal billets and rolled products production reached 38.4 thousand tons in June 2026, increasing by 1.6 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 19.5 thousand m² in June 2026, increasing by 11.6 percent compared to the same period of the previous year.

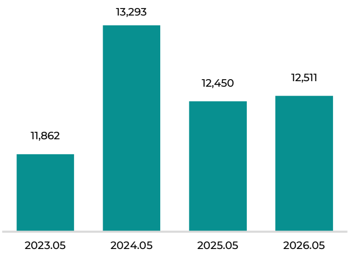
Note: The industrial sector's statistics for October have not been released.

1.6 SERVICES

Higher coal transportation led to an increase in freight transport activity in the transportation sector. In inflation-adjusted terms, real revenues in the trade, hotel, and catering sectors increased.

DOMESTIC TRADE

(trade turnover, billion ₮, adjusted by CPI)

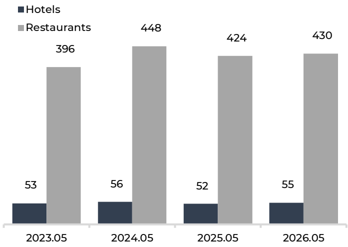


Note: The data is released with a 45-day lag.

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)

	2025.06	2026.06	YoY change:
Railway	20.9	30.8	47.2%
Mining products	14.9	23.4	57.1%
Air	4.62	4.68	1.2%
	2025.I	2026.I	
Road	18.4	28.6	55.1%
Mining products	12.2	18.7	52.5%

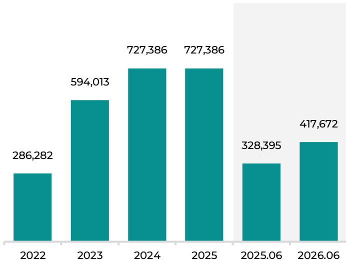
**thousand tons*

Note: The data of road transport is released on quarterly basis.

Source: National Statistics Office

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 May 2026, sales revenue in the sector reached MNT 27.0 trillion in nominal terms, increasing by 9.5 percent compared to the same period of the previous year, while real sales, adjusted for price effects, increased by 0.5 percent.

- In May 2026, nominal sales revenue in the hotel sector increased by 13.5 percent, while revenue in the food services sector rose by 9.1 percent compared to the same period of the previous year.
- In real terms, adjusted for price effects, hotel sector revenue increased by 5.4 percent, while real revenue in the food services sector increased by 1.4 percent.

- Rail freight transport reached 30.8 million tons as of June 2026, increasing by 47.2 percent compared to the same period of the previous year.
- Air freight increased by 1.2 percent year-on-year.
- Road freight transport* reached 28.6 million tons in the first quarter of 2026, increasing by 55.1 percent compared to the previous year.

- As of the first six months of 2026, the number of inbound tourists arriving in Mongolia reached 417.7 thousand, representing a 27.2 percent increase compared to the same period of the previous year. This marks the highest number of tourist arrivals ever recorded in Mongolia for a half-year period.

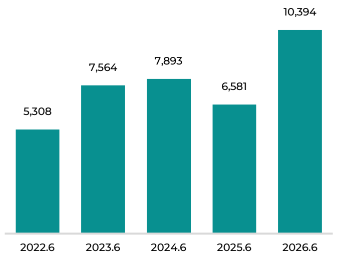
Note: Тайлбар*: Авто тээврийн салбарын статистик, тоон үзүүлэлтүүд зарлагдаагүй байна.*

2.1 FOREIGN TRADE

June 2026

As of June 2026, total foreign trade turnover reached USD 16.5 billion, while the trade balance recorded a surplus of USD 4.3 billion.

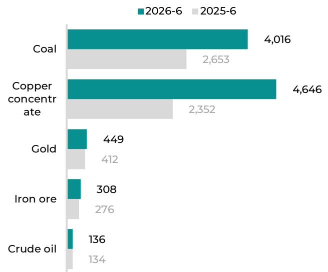
EXPORTS
(million $)



Source: MGCA

- In June 2026, exports reached $10,394 million, increase of 58 percent from last year.
- Mining products accounted for 95 percent of total exports.

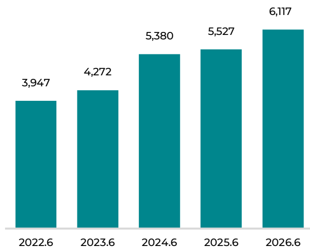
EXPORTS BY MAIN PRODUCTS
(million $)



Source: MGCA

- Coal export reached $4,016 million, increasing by 51 percent compared with the previous year.
- Copper concentrate export reached $4,646 million, increasing by 97 percent compared with the previous year.
- Gold export reached $449 million, increasing by 9 percent compared with the previous year.
- Iron ore export reached $308 million, increasing by 12 percent compared with the previous year.

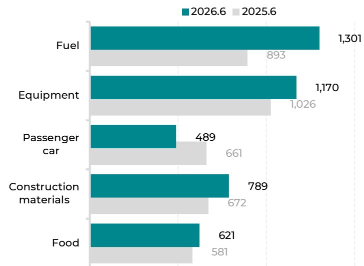
IMPORTS
(million $)



Source: MGCA

- In June 2026, imports reached $6,117 million, an increase of 10.6 percent from last year.
- Fuel accounted for 21 percent of the total imports, equipment for 19 percent, construction materials for 13 percent, food products for 10 percent, and passenger cars for 8 percent.
- Imports of fuel increased by 46 percent, construction materials by 17 percent, equipment by 14 percent, and food imports by 7 percent, contributing to the overall increase in total imports.

IMPORTS BY MAIN PRODUCTS
(million $)



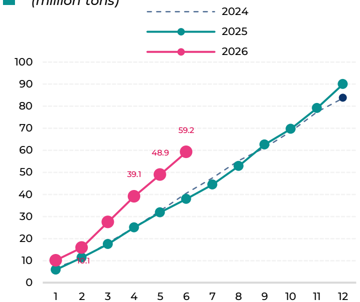
Source: MGCA

- Fuel imports reached $1,301 million, up 46 percent compared to a year earlier.
- Equipment import reached $1170 million, up 14 percent compared to a year earlier.
- Passenger car imports reached $489 million, down 26 percent compared to a year earlier.
- Construction materials' imports reached $789 million, up 17 percent compared to a year earlier.
- Food imports reached $621 million, up 7 percent compared to a year earlier.

2.2 MINERAL PRODUCTS JUNE 2026

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

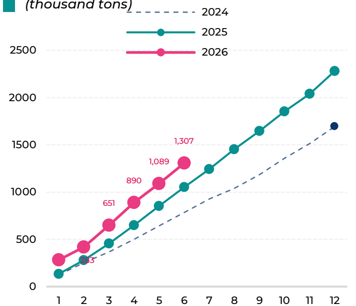
COAL
(million tons)



Source: MGCA

- In June 2026, coal exports reached 59.2 million tons, increasing by 56 percent with the previous year.

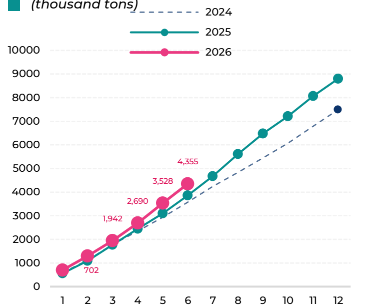
COPPER CONCENTRATE
(thousand tons)



Source: MGCA

- In June 2026, copper concentrate exports reached 1,307 thousand tons, increasing by 24 percent compared with the previous year.

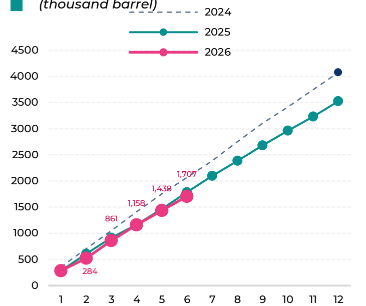
IRON ORE
(thousand tons)



Source: MGCA

- In June 2026, iron ore exports reached 4,355 thousand tons, increasing by 13 percent compared with the previous year.

CRUDE OIL
(thousand barrel)



Source: MGCA

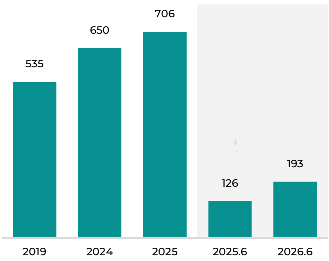
- In June 2026, crude oil exports reached 1,707 thousand barrels, unchanged from the same period of the previous year.

2.3 AGRICULTURAL PRODUCTS

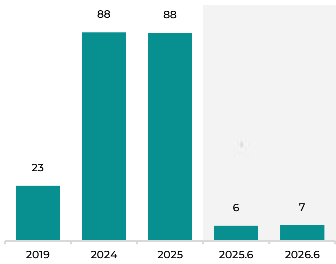
JUNE 2026

In June 2026, agricultural exports decreased by 53 percent compared with the previous year.

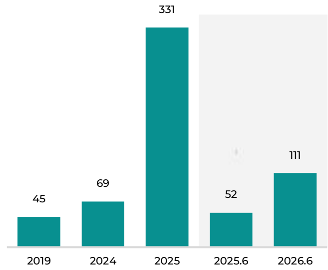
TOTAL AGRICULTURAL EXPORTS
(million USD)



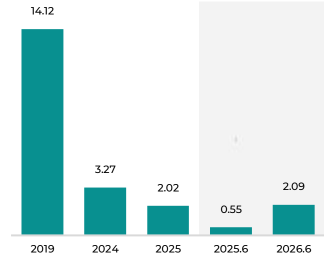
MEAT OF SHEEP AND GOAT
(million USD)



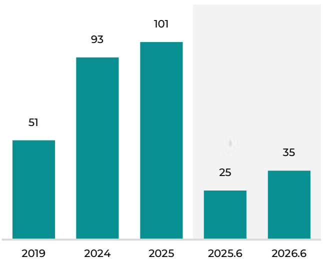
CASHMERE, WASHED
(million USD)



FURS, HIDES AND SKINS
(million USD)

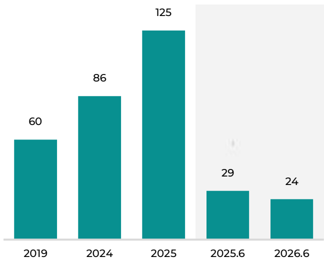


CANNED MEATS
(million USD)



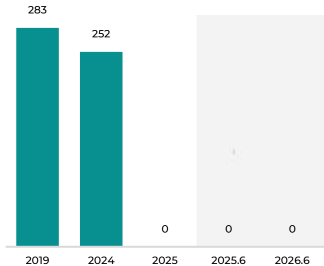
Source: MGCA

MEAT OF HORSE AND BOVINE
(million USD)



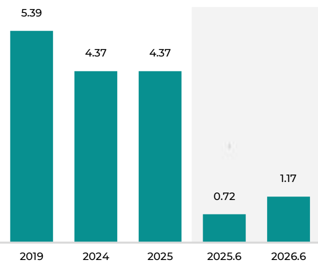
Source: MGCA

CASHMERE, COMBED
(million USD)



Source: MGCA

WOOL
(million USD)



Source: MGCA

GLOBAL COMMODITY PRICE TRENDS

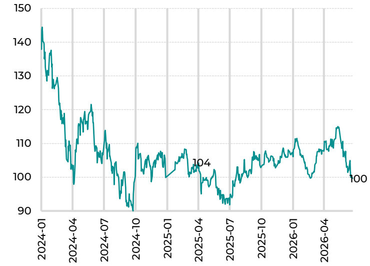
COAL
($/tons, Australian high quality coking coal, SGX)

Source: Bloomberg

COPPER
($/tons, LME)

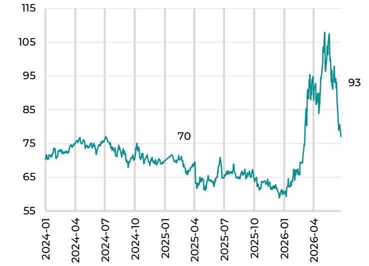
Source: Bloomberg

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



Source: Bloomberg

CRUDE OIL
($/bbl, Brent)



Source: Bloomberg

- The average price of Australian premium coking coal traded on the Singapore Exchange (SGX) reached USD 236 in JUNE 2026, up 2 percent from the previous month and 35 percent from the same period of the previous year.

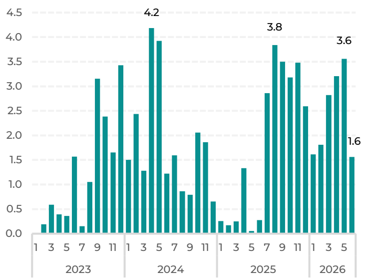
- The average price of refined copper on the London Metal Exchange (LME) reached USD 13,356 in JUNE 2026, up 38 percent from the same period of the previous year.

- The average price of iron ore concentrate in Northeast China reached USD 100 in JUNE 2026, down 8 percent from the previous month but up 8 percent from the same period of the previous year.

- The average price of Brent crude oil reached USD 79 in JUNE 2026, down 13 percent from the previous month, although it increased by 25 percent from the same period of the previous year.

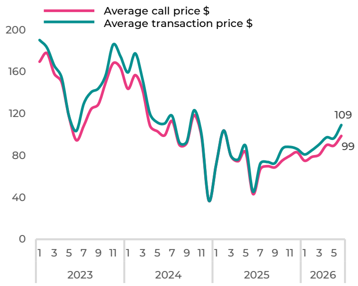
In June 2026, the Mining Commodity Exchange traded 14.6 million tons of coal and 3.0 million tons of iron ore.

COAL TRADE
(million tons, monthly)



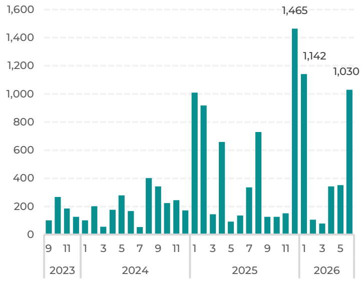
Source: Mongolian Stock Exchange

AVERAGE COAL PRICE
($/tons, monthly)



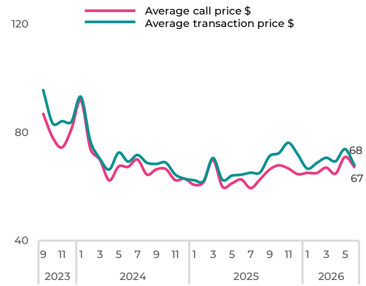
Source: Mongolian Stock Exchange

IRON TRADE
(thousand tons, monthly)



Source: Mongolian Stock Exchange

AVERAGE IRON PRICE
($/tons, monthly)



Source: Mongolian Stock Exchange

- Between January 2023 and June 2026, a total of 73.7 million tons of coal were traded, generating $7.5 billion in revenue.
- In 2025, 21.8 million tons of coal were traded, generating $1.6 billion in revenue.
- In June 2026, 14.6 million tons of coal were sold.

- In June 2026, the average call price of coal was $99, and the average transaction price was $109.
- Depending on the type of coal, in June 2026, the minimum transaction price reached $68, and the maximum price reached $166.

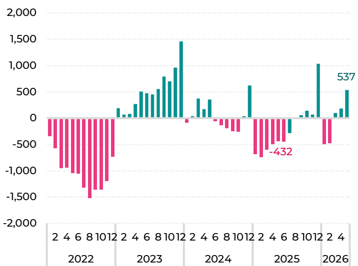
- Between September 2023 and June 2026, a total of 12 million tons of iron ore and concentrate were traded, generating $795 million in revenue.
- In 2025, 5.9 million tons of iron ore and concentrate were traded, generating $380 million in revenue.
- In June 2026, 3 million tons of iron ore were sold.

- The average call price of iron ore and concentrate was $67 in June 2026, and the average transaction price reached $68.
- Depending on the type of iron, the minimum transaction price in June 2026 was $59, and the maximum price was $94.

5. BALANCE OF PAYMENTS, GROSS INTERNATIONAL RESERVES MAY-JUNE 2026

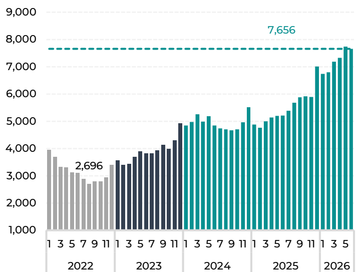
The balance of payments recorded a $537 million surplus in May 2025, while gross international reserves increased by 2.5 million and reaching $7,656 million at the end of May 2026.

BALANCE OF PAYMENTS
(million $)



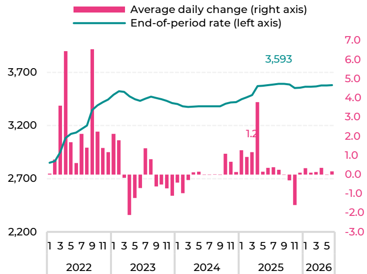
Note: The data is released with a one-month lag.
Source: Bank of Mongolia

GROSS INTERNATIONAL RESERVES
(million $)



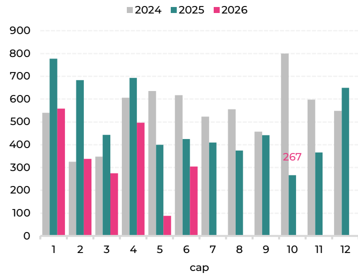
Source: Bank of Mongolia

EXCHANGE RATE
(MNT/USD)



Source: Bank of Mongolia

FOREIGN EXCHANGE AUCTIONS
(million $)



Source: Bank of Mongolia

- The balance of payments recorded a surplus of $537 million in May 2026.
- The current account is a $47 million deficit, while the financial account is an $827 million surplus.

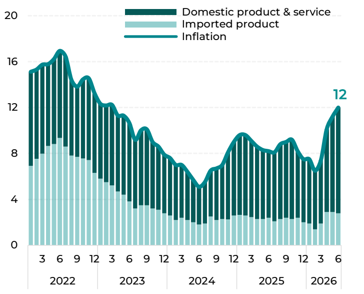
- Gross international reserves stood at $7,656 million at the end of June 2026, down $77 million from the previous month, while up $2,450 million from the period last year.

- The average daily change in the MNT/USD rate was 0.2 in June 2026, and the exchange rate reached 3,580 at the end of the month.

- In June 2026, the Bank of Mongolia sold $304 million to the commercial banks.
- As of the first half of 2026, total intervention reached $2,060 million, marking a $1,361 million decrease compared to the previous year.

The annual inflation rate reached 12.0 percent in June 2026, marking an increase of 3.8 percentage points compared to the same period last year. The increase in annual inflation was driven primarily by higher food prices. Prices of goods and services increased by 1.0 percent from the previous month.

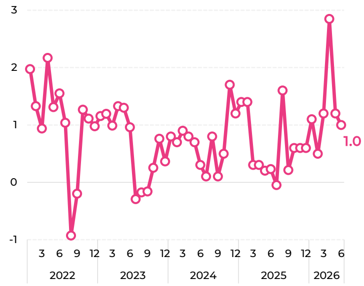
ANNUAL INFLATION
(percent)



Source: National Statistical Office

- In June 2026, the annual inflation rate stood at 12.0 percent.
- Inflation from imported goods contributed 2.8 percentage points, accounting for 22.3 percent of the annual inflation.
- Inflation from domestic goods and services contributed 9.2 percentage points, accounting for 77.7 percent of the annual inflation.

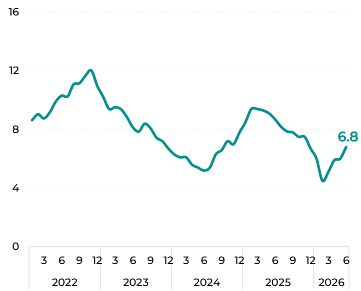
M-o-M INFLATION
(percent)



Source: National Statistical Office

- On a month-over-month basis, consumer prices increased by 1.0 percent in June 2026.
- This increase was driven primarily by increases in the prices of beef, mutton, and horse meat, which rose by 4.6 percent, 2.2 percent, and 6.8 percent, respectively, from the previous month. In addition, a 14 percent increase in water tariffs and a 5 percent increase in electricity and heating tariffs also contributed to m-o-m inflation.

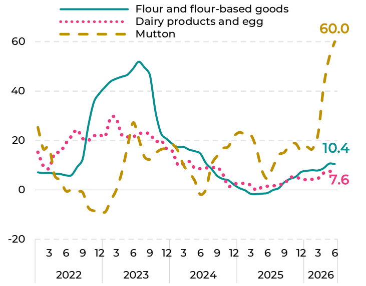
CORE INFLATION
(percent)



Source: National Statistical Office

- Core inflation excludes the volatile prices of food and energy from headline inflation.
- Core inflation is estimated at 6.8 percent in June 2026, contributing 4.1 percentage points to annual inflation.
- Core inflation increased for the last two consecutive months.

PRICE TRENDS FOR KEY FOOD COMMODITIES *(percent)*

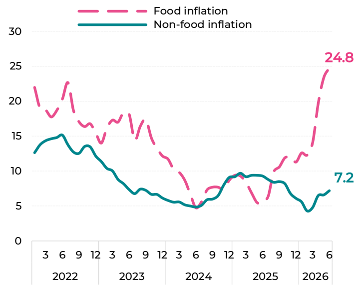


Source: National Statistical Office

- Price increases in meat, dairy, and flour products accounted for 43.9 percent of the annual inflation in June 2025.
- Prices of flour and flour-based products increased 10.4 percent from the same period last year.
- Prices of dairy products and eggs increased by 7.6 percent year-over-year.
- Mutton price increased by 60.0 percent year-over-year.

Global container shipping prices rose to $4,547, an increase of 75 percent from the same period last year. Meanwhile, the FAO Food Price Index (FFPI) declined by 0.3 percent month-over-month in June 2026.

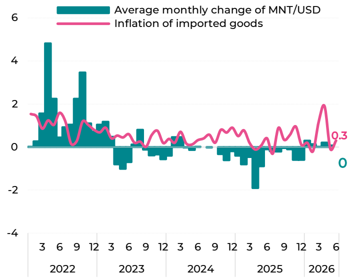
FOOD AND NON-FOOD INFLATION
(percent)



Source: National Statistical Office

- Food inflation was at 24.8 percent, accounting for 6.8 percentage points of annual inflation in June 2026. The acceleration in food inflation was driven by price increases in meat and meat products.
- Non-food inflation was at 7.2 percent, accounting for 5.2 percentage points of annual inflation.

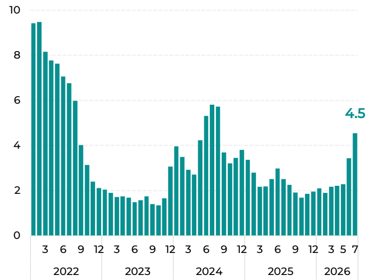
IMPORTED INFLATION AND EXCHANGE RATE
(percent)



Source: National Statistical Office, Bank of Mongolia

- In June 2026, the average MNT/USD rate remained unchanged from the previous month, at MNT 3,577.
- In June 2026, prices of imported goods increased by 0.3 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 July 16, 2026, the Drewry World Container Index (WCI) reached $4,547 per 40-ft container, up 75 percent compared to a year earlier.
- Container shipping costs are increasing supply-driven inflationary pressure.

FOOD PRICE INDEX
(percent)

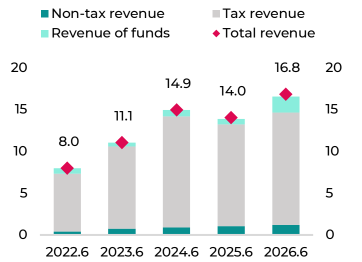
Source: FAO

- 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 130.3 points in June 2026, increasing by 1.7 percent y-o-y, while declining by 0.3 percent compared to the previous month.
- Over the past month, prices of vegetable oils and meat increased, while prices of sugar, wheat, and dairy products declined.

Year-on-year revenue performance improved by 20.1 percent, reaching 16,848.7 billion MNT in June. Meanwhile, expenditure rose to 16,773.3 billion MNT, a 20.0 percent increase compared to the same period last year.

BUDGET REVENUE

(by source, trillion ₮)

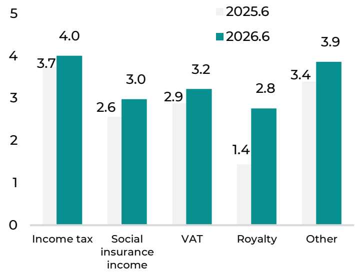


Source: Ministry of Finance

- Since the beginning of 2026, 65 percent of mineral royalty revenue has been allocated to the Future Heritage Fund, raising fund revenue accumulation to MNT 2.2 trillion, 2.7 times higher year-on-year.
- The structural revenue reached MNT 14.6 trillion as of June 2026, increasing by MNT 1.4 trillion, or 10.7 percent year-on-year.
- Tax revenue reached MNT 13.4 trillion in the first six months of 2026, increasing by MNT 1.3 trillion, or 10.3 percent year-on-year. This growth was mainly driven by increases in VAT and social insurance revenue.

TAX REVENUE

(by type of taxes, trillion ₮)

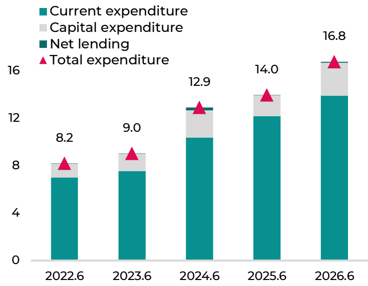


Source: Ministry of Finance

- Driven by higher global copper prices and the increased volume of mineral exports, royalty revenue reached MNT 2.8 trillion, increasing by MNT 1.3 trillion, or 1.9 times year-on-year, thereby contributing positively to overall budget revenue growth.
- In contrast, excise tax revenue declined by MNT 114.7 billion, or 20.7 percent year-on-year.

CONSOLIDATED BUDGET

(by category, trillion ₮)

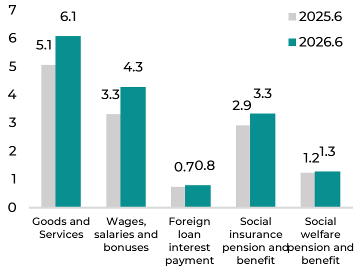


Source: Ministry of Finance

- In June 2026, budget expenditure amounted to MNT 16.8 trillion, an increase of MNT 2.8 trillion (20.0 percent) year-on-year.
- This increase was driven mainly by higher current and capital spending, which contributed 12.3 and 7.3 percentage points to the overall growth, respectively.
- Capital expenditure amounted to MNT 2.8 trillion, an increase of MNT 1.0 trillion (1.6 times) year-on-year, mainly due to higher spending on construction projects.

CURRENT EXPENDITURE

(by expenditure category, trillion ₮)

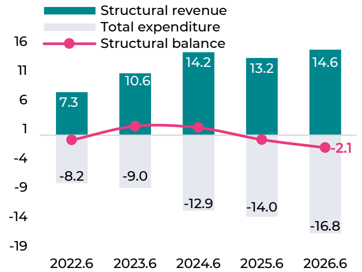


Source: Ministry of Finance

- The increase in current expenditure was mainly driven by higher salary spending, which reached MNT 4.3 trillion, increasing by MNT 1.0 trillion, or 29.4 percent year-on-year. Similarly, pension and benefit costs reached MNT 3.3 trillion, increasing by MNT 421.5 billion, or 14.4 percent year-on-year.
- Government current transfers reached MNT 1.5 trillion, increasing by MNT 22.5 billion, or 1.6 percent year-on-year. In contrast, other expenditures on goods and services declined to MNT 457.4 billion, decreasing by MNT 55.7 billion, or 10.9 percent year-on-year.

As of June 2026, the structural balance recorded a deficit of MNT 2,143.6 billion.

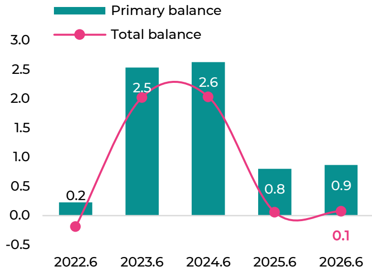
STRUCTURAL BALANCE
(trillion ₮)



Source: Ministry of Finance

- The structural balance recorded a deficit of MNT 2.1 trillion as of June 2026.
- The deficit was mainly driven by increased expenditures resulting from adjustments to public sector wages and pensions, which exceeded revenue growth.

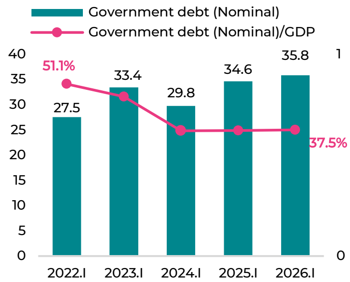
CONSOLIDATED BALANCE
(trillion ₮)



Source: Ministry of Finance

- As As of June 2026, the overall budget balance recorded a surplus of MNT 75.4 billion, representing a year-on-year increase in the budget surplus of MNT 16.0 billion.
- Meanwhile, the primary balance (which excludes interest payments from total expenditure) stood at a surplus of MNT 867.8 billion during this period.
- This indicates that the budget's underlying core operations remained in surplus, excluding interest payment obligations.

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



Source: Ministry of Finance

- 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.

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 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.

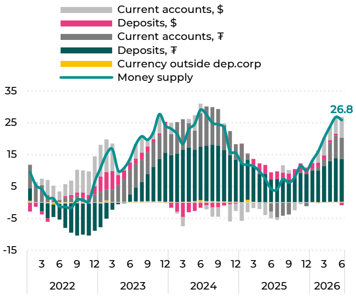
8.1 MONEY AND FINANCE

JUNE 2026

The money supply increased 25.8 percent year-on-year to ₮53.1 trillion in June 2026. The outstanding loans increased by 15.9 percent year-on-year in June 2026, reaching ₮49.0 trillion.

MONEY SUPPLY GROWTH

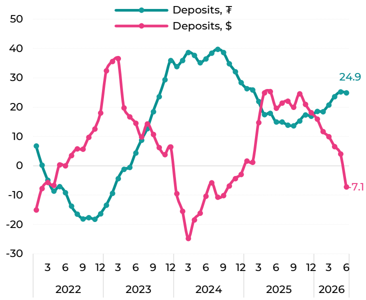
(percent)



Source: Bank of Mongolia

DEPOSITS GROWTH

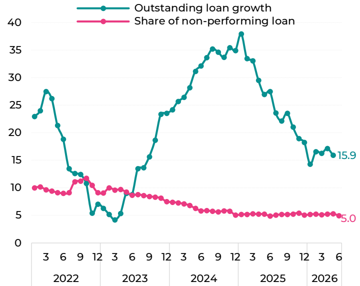
(percent)



Source: Bank of Mongolia

LOANS

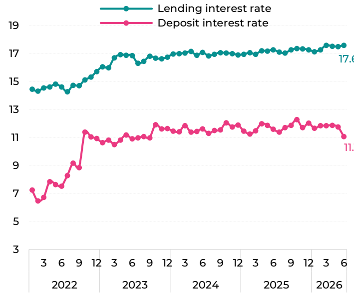
(percent)



Source: Bank of Mongolia

INTEREST RATE

(percent, weighted average rate)



Source: Bank of Mongolia

- In June 2026, the money supply reached ₮53.1 trillion, marking an increase of 25.8 percent from a year earlier.
- Domestic deposit accounts contributed 13.3 percentage points to growth, while foreign currency current and deposit accounts contributed 5.6 percentage points. In addition to this, domestic current accounts contributed 6.7 percentage points.

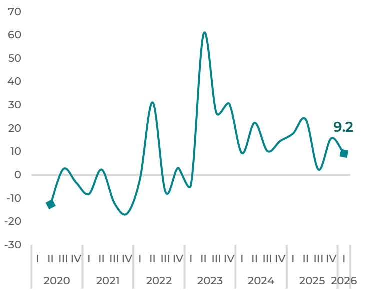
- Total deposits reached ₮33.2 trillion, an increase of 18.8 percent from a year earlier.
- Domestic currency deposits reached ₮28.2 trillion, up 24.9 percent from a year earlier.
- Foreign currency deposits reached ₮5.0 trillion, down 7.1 percent from a year earlier.

- In June 2026, outstanding loans reached ₮49.0 trillion, marking an increase of 15.9 percent from a year earlier.
- The share of non-performing loans in total loans was 5.0 percent, an increase of 0.08 percentage points from the same period last year.

- In June 2026, the weighted average interest rate on outstanding loans was 17.6 percent, up 0.3 percentage points from a year earlier and 0.09 percentage points increase from the previous month.
- The interest rate on new deposits was 11.1 percent, decreasing by 0.5 percentage points from the same period of the previous year and by 0.68 percentage points from the previous month.

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%.

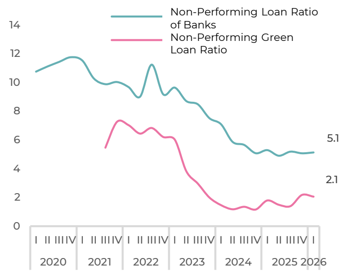
GROWTH OF OUTSTANDING GREEN LOANS *(quarterly growth, %)*



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.

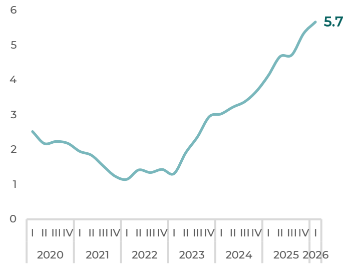
NON-PERFORMING LOAN RATIO



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.

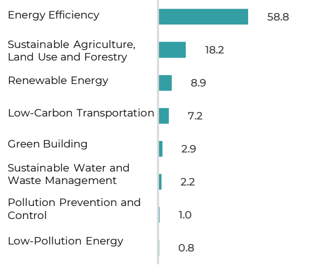
SHARE OF GREEN LOANS IN TOTAL OUTSTANDING LOANS *(percentage)*



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

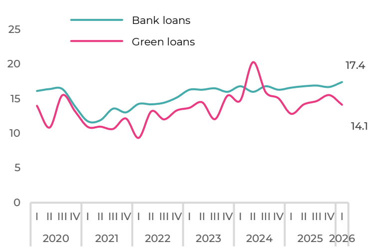
- As of the first quarter of 2026, 58.8% of total outstanding green loans were concentrated in the energy-efficient housing sector. This was followed by the agriculture sector with 18.2% and the renewable energy sector with 8.9%. Compared to these sectors, green financing in other sectors remains relatively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

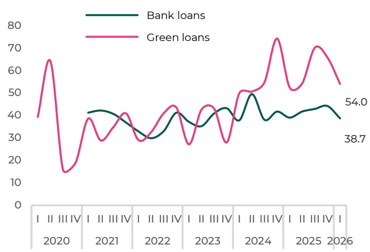
INTEREST RATE OF NEWLY ISSUED MNT LOANS *(weighted average interest rate, %)*



Source: Bank of Mongolia

- 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.

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



Source: Bank of Mongolia

- 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

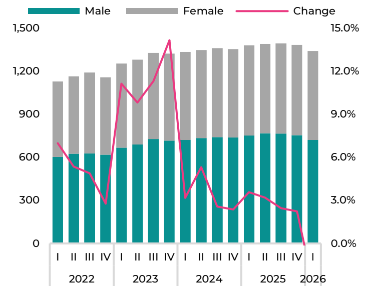
SENIOR UNSECURED GREEN AND SOCIAL BOND
Арилжааны банк *(2024.10.23)*
50 mil. $
9.5% | 5 years

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

Source: Financial Regulatory Commission

The number of employed persons decreased to 1.34 million, resulting in the labor force participation rate declining to 60.4%.

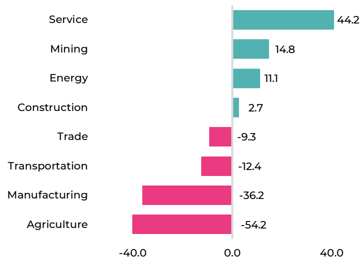
CHANGES IN THE NUMBER OF EMPLOYEES BY GENDER
(thousand persons, percent)



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.

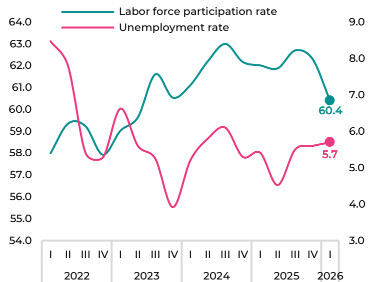
CHANGES IN THE NUMBER OF EMPLOYEES BY SECTOR
(thousand persons)



Source: National Statistics Office

- 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.

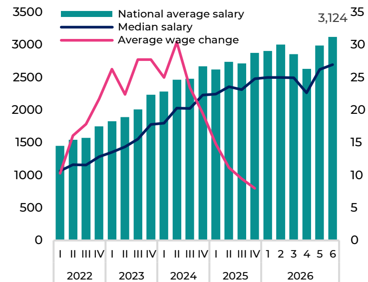
LABOR FORCE PARTICIPATION RATE
(percent)



Source: National Statistics Office

- 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, MEDIAN, REAL SALARY
(thousand ₮)



Source: National Statistics Office

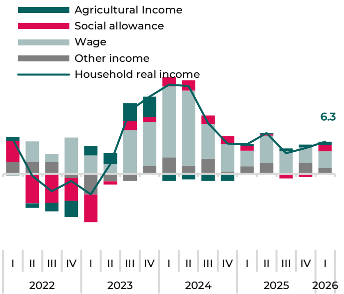
- The average salary as of June 2026 is 3 million 123 thousand MNT.
- The median salary is 2 million 696 thousand MNT (427 thousand MNT less than the average salary). This means that more than half of the workers receive a salary of less than 2.6 million MNT.
- The real salary adjusted by the consumer price index reached 2 million 432 thousand MNT. *CPI 2023=100)*

9.2 HOUSEHOLD INCOME

2026 Q1

Household real income grew by 6.3 percent.

AVERAGE REAL INCOME GROWTH
(percent)

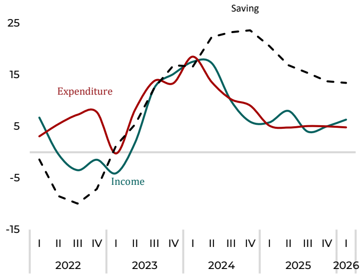


Source: National Statistics Office

- 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.

NOMINAL INCOME, EXPENDITURE AND SAVING
(percent)

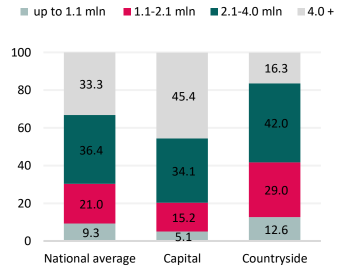


Source: National Statistics Office

- 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.

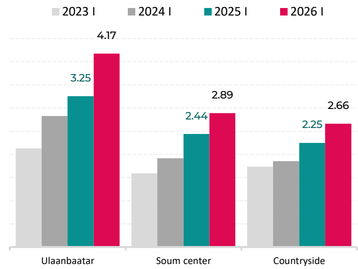
AVERAGE NOMINAL INCOME
(percent)



Source: National Statistics Office

- 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.

AVERAGE REAL INCOME GROWTH
(mln MNT)

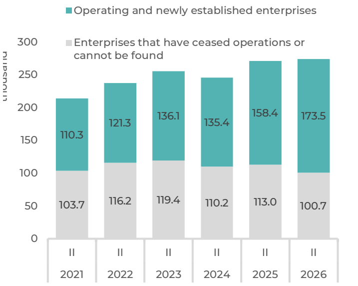


Source: National Statistics Office

- 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.

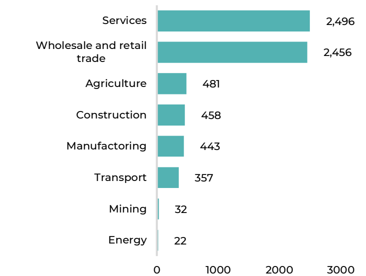
The total number of enterprises registered in the Business Register reached **274.2 thousand** in the first quarter of 2026, increasing by **2.8 thousand entities**, or **9.5 percent**, compared to the same period of the previous year.

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



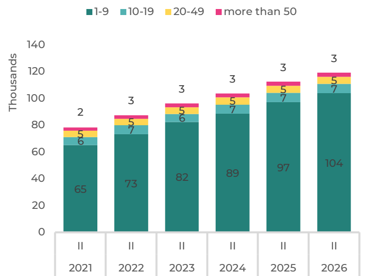
Source: National Statistics Office

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



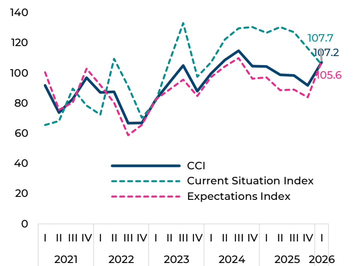
Source: National Statistics Office

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 274.2 thousand in the second quarter of 2026, increasing by 2.8 thousand compared to the same period of the previous year.
- Enterprises that are active or have not yet started operations increased by 9.5 percent compared to the same period last year, while enterprises that have ceased operations or are untraceable decreased by 10.8 per cent.
- Although the total number of registered enterprises has declined, the increase in the number of actively operating enterprises indicates economic dynamism.

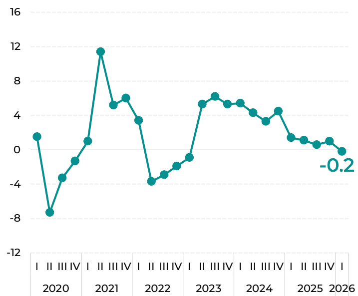
- As the domestic economy becomes more active and purchasing power improves, the number of operating enterprises increased by 2.5 thousand in the trade sector and by 2.4 thousand in the services sector.
- Additionally, due to the implementation of policies supporting agriculture, the number of operating enterprises in this sector grew by 10.6 percent.

- Out of 119.1 thousand operating enterprises, 103.6 thousand are micro-enterprises with 1–9 employees.
- In addition, the number of smallenterprises with 1–9 employees increasedby 6.8% compared to the same period ofthe previous year.

- 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 6.0 percent in June 2026, down 3.4 percentage points from the same period last year.

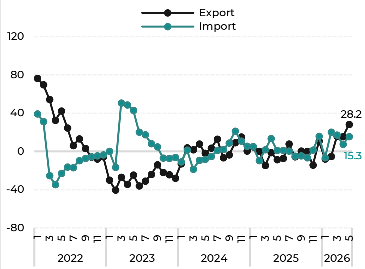
GDP GROWTH
(percent)



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.

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



Source: Central Bank of the Russian Federation

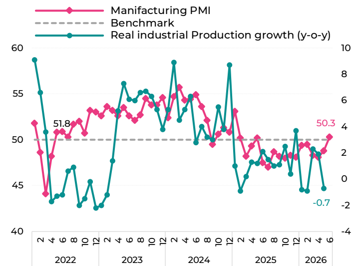
- As of May 2026, exports reached $42.9 billion, and imports reached $28.7 billion, resulting in a trade surplus of $14.2 billion.
- Exports rose by 28.2 percent year-on-year in May 2026.
- Imports increased by 15.3 percent year-on-year in May 2026.

INFLATION
(percent)

Source: Bloomberg

- The inflation rate remains above the central bank's target level of 4 percent.
- Inflation stood at 6.0 percent in June 2026, decreasing by 0.7 percentage points from the previous month and by 3.4 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 14.25 percent in 27th April 2026.

PURCHASING MANAGERS' INDEX
(PMI)



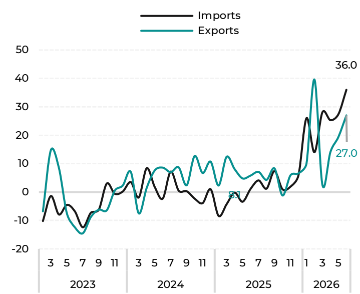
Source: Bloomberg

- In June 2026, the Purchasing Manager's Index (PMI) for the industrial sector reached 50.3, reflecting an increase of 1.5 points from the previous month.
- As of May 2026, the growth of real industrial production reached -0.7 percent, a decrease of 2.6 percentage points from the previous month.

11.2 WORLD ECONOMY- CHINA JUNE 2026

Despite weak domestic demand, China's economy grew by 4.7% in the first half of 2026, supported by steady supply-side growth and rising exports.

EXPORTS & IMPORTS GROWTH
(percent)

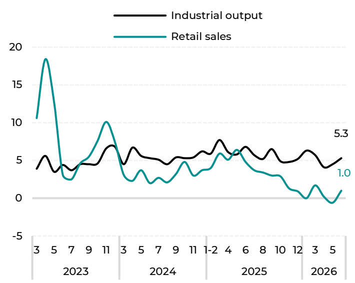


Source: National Bureau of Statistics of China

- China's GDP grew by 4.3 percent year on year in the second quarter of 2026, with first-half GDP growth reaching 4.7 percent
- Export growth accelerated to 27.0 percent in June 2026, while import growth also accelerated to 36.0 percent this month.

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

INDUSTRIAL OUTPUT, RETAIL SALES GROWTH *(percent)*

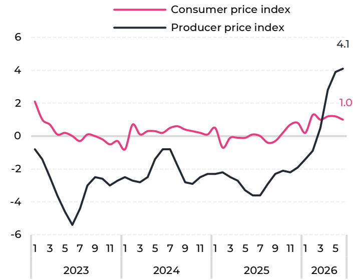


Source: National Bureau of Statistics of China

- Industrial output increased by 5.3% in June 2026, which is 0.8 percentage points higher than the growth recorded in the previous month.
- Retail sales - an indicator of consumer sentiment, grew by 1.0% in June, reflecting an improvement in consumption activity.

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

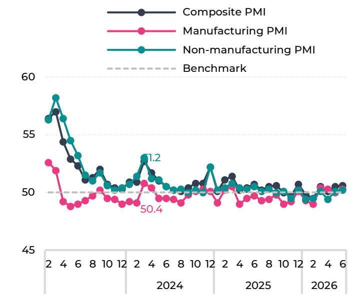
INFLATION
(percent)



Source: Bloomberg

- The consumer price index reached 1.0 percent in June 2026, down 0.3 percent from the previous month.
- The producer price index rose by 4.1 percent in June 2026, leaving the deflation zone and rising sharply.

PURCHASING MANAGERS' INDEX
(PMI)



Source: National Bureau of Statistics of China

- The manufacturing PMI rose to 50 in June 2026, indicating an expansion.
- 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