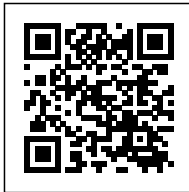


MONGOLIAN ECONOMY EXPANDS 1.9% IN 2022 H1

Posted on August 17, 2022 by admin

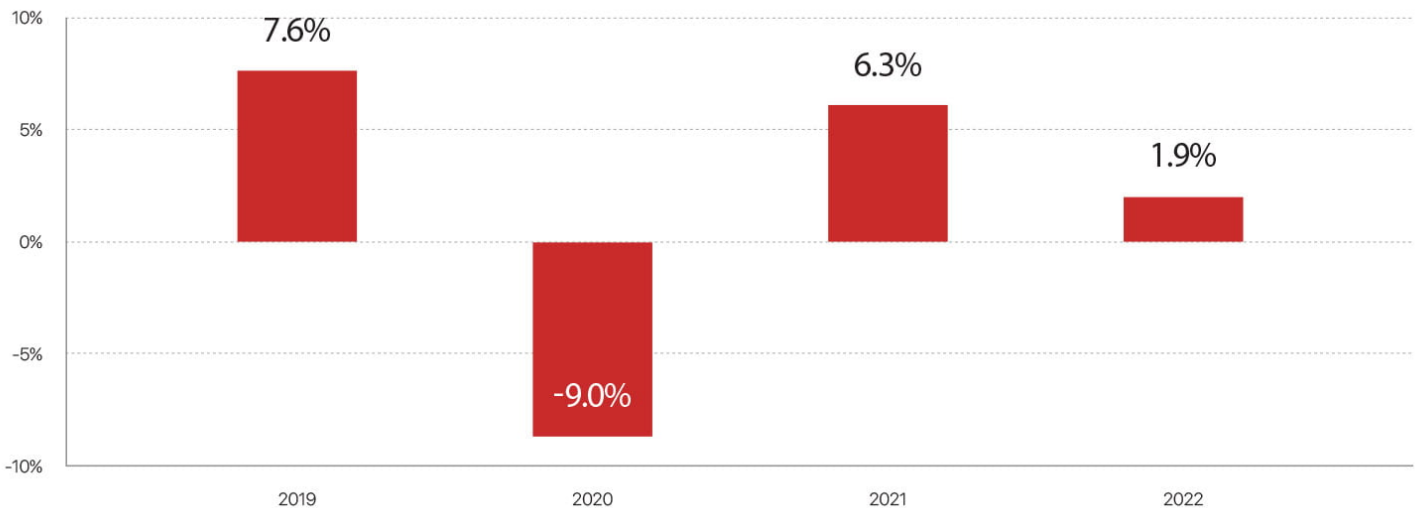


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In the first half of 2022, the gross domestic product (GDP) of Mongolia expanded by 1.9 percent, according to the National Statistics Office. The increased activity in the agricultural and service sectors is mainly attributed to the growth.

GDP, H1



Source: National Statistics Office

Among the main economic sectors, the mining sector fell by 28.8 percent, and the industry and construction sectors decreased by 1.2 percent. The recovery of the mining sector after the economic crisis has been slower than that of other sectors. However, the mining sector saw a slight performance improvement compared to a 37.1 percent decline in the previous quarter. This is thanks to the rise in the number of coal transport vehicles entering China and the growth in the export of coal and copper concentrate. Nonetheless, it might take time to reach pre-pandemic levels.

World Bank projects that the economy will grow by 2.5 percent in 2022, reflecting lingering border frictions with China and the impact of global political instability. Over the medium-term, the World Bank forecasts the economy to accelerate to above 6 percent in 2023-2024, as the underground mine of Mongolia's largest copper mine Oyu Tolgoi is expected to become operational during the second half of 2023.

At the same time, the Asian Development Bank anticipates the country's economy to expand by 2.3% in 2022 before climbing to 5.6% in 2023, supported by domestic demand, investment, and recovery in the industry, agriculture, and services. Growth prospects in 2022-2023 will depend heavily on when the reopening of major trade portals with China, whether there is a resurgence in COVID-19, and how Mongolia responds to external economic pressures.