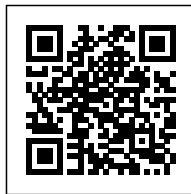


GOM NEGOTIATES WITH RUSSIA TO STABILIZE THE A92 FUEL PRICE UNTIL 2027

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During the 2022 Eastern Economic Forum, Mongolia negotiated to purchase A92 fuel from Russia at a stable price until 2027, and diesel fuel at a 10 percent discount.

Following up, Mongolia has signed a 5-year cooperation agreement with Rosneft, according to the Ministry of Mining and Heavy Industry. Since the beginning of the pandemic, there was a massive swing in the price of crude oil in the global market. As a result, the price of fuel in Mongolia has increased sharply. By signing the above-mentioned cooperation agreement, fuel will be imported at a stable price for a set period.

Mongolia's fuel consumption is almost entirely imported from Russia. During the past 5 years, an average of 1.25 million tonnes of oil or USD 1 billion worth of oil products were imported from Russia and China annually. To tackle dependence on imports and supply domestic demand, the country has started constructing an oil refinery in Dornogovi Province. Under the current plan, the refinery will be operational by 2025 and will have an annual capacity to process 1.5 million tonnes of oil and supply 55-60 percent of total domestic demand.