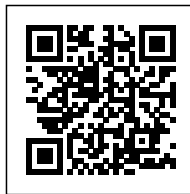


MONGOLIA'S HEIGHTENED LEVEL OF INFLATION PERSISTS IN APRIL

Posted on May 16, 2022 by admin



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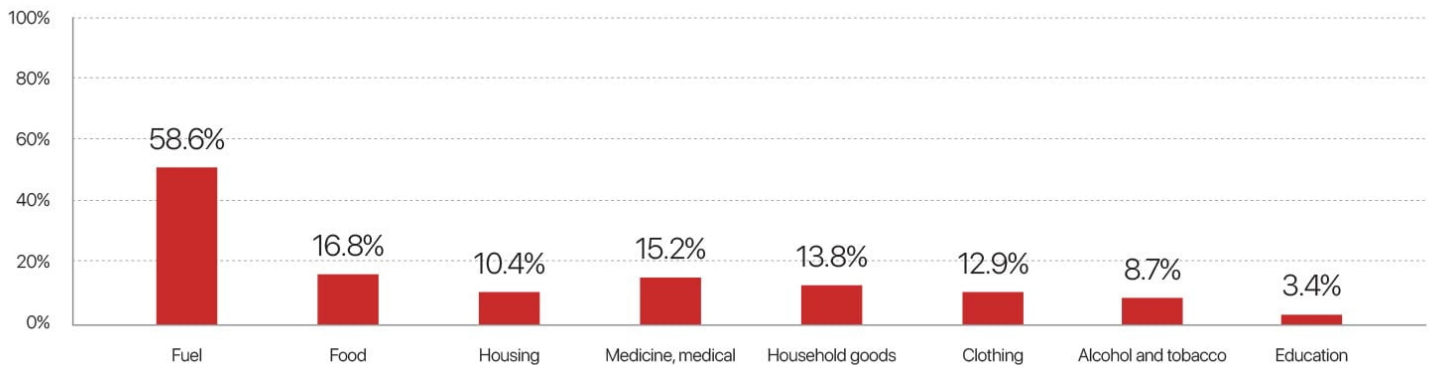
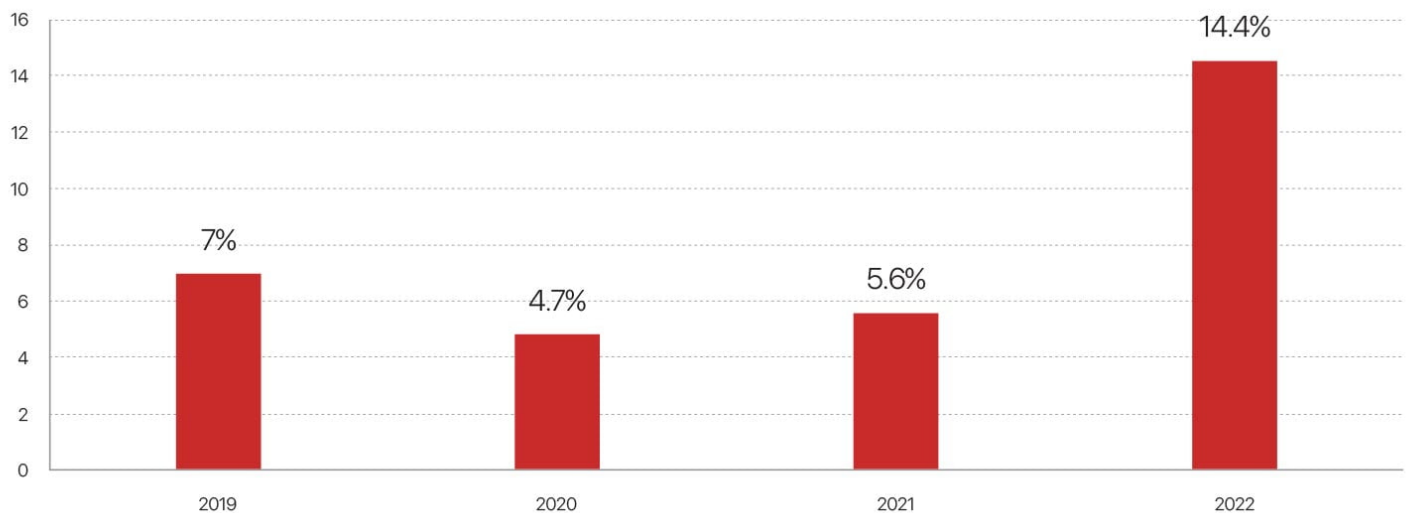
Mongolia's Consumer Price Index accelerated by 14.4 percent in April 2022 compared to the same period of last year, according to the country's National Statistics Office. In the capital Ulaanbaatar, the inflation indicator jumped 15.2 percent in the same period.

Mongolia's inflation rate year-on-year in April

The rise in prices of consumer goods was mainly driven by 58.6 percent increase in fuel price. Globally, A92

gasoline and diesel fuel prices hiked 60-71.3 percent last year, the biggest movement since 2013. In Mongolia, the prices of these fuels reached MNT 2,382 per liter, an increase of 0.03 percent from the previous month. To limit the rise in prices, the Government is taking measures to write off customs duties on the import of the most widely used gasoline A92. O.Batnairamdal, the Deputy Minister of Mining and Heavy Industry, said that as a result of an agreement with Russia's Rosneft, the key supplier of gasoline, A92 will be imported at \$830 per tonne until June this year. Therefore, retail fuel price is expected to remain at the current level.



Market basket *Nationwide**Inflation in Mongolia, April of each year**

Food prices rose 16.8 percent in the same period. To prevent shortages of food products, build up reserves, and limit price increases, the Government is providing 3 percent interest soft loans worth MNT 130 billion to meat suppliers and MNT 100 billion to flour producers. Simultaneously, all types of wheat and sugar are exempted from customs duties.☒

THE BANK OF MONGOLIA EMPHASIZES THAT MOST OF THE INFLATION IS DRIVEN BY SUPPLY FACTORS. THE BANK RAISED ITS POLICY RATE BY 2.5 PERCENTAGE POINTS TO 9 PERCENT IN MARCH.

The International Monetary Fund forecasted Mongolia's inflation to average at 14.5 percent this year in its recent forecast. Prolonged border restrictions in China, due to the pandemic, have hampered exports and the operations of domestic enterprises. Global instability disrupted by the situation between Russia and Ukraine is also factoring in on rising prices.☒

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