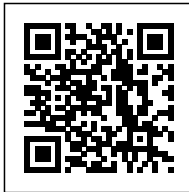


MONGOLIA'S ECONOMY CONTRACTS 3.8 PERCENT IN Q1 2022

Posted on May 17, 2022 by admin



Category: [News](#)



Mongolia's economy contracted by 3.8 percent in the first quarter of 2022, according to the National Statistics Office. This shows that the country's economy has not recovered from the pandemic yet.

The mining and extractives sector declined by 6.1 percentage points over the same period. Mongolia's economy is heavily dependent on the mining sector. The key export products such as coal, copper concentrate, and oil, have declined sharply in the reporting period.✕

OUTPUT OF KEY EXPORT PRODUCTS Q1, COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR



-59%

Coal

**-97.6%**

Oil

**-20.6%**

Copper concentrate

Although the global prices for Mongolia's key export products are relatively high, disruptions at southern border crossings, which account for more than 90 percent of the country's exports, have hampered foreign trade and logistics, slowing the overall economic growth. As the real economic growth slows, instability in Russia and Ukraine has disrupted supply chains and pushed up prices of consumer goods.

The International Monetary Fund (IMF) has cut its 2022 economic growth forecast for Mongolia to one percent. They also warned that Mongolia is facing stagflation.

The Mongolian Government is implementing an MNT 10 trillion program to recover the economy. The country also eased restrictions and opened the border to foreign tourists. However, the Mongolian economy remains in recession as it depends heavily on the mining sector and exports through the southern borders.☒