

MONGOLIA'S CENTRAL BANK KEEPS INTEREST RATES UNCHANGED FOR THE FOURTH CONSECUTIVE TIME

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On September 15, the Central Bank of Mongolia announced its decision to maintain the current interest rates at 13 percent, marking the fourth consecutive time they have chosen to do so. This is the highest it has been since early 2017. The central bank acknowledged that while inflation is expected to decrease in the nation, uncertain economic conditions both domestically and internationally are likely to slow down this process.

In August, inflation in Mongolia stood at 10%, a level not seen in nearly a decade. However, since December of the previous year, consumer prices have gradually declined from a high of 12.9 percent. Several factors contributed to this decline, including reduced prices among major trading partner countries, an increase in trade turnover, and a decrease in transportation costs. Since the beginning of 2023, the nation has also witnessed a cooling down of import prices and stability in the exchange rate of the Mongolian Tugrik (MNT).

However, the Monetary Policy Committee of Mongolbank has cautioned that inflation may rebound due to increased economic demand and rising wages. Additionally, Mongolia is scheduled to hold parliamentary elections in the spring of 2024, which is likely to result in an expansion of the budget.