

# ADB RAISES MONGOLIA'S GDP GROWTH PROJECTIONS FOR 2023, BUT LOWERS FOR 2024

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The Asian Development Bank (ADB) has made revisions to its GDP growth projections for Mongolia, reflecting both positive and cautious sentiments. The organization has upgraded its forecast for 2023, raising it by 0.3 percentage points to 5.7%. This adjustment comes on the heels of Mongolia's impressive economic performance during the first half of the year, where the nation saw a substantial growth rate of 6.4%, primarily fueled by the recovery of its mining sector.

According to data from the national statistics office, Mongolia recorded a significant surplus of \$474.9 million in its current and capital accounts during the first six months of 2023. This marks the highest level ever achieved within a half-year period. A substantial factor contributing to this success was the early 2023 reopening of China's borders, facilitating increased trade and economic activity between the two countries.

Nevertheless, in a more conservative stance, the ADB has adjusted its growth forecast for Mongolia in 2024, reducing it from 6.1% to 5.9%. Despite this adjustment, it is worth noting that Mongolia's projected growth for 2024 still stands as robust compared to the growth rates expected in other developing countries within the region.

The bank has pointed out that inflation in the country has consistently exceeded the central bank's target rate for 27 consecutive months. The Mongolbank's inflation target ranges from 4 to 8 percent. ADB anticipates a gradual deceleration of inflation in the country for the rest of this year, with an expected average of 10.5 percent. Furthermore, the bank foresees a decrease in inflation to 8.6 percent in 2024.