

MONGOLIAN PARLIAMENT APPROVES AMBITIOUS 2024 BUDGET

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The Mongolian Parliament has given the nod to the state budget for 2024, marking a substantial increase of MNT 5 trillion from the previous fiscal year. The approved budget, a pivotal roadmap for the nation's financial course in the coming year, reveals a meticulous balance of income and expenditure.

The 2024 budget sets the stage with a balanced income of MNT 25.8 trillion, accompanied by a total expenditure of MNT 27.3 trillion. A noteworthy aspect is the balance sheet projection, anticipating a surplus of MNT 1.5 trillion, constituting a two percent of the total Gross Domestic Product (GDP).

**Strategic Investment Focus:**

One of the standout features of the budget lies in its commitment to enhancing certain projects. The regulatory provision allowing an increase in budgeted costs and financing amounts for selected projects highlights a dedication to strategic investments and fostering the economic development of Mongolia. This forward-thinking approach aligns with the nation's aspirations for sustainable growth and progress.

Economic Landscape:

Mongolia's economic landscape has experienced a positive shift this year, primarily attributed to the resurgence of commodity exports. This rebound has not only stabilized public and external finances in the short term but also injected a sense of economic buoyancy. However, it's essential to acknowledge the nuanced analysis provided by Fitch Ratings, foreseeing lingering external financing vulnerabilities in the coming years. The potential return to current-account and fiscal deficits, coupled with elevated external debt, raises considerations about the sustainability of Mongolia's fiscal and export outperformance, as cautioned by the agency that growth may be "temporary".

Fiscal Caution Amid Positive Momentum:

While Mongolia currently basks in the glow of positive economic indicators, the prudent approach of Fitch Ratings serves as a reminder of the challenges that lie ahead. The expectation of enduring fiscal and external financing challenges reinforces the need for measured economic policies and sustained efforts to fortify the nation's financial resilience.



As the new fiscal year beckons, Mongolia stands at the crossroads of economic potential and challenges. The approved 2024 budget not only reflects the nation's ambitions for growth but also signals a commitment to navigate complexities with foresight and fiscal responsibility. The coming year will undoubtedly test the resilience of Mongolia's economic strategies, making the effective implementation of the budgetary measures a crucial factor in shaping the nation's trajectory.