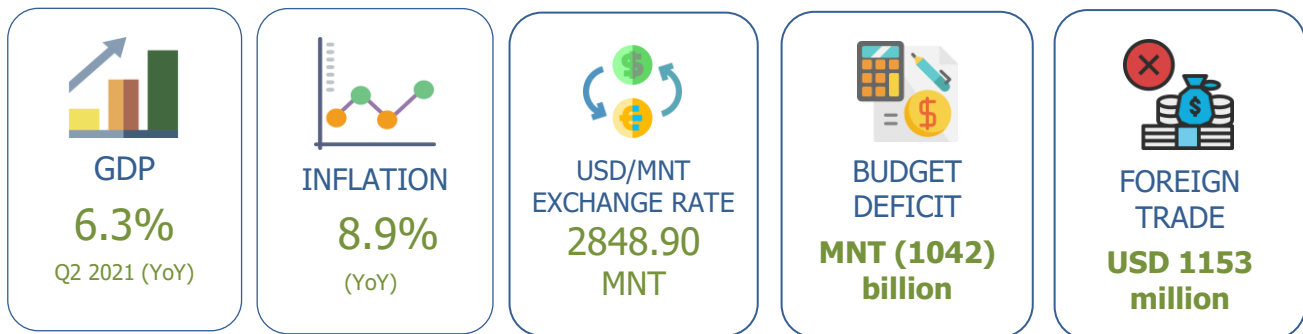


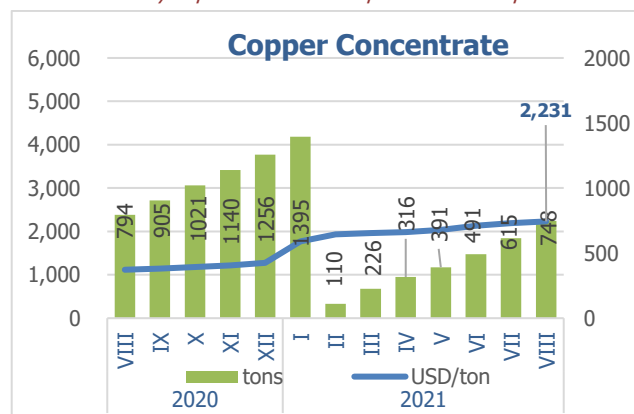
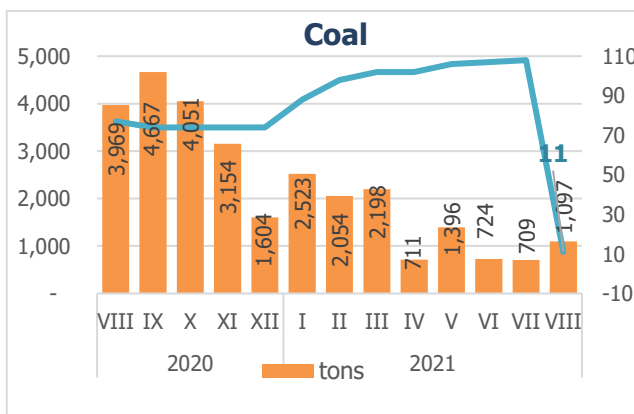
MAIN INDICATORS

Compared with July 2021



MAJOR EXPORT COMMODITY PRICES AND VOLUMES

Monthly export volumes and prices over the past 12 months.



Source: National statistical office of Mongolia

OTHER MONTHLY INDICATORS



FOREIGN CURRENCY RESERVES
USD 4577 million



TOTAL DEPOSITS
MNT 19.2 trillion



% OF NON-PERFORMING LOAN
10%



CURRENCY IN CIRCULATION
MNT 1080 billion

ECONOMIC FORECASTS FOR MONGOLIA

GDP growth: in 2021: 5.1%

Inflation: in 2020: 8.2%

Current account balance: in 2021: -8.3% according to a new Asian Development Bank (ADB) report, 2020

Source: <https://bit.ly/30pG2Et>

GDP growth: in 2021: 6%

Inflation: in 2021: 5.5%

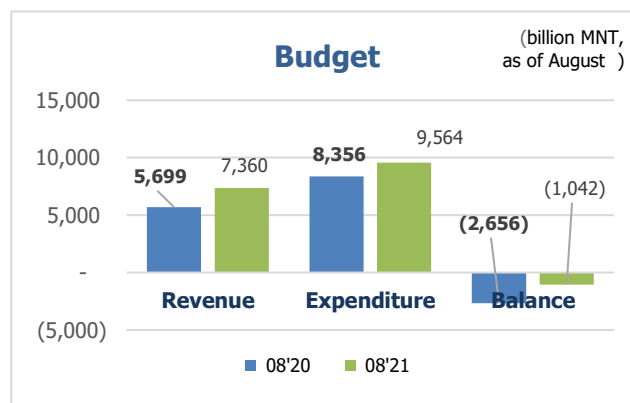
Current account balance: in 2021: -13.5% of GDP- by IMF (World Economic Outlook, 2020)

Source: <https://bit.ly/3qx1ORg>

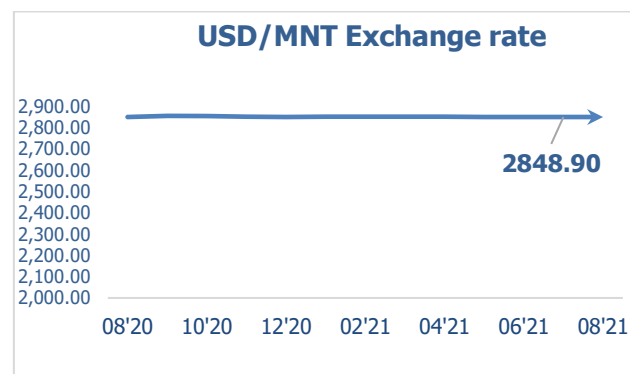
ANALYSIS: STATE BUDGET, EXCHANGE RATE, INFLATION, FOREIGN TRADE

The budget deficit reached MNT -1042 billion

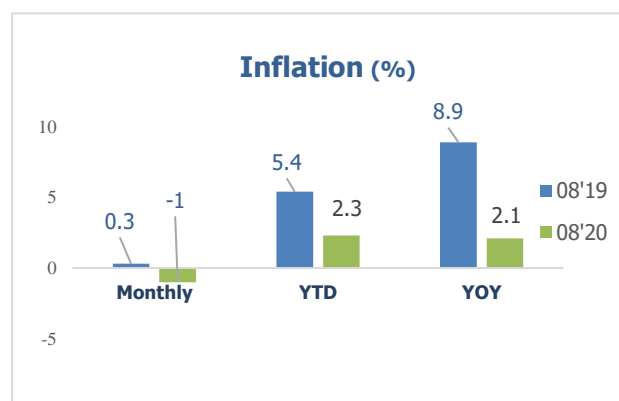
Government revenues increased by 29.1% and expenditures increased by 14.5 % relative to the same period in 2020, resulting in a budget deficit of MNT 1042 billion. The budget deficit has decreased by 60.8 billion MNT from the same period in 2020.

**The USD exchange rate decreased by MNT 0.07**

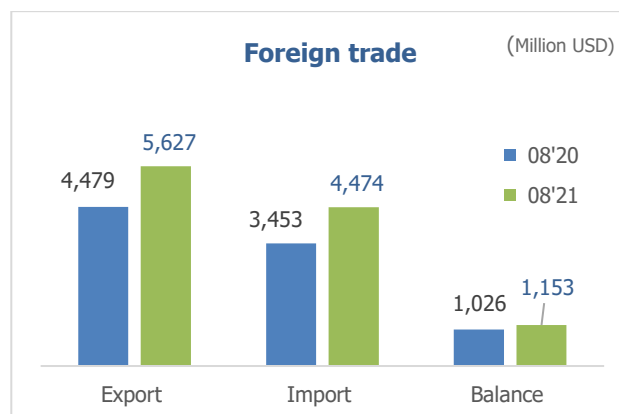
In August, the average nominal exchange rate against the US dollar was MNT 2848.90. This is a 0.4% or by 0.20 MNT decrease from the same period in 2020, and a 0.15 MNT decrease from June 2021. In July foreign exchange reserves reached 4.5 billion MNT an increase 26.4 percent from the same period in 2020, and 3 percent decrease from June 2021.

**Inflation Rate is 2.1%**

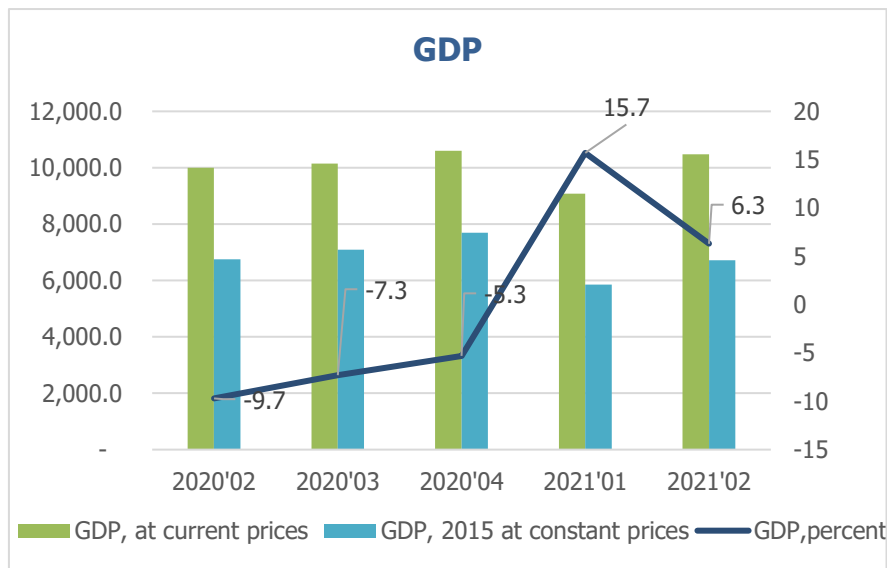
In August, the national consumer price index decreased by 1% compared to July 2020, and increased by 2.1% in the year to date. Annual inflation is 2.1%. The consumer price index has increased due to prices of food and beverages, prices of transport housing, electricity, medicine and medical services.

**Trade Balance surplus reached 1153 million USD**

In August, Total turnover of foreign trade reached USD 10,101 billion, an 27.3% increase compared to the same period in 2020. Exports increased by 25.6% from the last year, while imports increased by 29.5%. The trade surplus reached USD 1153 million.



SPECIAL FOCUS: GDP



Source: www.1212.mn

In the first half of this year, GDP reached MNT 19.7 trillion at current prices, an increase of MNT 2.7 trillion (16 percent) compared to the same period of the previous year. At 2015 constant prices, it reached 12.5 trillion MNT, increasing by 739 billion MNT (6.3 percent) compared to the same period of the previous year. GDP (at 2015 constant prices) decreased by 9 percent in the first half of 2020 and increased by 6.3 percent in the first half of 2021. Excluding seasonal effects, GDP (at 2015 constant prices) decreased by 5.1 percent in the second quarter of 2021 compared to the previous quarter. In the first half of this year, GDP increased by 6.3 percent, of which 2.7 percentage points went to mining and quarrying, 1.4 percentage points to services, and 3 percentage points to net product taxes. In the first half of 2021, GDP at final prices (calculated by the end-use method) reached MNT 19.6 trillion, an increase of MNT 2.4 trillion (14.2 percent) from the previous year. In the first half of 2021, 67.4 percent was spent on final consumption of GDP, 38.8 percent on total capital accumulation and -6.2 percent on net exports. Compared to the same period of the previous year, total capital accumulation increased by 12.4 percentage points and final consumption decreased by 15.3 percentage points.

HIGHLIGHTS OF THE MONTH

100 MILLION MNT MORTGAGE LOAN ISSUED IN AUGUST

- In August of this year, the Bank of Mongolia allocated 60 billion MNT to banks, and in accordance with the relevant agreement, the banks decided to add 40 billion MNT from their own resources and issue a total of 100 billion MNT in mortgage loans. Within the framework of the mortgage loan program, in the first 7 months of this year, a total of 554.4 billion MNT was disbursed to 7470 households through the Bank of Mongolia and bank sources. This year, an average of 78.6 billion MNT was disbursed per month.

FUEL PRICES HAVE CONSTANTLY INCREASED SINCE 2018

- Fuel prices have been rising steadily since 2018, reaching an average of MNT 1,979 in November, the highest level in four years. In June 2020, it reached MNT 1,386, the lowest level in four years, according to the National Statistics Office. Due to the increase in world oil prices, the price of AI-92 increased by an average of MNT 300 on July 2 this year and by MNT 300 on the 30th of this month to MNT 2,050.

Sources:

- Monthly bulletin of statistics, August 2021, National Statistics office of Mongolia
- Monthly bulletin of statistics, August 2021, Mongolbank
- www.1212.mn, www.monqolbank.mn; www.montsame.mn