



Press Release
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Contact
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AmCham Mongolia discusses Mongolia's economic challenges in 2023 during its October Monthly Meeting



ULAANBAATAR, Mongolia – The American Chamber of Commerce in Mongolia (AmCham Mongolia) organized its October Monthly Meeting, “Mongolia: Surviving or Thriving in 2023”, on October 11, 2022, at Blue Sky Hotel.

The October Monthly Meeting featured resident leaders from key international financial institutions and Bank of Mongolia representatives discussing the forecast for the upcoming year and the implications of current fiscal actions to determine potential outcomes. The panelists were Hannes A. Takacs, head of the EBRD’s Mongolian Office; Andrei Mikhnev, World Bank Country Manager; and O. Odgerel, director of the Bank of Mongolia’s Financial Market Division; and was moderated by James Liotta, chairman of the American Chamber of Commerce in Mongolia.

Answering the opening question about Mongolia’s outlook in 2023, Mr. Takacs noted projected growth of 7.0 percent, Mr. Mikhnev indicated 4.5 percent, and Odgerel pointed to 3.0 percent in 2023, optimistically projecting 4.4 percent growth in 2024.



Andrei Mikhnev said the World Bank predicts Mongolia's economy will grow by 2.4 percent in 2022. At the beginning of 2022, the economy was expected to recover rapidly due to the abatement of the COVID-19 pandemic, but the war in Europe brought many challenges and slowed growth momentum. He emphasized the importance of taking necessary policy reforms and measures into consideration. Mr. Mikhnev said, “We expect that the growth of Mongolia’s economy accelerates to more than five percent in 2023, mostly due to

increased mining output and potential improvement of external factors. At the same time, Russia’s prolonged war against Ukraine, continuous outbreaks of COVID-19, fiscal tightening in advanced economies, and global food and energy crises may lower this base scenario for growth.”

Hannes A. Takacs, head of EBRD in Mongolia, noted that the private sector was performing well. The state’s main exports of minerals will play a huge role in the coming year’s earnings, as increased selling prices will ensure the gap remains manageable; otherwise, the current state of fiscal health will further deteriorate. Fiscal discipline and moderation will help when navigating through this period. Echoing the significance of Oyu Tolgoi’s underground mine development, Mr. Takacs noted that 2023’s mineral production output is definitely an area the country will draw its recovery powers from and needs to be attentive to.



The Bank of Mongolia’s views on the upcoming year’s forecasts remain optimistic, with an emphasis on fuel import playing a leading role in positive outcomes. Many of Mongolia’s rail shipments come from its northern neighbor, making the country susceptible to any changes that may occur at border ports concerning import and export transactions. The panelists addressed vital statistics during the discussion, including the current 14.5 percent inflation rate. The base projection of growth for this year is at three percent, and 4.4 percent is expected in 2023.



Expectations for the fiscal year of 2023 will largely depend on the policy synchronization and “getting it right this time” approach that supports the main export (minerals) while developing other opportunities, allowing the private sector to conduct business more freely and re-assuring investor confidence. If the country is to thrive, the road to it will be of a challenging nature.

About AmCham Mongolia

The American Chamber of Commerce in Mongolia (AmCham Mongolia) is an independent membership-driven organization that seeks to build, strengthen, and protect business between the United States and Mongolia, and actively promote Mongolia as a destination for American investment. AmCham Mongolia is accredited by the U.S. Chamber of Commerce as its official affiliate in Mongolia. Based in Washington, D.C., the U.S. Chamber of Commerce is the largest federation in the world, with over 3 million members.