# SURVEY OF PROFESSIONAL EXPERTS
## (1st quarter of 2025)

> ➢ **Executive Summary**

The professionals who participated in this survey consist of bank analysts, economic professors, and researchers from research institutions and financial organizations. The survey was conducted between February 17 and 27, 2025, with a total of 25 responses.

> ➢ **Overview of the Experts' expectations:**

| Indicator | 2025Q1 | 2025Q4 |
|---|---|---|
| **Inflation** | Expected to increase slightly to **10.1%** | Expected to remain further to **9.7%** |
| **Real GDP growth** | Forecasted at **4.9%** | Forecasted at **5.4%** |
| **Policy rate** | Expected to remain around **10.1%** | Expected to increase slightly to **10.7%** |
| **Interest rate** | Expected to remain at **16.9%** | Expected to remain at **17.0%** |

| Summary table | | | |
|---|---|---|---|
|  | **01/2025** | **2025Q1** | **2025Q4** |
| Inflation /Capital city/ | 9.7% | **10.1%** | **9.7%** |
| Real GDP growth | 4.9%* | **4.9%** | **5.4%** |
| Policy rate /%/ | 10.0% | **10.1%** | **10.7%** |
| Interest rate /newly issued loan, ₮, %/ | 16.9% | **16.9%** | **17.0%** |

 * Fourth quarter of 2024

*The content of this quarterly survey report reflects the combined analysis of experts from banks and researchers. It does not represent the official stance of the Bank of Mongolia.*
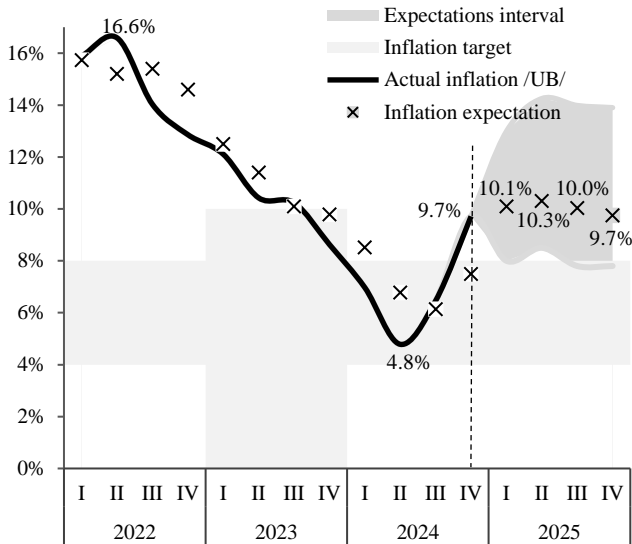
## I. INFLATION

In 2024Q4, the annual inflation rate rose to 9.7%, surpassing the experts' expectations from the previous quarter by 2.2 percentage points. Experts forecast inflation to average 10.1% in 2025Q1 and remain steady at 9.7% in 2025Q4 *(Figure 1)*.

**Figure 1. Inflation expectations**
*/Annual percentage changes/*



Expectations for the inflation rate in this quarter' survey have been raised compared to the previous survey conducted in 2024Q4. The most likely inflation range for 2025Q1 is now 9.0%-9.9%, with a probability of 30.1%. In the previous survey, the range with the highest probability was 7.0%-7.9%, at 32.9% *(Figure 2)*.

**Figure 2. Aggregate probability distributions for inflation expectations for 2025Q1**
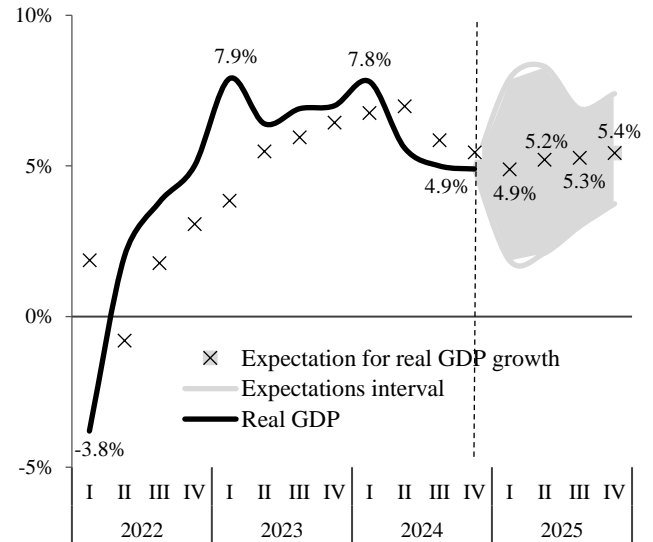*/percent/*
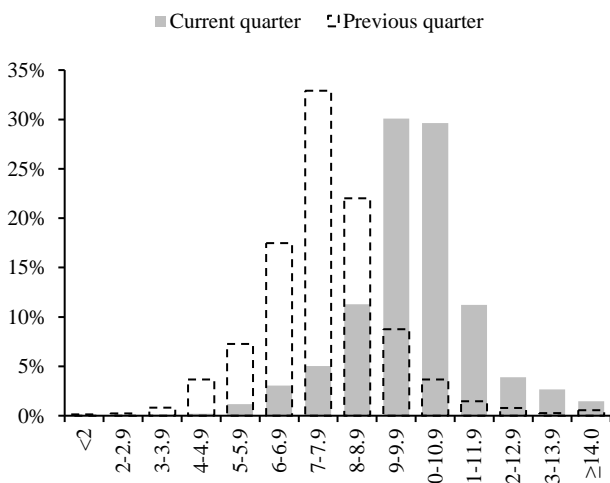


## II. REAL GDP GROWTH

Real GDP growth was recorded at 4.9% in 2024Q4, which was 0.6 percentage points below the experts' previous expectations. Experts now expect the GDP growth to average 4.9% in 2025Q1 and increase up to 5.4% in 2025Q4 *(Figure 3)*.

**Figure 3. Expectations for real GDP growth**
*/Annual percentage changes/*



Expectations for GDP growth in this quarter's survey remain unchanged from the previous survey conducted in 2024Q4. The most likely range for real GDP growth in 2025Q1 is now 5.0%-5.9%, with a probability of 30.6%. In the previous survey, the range with the highest probability was also 5.0%-5.9%, at 30.1% *(Figure 4)*.

**Figure 4. Aggregate probability distributions for real GDP growth expectations for 2025Q1**
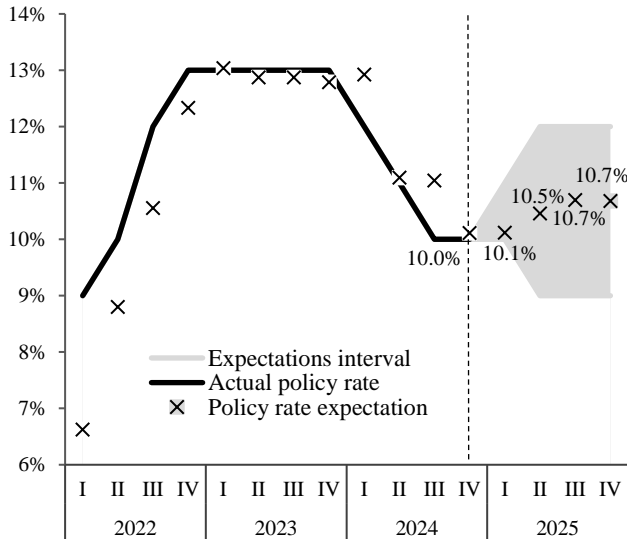*/percent/*



2
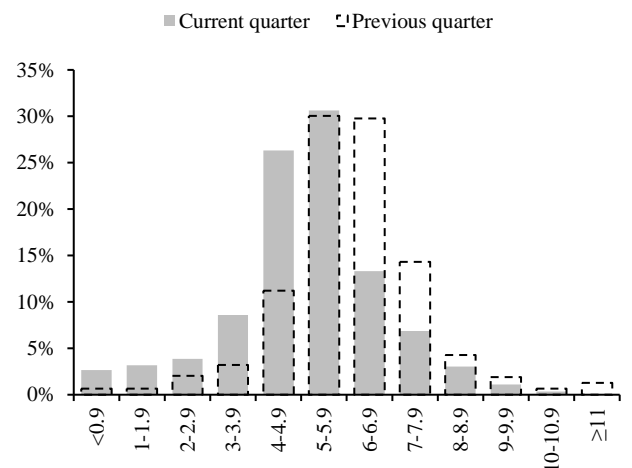
## III. POLICY RATE

Professional experts expect the policy rate to average 10.1% in 2025Q1, with maximum expectations of 11.0% and minimum expectations of 10.0%. The policy rate is anticipated to increase slightly to 10.7% in 2025Q4 *(Figure 5)*.
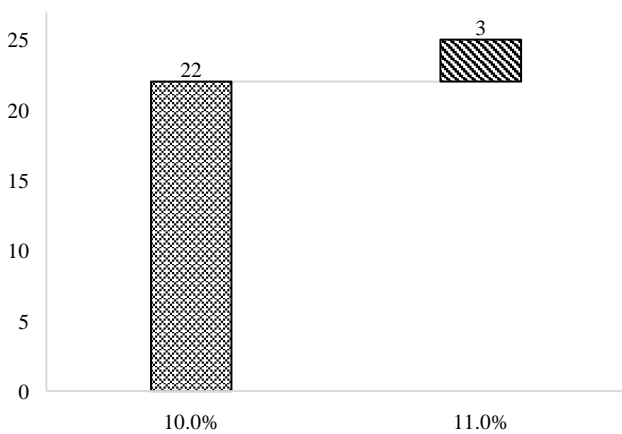
**Figure 5. Policy rate expectations**
*/percent/*



Most professional experts responded that their policy rate expectations for 2025Q1 are at 10.0% as shown in Figure 6.

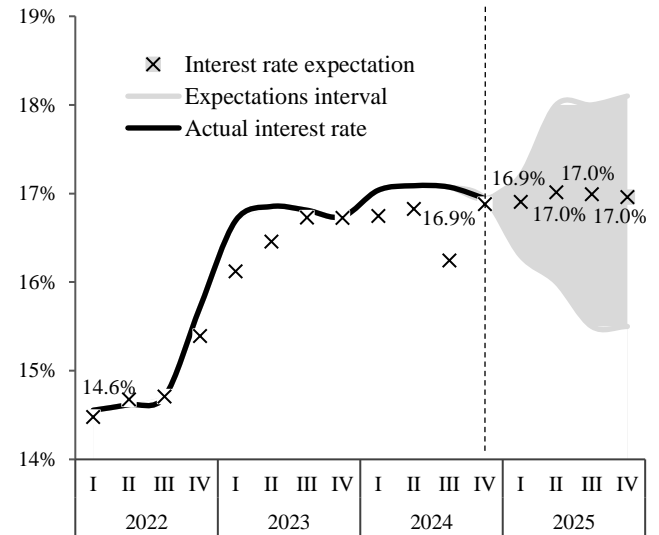**Figure 6. Distribution of point expectations for the policy rate** */2025Q1, by number of responses/*



## IV. INTEREST RATE

Professional experts expect the interest rate (newly issued weighted average lending rate) to average 16.9% in 2025Q1, with maximum expectations of 17.2% and minimum expectations of 16.3%. The interest rate is anticipated to remain at 17.0% in 2025Q4 *(Figure 7)*.
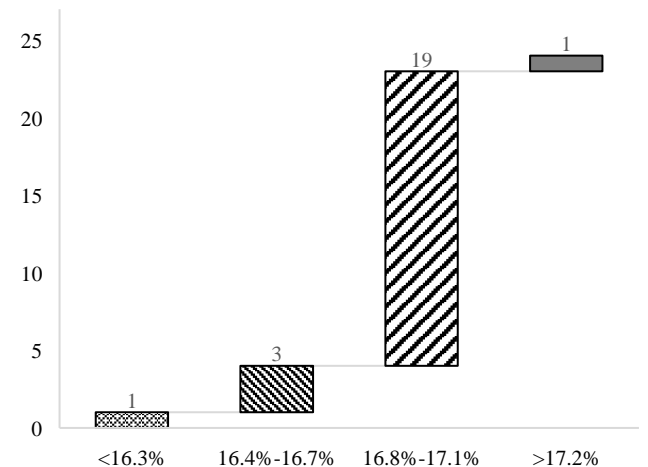
**Figure 7. Interest rate expectations**
*/percent/*



Most professional experts expect the interest rate for 2025Q1 to be within the range of 16.8%-17.1%, as shown in Figure 8.

**Figure 8. Distribution of point expectations for the interest rate** */2025Q1, by number of responses/*



_ _ _ o O o _ _ _