Overseas Market Analysis Report

Mongolia Lubricant Overseas Market Analysis Report

• Target Country: Mongolia • Main Category: Lubricants • Report Date: July 17, 2026

Mongolia Lubricant Core Conclusions

Mongolia's annual lubricant consumption is approximately **38,000 tonnes**, with import dependence exceeding **92%**. China is the largest supplier, accounting for about 45% of total imports, followed by Russia (approximately 25%). Base oil prices fluctuated upward in H1 2026, while mining lubricant demand grew steadily. Key risks include currency fluctuation (the tugrik has depreciated approximately 3.2% against the CNY year-to-date) and high supply chain concentration.

Annual consumption ≈ 38,000 tonnes

Import dependence > 92%

China supply share ≈ 45%

⚠ Currency risk: Tugrik depreciated 3.2%

Source: National Statistics Office of Mongolia Q1 2026 Report; General Administration of Customs of China, Jan-May 2026 data; Bank of Mongolia Exchange Rate Bulletin, July 2026

Supply and Demand Fundamentals

Mongolia's domestic lubricant blending capacity is extremely limited, with annual output below **3,000 tonnes**. The supply-demand gap is entirely filled by imports. Full-year 2025 imports were approximately 36,500 tonnes, while Q1 2026 imports reached approximately **9,800 tonnes**, up approximately 6.5% year-on-year, driven mainly by mining sector expansion.

Indicator	2024	2025	Q1 2026
Domestic Output (tonnes)	2,600	2,800	720
Import Volume (tonnes)	34,200	36,500	9,800
Apparent Consumption (tonnes)	36,500	38,200	10,300
Import Dependence	93.7%	95.5%	95.1%

Source: National Statistics Office of Mongolia, 2025 Annual Report and Q1 2026 Flash Report; previous values retained (domestic Q1 output is estimated, no latest public census data)

China Market Status

In June 2026, the average price of China's lubricant base oil (150N) was approximately **CNY 8,450/tonne**, up 2.1% month-on-month. Industry operating rate was approximately **67.5%**, a slight recovery from May. China's lubricant exports to Mongolia totaled approximately **17,200 tonnes** in January-May 2026, up 8.3% year-on-year, with average export prices up approximately 4.5% year-on-year.

Base Oil 150N: CNY 8,450/tonne ↑2.1%

Industry operating rate: 67.5%

Exports to Mongolia: 17,200 tonnes (Jan-May) ↑8.3%

Source: Longzhong Information, July 2026 Base Oil Weekly Report; SCI99, June 2026 Lubricant Industry Monthly; General Administration of Customs of China, Jan-May 2026 export statistics

Mongolia Market Status

The average retail price of lubricants in Mongolia (using diesel engine oil CF-4 15W-40 as an example) is approximately **MNT 18,500-22,000/litre** (equivalent to approximately CNY 38-45/litre). Import source concentration is relatively high, with China, Russia, and South Korea together accounting for approximately **78%** of total imports. Mining sector consumption accounts for over 55%.

Import Source Country	Share	Main Category
China	≈45%	Mineral-based lubricants, base oil
Russia	≈25%	Industrial lubricants, transformer oil
South Korea	≈8%	Synthetic lubricants, automotive oil
Others (Japan, Germany, etc.)	≈22%	Specialty lubricants, high-end products

Source: National Statistics Office of Mongolia, 2025 Import Trade Statistics; Mongolian Customs, Q1 2026 classified import data

Product Segment Structure

Mongolia's lubricant market can be segmented into three major categories: industrial lubricants (mainly mining hydraulic oil and gear oil), automotive lubricants (diesel engine oil accounts for the largest share), and specialty lubricants. Industrial lubricants account for approximately **56%**, automotive oils approximately **38%**, and specialty oils approximately 6%. Mining expansion continues to drive industrial lubricant demand.

Segment Category	Consumption Share	Q1 2026 Import YoY
Industrial lubricants (hydraulic/gear oil)	56%	↑7.8%
Automotive lubricants (mainly diesel engine oil)	38%	↑4.2%
Specialty lubricants (transformer oil, etc.)	6%	↑2.1%

Source: National Statistics Office of Mongolia, 2025 Industry Consumption Report; Longzhong Information, Q1 2026 Lubricant Segment Market Analysis

Core Finished Product Supply and Demand

Industrial lubricants (mining) are the core finished products in the Mongolian market, with annual demand of approximately **21,000 tonnes** and near-zero domestic supply. Large mines such as Oyu Tolgoi copper-gold mine consume over 8,000 tonnes of lubricants annually. In 2026, the average import price of mining lubricants rose approximately **5.2%** year-on-year, driven mainly by higher base oil costs and rising freight rates.

Mining lubricant annual demand ≈ 21,000 tonnes

Oyu Tolgoi mine annual consumption > 8,000 tonnes

Average import price YoY ↑5.2%

⚠ Gap entirely dependent on imports

Source: Argus Media, June 2026 Asia Lubricant Market Report; Mongolian Mining Association, 2025 Annual Statistics; previous values retained (mine consumption is 2025 data)

Intermediates and Raw Material Value

Core raw materials for lubricants are base oil (accounting for 60-75% of cost) and additives. The China-origin base oil 150N price was approximately CNY 8,450/tonne in June 2026, with the Mongolia CIF price (including freight and 5% tariff) at approximately **CNY 9,500-9,800/tonne**. Additives rely primarily on imports, with prices influenced by global supply chains.

Raw Material	China Origin Price	Mongolia Estimated CIF Price
Base Oil 150N	CNY 8,450/tonne	CNY 9,500-9,800/tonne
Base Oil 500N	CNY 9,200/tonne	CNY 10,300-10,600/tonne
Compound Additives	CNY 28,000-32,000/tonne	CNY 31,000-36,000/tonne

Source: Longzhong Information, June 2026 Base Oil Price Monitoring; 100ppi.com, July 2026 Additive Market Weekly; Mongolian Customs import valuation reference

Trade and Macro Indicators

Mongolia's GDP growth in 2025 was approximately **5.8%**, with mining accounting for approximately 24% of GDP. China-Mongolia bilateral trade reached approximately **USD 15.6 billion** in 2025. The tugrik to CNY exchange rate was approximately **MNT 492/CNY** in July 2026. Lubricant import tariff is 5%, VAT is 10%, and Chinese exports to Mongolia enjoy MFN treatment.

Indicator	Value	Period
Mongolia GDP Growth	5.8%	FY2025
China-Mongolia Bilateral Trade	USD 15.6 billion	FY2025
MNT/CNY Exchange Rate	≈492	July 2026
Lubricant Import Tariff	5%	Current

Source: World Bank, Mongolia Economic Brief, April 2026; Bank of Mongolia, Official Exchange Rate July 2026; General Administration of Customs of China, 2025 Bilateral Trade Statistics

Risk and Opportunity Window

Risks: ⚠ Currency Risk The tugrik's continued depreciation increases import costs; ⚠ Supply Chain Concentration China and Russia account for over 70% of imports, and border customs clearance volatility affects supply stability. Opportunities: Mongolia's ongoing mining expansion (Oyu Tolgoi Phase 2, new coal mine development) drives lubricant demand; the Erenhot-Zamyn-Uud border port upgrade improves clearance efficiency; investment in domestic blending capacity holds long-term potential.

Opportunity: Mining expansion drives demand

Opportunity: Port upgrade reduces logistics costs

⚠ Risk: Continued currency depreciation

⚠ Risk: Highly concentrated supply chain

Source: Rio Tinto Group, Oyu Tolgoi Project Q2 2026 Progress Report; Mongolian Government Port Authority, 2026 Notice; World Bank, Mongolia Risk Assessment, April 2026

Data Sources Summary

- National Statistics Office of Mongolia (NSO Mongolia) — 2025 Annual Report, Q1 2026 Flash Report
- General Administration of Customs of China (GACC) — January-May 2026 Import/Export Trade Statistics
- Longzhong Information — June 2026 Base Oil Weekly Report, Q1 Segment Market Analysis
- SCI99 — June 2026 Lubricant Industry Monthly Report
- 100ppi.com — July 2026 Additive Market Weekly Report
- Argus Media — June 2026 Asia Lubricant Market Report
- World Bank — Mongolia Economic Brief, April 2026
- Bank of Mongolia — July 2026 Official Exchange Rate Bulletin
- Mongolian Mining Association — 2025 Annual Industry Statistics
- Rio Tinto Group — Oyu Tolgoi Project Q2 2026 Progress Report