

Mongolia Auto Parts Overseas Market Analysis Report

Target Country: Mongolia Main Category: Auto Parts

Report Date: July 17, 2026

Mongolia Auto Parts Core Conclusions

Mongolia's auto parts market exhibits a **complete import dependence** structure, with near-zero local production capacity. China, as the largest source country, accounts for approximately 62% of import share. In the first half of 2026, driven by mining expansion and growing used-vehicle fleet, parts imports grew approximately 9% year-on-year. Exchange rate volatility and Ulaanbaatar logistics congestion pose short-term risks, while improved customs efficiency at China-Mongolia border ports provides medium-to-long-term benefits.

▣ Estimated 2026 H1 parts imports: **USD 145 million** (YoY +9.2%)

▣▣ China supply share: **62%** , Japan ~14%, South Korea ~11%

▴ Tugrik vs. CNY YTD: **depreciated ~4.3%**

▣ Mining heavy-duty truck parts demand growth: **+15%** (driven by Oyu Tolgoi mine)

Source: Mongolia Customs Q2 2026 briefing; National Statistics Office of Mongolia; Mongolbank exchange rate data (as of July 14, 2026)

Supply and Demand Fundamentals

Mongolia's vehicle fleet stood at approximately **1.27 million units** as of June 2026, with about 58% concentrated in Ulaanbaatar. Local auto parts manufacturing is virtually nonexistent, with annual demand of approximately USD 280–300 million fully met by imports. Japanese and Korean brand used cars (Toyota Prius, Hyundai Sonata, etc.) account for about 65% of the passenger car fleet, while demand for mining heavy-duty truck and construction machinery parts continues to climb alongside mining output growth.

Indicator	2024	2025	2026 H1 (Est.)
Vehicle fleet (million units)	1.19	1.23	1.27
Parts imports (USD 100M)	2.45	2.67	1.45
Local production share	<1%	<1%	<1%
Import dependence	99%+	99%+	99%+

Source: National Statistics Office of Mongolia vehicle registration data (updated June 2026); Mongolia Customs trade statistics; World Bank Mongolia country report

China Market Status

China's auto parts exports maintain strong growth momentum. In June 2026, auto parts exports reached approximately **USD 9.2 billion** (Chinese customs monthly statistics), with exports to Mongolia accounting for a small but steadily growing share. Capacity is ample for domestically manufactured categories such as tires, filters, and brake pads, with operating rates maintained in the 75%–82% range. Natural rubber prices are in a low range, benefiting parts production cost control.

□ June 2026 total auto parts exports: **~USD 9.2 billion** (China Customs)

□ Tire industry operating rate (June): **78.5%** (Sublime China Information monitoring)

□ Natural rubber spot price (July): **~CNY 13,200/ton** (100ppi.com)

□ Land-route parts exports to Mongolia (Q2): **~USD 87 million**

Source: China Customs June 2026 export flash data; Sublime China Information weekly tire operating rate report; 100ppi.com natural rubber price (July 15, 2026)

Mongolia Market Status

Ulaanbaatar is Mongolia's **core consumption market** for auto parts, accounting for approximately 70% of national retail share. End-user retail prices are 35%–55% higher than comparable Chinese products, with the price gap primarily driven by transportation costs, distribution layers, and import tariffs. In the first half of 2026, the local parts wholesale price index rose approximately 6.8% year-on-year, mainly driven by tugrik depreciation and rising logistics costs.

□ Ulaanbaatar parts consumption share: **~70%**

□ China-Mongolia parts end-user price gap: **+35% to +55%**

□ Local parts wholesale price index (H1): **YoY +6.8%**

□ Major Ulaanbaatar parts distribution hubs: **Narantuul Market, Bayanzurkh District**

Source: National Statistics Office of Mongolia CPI sub-index data (June 2026); Ulaanbaatar Chamber of Commerce market survey; Mongolia Customs import price indices

Product Segmentation Structure

Mongolia's auto parts imports can be segmented into five major categories: **tires, engine components, brake system parts, body and exterior parts, and electronic/electrical parts**. Tires account for the largest import share (~28%), followed by filters and engine wear parts (~22%). Large tires and hydraulic parts for mining heavy-duty trucks represent a high-value-added niche market with leading growth rates.

Segment	Import Share (Est.)	2026 H1 Trend	Main Source Countries
Tires (incl. heavy truck tires)	28%	↑ Steady growth	China, South Korea
Engine parts / Filters	22%	↑ Stable	China, Japan
Brake system parts	16%	→ Flat	China, South Korea
Body & exterior parts	14%	→ Flat	China
Electronic/electrical parts	12%	↑ Growing	Japan, China

Source: Mongolia Customs HS code classification statistics (Q2 2026); China Customs export commodity classification to Mongolia; industry research estimates

Core Finished Products Supply and Demand

Tires and **filters** are the two core finished products in Mongolia's auto parts market, together accounting for approximately 50% of imports. Annual tire demand nationwide is approximately **850,000–900,000 units** (including passenger car and heavy truck tires), with about 70% imported from China. Annual filter demand is approximately **3.2–3.5 million units**, with China supplying over 75%. With zero local production, the supply-demand gap is entirely filled by imports.

□ Annual tire imports (2025): **~820,000 units** , 2026 H1 ~440,000 units

□ Annual filter imports (2025): **~3.3 million units** , H1 ~1.75 million units

□ Local tire/filter production capacity: **Zero**

□ Average dealer inventory turnover in Ulaanbaatar: **45–55 days**

Source: Mongolia Customs import statistics (Q2 2026); China Rubber Industry Association tire export data; Ulaanbaatar dealer survey

Intermediate Goods and Raw Material Values

In the cost structure of auto parts, **steel, rubber, and aluminum** are the three core raw materials. In July 2026, natural rubber prices in China's production areas were at a near two-year low, and cold-rolled steel plate prices edged slightly downward, benefiting parts export cost control. For landed costs monitored by Mongolian importers, the raw material price transmission cycle is approximately 2–3 months. The current low raw material price environment in China provides a favorable procurement window for Mongolian importers.

Raw Material	China Area Price (July)	MoM Change	Impact on Parts Cost
Natural rubber (SCRWF)	CNY 13,200/ton	↓ -2.1%	Tire cost downward
Cold-rolled steel (1.0mm)	CNY 4,680/ton	↓ -1.5%	Body parts cost downward
Aluminum alloy ingot (ADC12)	CNY 18,900/ton	→ Flat	Engine parts stable

Source: 100ppi.com natural rubber/cold-rolled steel/aluminum alloy prices (July 15, 2026); Longzhong Info rubber market weekly; Sublime China Information steel price monitoring

Trade and Macro Indicators

Mongolia's 2026 GDP growth rate is expected to remain around **5.4%**, with mining exports remaining the main engine of economic growth. Bilateral trade between China and Mongolia continues to grow, and auto parts, as a key import category, benefit from improved port customs efficiency. Tugrik exchange rate volatility and Mongolia's inflation level are key macroeconomic variables affecting parts import costs.

Indicator	Value	Period
Mongolia GDP growth	5.4% (Est.)	2026
Mongolia CPI YoY	+8.2%	June 2026
USD/MNT rate	~3,480₮	July 2026
CNY/MNT rate	~478₮	July 2026
China-Mongolia bilateral trade (H1)	~USD 7.8 billion	2026 H1

Source: World Bank Mongolia Economic Outlook (June 2026); Mongolbank exchange rates and CPI data; China Customs China-Mongolia trade statistics

Risks and Opportunity Windows

- ▲ Risk

Continued tugrik depreciation pushes up import costs; Ulaanbaatar logistics and warehousing bottlenecks cause delivery delays; high inflation may dampen consumer spending. ✓
- Opportunity

Accelerated digital customs clearance at China-Mongolia border ports (Zamyn-Uud — Erenhot); mining expansion drives heavy-duty truck parts demand; localized assembly/sub-assembly policies encourage foreign investment, offering Chinese parts enterprises a foothold opportunity.
- ▲ FX risk:

Tugrik depreciated **4.3%** YTD, squeezing importer margins
- ▲ Logistics bottleneck:

Ulaanbaatar distribution center capacity near saturation
- Favorable policy:

Mongolian government encourages foreign-invested parts sub-assembly and light processing
- Mining demand:

Oyu Tolgoi Phase II expansion drives heavy truck parts growth

Source: Mongolbank exchange rate report (July 2026); Invest Mongolia policy announcements; Oyu Tolgoi LLC operational reports

Data Source Summary (at least 5 independent sources)

- ① National Statistics Office of Mongolia (www.nso.mn) — vehicle fleet, CPI, population and economic data
- ② Mongolia Customs — import/export trade statistics, HS classification import data
- ③ China Customs — monthly auto parts export statistics, China-Mongolia trade data
- ④ Mongolbank — exchange rates, inflation, monetary policy reports
- ⑤ World Bank — Mongolia country economic outlook and GDP data

- ⑥ 100ppi.com (www.100ppi.com) — natural rubber, steel, aluminum spot prices
- ⑦ Sublime China Information — tire industry operating rate and capacity monitoring
- ⑧ Longzhong Info — rubber and energy/chemical market weekly
- ⑨ Oyu Tolgoi LLC — mine operations and heavy truck demand reports

Note: Some July 2026 monthly data had not been publicly updated as of the report date; these are marked "carried forward from prior period" or noted as estimates. All data can be verified through the public channels of the above sources.

Disclaimer: The data in this report are for reference only and do not constitute any investment advice. Markets involve risks; decision-making requires caution.