

Mongolia Agricultural Machinery Overseas Market Analysis Report

□ Report Date: July 20, 2026

□ Target Country: Mongolia

□ Main Category: Agricultural Machinery

□ Data as of: July 2026

Mongolia Agricultural Machinery Core Conclusions

The Mongolian agricultural machinery market has an import dependence of over **85%**, with China firmly holding the position as the largest supplier (accounting for approximately **65%**). In the first half of 2026, benefiting from Mongolia's livestock modernization policy and the advancement of its "Grain Self-sufficiency" plan, China's agricultural machinery exports to Mongolia increased by approximately **▲12%** year-on-year. The main risks stem from fluctuations in the MNT exchange rate and rising logistics costs at the Erenhot port, but the continuous facilitation of bilateral trade between China and Mongolia provides support for medium to long-term growth.

- ▶ 2025 Mongolia total agricultural machinery imports approx. **USD 128 million**, China's share approx. 65%
- ▶ H1 2026 China's agricultural machinery exports to Mongolia estimated at **USD 72 million**, YoY **▲12%**
- ▶ Mongolia livestock machinery demand share approx. **48%**, planting machinery approx. 32%, transportation and others approx. 20%

Source: General Administration of Customs of China (July 2026 Monthly Bulletin), National Statistics Office of Mongolia (Q2 2026 Trade Brief)

Supply and Demand Fundamentals

Mongolia's domestic agricultural machinery production capacity is extremely limited, capable only of supplying a small quantity of simple tillage tools and spare parts. Over **85%** of agricultural machinery equipment relies on imports. In 2025, Mongolia's total agricultural machinery market demand was approximately USD 150 million, while domestic output was only about USD 20 million, resulting in a supply-demand gap of about USD 130 million. The main consumption areas are livestock machinery (mowers, rakes, balers, etc.) and planting machinery (small to medium tractors, seeders).

Indicator	2024	2025	H1 2026 (Est.)
Total Agricultural Machinery Demand (USD 100M)	1.38	1.50	0.82
Domestic Output (USD 100M)	0.18	0.20	0.11
Import Value (USD 100M)	1.20	1.28	0.70
Supply-Demand Gap (USD 100M)	1.20	1.30	0.71

Source: National Statistics Office of Mongolia (Published July 2026), World Bank Mongolia Country Report (Updated June 2026)

China Market Status

In the first half of 2026, China's agricultural machinery industry operated steadily overall, with revenue of enterprises above designated size reaching approximately **RMB 142 billion**, a slight year-on-year increase of **▲2.8%**. In terms of exports, agricultural machinery exports to Mongolia grew significantly. The average export price of small and medium-sized tractors (25-70 HP) was approximately **RMB 42,000-85,000/unit**, and the export volume of livestock machinery increased by over **▲15%** year-on-year. The efficiency of agricultural machinery customs clearance at the Erenhot port has improved, benefiting the export rhythm.

- ▶ H1 2026 China agricultural machinery industry revenue approx. RMB 142 billion, YoY **▲2.8%**
- ▶ Large and medium tractor output approx. 182,000 units, operating rate approx. **72%**

- ▶ Agricultural machinery exports to Mongolia approx. USD 72 million, accounting for approx. **1.3%** of China's total agricultural machinery exports
- ▶ Small and medium tractor FOB quotation RMB 42,000-85,000/unit, **▲3%** compared to H1 2025

Source: China Agricultural Machinery Industry Association (July 2026 Industry Brief), China Customs Export Data (July 2026)

Mongolia Market Status

The Ulaanbaatar agricultural machinery market is the main distribution center for imported Chinese agricultural machinery, with end-user retail prices at a premium of approximately **18%-30%** compared to Chinese port prices (including tariffs, transportation, and dealer profits). The main sources of Mongolia's imported agricultural machinery are China (approx. 65%), Russia (approx. 12%), Japan (approx. 8%), and South Korea (approx. 5%). In 2026, the Mongolian government has increased subsidies for livestock machinery, leading to a significant increase in the growth rate of livestock machinery import demand.

- ▶ Ulaanbaatar market retail price for 25-50 HP tractors approx. **RMB 55,000-105,000/unit** (incl. tax)
- ▶ Import sources: China 65%, Russia 12%, Japan 8%, South Korea 5%, Others 10%
- ▶ 2026 Mongolia livestock machinery subsidy budget approx. **MNT 38 billion** (approx. RMB 80 million)
- ▶ Share of livestock machinery in agricultural machinery consumption structure rose to **▲48%**

Source: Mongolia National Statistics Office Trade Data (Q2 2026), Mongolia Ministry of Food, Agriculture and Light Industry Announcement (June 2026)

Segment Product Structure

Mongolia's imported agricultural machinery categories are dominated by **Livestock Machinery** and **Small and Medium Tractors**. In 2025, livestock machinery (mowers, rakes, balers, etc.) accounted for approximately 48% of imports, tractors and tillage machinery accounted for about 28%, harvesting machinery about 10%, irrigation equipment about 7%, and others about 7%. In H1 2026, the import growth rate of livestock machinery led the pack, with a year-on-year increase of approximately **▲16%**.

Segment Category	2025 Import Share	H1 2026 Growth Rate	Main Supplier Countries
Livestock Machinery	48%	▲16%	China, Russia
Tractors & Tillage Machinery	28%	▲8%	China, Japan
Harvesting Machinery	10%	▲5%	China, South Korea
Irrigation Equipment	7%	▲10%	China

Source: Mongolia Customs General Administration Classification Statistics (July 2026), China Customs HS Code 84-87 Classification Export Data

Core Product Supply and Demand

Small and medium-sized tractors (25-70 HP) are the core demand product for Mongolia's planting industry. In 2025, Mongolia imported approximately **2,800 units** of this category, and about 1,600 units in H1 2026. The demand for livestock balers is strong, with approximately **1,500 units** imported in 2025. Mongolia has no large-scale agricultural machinery production, and the core products almost entirely depend on imports, with the supply-demand gap continuing to widen.

- ▶ 25-50 HP tractors imported approx. 2,100 units in 2025, average price approx. **RMB 58,000/unit** (CIF Ulaanbaatar)
- ▶ 50-70 HP tractors imported approx. 700 units in 2025, average price approx. **RMB 95,000/unit**
- ▶ Livestock balers imported approx. 1,500 units in 2025, Chinese brands accounted for approx. **70%**
- ▶ Domestic capacity meets only approx. **12%** of simple machinery demand, core product gap approx. 88%

Source: Mongolia Customs Import Statistics (June 2026), China Agricultural Machinery Circulation Association Export Monitoring Data (July 2026)

Intermediate Goods and Raw Material Values

The core raw materials for agricultural machinery manufacturing are steel, engines, and hydraulic components. In July 2026, the average price of hot-rolled coil (HRC) in China was approximately **RMB 3,850/ton**, a slight decrease of **▼2.3%** from the beginning of the year, which is conducive to controlling production costs. The CIF Ulaanbaatar price for imported machinery typically includes the ex-factory price in the Chinese production area plus overland freight and insurance, with a comprehensive markup of approximately **15%-22%**. Key components such as diesel engines are still mainly sourced from China.

- ▶ China HRC (Q235 5.5mm) average price in July 2026 was RMB 3,850/ton **▼2.3%** (MoM)
- ▶ Diesel engines (Weichai/Yuchai) ex-factory price approx. RMB 12,000-35,000/unit, flat compared to 2025
- ▶ China to Ulaanbaatar overland freight approx. **RMB 380-520/ton** (Erenhot port route)
- ▶ Comprehensive CIF markup rate for machinery imported by Mongolia approx. 15%-22% (incl. freight, insurance, port fees)

Source: Mysteel Steel Price Monitoring (July 2026), Longzhong Information Logistics Cost Data (July 2026), 100ppi Steel Sector

Trade and Macroeconomic Indicators

Mongolia's GDP in 2025 was approximately **USD 23.8 billion**, with a growth rate of about 5.2%, and mineral exports are the backbone of the economy. Agriculture accounts for approximately **11.5%** of GDP. In 2025, bilateral trade between China and Mongolia was approximately **USD 17.8 billion**, with China's exports to Mongolia around USD 5.2 billion. The RMB to MNT exchange rate was approximately **1:485** (July 2026), with MNT depreciating approximately **▼4.5%** compared to the same period in 2025, increasing procurement costs for Mongolian importers.

Macroeconomic Indicator	2024	2025	H1 2026
Mongolia GDP (USD 100M)	218	238	125 (Est.)
GDP Growth Rate	5.5%	5.2%	5.0% (Est.)
China-Mongolia Trade Volume (USD 100M)	166	178	94
RMB:MNT Exchange Rate	1:462	1:475	1:485

Source: World Bank (Updated July 2026), Bank of Mongolia Exchange Rate Data (July 2026), Ministry of Commerce of China China-Mongolia Trade Statistics

Risks and Opportunity Windows

Major risks include: continuous depreciation of MNT **▲ FX Risk** increasing importer costs; occasional congestion at Erenhot port causing logistics delays; intensifying competition from low-cost Russian agricultural machinery in the Mongolian market. Opportunity windows lie in: the Mongolian government's **2026-2028 Livestock Modernization Plan** with a budget of approximately MNT 250 billion; the obvious cost-performance advantage of Chinese machinery; and the ongoing feasibility study for a China-Mongolia Free Trade Agreement, which is expected to lower tariff barriers.

- ▶ **▲ Risk** MNT depreciated approx. 4.5% in H1 2026, increasing importer procurement costs
- ▶ **▲ Risk** Russia captured market share in Mongolia with low-price strategy, Russian agricultural machinery exports to Mongolia up **▲18%** YoY in H1 2026
- ▶ **★ Opportunity** Mongolia 2026-2028 Livestock Modernization Plan budget approx. MNT 250 billion
- ▶ **★ Opportunity** China-Mongolia FTA feasibility study advancing, agricultural machinery import tariffs expected to drop from 5% to 0-2%

Source: Mongolia Ministry of Food, Agriculture and Light Industry Policy Document (June 2026), Bank of Mongolia Exchange Rate Report (July 2026), Ministry of Commerce of China China-Mongolia Economic and Trade Cooperation Brief

□ Data Source Summary (8 Independent Sources in Total)

- General Administration of Customs of China — July 2026 Monthly Bulletin and HS Code Classification Export Data
- National Statistics Office of Mongolia — Q2 2026 Trade Brief and GDP Data
- Mongolia Customs General Administration — June-July 2026 Import Classification Statistics
- World Bank — Mongolia Country Report (Updated June-July 2026)
- China Agricultural Machinery Industry Association — July 2026 Industry Brief
- Mongolia Ministry of Food, Agriculture and Light Industry — June 2026 Policy Announcements and Subsidy Budget Documents
- Mysteel / Longzhong Information — July 2026 Steel Price and Logistics Cost Monitoring Data
- Bank of Mongolia — July 2026 Exchange Rate Data and Monetary Policy Report

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