

POPULATION AND ECONOMIC ACTIVITIES OF ULAANBAATAR

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POPULATION

Urbanization in Mongolia has developed sharply since the second half of the last century and the percentage of people in urban areas from the total population has been increasing. According to the census conducted in 2010, two of every three citizens in Mongolia live in urban areas. Around 44.0% of the total population of Mongolia lived in urban areas in 1969. However, this number increased to 67.9% in 2010. This increase of population of the urban areas of Mongolia within the last decade is approximate to the population increase in 30 years before this decade.

According to the urbanization of the population, the majority of people are living in Ulaanbaatar city and Central region. For instance: Darkhan-uul, Dornogobi and South-Gobi where there is better infrastructure systems such as the development of mining and other services and they have tar roads and railways as well as bordering China is also a key of the population attraction. The western area of Mongolia is not under-populated and urbanization is not at an intensive level.

The main attractions of urban areas are that the development of social sectors such as production, services, education and health care in Ulaanbaatar city and province centers are better than in rural areas. Therefore, many people are moving to urban areas, which increases the size of the urban population from the total population of Mongolia.

The majority of the Mongolian population, around 64.2%, is living only in Ulaanbaatar city. Erdenet and Darkhan cities are after Ulaanbaatar and around 26.9% of urban population is living in other cities and urban areas. Migration, especially, towards Ulaanbaatar has increased since 2000 due to natural disasters such as "gan" and "zhud" affecting herders in rural areas. Also, there are many stable and safe working opportunities in the city and urban areas that mainly attracts population and is expanding the urbanization process. In line with the above reasons, the urban population has been increased and there were 1,345,000 people who lived in urban areas, 57% of total population, as of 2000 when 1,798,100 people lived in urban areas, 67.9%, in 2010. The population of cities has been increasing noticeably. Population increase of Ulaanbaatar city is massively higher than other cities and its population increase between two censuses reached 349,200 people, 51.9%.

According to the census result of 2010, population size of Ulaanbaatar was 43.2% of total population. Population increase of Ulaanbaatar city has been increasing constantly within a scope of urbanization process.

The population of Ulaanbaatar was 14.0% of total population in 1956 and such percentage reached 22.3% in 1969 and 43.6% in 2010, out of the total population of Mongolia.

As of 2010, around 43.6% of Mongolian total population has lived in Ulaanbaatar city. According to the comparison of above figures to numbers in 2000, actual increase was 11.6%. Due to population and housing census of 2010, population sizes and per cents of majority of provinces decreased on contrary to population of Ulaanbaatar city has gone up sharply. It shows that movement is directly towards Ulaanbaatar city.

Mongolian population movement has activated during last two decades and there are following two directions of movement flows based on population and housing census 2000:

1. Flow to Ulaanbaatar city
2. Flow to Central areas

The Mongolian population moved to Ulaanbaatar and central areas as above mentioned directions which has a result as likely that these areas are crowded and remote areas are getting empty. Also, this flow does not tend to decrease. On contrary it is likely to increase. Average number of population movement of Ulaanbaatar city is between 61,300 and 590,400 according to separating by different time scales. Number of people born in different cities and provinces moved to Ulaanbaatar is higher than number of people born in Ulaanbaatar city moved to other provinces and cities by 543,600. It means Ulaanbaatar city's population increased by such amount.

During the population and housing census of 2010, around 544,813 citizens, 47.2% of Ulaanbaatar's population, were born in the city and lived in the city without moving any other places. Remaining 52.8%, 609,477 people moved to Ulaanbaatar city. 19078 people, 3.1% out of 52.8%, were born in Ulaanbaatar city and moved to different places for a while then moved back to the city.

According to the statistical information, 130,372 people, 21.4%, have lived in Ulaanbaatar city for more than 20 years out of total migrated people towards Ulaanbaatar city. There are 98,087 people, 16.1%, have lived for 1-3 years, 87,393 people, 14.3%, have lived for 10-12 years, 77,020 people, 12.6%, have lived for 7-9 years, 61,384 people, 10.1%, have lived for 5-6 years, 61,369 people, 10.1%, have lived for up to 1 year, 38,077 people, 6.2%, have lived for 13-15 years, 28,437 people, 4.7%, have lived for 4 years and 27,338 people, 4.5%, have lived for 16-19 years in Ulaanbaatar city.

According to the statistics as of 01 January 2012, there are 1,206,610 people, 45.8% of Mongolian total population, live in Ulaanbaatar and 571,192 of them are male while 635,418 of them are female.

Table 1. Population of Capital City, 2006-2011

thous.persons

	2006	2007	2008	2009	2010	2011
Population of Mongolia,	2,583.3	2,620.4	2,666.0	2,716.3	2,761.0	2,811.7
Population of Capital	1,053.5	1,098.8	1,147.7	1,196.8	1,244.4	1,287.1
Residents in Capital	987.2	1,025.2	1,067.5	1,106.7	1,161.8	1,206.6
Percentage in total population	40.8	41.9	43.0	44.1	45.1	45.8

Source. Statistics Department of UB, 2012

The total population of the Capital city has gone up by 44,800 people, 3.9%, since 2010. According to years of census, the average increase speed of population per annum is: 9.5% at highest between 1956-1963, 3.0% from 1963-1969, 4.2% between 1969-1979, 3.1% from 1979-1989, 3.0% between 1989 -2000, 3.8% from 2000-2008 and 4.2% from 2008-2012. Total population of the Ulaanbaatar increased by 55,100 people in 2011 and 44.8% of such increase was mechanic increase as migrant officially moved from rural areas and 50.1% is a general as normal increase. Per cent of normal population increase is going up due to number of births has increased and migrations from rural areas to Ulaanbaatar has been stable within last years.

Net movement coefficient (mechanical population growth in every 1000 people) was 25 in 2000 which was higher than net normal movement coefficient (net normal increase in every 1000 people) by 3 times. However, it changed as net normal movement increase within 1000 people was higher than mechanical increase of population in 2011.

Table 2. Residents of Capital, at the end of the year

number

Year	Population, at the beginning of the year	Births	Deaths	In migration	Out migration	Population, at the end of the year
2000	760,077	11,771	5,037	19,918	592	773,613
2001	773,613	12,339	5,069	11,608	782	790,878
2002	790,878	12,652	4,996	23,840	578	821,796
2003	821,796	13,571	5,522	40,760	693	869,912
2004	869,912	14,795	6,017	68,808	1,346	915,531
2005	915,531	15,465	5,972	30,207	2,821	952,410
2006	952,410	18,089	6,417	29,633	6,523	987,192
2007	987,192	22,721	6,417	29,112	7,434	1,025,174
2008	1,025,174	25,426	6,336	33,407	10,199	1,067,472
2009	1,067,472	27,943	6,310	28,337	10,723	1,106,719
2010	1,106,719	26,828	7,064	39,701	14,547	1,161,785
2011	1,161,785	30,226	7,768	28,593	8,502	1,206,610

Source. Statistics Department of UB, 2012

Since 2000 around 380,000 people moved to Ulaanbaatar city while around 60,000 people moved to rural areas from the city. There are 68,600 people, at highest number, migrated officially to Ulaanbaatar city in 2004 due to "taxation waive". However, 27,200 people, the majority of them had had lived in Ulaanbaatar city for a long time as counted as urban citizens. In 2011, there are 8,502 people officially moved to other provinces and places from Ulaanbaatar city.

Also, according to statistic of 2011, number of people moved to Ulaanbaatar city in every 1000 people reached 24, decreased by 8 people, number of people moved to rural areas reached 7, decreased by 3 people, and mechanic increase of reached 17 in every 1000 people, decreased by 5 people, compared to 2008.

Table 3. Internal migration

Year	In migrants, persons	Out migrants, persons	Net migration, persons	Rate of in migrants	Rate of out migrants	Rate of migration
1990	5,157	2,102	3,055	9.08	3.70	5.38
1991	6,526	4,317	2,209	11.31	7.48	3.83
1992	7,419	2,614	4,805	12.70	4.48	8.23
1993	8,881	2,767	6,114	14.96	4.66	10.30
1994	10,720	2,422	8,298	17.74	4.01	13.73
1995	10,280	2,563	7,717	16.73	4.17	12.56
1996	7,446	1,296	6,150	11.93	2.08	9.85
1997	8,493	1,171	7,322	13.28	1.83	11.45
1998	15,994	1,195	14,799	24.26	1.81	22.45
1999	15,199	822	14,377	21.27	1.15	20.12
2000	19,918	592	19,326	25.76	0.77	24.99
2001	11,608	782	10,826	14.52	0.98	13.54
2002	23,677	578	23,099	28.54	0.70	27.85
2003	40,760	693	40,067	46.85	0.80	46.06
2004	68,808	1,346	67,462	75.53	1.48	74.06
2005	30,207	2,821	27,386	31.72	2.96	28.75
2006	29,633	6,523	23,110	30.02	6.61	23.41
2007	29,112	7,434	21,678	28.93	7.39	21.54
2008	33,407	10,199	23,208	31.93	9.75	22.18
2009	28,337	10,723	17,614	26.06	9.86	16.20
2010	39,701	14,547	25,154	35.00	12.83	22.18
2011	28,593	8,502	20,091	24.15	7.18	16.97

Source. Statistics Department of UB, 2012

Totally 28,593 people officially migrated to Ulaanbaatar city in 2011 and they settled in different districts, including 7,892 people, 27.6% in Bayanzurkh district, 7,507 people, 26.2% in Songinokhairkhan district, 3,362 people, 11.8% in Chingeltei district, 3,328 people, 11.6% in Bayangol district, 2,642 people, 9.2% in Sukhbaatar district, 2,619 people, 9.2% in Khan-Uul district and remaining 1,243 people, 4.4% in Baganuur, Bagakhangai and Nalaikh districts.

Table 4. Population of Capital City, by district, 2006-2011

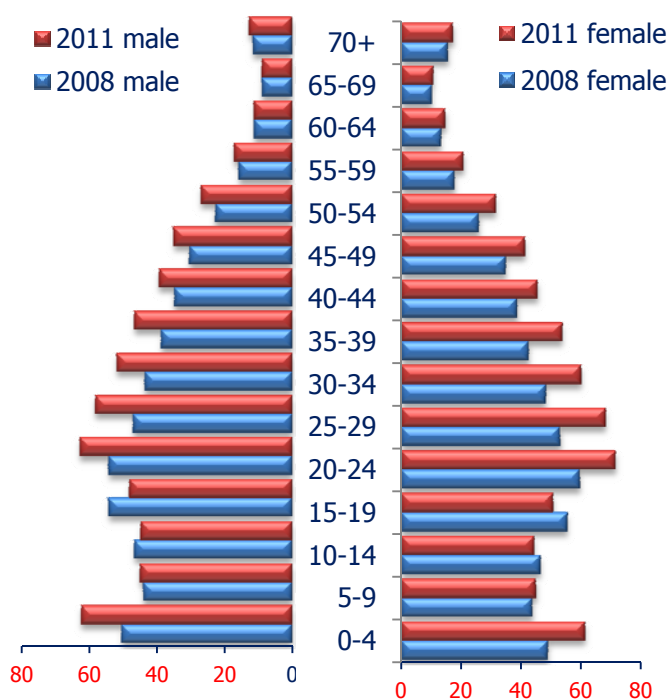
number

District	2006	2007	2008	2009	2010	2011
Baganuur	25,731	25,969	25,877	25,875	26,905	27,036
Bagakhangai	3,827	3,864	3,742	3,615	3,647	3,727
Bayangol	160,818	165,159	169,278	174,851	185,104	192,111
Bayanzurkh	211,614	221,565	235,192	250,241	265,997	283,289
Songinokhairkhan	211,056	220,295	232,326	241,410	252,264	257,140
Sukhbaatar	123,041	129,486	133,108	135,103	136,917	137,834
Nalaikh	27,297	28,152	29,115	30,215	31,458	32,513
Khan-Uul	90,925	94,670	98,815	104,166	112,055	119,843
Chingeltei	132,883	136,014	140,019	139,765	147,438	153,117
Residents in Capital	987,192	1,025,174	1,067,472	1,106,719	1,161,785	1,206,610

Source. Statistics Department of UB, 2012

According to the ages, there are 2,447 people, 8.6% at aged 0-4 year old, 1,915 people, 6.7% at aged 5-9 year old, 1,399 people, 4.9% at aged 10-14 year old, 1,989 people, 7.0% at aged 15-19 year old, 6,905 people, 24.1% at aged 20-24 year old, 4,699 people, 16.4% at aged 25-29 year old, 2,795 people, 9.8% at aged 30-34 year old, 1,893 people, 6.6% at aged 35-39 year old, 1,311 people, 4.6% at aged 40-44 year old and 3,240 people, 11.3% at aged 45 year old and over.

Figure 1. Population pyramid, thous.persons



64.2% of total population of the city is young people at age of up to 35 year old. For instance: 321,100 of them, 26.6% are children aged between 0-15 year old, 810,900 of them, 67.2% are at age of 16-59 year old, 74,600 of them, 6.2% are at age of 60 year old and over.

Compared to population pyramid of 2008 to 2011, all age types have been widened which is related to population increase was high during that period.

According to the gender ratio of Ulaanbaatar city as number of men for every 100 women decreased to 89.9 people with reduction of 3 people compared to 2008.

It is related to number of deaths of male people is higher than female people and majority of migrants from rural is female people.

Number of new born baby sons is higher than number of new born baby girls for every 100 girls but number of male people decreases for every 100 women when they are getting older.

As of 2011, population index volume, dividend of total number of children up to 16 year old and elders at age of 60 year old and over against population at age of 16-59 year old is at 48.8% as the level of previous year. In other words, 49 people are fed by every 100 adults and 40 of them are children and 9 of them are elders. As of at the end of 2011, there are 74,570 elders over 60 year old, including 32501 men, 43.6% and 42,069 women, 56.4%, in Ulaanbaatar.

Average aging of total population of Ulaanbaatar city is 69.5 year old that is longer by 1.2 years compared to previous year. As of 2008, average aging of Ulaanbaatar city's people was higher than average aging of overall country by 0.2 year but average aging difference has been getting longer during recent years.

HOUSEHOLD STATUS

As of 01 January 2012, there are 306,800 families, 40.4% of Mongolian total families, and average number of members of each family reached 3.9. The number of families increased by 12,400, 4.2% compared to 2010 and by 55,000, 21.9%, compared to 2008.

Number of family members has decreased to 4.4% since middle of 1990 and has been stable during several years. It decreased to 3.9 in 2011. Around 7,833 families, 2.6% of total families, have 8 or more members and 6,959 families have 4 or more members at age of up to 16 year old. As of 2011, number of single mothers decreased 24,400, decrease of 1,189 families, 4.6% compared to previous year.

Ger district in Ulaanbaatar city has been expanding due to income level of families moved from rural areas to the city and newly established family, and also a lack of apartments connected with centralized sub-structure. Until recent, around 50% of total families have lived in apartments connected with centralized sub-structure and, number of families and people has been increasing significantly since 2003. Number of ger district families increased by 58.6% in 2005, 59.6% in 2006, 60.6% in 2007, 61.4% in 2008, 61.2% in 2009, 60.15 in 2010 and 60.0% in 2011. This number has been going up year-by-year.

Within last the 5 years, number of families and people in ger district has sharply increased due to migration towards Ulaanbaatar city. As of 2011 around 184,200 people, 60.0% of Ulaanbaatar's total population live in ger district and remaining 122,600 people, 40.0% of them, live in residential areas with apartment blocks.

Number of families in ger district increased by 29,600 families compared to 2008 and average annual increase of ger district families reached 6.0%. As of beginning of 2012, there are 184,200 families are in ger district. Around 81,600 families out of 184,200 families in ger district live in Mongolian traditional gers and remaining 100,300 families live in houses. The number of families living in residential apartments increases by around 5,000 per annum and reached in 122,600 in 2012.

Around 6.2% of families live in Mongolian traditional gers moved to the city last year when 4.8% of families live in residential units moved to the city in 2010. Also, 3.1% of families

live in houses moved to Ulaanbaatar city previous year. However, less newly moved families do purchase houses or apartment within a year of their movement.

Totally 38.8% of families in ger district live 21-40 m sq houses and this number decreased by 19.3 % compared to figures of previous counting. Per cent of families live in above 40 m sq houses reached to 47.8% as increase of 3.4 times compared to previous counting. It can be explained with a reason of sufficiency of apartment is increased. For instance: around 55.4% of families with 7 or more members live in premises of above 40 m sq.

Power supply of Ulaanbaatar city was managed by centralized and non-centralized power systems which are being efficient. There are totally 3,307 families do not have electricity. It is 1.1% percent of total families and it decreased 1.2 % compared to previous counting.

In line with heating and sanitation systems of residential apartment blocks are not at the sufficient and required level which is also a critical reason of population movement. Mongolian government needs to develop additional policy and programs for taking implementing actions on this matter.

Totally 55.0% of families live in houses connected with central heating system with decrease of 5.4 % compared to previous counting. Per cent of families heating their own premises by stoves is increased by 6.6 % in Ulaanbaatar.

There are totally 53 thousand residential apartment units were put into operation between 2000 and 2011. In the 1Q of 2012, there are 32 apartment blocks with 2,212 residential units were put into operation.

Average family income of population of Ulaanbaatar city was increased by 31.8%, compared to previous year, to reach MNT 697,554 in 2011. The average family income of each family was higher than average of overall country by MNT 61,700 in 2008 and it was increased to MNT124,000, approximately doubled, in 2011.

Table 5. Monthly average income per household, at current prices

togrog

Types of income	2007	2008	2009	2010	2011
Average income per household of UB	290,755	425,327	487,093	529,302	697,554
1. Monetary income -Total	284,981	416,015	475,803	514,069	676,392
Wages and salaries	171,299	255,089	292,858	325,901	428,609
Pensions and allowances	41,606	68,761	74,915	70,061	122,679
Income from household businesses	49,411	53,068	66,051	62,059	63,841
Other	22,665	39,097	41,979	56,048	61,264
2. Received from others free of charge	5,276	8,962	11,187	13,895	19,724
3. Foodstuff, which consumed from private farm or enterprise	498	350	103	1,338	1,437
National average income per household	263,681	363,594	402,525	448,027	573,541
Difference of National and UB average income per HH	27,074	61,733	84,568	81,275	124,013

Source. National Statistic Office of Mongolia, 2011

As of 2011, total family income consisted of salary (63.4%), pension (18.1%), household production income (9.4%) and other income (9.1%). Per cents of other income and salary income in family income structure was higher than average per cent of overall country than 0.6-14.1 % when pension income and household production income were lower than that by 4.6-10.1 %.

Monthly average salary of people who work in Ulaanbaatar city is MNT 428,609 which is higher than amount in 2008 by 1.7 times and it is increased by 31.5% compared to previous year. Average monthly pension to each pensioner is MNT 154,300 and number of pensioners increased by 3.4% compared to last year, as of end of 2011.

Monthly average expenditure of each family was higher than amount in 2008 by MNT96,700, in 2009 by MNT61,600, in 2010 by MNT84,700 and in 2011 by MNT 95,100. In 2011, the monthly average expenditure of a family reached to MNT 651,373, an increase of 1.4 times compared to 2008 and 25.3% compared to last year. Around 64.1% of total expenses of a family were non-food expenses in 2008 and such per cent increased to 64.8% in 2011.

Since 2000, expenses related to purchase of clothes and other commodity, and expenses towards apartment, transportation and communication have been increasing year-by-year. Monthly average expense of a family in the city to foods was MNT 163,200 in 2008 and it increased to MNT 229,200 in 2011 with an increase of MNT65,900, 1.4 times.

As of 2011, each family spends average of MNT 651,373 on food, clothes, apartment and communication per month. Around 35.2%, MNT 229,200 is spent for only food products out of total amount.

Table 6. Monthly average expenditure per household, at current prices

togrog

Types of expenditure	2007	2008	2009	2010	2011
Average expenditure per household of UB	323,921	464,134	499,212	534,882	672,535
1. Monetary expenditure	318,147	454,822	487,922	519,649	651,373
Food expenses	111,224	163,214	161,815	179,747	229,153
Non-food expenses and services	206,923	291,608	326,107	339,902	422,220
2. Received from other free of charge	5,276	8,962	11,187	13,895	19,724
3. Foodstuff, which consumed from private farm or enterprise	498	350	103	1,338	1,437
National average expenditure per household	292,488	367,466	437,602	450,206	577,406
Difference of National and UB average expenditure per HH	31,433	96,668	61,610	84,676	95,129

Source. National Statistic Office of Mongolia, 2011

According to the average expenditure amount of the country, 87.9% of average expenses of a family are by cash when 96.9% of monthly average expenses of a family in Ulaanbaatar city are by cash.

It shows that weight of food products used by families in rural are from their own household production affects to the expenditure structure in some ways compared to Ulaanbaatar city.

Amount of milk, dairy products, meat, sugar and sweet products used by each person in Ulaanbaatar city per annum is lower than average amount of the country when consumption amount of egg, potato, vegetables, flour and other flour products used by each person in Ulaanbaatar city per annum is much higher than average consumption amount of the country. For instance, milk and dairy product consumption is less by 60.1 kg, meat products is less by 17.6 kg and, sugar and sweet products are less by 0.1kg (consumption amount of each person per annum in Ulaanbaatar) than average consumption of the country when consumption of egg is more by 38 pieces, potato by 12.1 kg, vegetable by 10.8 kg, and flour and flour products by 3.1 kg consumption amount of each person per annum in Ulaanbaatar) than average consumption of the country.

The minimum wage of Mongolia, prominent consumptions of food and non-food products expressed by cash amount (poverty line), has been updated and revised 22 times since 1991. Minimum income level of per person in Ulaanbaatar city per month revised as MNT 118,100 with effective from 01 April 2011.

According to the sampling survey conducted in 1998, totally 34.1% of population of Ulaanbaatar has consumption lower than poverty line by 13.0%. Due to household social and economic survey conducted in 2011, around 23.5% of population of the city has consumption below than poverty line by 5.9% as average. Concentration of poverty in Ulaanbaatar city is less by 3.7-15.4 % than central, western, eastern and mountainous areas and less by 6.3 % than average of the country.

There is a high possibility that new migrants and poor people are likely to not have jobs and to be in poor living condition in line with insufficient work places for total population of Ulaanbaatar city. Poverty is mainly caused by lack of work places rather than unemployment.

Poverty scope reduced in 2011:

- There is a majority of total population in urban areas and it creates possibilities to improve economic operations through increasing demands of required products and services. In 2010 and 2010, investment of totally MNT 5.6 trillion was made to economy of the Ulaanbaatar. As a result of the investment, number of entities with regular permanent operation was increased.
- Number of entities with permanent activities is actively increasing which shows that there are permanent work places. Poverty in the city is caused by lack of work places rather than unemployment. Demographic pressure was decreased by 11.0 % in 2010 compared to 2000. It is pleasant to population aging structure. Therefore, if number of work places is increased sharply and effectively, there are massive workforces.

Reduction of poverty in the city has decreased in line with a reason that Mongolian government supports and puts attentions. In other words, even prices of main products increased, income of people did not decrease. Consumption of poor family increased that shows sensitivity of poverty reduced and confirms the reduction of poverty. Poverty deepness, difference between average consumption amount of poor people and poverty line, is being decreased.

EMPLOYMENT

According to the Mongolian Law on Statistics, "Work force survey" has been conducted since 2006 quarterly for disclosing result its results. In compliance with result of "Work force survey", 34.0% of economically active 1124,700 people and 34.8% of working people live in Ulaanbaatar city as of 2011.

Numbers of employees in all types of economic sectors were 322,700 in 2004, 333,700 in 2005, 359,400 in 2006, 368,700 in 2007 and 391,900 in 2008. According to the result of "Work force survey", these numbers changed as 333,800 people in 2009, 360,900 people in 2010 and 361,400 people in 2011.

Work force participation level, comparison of number of economically active people versus number of adults, is 53.9%.

According to "Work force survey" result, unemployment level reached to 5.6%, decreased by 3.1 % compared to previous year. Based on result of "Work force survey" conducted in 2011, highest level of unemployment is 18.2% in Zavkhan province, on contrary, lowest is at 1.4% in Selenge province. Average unemployment rate of the country is 7.7% and it is at 5.6% in Ulaanbaatar city.

Majority of population concentration is in Ulaanbaatar city that is creating a possibility to expand economic operations through increasing demands of required services and products.

Totally 70.0% of all companies officially registered in Mongolia are in Ulaanbaatar city while 64.2% of total companies which run their operations are in Ulaanbaatar city.

There are 47,195 companies officially registered as to run their operations in Ulaanbaatar city. 30,866 companies, 65.4%, of total companies registered as official, run their operations permanently during an entire year. Remaining 16,329 companies, 34.6%, of total registered companies, did not run their operations in 2011. Around 40.3% of those 16,329 companies, could not start their business operations within 2011 when 51.6% of them stopped their operations temporarily, 0.3% completed stopped their operation and 7.8% of them did not run operations with any other reasons.

Totally 25,821 companies, 83.7% of all companies run their operations in 2011 have 1-9 employees, 7.7% have 10-19 employees, 5.3% have 20-49 employees and remaining 3.3%, totally 1,029 companies, have above 50 employees. Companies with employees above 50 people are only 3.3% of total companies and numbers of their employees are 55.8% of total employees of all companies.

Value of Ulaanbaatar city's economy was MNT6,991.3 billion by price of 2011, increase of 33.8% compared to last year. Ulaanbaatar city created 64.6% of GDP of Mongolia in 2011. According to the total GDP of Mongolia by regions, GDP performance of western areas is higher by 19.4%, mountainous areas by 14.8%, central areas by 31.8%, eastern areas by 16.8% and Ulaanbaatar city by 33.8% in 2011 compared to 2010.

Urbanization has some progress and advantages as urban areas citizens run productions and services with high productivity. Therefore, number of people is increased and that affects productivity of nation which is a reason of income increase.

Economy of Ulaanbaatar city consists of services (68.8%), industry and construction (30.7%) and agriculture sector (0.4%). Weight of retail and whole sales, manufacturing, mining and quarrying, transportation and storing services is massive in economy of Ulaanbaatar city.

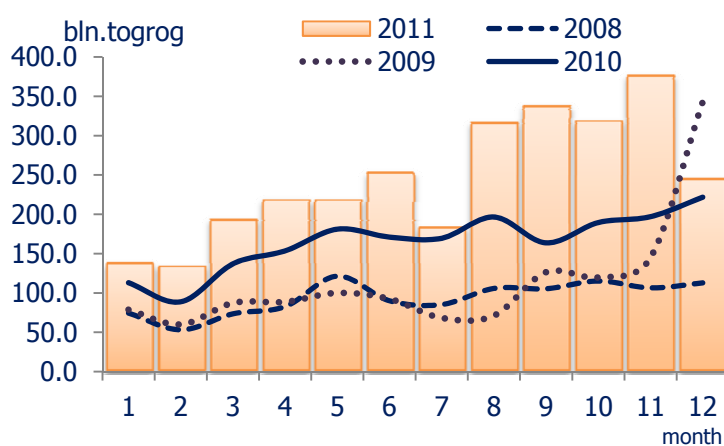
Per capita of GDP of Mongolia reached to MNT 3.8 million in 2011, increase of MNT 813,500 compared to 2010. Value added for per person of Ulaanbaatar city is MNT 5.5 million in 2011, increase of MNT 1.2 million compared to last year and it is higher than average amount of the country by MNT 1.6 million.

Total investment of MNT 3,874.6 billion was made to economy of Ulaanbaatar city. Investment amount increased by MNT2,095.3 billion, 2.2 times more, compared to 2010. Majority of state investment was made to Ulaanbaatar due to concentration of infrastructure, market capacity and professional work force. On contrary, development of infrastructure is insufficient; market is small and isolated, and most of citizens are dependent on livestock husbandry. Therefore, investment to be made is less compared to Ulaanbaatar city.

Total investment consists of foreign investment, 49.5% and domestic investment, 50.5%. Foreign investment amount increased by 48.9% when domestic investment went up by 4 times more in 2011 compared to 2010.

There are 926 foreign invested companies registered officially in Ulaanbaatar in 2011 for running business operations, increase of 22.9% compared to a year earlier. Totally 81.8% of officially registered new companies are for business in line with geology, mining, exploration and oil, 12.5% of them for trades and public catering and remaining 5.7% of them for financial institutions and banks.

Figure 2. Sales of industrial products, 2008-2011



Gross industrial output of Ulaanbaatar reached to MNT 2,433.1 billion and their sales reached to MNT,2924.3 billion in 2011, increase of production is 27.1% and sales of products is 33.7% compared to 2010.

According to Figure2 of monthly production and sales between 2008 and 2011, amounts of productions and sales tend to increase year-by-year.

MNT 1,251.6 billion is domestic sales and MNT 1,672.7 billion is foreign sales out of total sales of the city. Around 52.0 % of total sales of total production of Mongolia consist of sales of companies and entities in the city.

In 2011, supply amount of power, heating and water to total productions of companies increased by 1.2 % compared to previous year. Percent of processing sector went down by 1.0 % when per cent of mining and exploration increased by 2.2 %.

Total production amount changed due to percent of production lines including exploration of coal and iron ore, processing of meat, fish, vegetable, oil, chemical substances, rubber and plastic products, production of clothes, processing of animal skins, white goods and non-metallic production increased by 4.2 times from 19.6% compared to a year earlier.

Totally 56.7% of total production sector of Ulaanbaatar city is mining related sector. Totally 5,702.6 kg gold was explored by exploration companies of the country and companies registered in the city explored 3,689.3 kg gold, 64.7% out of total amount. Amount of explored gold in the year decreased by 23.6% compared to same reporting period of a year earlier. 15,161.7 tons of coal, main product of mining sector, explored in 2011 with increase of 17.4% compared to previous year.

Around 42.2% of total sector production of Mongolia is production of companies in Ulaanbaatar city. Production amount of the city was 34.7% in 2006, 39.3% in 2007, 43.7% in 2008, 45.0% in 2009, 35.5% in 2010 and 34.5% in 2011. According to comparison between amount in 2010 and 2011, production amount of 2011 decreased by 1%. Increase of production of food, cigarette, paper, paper products, chemical products and clothes, processing of animal skin, press and printing operation, metal product production, cars and machineries, and white goods played significant role in increase of sector production of companies for processing businesses, by 23.4%, in 2011.

Electricity, heating and water worth on MNT 214.8 billion was produced in Ulaanbaatar in 2011 with increase of 12.5% compared to previous year. In 2011, 4,536.4 million kilowatt hour electricity, 8.7 million hexane heating and 62.0 million m³ water were distributed throughout the nation in 2011.

Between 2006 and 2011, production of milk, dairy products, meat, kind of sausage, macaroni noodle, bread, beverage, alcohol products, wine, small intestine, food salt, knitted products, felt, combed cashmere, blanket made with camel wool, electricity, coal, fluoride and red bricks was increased from 2.4% by 2.1 times.

75.4% of total construction and maintenance works, worth on MNT 745.0 billion, of Mongolia in 2011 was made in Ulaanbaatar city. There are 420 active companies which run their operations in this sector and they completed contraction and maintenance works of totally MNT 561.6 billion with increase of 1.7 times more compared to last year. 98.9% of total works are construction works for new blocks and extension when remaining 1.1% is for maintenance works. 41.6% was for residential apartment blocks, 20.9% for non-residential apartment buildings and 37.5% was for engineering works, out of total construction works for new buildings.

Total maintenance works worth on MNT 3,210.7 million were conducted in 2011 including 11% for maintenance of residential apartments, 53.4% for non-residential apartments and 35.6% for maintenance of engineering works.

Totally 448 buildings with construction budget of MNT 519.9 billion were put into operation in Ulaanbaatar city in 2011 and 20% of the are owned by governmental organizations, 15% of them are owned by individuals and 65% of them are owned by private entities according to ownership status.

Total amount of retail and wholesale trades of Mongolia reached to MNT 6,793.6 billion in 2011. 75.1% of total sales of the nation, MNT5,099.8 billion, were made in Ulaanbaatar city. Total sales of the city consist of 72.1% of wholesale trades and 27.9% of retail trades.

10.1% of total companies in trade sector have income over MNT 50 million per annum and total income of these companies creates around 90.0% of total sales income of trade. Totally 3,512 shops, 90 wholesale stores, 22 markets and 619 fast service centers continuously worked in 2011. Totally product sales of MNT5,099.8 billion were made in those shops with increase of MNT 2,321.6 billion, 83.6% compared to 2009 and MNT 925.2 billion, 22.2% compared to 2010.

80.4% of total passengers and 12.0% of total freights through transportations were from and to Ulaanbaatar city. Per cent of transported freights to Ulaanbaatar out of total freights of the country decreased by 8.6% in 2010 compared to previous year, however, this number doubled compared to period that 6-7 years ago. Per cent of total passengers of Ulaanbaatar city has been above 80% out of total passengers' number of the country within latest 4 years.

CONCLUSIONS

Ulaanbaatar city is a center of Mongolian political, economic, society and culture. Around 45% of total population and 65% of total companies are only in Ulaanbaatar. Therefore, majority of deposits and loans granted to individuals and companies, cars and doctors are in Ulaanbaatar city.

Role of Ulaanbaatar to economy of Mongolia is massive according to concentration health, education, production, financial activities and people with high income sources. 88.5% of total universities of Mongolia locate in Ulaanbaatar city and 95.3% of total students of the country study also in the city.

This city is a center of social, economic, administrative and cultural organizations. Therefore, citizens of the city can have a chance to make their own choices regarding economic, social, political and cultural matters. Around 34% of active population of the country is in Ulaanbaatar city.

Economic conditions of the city have been improving sharply with supports from retail and wholesale trades, maintenance services and their users.

Retail and wholesale trades and construction sectors are not only activating economy of Ulaanbaatar city, but also making significant contributions to Mongolian economy. Construction sector and its services are turning as good solutions to create vacancies for migrants from rural areas towards Ulaanbaatar.

Sectors including processing factory, hotels and restaurants are main sectors to offer jobs to migrants from rural areas to Ulaanbaatar in 2000 and these sectors are changed as household services and agricultural operations in 2010. It shows that luxury services towards higher-income people in Ulaanbaatar have been improving and migrants from rural areas in remote areas of Ulaanbaatar are herding livestock and working in agricultural sector.

Economy of the city is worth on MNT 6 trillion but its budget is around 4% of the economy amount. Economy of the city, labor market, is insufficient to all citizens of the city. Therefore, it is likely to new migrants and poor people are to not have works and be at

conditions of without having incomes. Main reason of this matter is that number of work places created in a year is equal to number of new migrants towards Ulaanbaatar city. There are possibilities to have jobs in Ulaanbaatar but migrants' education and skills are insufficient to meet requirements of works.

Population density of Ulaanbaatar in total population of the country has been increasing and that shows Ulaanbaatar is "massively big" city with huge population, several times more than population of other areas including province centers and cities.

There are several factors that limit possibilities of providing human development through adversely affecting to comfortable lifestyle of the population, including pollution of soil, water and air, and trashes caused by massive concentration of population and high pressure to social and public services.

There are following main reasons for pollution and trash such as existing operation process of providing water, heating and electricity to population of central area.

In Mongolia, only Ulaanbaatar city is over populated with many citizens. It is a great leverage that if using the population for development of the city rather than considering more on decreasing population concentration.

Specially, it is necessary to use methods of creating environmental, population and economical concentration, reducing pressure towards the areas caused by consumption of production and population, supporting market development of environmental friendly technology, products and services and encouraging attractions of environmental-friendly and efficient investments as widely.

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