The Population and Economic Activity of Ulaanbaatar

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1. Population and Migration

The urbanization process in Mongolia has developed sharply since the second half of the last century and the percentage of persons living in urban areas among the total population is 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. The urban population increase within the past decade alone was almost equal to the increase that occurred during the preceding 30 years.

Most of the urban population lives in Ulaanbaatar city, the capital city of Mongolia, and the Central Region, where there is better infrastructure and services, and the development of mining sites is growing. For example, Darkhan-Uul, Dornogovi [East Gobi] and Omnogovi [South Gobi] aimags are connected with tarmacked roads and railways. In addition, those aimags bordering China are attracting more residents. Although the western area of Mongolia has a relatively large number of residents, the urbanization process there is not yet intensive. The development of industry, services and social sectors, such as education and healthcare, in Ulaanbaatar city and provincial centers are attracting the rural population. Therefore many persons are moving to urban areas so increasing the urban population share of Mongolia’s total population.

The majority of Mongolia’s urban population, or around 64.2%, lives in Ulaanbaatar city alone, followed by Erdenet and Darkhan cities. The migration of herdsmen to urban settlements, especially to Ulaanbaatar, has increased from 2000 due to loss of their livelihoods as a result of natural disasters, such as "gan [drought]" and "zud or dzud [lack of forage caused by extreme winter weather]". In addition, stable and safe working opportunities in the city and urban areas attract population and this is expanding the urbanization process. Accordingly the urban population size increased substantially and the urban population increased to 1,798,100, or 67.9% of the total, in 2010, from 1,345,000, or 57% of the total, in 2000. In particular Ulaanbaatar city has witnessed a more massive population growth than the other cities, and its population has increased by 349,200 persons, or by 51.9%, between the two censuses in 2000 and 2010. Thus the urbanization process in Mongolia is mainly resulting in the population growth of Ulaanbaatar city. According to the census of 2010, the population size of Ulaanbaatar equaled 43.2% of the total population of the country. The population of Ulaanbaatar was 14.0% and 22.3% of the total in 1956 and 1969, respectively. Conversely, according to the Population and Housing Census of 2010, the population sizes of other provinces as a percentage of the total have decreased. Therefore Mongolia's rural to urban migration is predominantly directed towards Ulaanbaatar city.

Mongolia’s internal migration has intensified within the last two decades and two major migration flow patterns were clearly noticeable from the results of the 2000 Population and Housing Census. These are: (1) the flow to Ulaanbaatar city; and (2) the flow to the Central Region. Therefore, there is a tendency towards population concentration in Ulaanbaatar and the Central Region, while the remote areas are becoming uninhabited. There are no signs of a reversal of this tendency; on the contrary, it is likely to increase.

The average number of people migrating to Ulaanbaatar city ranges between 61,300 and 590,400 for various periods. The number of persons born in other cities and provinces and who moved to Ulaanbaatar exceeds the number of persons born in Ulaanbaatar city and who moved to other provinces and cities by 543,600. This means that Ulaanbaatar city’s population has mechanically increased by this amount. According to the Population and Housing Census of 2010, about 544,813 persons or 47.2% of Ulaanbaatar’s population, were born in the city and have lived in the city without moving to any other place. The remaining 52.8% or 609,477 persons were those who moved to Ulaanbaatar city, of which 19,078 persons or 3.1% of the total were born in Ulaanbaatar city and moved elsewhere for a while, and then moved back. According to the census, 130,372 persons, or 21.4% of the total, were people who moved to Ulaanbaatar city and have lived there for more than 20 years, while 98,087 persons, or 16.1% of the total, have lived there for 1-3 years (Figure 1).

As of 1 January 2012, there were 1,206,610 persons or 45.8% of Mongolia’s total population living in Ulaanbaatar city, 571,192 of whom were male and 635,418 female (Table 1).

According to the census data, the annual average population growth was 9.5%, the highest rate, over the period 1956-1963; 3.0% for 1963-1969; 4.2% for 1969-1979; 3.1% for 1979-1989; 3.0% for 1989-2000; 3.8% for 2000-2008; and 4.2% for 2008-2012. The total population of Ulaanbaatar increased by 55,100 persons in 2011, whereas 44.8% of the total was a mechanical increase as migrants have officially moved from the rural areas to the city, and the other 50.1% of the total was a natural increase. The percentage share of the natural increase in population has tended to rise due to the growing birthrate over recent years, while the migration level from rural areas to Ulaanbaatar has been stable.

The net migration coefficient (i.e. mechanical growth per 1,000 persons) was 25 in 2000, which was three times...
higher than the net natural growth coefficient (i.e. net natural increase per 1,000 persons). However, this situation had changed in 2011 as the net natural growth per 1,000 persons was higher than the mechanical growth.

During the period 2000-2011, a total of 380,000 persons moved to Ulaanbaatar city, while around 60,000 persons moved to rural areas from the city. There were 68,600 officially registered immigrants in Ulaanbaatar in 2004, when the "taxation waiver" was introduced. Most of them, or 27,200 persons, have resided in Ulaanbaatar city for a long time and were counted as urban citizens. In 2011, 8,502 persons had officially moved to other provinces and places from Ulaanbaatar city. In addition, in 2011 the number of persons who moved to Ulaanbaatar city per 1,000 residents was 24, decreasing by 8 persons, while the number of persons who moved to rural areas was 7, decreasing by 3; mechanical growth accounted for 17 per 1,000 persons, declining by 5 compared to the 2008 data (Table 2).

In 2011, 28,593 persons officially migrated to Ulaanbaatar city and settled in various districts of the city. Bayanzurkh district received the biggest number of the immigrants, followed by Songinokhairkhan, where most of the residential ger districts are located. In terms of age groups, there were 5,761 persons, or 20.1% of the total, aged under 15; 16,388 persons, or 57.3% of the total, aged between 15 and 34; 3,204 persons, or 11.2% of the total, aged between 35 and 39; and 3,240 persons, or 11.3% of the total, aged 45 and over (Figure 2).

Ulaanbaatar city is a young city and in 2011, 64.2% of the city's total population was under 35 years old, while: 321,100, or 26.6%, were children up to 15 years old; 810,900, or 67.2% of the total, were those aged 16-59; and 74,600, or 6.2% of the total, were those aged over 60. According to the population pyramid, all age groups witnessed increases, thus indicating a high population growth between 2008 and 2011. In terms of the gender ratio of Ulaanbaatar city, the number of men per 100 women decreased to 89.9 persons in 2011, lower by 3 persons compared to 2008 (Figure 3).

This was mainly related to the fact that the number of

![Figure 1: Ulaanbaatar Resident Population Figures by Duration of Residence](image)

Source: Population and Housing Census, 2010

Table 1: Population Change of the Capital City of Ulaanbaatar, 2006-2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Population of Mongolia, '000s</th>
<th>Population of the capital, '000s</th>
<th>Residents in the capital, '000s</th>
<th>Percentage of total population, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2,583.3</td>
<td>1,053.5</td>
<td>987.2</td>
<td>40.8</td>
</tr>
<tr>
<td>2007</td>
<td>2,620.4</td>
<td>1,098.8</td>
<td>1,025.2</td>
<td>41.9</td>
</tr>
<tr>
<td>2008</td>
<td>2,666.0</td>
<td>1,147.7</td>
<td>1,067.5</td>
<td>43.0</td>
</tr>
<tr>
<td>2009</td>
<td>2,716.3</td>
<td>1,196.8</td>
<td>1,106.7</td>
<td>44.1</td>
</tr>
<tr>
<td>2010</td>
<td>2,761.0</td>
<td>1,244.4</td>
<td>1,161.8</td>
<td>45.1</td>
</tr>
<tr>
<td>2011</td>
<td>2,811.7</td>
<td>1,287.1</td>
<td>1,206.6</td>
<td>45.8</td>
</tr>
</tbody>
</table>

Source: Statistics Department of Ulaanbaatar, 2012

Table 2: Ulaanbaatar Population Figures

<table>
<thead>
<tr>
<th>Year</th>
<th>Population, at beginning of the year</th>
<th>Births</th>
<th>Deaths</th>
<th>Immigrants</th>
<th>Emigrants</th>
<th>Population, at end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>760,077</td>
<td>11,771</td>
<td>5,037</td>
<td>19,918</td>
<td>592</td>
<td>773,613</td>
</tr>
<tr>
<td>2001</td>
<td>773,613</td>
<td>12,339</td>
<td>5,069</td>
<td>11,608</td>
<td>782</td>
<td>790,878</td>
</tr>
<tr>
<td>2002</td>
<td>790,878</td>
<td>12,652</td>
<td>4,996</td>
<td>23,840</td>
<td>578</td>
<td>821,796</td>
</tr>
<tr>
<td>2003</td>
<td>821,796</td>
<td>13,571</td>
<td>5,522</td>
<td>40,760</td>
<td>693</td>
<td>869,912</td>
</tr>
<tr>
<td>2004</td>
<td>869,912</td>
<td>14,795</td>
<td>6,017</td>
<td>68,808</td>
<td>1,346</td>
<td>915,531</td>
</tr>
<tr>
<td>2005</td>
<td>915,531</td>
<td>15,465</td>
<td>5,972</td>
<td>30,207</td>
<td>2,821</td>
<td>952,410</td>
</tr>
<tr>
<td>2006</td>
<td>952,410</td>
<td>18,089</td>
<td>6,417</td>
<td>29,633</td>
<td>6,523</td>
<td>987,192</td>
</tr>
<tr>
<td>2007</td>
<td>987,192</td>
<td>22,721</td>
<td>6,417</td>
<td>29,112</td>
<td>7,434</td>
<td>1,025,174</td>
</tr>
<tr>
<td>2008</td>
<td>1,025,174</td>
<td>25,426</td>
<td>6,336</td>
<td>33,407</td>
<td>10,199</td>
<td>1,067,472</td>
</tr>
<tr>
<td>2009</td>
<td>1,067,472</td>
<td>27,943</td>
<td>6,310</td>
<td>28,337</td>
<td>10,723</td>
<td>1,106,719</td>
</tr>
<tr>
<td>2010</td>
<td>1,106,719</td>
<td>26,828</td>
<td>7,064</td>
<td>39,701</td>
<td>14,547</td>
<td>1,146,285</td>
</tr>
<tr>
<td>2011</td>
<td>1,146,285</td>
<td>30,226</td>
<td>7,768</td>
<td>28,593</td>
<td>8,502</td>
<td>1,206,610</td>
</tr>
</tbody>
</table>

Source: Statistics Department of Ulaanbaatar, 2012
The ratio was 9. This means that per 100 working-age adults in Mongolia there were 49 dependent persons, of whom 40 were children and 9 were elderly. In Ulaanbaatar at the end of 2011, the population aged 60 or over amounted to 74,570: 32,501, or 43.6% of the total, were men; and 42,069, or 56.4% of the total, were women.

The average life expectancy at birth was 69.5 years in Ulaanbaatar in 2011, increasing by 1.2 from the previous year. As of 2011, the population dependency ratio (the number of children under the age of 16 and those aged 60 or over divided by the population aged 16-59) was 48.8%, the same level as in the previous year. In particular, the child-dependency ratio was 40 and the elderly-dependency ratio was 9. This means that per 100 working-age adults in Mongolia there were 49 dependent persons, of whom 40 were children and 9 were elderly. In Ulaanbaatar the end of 2011, the population aged 60 or over amounted to 74,570: 32,501, or 43.6% of the total, were men; and 42,069, or 56.4% of the total, were women. The average life expectancy at birth was 69.5 years in Ulaanbaatar in 2011, increasing by 1.2 from the previous year.
year. In 2008, the average life expectancy at birth in Ulaanbaatar was higher than the national average by 0.2 years, but recently this difference has had an increasing tendency.

2. Household Status

As of 1 January 2012, 306,800 households, or 40.4% of all Mongolian households, were in Ulaanbaatar and the average number of household members was 3.9. The number of households increased by 12,400, or 4.2%, from the figures in 2010, and by 55,000, or 21.9%, compared to 2008.

The number of household members has been decreasing since 1990 and was relatively stable at 4.4 during the past years, but it decreased to 3.9 in 2011. 7,833 families, or 2.6% of the total, had 8 or more members, and 6,959 families had 4 or more members aged up to 16. In 2011 the number of single mother households decreased to 24,400: 1,189, or 4.6%, less than the previous year.

The ger districts in Ulaanbaatar city have been expanding due to the income level of the immigrant households from rural areas and new families, and also the lack of apartments connected up to infrastructure. Until recently, around 50% of all families lived in apartments connected up to infrastructure, but the numbers of households living in traditional gers have been on the rise since 2003. The share of households living in ger districts accounted for 58.6% of the total in 2005, and increased to 60.0% of the total in 2011. The number of households living in ger districts has been increasing by 6% annually and reached 184,200 at the beginning of 2012. Among them, about 81,600 households live in Mongolian traditional gers and the remaining 100,300 families live in single-household houses.

At the same time, the number of households living in residential apartments has been increasing by about 5,000 annually and reached 122,600 in 2012. 38.8% of the households live in 21-to-40-square-meter apartments, while 47.8% of the total live in apartments with more than 40 square meters. In the period 2000-2011, 53,000 residential apartment units became available and 32 apartment blocks with 2,212 residential units became available during the first quarter of 2012.

The power supply of Ulaanbaatar city is by centralized and non-centralized energy systems, but 3,307 households in the city still do not have access to electricity. However, the residential heating and sanitation systems are far from being adequate. 55.0% of households lived in apartments with a central-heating system in 2011, 5.4% lower than in the previous census. However, the percentage of households that have individual heating stoves in their houses increased by 6.6%, and these are the biggest source of air pollution in Ulaanbaatar. Therefore, the Mongolian government needs to develop policies and programs to tackle this issue.

The average household income for Ulaanbaatar city amounted to MNT 697,554 in 2011, 31.8% higher than the previous year. The household income gap between the households in Ulaanbaatar city and those in other regions increased to MNT 124,000 in 2011, almost double the MNT 67,100 in 2008.

As of 2011, the average household income consisted of salaries (63.4%), pensions (18.1%), income from household businesses (9.4%), and other income (9.1%). The monthly average salary of a working person in Ulaanbaatar city was MNT 428,609, which was 31.5% higher than the previous year, and 1.7 times higher than the figure in 2008. The average monthly pension by receiver was MNT 154,300 at the end of 2011, while the number of pensioners has increased by 3.4% from a year earlier (Table 5).

In 2011, monthly average household expenditure amounted to MNT 651,373, which was 25.3% higher than a year earlier, and increased by 1.4 times compared to 2008. While 64.1% of total household expenses were non-food expenses in 2008, this increased to 64.8% in 2011. Non-food expenses, such as purchase of clothes and other commodities, expenses for transportation and communications, and those for buying apartments have been on the rise annually (Table 6).

The minimum subsistence level of a person, or the cash amount needed to purchase essential food and non-food products (the poverty line), in Mongolia has been revised 22 times since 1991. This amount has been MNT 118,100 in Ulaanbaatar, since it became effective on 1 April 2011.

According to a sample survey conducted in 1998,
34.1% of the total population of Ulaanbaatar had a consumption level lower than the poverty line by 13.0%. The Household Social and Economic Survey conducted in 2011 revealed that 23.5% of the city population had a consumption level below the poverty line by 5.9%. The poverty headcount ratio in Ulaanbaatar city was between 3.7% and 15.4% lower than the other regions and 6.3% lower than the national average. The poverty gap was also reduced in Ulaanbaatar in 2011.

3. Employment

Mongolia has been conducting the Labor Force Survey on a quarterly basis since 2006, in accordance with the Law on Statistics of Mongolia. According to this survey, 34.0% of the country’s 1,124,700 economically-active persons, and 34.8% of the persons in employment, lived in Ulaanbaatar city in 2011. The work force participation level, the ratio of the economically-active persons to the working-age population, was 53.9%. The unemployment rate decreased to 5.6%, which was lower by 3.1 percentage points from a year earlier. At the same time, the national unemployment rate was 7.7%. The high concentration of population in Ulaanbaatar city is creating opportunities for expanding business activities in the city.

70.0% of all companies officially registered in Mongolia are in Ulaanbaatar city, while 64.2% of active companies are running their operations in Ulaanbaatar city. There are 47,195 registered companies in Ulaanbaatar city, and 30,866 companies were active in 2011. Most of the companies are small and medium-sized companies with less than 50 employees; those with more than 50 employees account for 3.3% of the total, but they employ 55.8% of the total labor force.

Value-added in Ulaanbaatar city accounted for 64.6% of the national GDP in 2011. The service sector accounted for 68.8% of the total, while the industry and construction sectors accounted for 30.7% and the agriculture sector for 0.4%.

Mongolia’s per capita GDP was MNT 3.8 million in 2011, an increase of MNT 813,500 on the 2010 figure. Value added per person in Ulaanbaatar city was MNT 5.5 million in 2011, an increase of MNT 1.2 million on the previous year.
In 2011, MNT 3,874.6 billion was invested into the economy of Ulaanbaatar city. This was 2.2 times higher than a year earlier. The majority of public investments are carried out in Ulaanbaatar city due to its concentration of infrastructure, market capacity and professional workforce. 49.5% of total investment was foreign investment, whereas the amount of domestic investment has increased almost 4 times.

There are 926 foreign invested companies which newly registered in Ulaanbaatar in 2011, 22.9% higher than a year earlier. 81.8% of these companies were engaged in geology, mining, exploration and the oil sector, 12.5% in trade and catering, and the remaining 5.7% in the financial sector.

The gross industrial output of Ulaanbaatar amounted to MNT 2,433.1 billion, and sales amounted to MNT 2,924.3 billion in 2011, increases of 27.1% and 33.7%, respectively, from 2010 (Figure 4). 56.7% of the total production of Ulaanbaatar city is related to the mining sector.

The manufacturing output of Ulaanbaatar city accounted for 42.2% of Mongolia's total manufacturing output, and 75.4% of the total construction and maintenance work, amounting to MNT 745.0 billion, was made in Ulaanbaatar city in 2011.

Mongolia's total amount of retail and wholesale trade equaled MNT 6,793.6 billion in 2011, 75.1% of which was accounted for by Ulaanbaatar city. 72.1% of the total trade was wholesale trade. Operating in 2011 were: 3,512 shops, 90 wholesale stores, 22 markets and 619 fast-service centers.

In addition, 80.4% of the total passengers and 12.0% of the total freight for Mongolia were accounted for by Ulaanbaatar city.

4. Conclusion

Ulaanbaatar city is Mongolia's political, economic, social and cultural center. Around 45% of the total population resides in the city, and 65% of all companies are operating in Ulaanbaatar. Therefore the role of Ulaanbaatar city in Mongolia's economy is enormous.

The economic conditions of the city have been improving, mainly supported by the retail and wholesale trades, services and consumers. The construction and service sectors are becoming the major labor market for immigrant workers from the rural areas. The population density of Ulaanbaatar city has been continuously increasing and overpopulation is becoming a major burden to the city's environment and infrastructure.

However, along with policies towards reducing overpopulation in the city, the high concentration of population could also be one of the key drivers of the city's further development. In particular, it is necessary to create environmental, population and economic concentrations, and reduce the pressure on the environment from consumption and production. Promotion of environmentally-friendly technologies, products and services should be intensified.

References

ウランバートルの人口と経済活動

ウランバートル統計局長 Ch. バヤンチメグ
ウランバートル統計局経済統計部長 B. バタバヤル

（要約）
モンゴルでは、19世紀の後半から都市化の過程が急速に進み、全人口のうち都市部に住む人の割合が増えている。モンゴルの人口の大半、約64.2%がウランバートル市に居住している。ウランバートルの人口密度は増加し続け「大都市」化している。その人口規模は、その他の地方都市の数倍にもなる。

ウランバートル市はモンゴルの政治、経済、社会、文化の中心である。そのため、経済、社会、政治、文化的問題に対し、市民自らが選択する機会がより多い。国内の経済活動人口の約34%が、ウランバートルに居住している。

ウランバートルの経済状況は、小売・卸売業、サービス、消費者に支えられ大幅に改善されている。小売・卸売業及び建設部門は、ウランバートル市の経済を刺激するだけでなく、モンゴル経済へも大きな貢献を果たしている。建設及びサービス部門は、農村部からの移民労働者の主な労働市場となっている。2000年、農村部からウランバートルへの移民の働き口は、主に製造、ホテル・レストラン部門であったのが、2010年には、家事サービス、農業へと変わった。このことは、ウランバートルの高所得者に提供される高級サービスが拡大し、農村部からの移民がウランバートルの奥地に住み、家畜の世話と農業活動を営んでいることを示す。

ウランバートルの経済規模は年間6兆トゥグルグで、予算はその内の約4%である。しかし、全住民に労働市場を生み出すほど十分ではない。そのため、農村部からの移民の多くは、結局、仕事も収入もない状態に陥る。仕事の機会はあるものの、多くは職場で必要とされる教育と能力を持ち合わせていない。

さらに、ウランバートル市の生活条件改善のチャンスを阻むいくつかの要因がある。とりわけ、人口過密による土壌・水・空気の汚染、ゴミの増加、社会的・公的サービスに対する重圧があげられる。

しかし、市の人口過密緩和に向けた政策と同様に、人口の集中は、今後の発展推進の重要な要素ともなり得る。特に、環境、人口、経済的な集中に専念し、消費・生産による環境への負担を削減することが必要である。環境に優しい技術、製品、サービスの推進を強化すべきである。

［英語原稿をERINAにて翻訳］