Strengthening the Partnership between Mongolia, Russia and China

As readers will remember, in their third meeting, which took place during the 16th summit of the Shanghai Cooperation Organisation in 2016, the presidents of Russia, China and Mongolia signed an official intergovernmental agreement on the creation of the China-Mongolia-Russia economic corridor.

In their fourth, and most recent, meeting, which took place in June 2018, as part of the 18th summit of the Shanghai Cooperation Organisation, the Russian President Vladimir Putin, the Chinese General Secretary Xi Jinping, and the new Mongolian President Khaltmaagiin Battulga reconfirmed their commitment to developing the three-party cooperation.

The implementation of this goal was either touched on or discussed directly in all of the two-party, and of course three-party, political meetings, talks, conferences and economic forums held between the three countries in 2016-2017.

On August 14-19, 2018, the latest economic and trade forum was held in the Chinese city of Erlian. 130 Mongolian, 800 Chinese and 38 Russian companies took part in the forum. Contracts and agreements with a total value of 2.3 billion dollars were signed.

The main goal of the forum was to strengthen cooperation between the three countries on the implementation of the
Economic Corridor Programme, and also to step up cooperation in all other areas.

The importance that Mongolia attached to this event was made clear by the fact that its delegation was headed by Ya. Sanjmyatav, Deputy-Speaker of the Mongolian Parliament, the State Great Khural.

In the trade fair which was held as part of the forum, 130 Mongolian companies belonging to the National Chamber of Trade and Industry displayed their goods and services.

Another event that took place during the forum was a round table on Matters Relating to Economic Cooperation between Two Border Points and Free Trade zones in Zamyn-Üüd.

It can be concluded that the three-party economic and trade forum held in Erlian in 2018 definitely helped promote the creation of the China-Mongolia-Russia economic corridor.

A step forward in friendly relations between China and Mongolia

2018 saw a strengthening and development of relations between Mongolia and China.

In January, the Mongolian President made a state visit to Beijing. And in April 2018, Ukhnaagiin Khürelsükh, the Mongolian Prime Minister, also made an official visit to China, accompanied by 299 representatives from 163 Mongolian companies. In addition to informal talks, a Mongolian-Chinese business forum was held as part of the visit. 600 business executives from both countries took part in the forum, and 36 agreements with a total value of 4.8 billion dollars were signed. Both visits helped define the main course for the development of future cooperation between the two countries.

From August 23-25 2018, the Chinese Foreign Minister and member of the Politburo, Wang Yi, made an official visit to Mongolia. During his meeting with President Khaltmaagiin Battulga, the latter requested China to provide tax support for increased exports of Mongolian agricultural products into China. He also requested support for the development of transport infrastructure from China, through Mongolia, to Russia.

Miyeegombyn Enkhbold, the Speaker of the Mongolian Parliament, emphasised the important role that the two countries’ legislatures play in developing links between Mongolia and China, including by signing a memorandum of understanding and cooperation on setting up arrangements for regular meetings between the two parliaments. He pointed out that while Mongolia’s primary interest is in questions relating to economic and trade cooperation, it is also essential to develop cooperation in areas such as education, culture, sport and humanitarian projects.

In all their speeches the Mongolian President and the Speaker of the Mongolian Parliament, focussed on one thing, as did Wang Yi in his answering speeches: the importance of continuing to develop mutual trust, while respecting the core interests of the Mongolian and Chinese peoples.

This was no ordinary visit.

Firstly, it was the first official foreign visit at this level since the formation of China’s current government.

Secondly, it took place just before the celebration of an important anniversary - 70 years of diplomatic relations between the two countries. It is worth pointing out here that Mongolia is one of just 10 countries that have had diplomatic relations with China for the whole of the last 70 years. The two countries have agreed that the President of Mongolia will visit China in 2019.

Thirdly, the talks held during the visit demonstrated that both China and Mongolia are keen to implement- and expand - the comprehensive strategic partnership between the two countries that has been developing since 2006.

China is Mongolia’s largest trade partner and second most important investor. The parties recognised that it is essential to increase Chinese investment in many sectors of the Mongolian economy, excluding mining. They agreed to work towards increasing mutual trade from the current level of 5.6 billion dollars a year to 10-15 billion dollars in 2020. They also declared that they have started joint research preparatory to creating a China-Mongolia cross-border economic cooperation zone and the Mongolian Foreign Minister, Damdin Tsogtbaatar, said that a free trade agreement is ready for signing.

On August 25 both Foreign Ministers were present for a ceremony marking the beginning of the construction of a main waste water treatment plant in Ulaanbaatar, a project supported by China. The total cost of the facility will be 300 million dollars. When it is complete it will be able to treat 2.5 cubic metres of water a day, which will have a
positive impact on air quality in the Mongolian capital. The construction is being financed by China, which is providing a grant of 2 billion yuan, as well as subsidised loans.

China has agreed, in principle, to Mongolia’s request to increase agricultural exports from Mongolia, in particular meat and meat products. Mongolia is keen to maintain a positive trading balance with China, as this enables it to increase its foreign exchange reserves.

One important result of the talks was an agreement on Mongolia’s participation in China’s Belt and Road initiative, which should promote growth in trade and investment.

The two countries also reached agreement on extending cooperation between the free trade zones in Zamyn-Üüd, and on assistance from China to enable Mongolia to modernise infrastructure at many of its border crossing points.

And, finally, the two parties confirmed that they supported the core principles governing the cooperation between Mongolia and China. These principles were clearly set out by the Chinese Foreign Minister Wang Yi, who said: “Firstly, the parties will respect each others’ core interests. Secondly, they will protect the political bases that underlie their relations. Mongolia will support the One China principle. Mongolia has reaffirmed that it considers Tibet to be an inseparable part of China. China, on its part, respects the independence, sovereignty and territorial integrity of Mongolia, and the path of development that the Mongolian people has chosen.”

In conclusion, the new Chinese Foreign Minister’s first official visit to Mongolia has been a great success, and has given new impetus to the development of friendly relations between the two countries.

Mark Golman, Ph.D, history, head research partner at the Institute of Oriental Studies of the Russian Academy of Sciences, specially for the online magazine “New Eastern Outlook”. 