



MONGOLIA-CHINA-RUSSIA ECONOMIC CORRIDOR

Otgonsuren Buyankhishig
Researcher
Institute for Strategic Studies,
National Security Council of Mongolia

18 November 2016

Trilateral Cooperation Mechanisms of Mongolia, China and Russia

1. Trilateral Meeting of the Heads of State

- The First Historical Meeting of Three Heads of State held in Dushanbe, Tajikistan in September, 2014
 - The Second Meeting of Three Heads of State held in Ufa, Russian Federation in July, 2015
- China, Russia and Mongolia signed a development plan to build an economic corridor that will boost transport links and economic cooperation among the three neighbours,



2. Trilateral Meeting of Vice Minister of Foreign Affairs

- Held in Ulaanbaatar in September, 2014
- Held in Beijing in February, 2015
- Held in Moscow in June, 2015

3. Trilateral Meeting of Vice Ministers of Transportation

- Held in Ulaanbaatar in December, 2013
- Held in Ulaanbaatar in April, 2015



MONGOLIA'S “STEPPE ROAD’ INITIATIVE

- Since 2012, Mongolia started to talk on how to connect Russia and China through infrastructures. “Steppe Road” focuses on “five-lines” consisting of road, railway, oil and gas pipelines which would connect the trade and economic cooperation between China and Russia.
- **Objective**
 - To become a Eurasian transport-logistic hub and a continental bridge as well as a crucial transit corridor connecting Asia and Europe, especially China and Russia through the closest and safest route
- **Mongolia has the following strengths:**
 - Close to giant markets of China-Russia, unique geographical location bridging Asia and Europe and the shortest transportation route
 - Relatively peaceful and secure country
 - Abundant resources of energy, minerals which are vital for the transportation and economic corridor
 - Pure and organic agricultural products which will protect us from resource curse.

“Mongolia-China-Russia Economic Corridor” Initiative Implementation Process

- The main basis of “Mongolia-China-Russia economic corridor” is economy and infrastructure, thus Mongolia is paying special attention to develop these areas of cooperation.
- In October, 2014, the Parliament of Mongolia made a decision to authorize new vertical tracks built to the broad gauge or 1520 mm, while new horizontal tracks built to the standard gauge or 1435 mm. In other words, our country defined its own railway policy at the domestic level and ended the debate on railway gauge.
- Mongolia has initiated to establish the following agreements and is working to reach agreement with relevant organizations of other two countries:
 - General Agreement to Establish Joint Transportation-Logistic Company of Three Countries
 - Trilateral Agreement on Road Transit Transportation
 - General Agreement on Transit Transportation

Transportation Corridor: Proposed Railway



The developed infrastructure saves time and cost

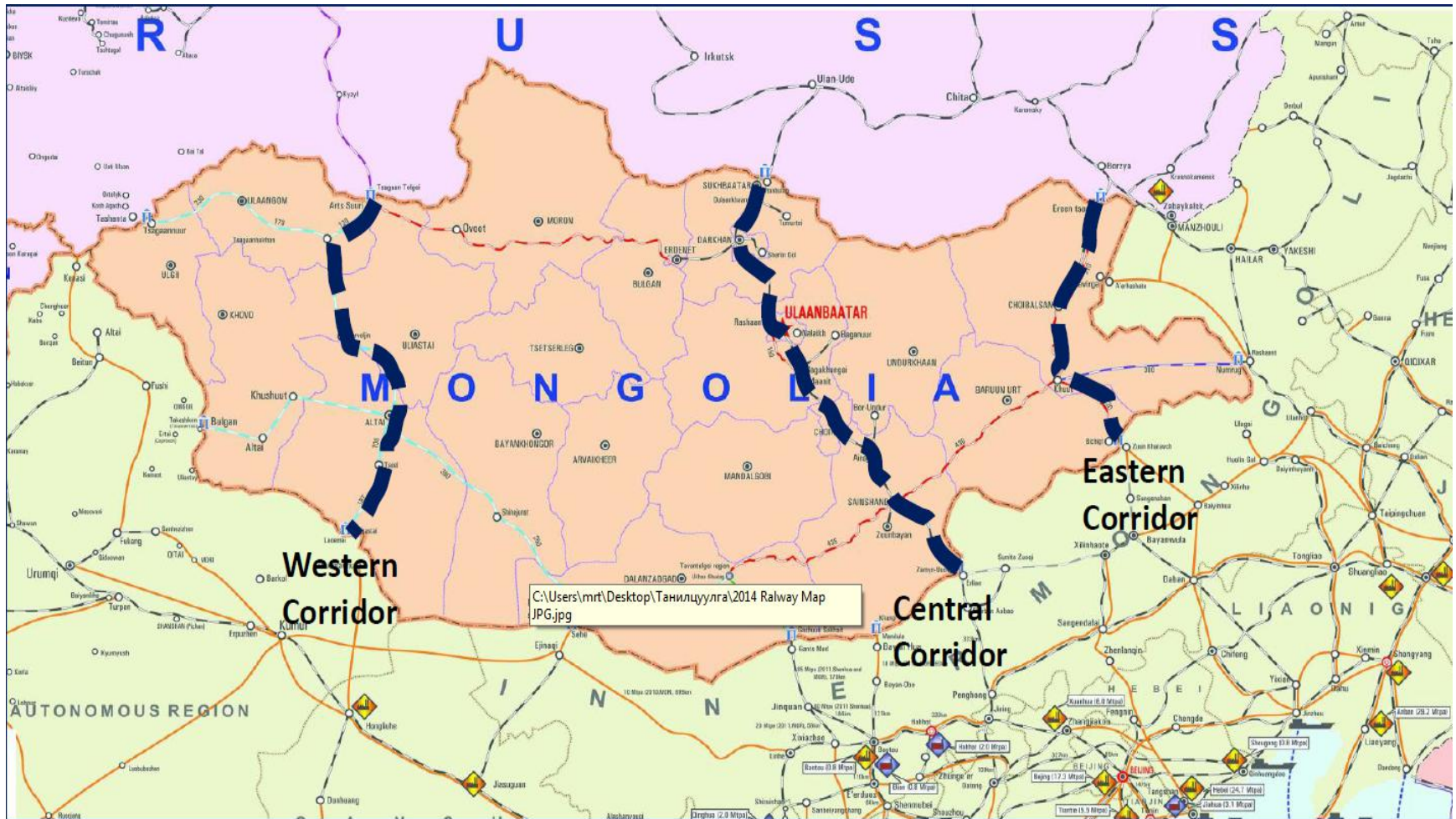
- “Mongolia-China-Russian economic corridor” is the shortest route from Asia to Europe for transporting passengers and goods through the territory of Mongolia.
- Mongolia and Russia are working together on this infrastructure and the rates (tariff) in this route have not been increased since 2006.
- It is very cost-effective and less time consuming, as well as saves custom cost and very resourceful.



New track gauge between Tavantolgoi- Gashuunsukhait and Khuut-Bichigt were agreed to build with 1435 mm broad gauge by parliament act of effective measures to administer the policy on Rail transport.



Railway Transit Corridor

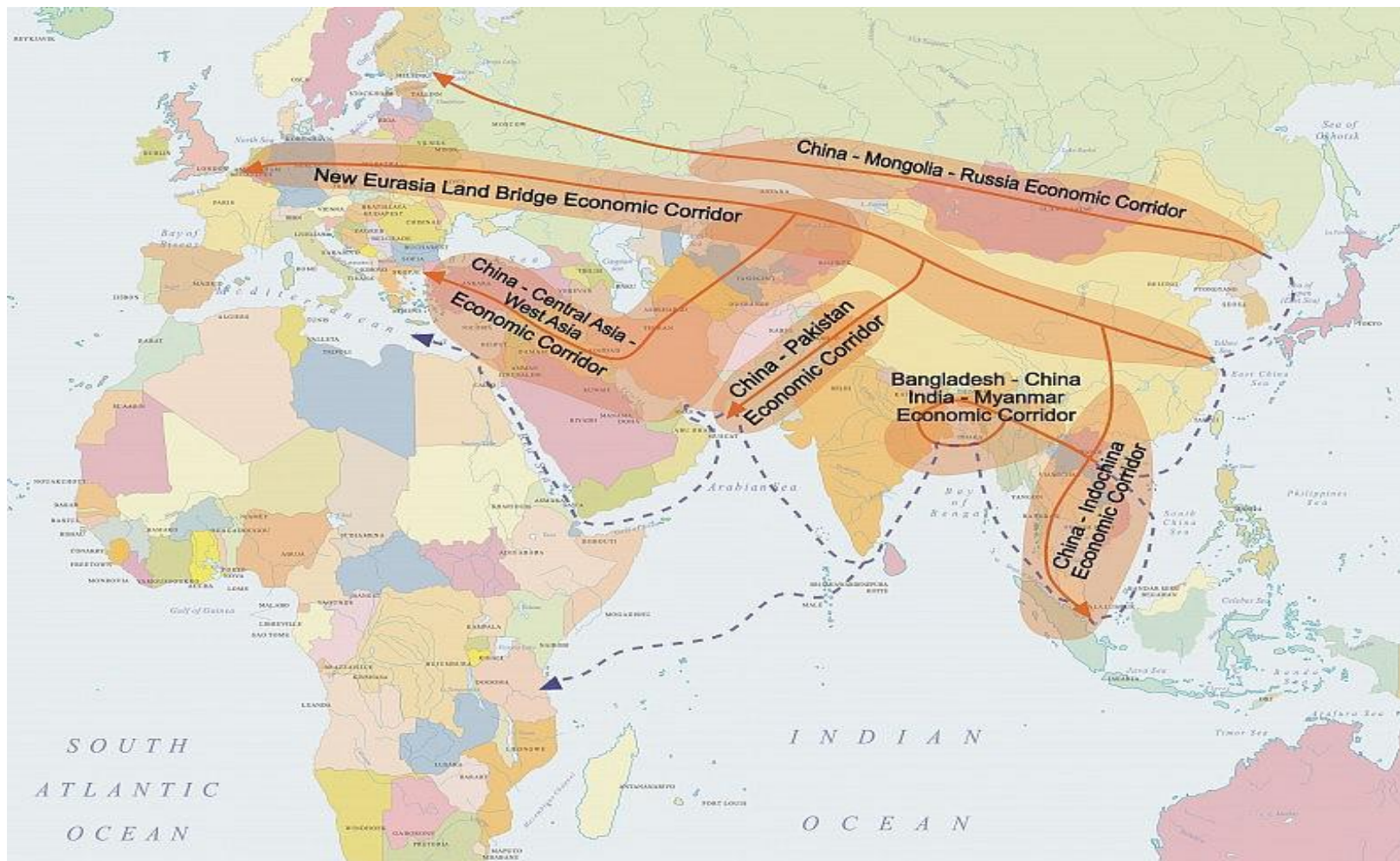


Road Transit Corridor

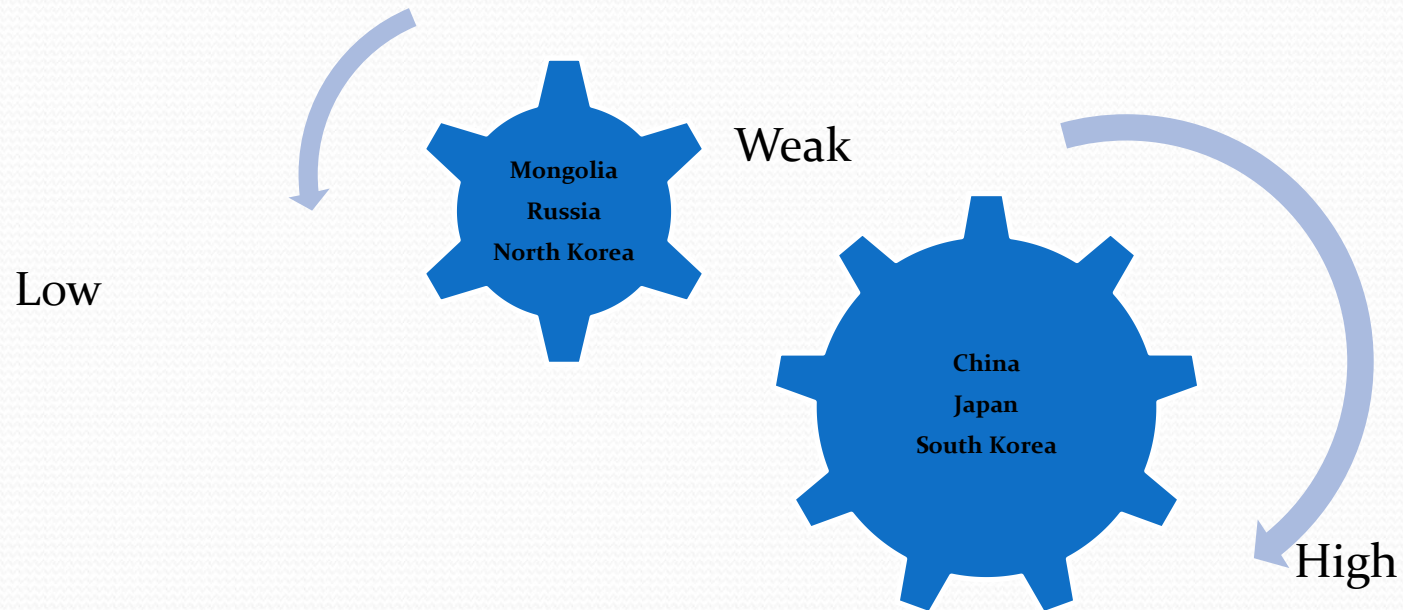


Road Transit Corridor





Today's situation of regional economic cooperation of NEA



Investment

“Silk Road” Infrastructure Fund Support

- US\$40bn Silk Road Fund
- US\$100bn Asian Infrastructure Investment Bank
- SCO Development bank
- BRICS bank

and Public-Private Partnerships

Conclusion

- Mongolian geographical location, mining, and rapid development of energy sector are crucially important for connecting “New Silk Road”, “Steppe Road” and “Eurasian Transportation Corridor”.
- “Mongolia-China-Russia economic corridor”, new intensification of trilateral cooperation among Mongolia, China and Russia, is providing a favorable condition for not only trilateral cooperation, but also regional economic cooperation.
- However, this initiative may face a number of political, economic and geopolitical challenges.
- Moreover, we are in high shortage of financial and human resource, legal coordination and well-prepared researchers to realize this initiative.
- Thus, collaborations among think tanks are more important and we need to develop more constructive and closer cooperation. We have a possibility to establish regular cooperation mechanism as well.



*Thank you very much for your
attention*