

## **Mongolia's Outreach into Southeast Asia**

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### **Abstract**

**M**ongolia's outreach to Southeast Asia is part of a wider global strategy to raise its profile in its own region and on the Eurasian continent. Mongolian policymakers now believe the nation needs to re-interpret its 'third neighbor' policy so that its voice is heard on Asian issues and not just wait on the sidelines for larger powers to make its decisions. Mongolia has adopted a very activist approach to elevate its political and economic ties to Southeast Asia in hopes of diversifying markets for its abundant minerals and animal by-products, purchasing consumer and high tech products from a wider range of partners, and attracting new types of FDI. It has re-invigorated past associations with nations that were part of Mongolia's communist past such as Vietnam, Laos, and Cambodia, and, even more significantly, spent considerable effort to establish strong new relationships with major regional players such as Indonesia, Singapore, and Thailand.

**Keywords:** Mongolian foreign policy, third neighbor, Southeast Asia, ASEAN, Elbegdorj

During the Presidency of Tsakhia Elbegdorj there has been a drive to diversify and strengthen Mongolia's diplomatic and economic relations around the world. This can be viewed as a result of a re-examination of the efficacy of the country's 'Third Neighbor' policy, which has served as the major strategic concept inspiring Mongolian foreign policy in the democratic era. Originally, the 'Third Neighbor' policy was focused on the more equitable balancing of relations with the two border neighbors of China and Russia and expanding economic and political contacts with the advanced democracies of the United States, Japan, South Korea, India, and Germany. But the fact that China for 15 years has monopolized Mongolian trade and become the overwhelmingly largest investor in Mongolia's mineral-rich economy together with continuing difficulties in attracting western foreign investment has caused domestic unrest and calls for re-tooling Mongolia's

Third Neighbor focus.<sup>1</sup>

There has been a growing trend in the last ten years for the country to increase its diplomatic ties across the Asian continent beyond its border neighbors and the Northeast Asian advanced democracies to raise the profile of the country on the international stage. This has been justified under the aegis of the “Programme on Enhancing the Economic Orientation of Foreign Relations of Mongolia,” which was adopted in 2009. The Programme calls for joining and actively participating in regional trade and economic integration in order to “increase foreign trade turnover, especially the exports of value-added goods; promote foreign direct investment; increase the return from bilateral and multilateral cooperation; ensure rational utilization of development loans and aid; promote the country on the world market.”<sup>2</sup> The Ministry of Foreign Affairs was given the responsibility to supervise and coordinate the Programme implementation. The Programme specifically called for adjusting the location and staffing for Mongolian diplomatic missions in foreign countries in line with current economic relations with specific countries and future prospects to contribute to national development goals.

As a result, Mongolia’s diplomatic outreach has increased dramatically with Southeast and South Asian countries, from Vietnam to Indonesia to Myanmar, especially through high-level visits. The MFA labels this Asian emphasis in diplomacy as the third direction of the nation’s foreign policy activities:

...strengthening its position in Asia and securing a constructive participation in the political and economic integration process in the region. Within the framework of this objective, greater attention shall be given to Asia and the Pacific region, in particular to North-East and Central Asia. Mongolia shall take an active part in the process of initiating dialogues and negotiations on the issues of strengthening regional security and creating a collective security mechanism. It will strive to become a member of the Asia, Pacific Economic Cooperation Forum (APEC). Prerequisites for participating in regional integration shall be created primarily through expanding and promoting bilateral relations with the countries of the region.<sup>3</sup>

Mongolia’s goal for such activism is ‘to strengthen its position in the Asian region, to intensify bilateral relationships with other regional countries, to engage to a dialogue on political, security and economic cooperation of the region and

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<sup>1</sup> Adiyasuren Jamiyandagva, “Three Neighbors” Initiative in the Scope of Mongolia’s Multi-Pillar Foreign Policy,” *Mongolia on the Regional Stage*, The Institute for Strategic Studies, No. 35, 15-20; Byambakhand Luguusharav, “Mongolian Initiative to Become a Multilateral Diplomacy Platform,” *Mongolia on the Regional Stage*, The Institute for Strategic Studies, No. 35, 21-26.

<sup>2</sup> Annex 1 to Government Resolution No. 324 of 2009, March 3, 2010, [www.mfa.gov.mn/index](http://www.mfa.gov.mn/index).

<sup>3</sup> “Mongolia’s foreign policy in the political field,” Mongolian Ministry of Foreign Affairs website, February 21, 2011, [www.mfa.gov.mn](http://www.mfa.gov.mn).

to participate in the regional integration processes. as expanding its traditional relations with Asian partnership states...”<sup>4</sup> Now Mongolia is a member or a participant in the Treaty of Amity and Cooperation in Southeast Asia, the ASEAN Regional Forum (ARF), the Pacific Economic Cooperation Council (PECC), the Shanghai Cooperation Organization (SCO), the Asian Cooperation Dialogue (ACD), the Asia-Europe Meeting (ASEM), the Conference on Interaction and Confidence Building Measures in Asia (CICA), the Forum for East Asia-Latin America Cooperation (FEALAC), and the Bali Democracy Forum (BDF).

In 2013 bilateral relations were established with 11 nations (all were in the Caribbean and Africa), but of equal significance was the frequency of high-level trips to Southeast Asian nations. President Elbegdorj made state visits in 2013 to Vietnam, Myanmar, Thailand, and Singapore, while Deputy Foreign Minister DambaGankhuyagin in 2014 so far has traveled to Laos, Vietnam, and Cambodia.

The MFA publicly announced in its 2012-2013 action plan its intention to establish diplomatic relations with all member states in the United Nations as part of the ‘one-window’ foreign relations policy, which emphasized coherence of national foreign policy and actions as well as dissemination of correct information about Mongolia’s stable and transparent environment for foreign investors.<sup>5</sup> The ‘one-window’ policy was developed by the government in 2013 as part of the 100<sup>th</sup> anniversary of the establishment of Mongolia’s contemporary diplomatic service. This initiative was most certainly an attempt to counter the dramatic decline of 43% in foreign investment in the country during 2012 and the first half of 2013. However, the Southeast Asian outreach also demonstrates the new activist agenda of the Mongols to promote Mongolia and its accomplishments to other developing nations through normal diplomatic channels and through its new non-profit Foundation for International Cooperation (FIC). The FIC aims “to share its experience with developing countries in democracy, human rights and market economy.” Its main function is to exchange experience with others in democratic actions “to strengthen its [Mongolia’s] reputation and position in the international arena and to implement its goal for expanding the bilateral cooperation with some countries through a ‘soft’ policy.”<sup>6</sup>

### **Southeast Asia as an Opportunity for Trade Diversification**

Mongolia sees Southeast Asia mainly as another source of finished consumer goods which could replace Chinese products in the domestic market, and secondarily as a market for its own mineral exports one day in the future. The

<sup>4</sup> mongolian embassy.us website, “Foreign Policy.”

<sup>5</sup> “Foreign Relations in 2013,” December 23, 2013, [www.mfa.gov.mn](http://www.mfa.gov.mn).

<sup>6</sup> “The Ministry of Foreign Affairs of Mongolia Releases the Highlight Events of the Year of 2013,” December 23, 2013, [www.infomongolia.com](http://www.infomongolia.com).

key organization in the region which Mongolia is focusing on is the Association of Southeast Asian Nations (ASEAN) group consisting of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Founded in 1967, this organization has established dialogue partnerships with ten parties: Australia, Canada, China, the European Union, India, Japan, New Zealand, South Korea, Russia, and the United States. Although some Southeast Asian nations, such as Singapore and Thailand, potentially could provide foreign investment monies or import Mongolian raw minerals, the present poor transportation infrastructure inside Mongolia and the lack of additional rail and port facilities on the Pacific Rim inhibit mineral trade with Southeast Asian countries, at least in the short-term. Nevertheless, Mongolia believes that increasing the purchase of imports from Southeast Asia meshes with the economic goals of these nations, who also are concerned with overwhelming Chinese economic influence in the region. In June 2013 Tserendorj Jambaldorj (Ambassador to Thailand) was accredited as Mongolian Ambassador to ASEAN in Jakarta. Jambaldorj stated that Mongolia's foreign policy priority focused on the Asia Pacific region—especially ASEAN—and regarded ASEAN as an important organization playing an increasingly important role in the region and beyond. He highlighted Mongolia's vast potential in mineral resources and animal husbandry, and stressed that Mongolia also wished to extend cooperation with ASEAN in the field of tourism and cultural exchanges.<sup>7</sup> Furthermore, because Mongolia is rapidly moving forward with its industrial zone concept and is seeking new types of small scale foreign investors who can open light industry factories and provide employment, Southeast Asian entrepreneurs are viewed as a so-far untapped source of foreign direct investment (FDI).

### **The Big Four Southeast Asian Nations**

There is no doubt that the major catalyst for Mongolia's growing interest in Southeast Asia was the swing of state visits President Elbegdorj made in late 2013 to Vietnam, Myanmar, and Singapore. The Mongolian government believes that these three countries, together with Thailand, hold the most promise for expansion of ties.

#### **Vietnam**

Mongolia and (North) Vietnam signed their first trade agreement in 1958, and Mongolia was a steadfast supporter of the communist government in the north all through the Cold War period. President of Vietnam Mr. Nguyen Minh Triet paid

<sup>7</sup> "Mongolia to Forge Closer Relationship with ASEAN," *Tempo.com*, June 22, 2013, [en.tempo.co/read/news/2013/06/22/074490323/](http://en.tempo.co/read/news/2013/06/22/074490323/).

a state visit to Mongolia in 2008. Nevertheless, bilateral trade remains modest—only US\$16.3 million in 2012. In 2013 total trade between Mongolia and the Vietnamese capital of Ho Chi Minh City was around US\$ 3 million.

On the November 21-24, 2013 state visit of President Elbegdorj, both nations promised to further strengthen their good relations based on their April 2000 Vietnam-Mongolia Cooperation and Friendship Treaty. Elbegdorj emphasized that “Vietnam is a good partner of Mongolia with traditionally friendly relations.... I am also satisfied with the successful development of relations between the offices of National Security Councils and of Offices of the Presidents of the two countries. Cooperation in our defense sectors also deserves commending. Mongolia is committed to expanding these relations and cooperation and expand them to cooperation in peace-keeping efforts.”<sup>8</sup> During the visit economic cooperation was discussed in the fields of agriculture, pharmaceuticals and medicine, together with security-defense, tourism, oil and gas, and foodstuff production.<sup>9</sup> A cooperation deal was signed on crime prevention and three Memorandums of Understanding (MOU) were announced covering defense cooperation, oil and gas partnership, and cooperation between the two countries’ Foreign Ministries. During the visit, President Elbegdorj had discussions with Vietnamese President Truong Tan Sang, Prime Minister Nguyen Tan Dung, and National Assembly Chairman Nguyen Sinh Hung. They reviewed Vietnam’s East Sea issues with China and stressed the necessity to maintain peace, stability, maritime freedom and safety in the sea area by adhering to the policies of solving all disputes by peaceful means, refraining from the use of force and respecting international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Elbegdorj commented that he hoped to strengthen defense links along with cultural and educational ties.<sup>10</sup>

Right before the state visit, the Confederation of Mongolian Trade Unions (CMT) traveled to Hanoi for talks with the Vietnam General Confederation of Labor (VGCL). These discussions were part of the Mongol delegation’s 5-day visit to focus on labor relations’ issues. The Mongols discussed with the Vietnamese counterparts how to improve living conditions for trade unionists, protect laborers’ rights, and enhance international cooperation in the field, and effect of foreign investment on trade union activities. The Mongolian delegation also visited the Vietnam Mineral Coal trade union, Mineral Industries Holding Corporation Limited and trade unions in several provinces and cities nationwide.<sup>11</sup>

<sup>8</sup> “President of Socialist Republic of Vietnam Truong Tan Sang Greets President of Mongolia Tsakhiagiin Elbegdorj, November 21, 2013, [www.president.mn](http://www.president.mn).

<sup>9</sup> “Vietnam, Mongolia sign 4 cooperation agreements,” Tuoitrenews, November 22, 2013, [www.tuoitrenews.vn](http://www.tuoitrenews.vn).

<sup>10</sup> “Vietnam-Mongolia Promote Relations,” December 5, 2013, vnp, [www.vietnambreaking-news.com](http://www.vietnambreaking-news.com).

<sup>11</sup> “Vietnam, Mongolia Trade Unions Deepen Ties,” November 18, 2013, Vietnam Plus, [www.talkvietnam.com](http://www.talkvietnam.com).

After the groundbreaking state visit President Elbegdorj, during a reception for new Vietnamese Ambassador Phan Dang Duong on March 21, 2014, emphasized that the two nations could cooperate in such areas as agriculture, mining and tourism and promised his government would work closely with the Vietnamese. Duong reiterated Vietnam's desire to enhance the friendship and traditional cooperation with Mongolia in politics, economics, culture and education, and regional and international coordination.<sup>12</sup>

According to SandagRegzedmaa, Vice Director of Department of Light Industry Policy Implementation and Coordination in the Mongolian Ministry of Food, Agriculture and Light Industry, Mongolia is particularly enthusiastic about cooperation in the garment and textile sector with Vietnam. Regzedmaahimself made an April 10-17, 2014 working visit to Ho Chi Minh City to speak at a seminar of trade exchange, and tour the Vietnam Textile and Apparel Association (VITAS), Vietnam National Textile and Garment Group (Vinatex), Vietnam Leather and Footwear Association (Lefaso), Saigon Trading Group, and "Binh Duong" industrial park. During that timeframe a Mongolia-Vietnam business seminar was co-organized by the Mongolian Ministry of Industry and Agriculture, the Embassy of Mongolia in Hanoi, and the Vietnamese Ministry of Agriculture and Rural Development.<sup>13</sup>

Mongolia is now keen on acquiring Vietnamese expertise in the textile export field and seeks to take greater advantage of its preferential tariffs in the European market and the Mongolia-Japan free trade agreement (FTA) expected to be signed by 2015. It is hoped that Vietnamese investors in Mongolia's new industrial parks would benefit from incentives like financial assistance and tax exemption. Vietnam's garment and textile industry, which is growing at an average annual rate of 15-20 percent and manufactures about 3 billion products per year, employing around 2.5 million people, is in the process of setting up the entire textile and garment value chain, including spinning, weaving and dyeing. This makes partnerships with countries, such as Mongolia, important. Mongolia has advantages in raw materials and incentives to attract investors, while Vietnam has human resources and production capacity, but distance and language barriers are challenges to cooperation.<sup>14</sup>

Vietnam President Truong Tan Sang, when meeting in mid-April with Mongolia's Prosecutor General, Dambi Dorligjav, whose visit was

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<sup>12</sup> March 22, 2014, [www.vietnambreakingnews.com/2014/03/mongolia](http://www.vietnambreakingnews.com/2014/03/mongolia).

<sup>13</sup> S.Enkhmandakh, "Mongolian Delegation Visits Vietnam," April 22, 2014, [montsame.gov.mn/en](http://montsame.gov.mn/en).

<sup>14</sup> According to Nguyen Binh An, deputy head at southern office of the Vietnam National Textile and Garment Group (Vinatex) and Tran XuanDien, deputy director of HCM City's Department of Industry and Trade, "Mongolia keen on garment sector cooperation with Vietnam," April 18, 2014, [mad-intelligence.com](http://mad-intelligence.com).

contemporaneous with Vice Director Regzedmaa's trade delegation, said "that Vietnam always keeps in mind Mongolian people's support to Vietnam during the country's struggle for independence."<sup>15</sup> The two countries were discussing implementation of agreement negotiated by the Mongolian Prosecutors' Office and the Vietnam Supreme People's Procuracy during President Elbegdori's visit to Vietnam in 2013. Dorligjav in his reply to President Sang called for increasing the exchange of delegations and further cooperation in personnel training.

Because November 2014 is the 60<sup>th</sup> anniversary of the establishment of Mongolian-Vietnamese bilateral relations, both nations want to maintain the momentum in strengthening traditional good relations and cooperation that emerged from President Elbegdorj's 2013 visit. In expectation that greater ties will serve the two countries' interests and contribute to peace, stability, cooperation and development in the Asia-Pacific, diplomatic contacts between Mongolia and Vietnam in 2014 remain at a high level, and this trend should continue throughout the year. For example, Deputy Foreign Minister Gankhuyag made a 3-day trip in late April to Hanoi to exchange views with Vietnamese Vice Foreign Minister Ho Xuan Son on expanding cooperation in economy, trade, investment, agriculture and defense and in regional and international matters. He also had the opportunity to meet with Deputy Prime Minister Nguyen Xuan Phuc for discussions on 60<sup>th</sup> anniversary activities. At that time Gankhuyag expressed the hope for strengthened bilateral cooperation in investment and trade, especially in mining, tourism, agriculture, employment and light industry. Vietnamese authorities thereupon pledged to support Mongolia's bid to join the Asia-Pacific Economic Cooperation Forum (APEC).<sup>16</sup>

The celebration activities of the 60th anniversary of bilateral diplomatic ties have increased in momentum since the spring. A Vietnam-Mongolia Friendship Association delegation led by Vice Minister Ho Xuan Hung visited Mongolia from June 1-6, 2014. During this period the Vietnam-Mongolia Friendship Association (VMFA) and the Vietnamese Embassy hosted a business roundtable discussion in Ulaanbaatar. The VMFA issued a joint statement expressing concern about the impact of recent Chinese military actions in the East Sea in what Vietnam claims is its exclusive economic zone and continental shelf. Within the framework of the event, the Vietnamese delegation paid a courtesy visit to the Chairman of the Mongolian Union of Peace and Friendship Organizations and visited a School in

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<sup>15</sup> "President Truong Tan Sang receives Mongolian Prosecutor General," Vietnamese News Agency, April 17, 2014, <http://en.vietnamplus.vn>.

<sup>16</sup> S. Enkhmandakh, "Deputy FM Gankhuyag Meets with Vietnamese Deputy PM," April 29, 2014, *Montsame*, [www.montsame.gov.mn](http://www.montsame.gov.mn). en quoting VietnamPlus website and "Vietnam, Mongolia boost mutual trust, cooperation," *Vietnam News Agency*, April 29, 2014, [vietnamnews.vn](http://vietnamnews.vn).

Ulaanbaatar named for the late Vietnamese President Ho Chi Minh.<sup>17</sup>

### **Myanmar**

On November 18-20, 2013 Mongolian President Elbegdorj made an official trip to Myanmar—the first trip by a Mongolian head of state to Myanmar since diplomatic relations were established in 1956. While in Yangon and Naypyidaw, Elbegdorj met with the Myanmar's President Thein Sein, and they signed a joint statement for visa waiver for official and diplomatic passport holders. The countries agreed to explore establishing direct air routes. Elbegdorj emphasized in his meetings the potential for bilateral cooperation in the mining sector. He also met with Nobel-prize winning politician Aung San Suu Kyi, who greeted the President by noting Myanmar's historical ties 730 years ago during the Mongol Empire and genetic connection through the "blue spot" birthmark. She had visited Mongolia as the President's special guest earlier in April during the 7<sup>th</sup> Ministerial Conference of the Council for the Community of Democracies. When welcoming Elbegdorj to her country, Aung San Suu Kyi asserted that the Mongols would help her people regain their self-confidence to build a bright future.<sup>18</sup> President Elbegdorj spoke at the University of Yangon on Mongolian reform, gave an interview on Myanmar International television, and attended Mongolian-Myanmar Business Council and Business Networking meetings. A foreign analyst noted that "This visit will likely serve as a starting point to increased Mongolia-Myanmar cooperation, and support the deepening of diplomatic and economic ties."<sup>19</sup>

This trip received a lot of international and domestic press coverage, mainly for the potential role Mongolia could play in assisting democracy-building in Myanmar. This view was bolstered by the statement of the First Speaker of the Upper House of the Myanmar Parliament, Khing Aung Myint, that Myanmar was willing to learn from Mongolia's democratic transition and development experiences, especially in judicial and public services reforms. Foreign observers lauded Mongolia as a post-communist success story, which pursued economic and political opening simultaneously, and expressed the hope that as Myanmar pursues political liberalization it will learn from Mongolian successes and mistakes. Since Mongolia and Myanmar both have significant mineral resources, they have attracted much foreign business interest. However, the two

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<sup>17</sup> "Mongolia-Vietnam Friendship Association condemns China," June 3, 2014, *Voice of Vietnam*, english.vov.vn.

<sup>18</sup> "President of Mongolia concludes his state visit to Myanmar," November 21, 2014, [www.infomongolia.com](http://www.infomongolia.com).

<sup>19</sup> Brandon Miliate, "The Surprising Potential of Mongolian-Myanmar Relations," *The Diplomat*, December 4, 2013, [the.diplomat.com/2013](http://the.diplomat.com/2013).

governments also are struggling to balance international investors' influence in the economy with being responsive to their populaces' calls for transparency and environmental protections. There has been talk of a special alliance among Mongolia, Myanmar and Mozambique (M3 alliance) in resource management even to the point of coordinating policy decisions, "as three countries with quickly growing economies, bordering BRICS nations, are keen to balance resource investment against political and societal concerns."<sup>20</sup>

Mongolia and Myanmar have similar strategic concerns vis-a-vis their border neighbors. Mongolia must balance China and Russia, while Myanmar contends with India and China. The two nations are seeking to balance the influence of their large neighbors by cultivating relations with other regional and international states. Mongolia's success since the democratic revolution in 1990 through promotion of the 'third neighbor' policy is cited as an example for Myanmar to study and emulate. Although there are significant differences between the two countries in population size, port access, and internal cohesion, there are similarities which offer the possibility for increased cooperation and mutual policy development.<sup>21</sup> In the near term, the Elbegdorj administration has made courting Myanmar a policy priority by focusing on the potential commonalities.

A few days after the state visit, President Elbegdorj was interviewed in Singapore on a public stage by the editor of *The Economist* magazine about his personal reaction to the Myanmar trip:

Myanmar is amending its constitution and other numerous reforms. We all need to support Myanmar during these sensitive times.... The government of Myanmar was deeply interested in Mongolian experience in transition to democracy. I advised them to be fearless, make a change and to create a good future for the next generation. No matter if you are just a regular citizen, or a military official, or even a president, the new generation will evaluate you by the things you have done for your country. If you lose this opportunity, you will regret it later on. Just like Mongolia during the 1990's, Myanmar is facing the same situation to make this brave decision.<sup>22</sup>

After President Elbegdorj's November trip, concrete manifestation of the new tenor of the bilateral relationship was seen in the exchange of spring 2014 visits by officials of the two countries. Speaker of Myanmar's Lower House of Parliament, ThuraShwe Mann, visited Mongolia April 12-15th on the invitation of the Speaker of Mongolian Parliament ZandaakhuuEnkhbold to discuss cooperation between

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<sup>20</sup> Militate.

<sup>21</sup> Julian Dierkes, "Mongolia-Myanmar Comparison," November 28, 2013, [blogs.ubc.ca/Mongolia/2013](http://blogs.ubc.ca/Mongolia/2013).

<sup>22</sup> President Elbegdorj responding to Daniel Franklin, "President of Mongolia Participated in "The World in 2014: Gala Dinner in Singapore," November 26, 2013, <http://www.president.mn/eng>.

the legislatures of the two countries and how to share Mongolia's socio-economic transition experiences with Myanmar. Enkhbold noted that Myanmar is a leading gas exporter to China and Mongolia wanted to study its experiences. Mann responded by saying that Myanmar wanted to truthfully express its willingness to learn from Mongolia's democratic transition experience.<sup>23</sup> Mann also met with Mongolian Prime Minister Altankhuyag to discuss how to broaden trade, cultural and tourist relations.

A few weeks later in May the first consultative meeting between the Ministries of Foreign Affairs of Mongolia and Myanmar, co-chaired by director of the Mongolian Ministry of Foreign Affairs Department of Asia-Pacific countries Ch. Bayarmonkh and U San Lwin, director-general of the Political Department of the Foreign Ministry, took place in Naypyidaw. Both sides credited the visit of Speaker Mann for spurring bilateral relations and cooperation. It was agreed to exchange experience in the proper exploitation of mineral resources and to cooperate in the tourism sector. The two ministries further promised to carry out short-term training for Myanmar officials in democracy, open society, innovations in state services and the judicial system, and adaptation to a multi-party system. Mongolia and Myanmar will exchange officials of their election committees and parliamentary delegates for discussion on constitutional and election law topics. Furthermore, as Myanmar is the Chair of ASEAN in 2014, it pledged to invite Mongolia's Foreign Minister to participate as a special guest at the August ASEAN Ministerial Meeting and to promote Mongolia's bid to host the "ASEAN+1" unofficial meeting. Myanmar also offered support for Mongolia to become a partner of the ASEAN Dialogue and a member of the East Asia Summit.<sup>24</sup>

## Singapore

Mongolia and the Republic of Singapore established diplomatic relations on 11 June 1970, but their bilateral relations only intensified during the democratic transition period. Because Singapore is the key financial hub of Southeast Asia, Mongolia opened its Trade Representative's Office in Singapore in 1992. Its 2002 Consulate-General's Office was upgraded to a full Embassy in January 2008. Singapore has become one of the largest trading partners of Mongolia in the Southeast Asian region. Total trade turnover between the two countries has increased from US\$ 10.7 million in 2000 to US\$ 45.3 million in 2008. Singapore's investment in Mongolia is also sizable. Temasek Holdings has a US\$150 million investment (as of 31 March 2009) in EruuGol iron ore mine. Its

<sup>23</sup> "Myanmar's Speaker visits Mongolia," April 14, 2014, english.news.mn.

<sup>24</sup> E. Dari, "Mongolia and Myanmar hold first consultative meeting of foreign ministries," *UB Post*, May 8, 2014, ubpost.mongolnews.mn.

Temasek Foundation in cooperation with the Singapore Nanyang Polytechnic and the National Productivity and Development Centre of Mongolia has trained 90 Mongolian senior officials and specialists from the government, non-governmental institutions and private enterprise. In November 2009 the Singapore Cooperation Enterprise and the World Bank signed a MOU with the Mongolian government to implement a project for “Capacity-building in Southern Mongolia to support public-private partnership (PPP) in developing mining infrastructure.”<sup>25</sup> Since 1993, Singapore has trained under its Cooperation Programme (SCP) more than 180 Mongolian officials in various fields such as English language, information technology, finance and management, urban and environmental management, and tourism. The Governments of two countries work together within regional and international organizations including ASEAN Regional Forum, Asian Cooperation Dialogue and the United Nations. Lu. Bold, while Minister of Defense, visited Singapore in 2011 for the 10<sup>th</sup> Defense Diplomacy in the Asia-Pacific Forum, which was organized by the International Institute for Strategic Studies. Also attending this forum were then U.S. Secretary of Defense Robert Gates, and Ministers of Defense from China, Thailand, and Singapore.<sup>26</sup>

But the major boost to the official diplomatic relationship came from President Elbegdorj’s state visit on November 24-25, 2013. He met Singapore Prime Minister Lee HsienLoong and Singaporean President Tony Tan Keng Yam. They discussed how to enhance economic cooperation and the Singapore administrative experience in fighting corruption and providing state services could influence his “From Big Government to Smart Government” initiative. Elbegdorj specially singled out Mongolian interest in Singapore’s handling of air and water transportation, industrialization, and technical technology networking as areas for cooperation. He also discussed Singapore’s educational sector as a model for Mongolia to build a knowledge-based economy. Defense issues and the Institute for Strategic Studies’ Shangri-La Dialogue among the 28 Asia-Pacific nations were additional topics raised,<sup>27</sup> as well as opening direct flights between the two nations. He also spoke at a Mongolian-Singapore Business forum in front of 300 attendees.<sup>28</sup>

Ministerial level visits to Singapore in 2014 have continued in all fields. A delegation led by Tsevelmaa Bayarsaikhan, the Minister of Construction and Urban Development, and Erdenebat-Uul, the Mayor of Ulaanbaatar, attended several key meetings with international focus including the Asia Pacific Infrastructure

<sup>25</sup> “Mongolia-Singapore Relations,” [mongolianembassy.sg](http://mongolianembassy.sg).

<sup>26</sup> “The Defense Minister of Mongolia Visits Singapore,” June 6, 2011, [www.infomongolia.com](http://www.infomongolia.com).

<sup>27</sup> “President of Mongolia is conducting a state visit to Singapore,” November 26, 2013, [www.infomongolia.com/ct/ci/7066](http://www.infomongolia.com/ct/ci/7066).

<sup>28</sup> “President Meets with Prime Minister Lee Hsien Loong and Attends Mongolia-Singapore Business Forum,” November 26, 2013, [www.infomongolia.com](http://www.infomongolia.com).

Ministers Meeting, the World Cities Summit-2014 and the International Water Week 2014 in June. Participants included Ministers from 40 countries, city governors from 130 countries, as well as international business and technical experts.<sup>29</sup>

### **Thailand**

Although President Elbegdorj did not include Thailand on his 2013 trip through Southeast Asia, probably because of the political unrest in Bangkok against the civilian government, Thailand has become one of the major partners for Mongolia in Southeast Asia. A Mongolian embassy was opened in Bangkok in 2000, and Mongolia acknowledges that since the beginning of democracy and reform in Mongolia, Thailand out of all the ASEAN countries has been the most active in developing bilateral relations.<sup>30</sup> Thai-Mongolian trade was valued at US\$13.69 million in 2012. Thai exports, chiefly vehicles, paper and refrigerators, were valued at \$13.23 million, while it imports mainly Mongolian minerals worth \$460,000, printing products, clothes, footwear, electric appliances, and other consumer goods.<sup>31</sup>

The number of high-level official visits in the past 5 years has been impressive. Thailand's Royal Highness Princess Maha Chakri Sirindhorn made an August 2009 trip to Mongolia and met with just elected President Elbegdorj. Two years later Thailand's Prime Minister Ms. Yingluck Shinawatra paid the first ever official visit to Mongolia on April 27-29, 2013 and attended, as Guest of Honor, the opening session of the 7th Ministerial Meeting of the Community of Democracies at the invitation of Mongolian President Elbegdorj. These two visits "have significantly reinforced the momentum for cooperation between the two countries."<sup>32</sup>

During the Prime Minister's trip, she had discussions with Speaker of the Parliament Enkhbold and Prime Minister Altankhuyag. A joint statement that was issued by the two governments emphasized the ground breaking nature of the trip, and a Memorandum of Understanding (MOU) was signed by the two prime ministers on the establishment of the "Consultative Body on Bilateral Cooperation" and the Agreement between the Ministry of Science and Technology of the Kingdom of Thailand and the Ministry of Education and Science of

<sup>29</sup> "Mongolia officials participate in high-level events in Singapore," June 4, 2014, [Montsame,news\\_en.montsame.mn](http://montsame.news_en.montsame.mn).

<sup>30</sup> "Mongolia wishes to expand relations with Thailand in contexts of economy, trade and investment," October 18, 2010, website of the President of Mongolia, [www.president.mn](http://www.president.mn).

<sup>31</sup> Petchanet Pratuangkrai, "Thailand Premier visits Mongolia in an attempt to bolster trade relations," April 29, 2013, *The China Post*, [www.chinapost.com.tw](http://www.chinapost.com.tw).

<sup>32</sup> "Joint Statement Between Mongolia and Thailand 29 April 2013 Ulaanbaatar, Mongolia," [www.mfa.go.th](http://www.mfa.go.th).

Mongolia on Cooperation in the Fields of Science and Technology. They also agreed to develop a Trade and Economic Cooperation in the near future and to double the volume of their bilateral trade in the next three years (2014-2017).<sup>33</sup>

The economic importance of the visit was highlighted by the signing of another MOU between the Mongolian National Chamber of Commerce and Industry and the Thai Joint Standing Committee on Commerce, Industry and Banking of Thailand. Prime Minister Altankhuyag during the visit encouraged Thai investors to come to Mongolia, particularly in the mining, agriculture, food processing, healthcare, tourism, and energy fields. When Altankhuyag thanked the Government of Thailand for its technical assistance and training programs during Mongolia's transitional development period, Prime Minister Yingluck reaffirmed the Thai Government's commitment to continuing technical cooperation with Mongolia through the Thailand International Development Agency (TICA), other relevant Thai agencies, the private sector and academic institutions. The two leaders not only agreed to promote even more high level official exchanges, but also to intensify people-to-people or soft power exchanges at all levels, including Sister-City Relations between Bangkok and Ulaanbaatar, Parliamentary Friendship Groups, and the Mongolia-Thailand Society for Economic Cooperation. They noted the shared cultural similarities, Buddhist belief and traditions, and historical links between their countries. Yingluck and Altankhuyag announced that the two countries should take the opportunity of the 40th anniversary of diplomatic relations in 2014 to organize cultural and educational activities in their respective countries.

When speaking about regional affairs, the Thai Prime Minister mentioned Mongolia's interest in joining the East Asia Summit, becoming a dialogue partner of ASEAN, as well as a member economy of the APEC. Prime Minister Altankhuyag responded by praising Thailand's initiative to host the 2nd Asia-Pacific Water Summit, under the theme "Water Security: Leadership and Commitment," and promised to dispatch a high-level delegation to attend the Summit. Prime Minister Yingluck congratulated Mongolia on its successful Chairmanship of the Community of Democracies (CD) for 2011-2013, and indicated Thailand would consider joining Mongolia's Asian Partnership Initiative for Democracy (APID) as a framework to strengthen democratic values in the region. Finally, Altankhuyag welcomed Thailand's proposal to host the first meeting of their "Consultative Body on Bilateral Cooperation" in Thailand in 2014 and accepted the Thai Prime Minister's invitation to pay an official visit to Thailand next year as part of the celebration of the 40th anniversary of diplomatic relations between Thailand and Mongolia.<sup>34</sup>

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<sup>33</sup> "Joint Statement Between Mongolia and Thailand.

<sup>34</sup> "Joint Statement Between Mongolia and Thailand.

About one year later, Mongolian Deputy Minister Dambaa Gankhuyag paid a visit to Thailand on April 20-23, 2014. He met with officials in the Office of HRH Princess Maha Chakri Sirindhorn's Projects (OPSP) to discuss Thai humanitarian projects in Mongolia. One of these is a "Lunch" project in primary schools in remote soums of Mongolia. He also had meetings with Thailand International Development Cooperation Agency (TICA) Director General Suchada Thaibunthao and Honorary Consul of Mongolia to Thailand T. Vivit. At the meetings, an agreement was reached on the organization of short-term training for young diplomats of the Mongolian Foreign Ministry. Gankhuyag spoke at Thammasat University and met with the local media.<sup>35</sup> A month prior Mongolian MFA officials had attended the March 11-13, 2014 working group meetings in Chiang Rai, Thailand for the 2014 Shanghai Fourth Summit for the Conference on Interaction and Confidence Building Measures in Asia (CICA)—now chaired by Turkey. Mongolia submitted a proposal on security issues in Northeast Asia and these were accepted to be incorporated with other views noted in the SCO's summit declaration. Mongolia first joined CICA as an observer in 1999 and in 2008 became a full member-state.<sup>36</sup>

### **Expanding Ties with Other Southeast Asian Economies**

Mongolia's diplomatic initiatives in Southeast Asia extend beyond the above-mentioned four nations. The Mongols have reached out especially to Indonesia in the last few years, and also through Deputy Foreign Minister Gankhuyag to Laos and Cambodia to make substantive progress in advancing Mongolia's profile.

#### **Indonesia**

Mongolia has rightly seen Indonesia as a key Southeast Asian country with which Mongolia has to engage. The two nations signed a Joint Declaration on Principles of Relations and Cooperation in 1997 that set the tone for bilateral ties. In 2003 they established a joint bilateral commission, but this mechanism never moved beyond the planning stage. During Mongolia's democratic transition, Indonesia had provided some technical assistance and training programs. However, the state visit of Indonesian President Susilo Bambang Yudhoyono during September 5-7, 2012 to Mongolia was the catalyst for upgrading and actualizing the relationship. Yudhoyono met with President Elbegdorj, the Speaker of the Mongolian Parliament Enkhbold, Mongolian Foreign Minister Bold, and Minister of Mining Davaajav Gankhuyag. Three important agreements

<sup>35</sup> "Training to be Organized with Thailand," April 23, 2014, [www.mfa.gov.mn](http://www.mfa.gov.mn)

<sup>36</sup> "Mongolia Expresses its Position on the Security Issues in Northeast Asia," March 13, 2014, [www.infomongolia.com](http://www.infomongolia.com).

were signed during the visit. A MOU was signed between Mongolia's Ministry of Economic Development and Indonesia's Investment Coordinating Board on Cooperation in Promoting Two-Way Direct Investments and Fostering Business Partnership between Indonesian and Mongolian Private Firms governing collaboration in the mining and economic sectors. Prime Minister Altankhuyag noted that "Mongolia has a great possibility to contribute in the scope of the mining industry, specifically coal export."<sup>37</sup> The Indonesians promised broad cooperation on mining, energy, infrastructure and tourism development, and share its experience in coal extraction and supply. The Mongols, on the other hand, welcomed more Indonesian retail and services imports.

Another MOU was signed between the Mongolian Ministry of Industry and Agriculture and the Indonesian Ministry of Agriculture on food and agricultural cooperation. Altankhuyag emphasized the potential of Mongolian meat products in the Indonesian meat market. President Yudhoyono asserted that Indonesia was interested in supplying palm oil to Mongolia and supported private sector cooperation between the two countries. Food security, global food price stability, and increasing crop production also were discussed.

In the MOU between the foreign ministries of the two nations, they pledged cooperation in the field of diplomatic education and training. This document called for regular dialogue and consultations, as well as promised to establish full embassies in the respective capitals.<sup>38</sup> Defense cooperation also was agreed upon through mutual military visits, strengthening peacekeeping operations, and exploring opportunities for defense industry collaboration, as well as fighting terrorism and transnational organized crime.

Yudhoyono's discussions with Elbegdorj and Altankhuyag included increasing political cooperation, because Mongolia is seeking Indonesian support for its entrance into ASEAN and APEC as soon as 2014. The Mongolian and Indonesian leaders emphasized the importance of Mongolia adopting a more active role in such regional architecture institutions. Other topics raised were institutionalizing a nuclear-free weapon status in Southeast Asia and Indonesia's agreement to join Mongolia and Korea's Asian Partnership Initiative for Democracy (APID), first proposed in 2011. The Indonesian President's itinerary included attendance at an Indonesia-Mongolia Business Forum to promote bilateral trade and investment links, and at a civil society gathering in which he shared Indonesia's experience in developing democratic values and culture through its Kecamatan Development Project and Indonesian Community for Democracy (KID).

During the visit Indonesia voiced support for Mongolia's growing voice in Asian regional affairs and international organizations, while the Mongols

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<sup>37</sup> "Mongolia and Indonesia to Boost Commercial Relations," September 7, 2013, [www.infomongolia.com/ct/ci/4895](http://www.infomongolia.com/ct/ci/4895).

<sup>38</sup> "Mongolia and Indonesia," [www.infomongolia.com/ct/ci/4895](http://www.infomongolia.com/ct/ci/4895).

recognized Indonesia's success and power as a regional leader. The leaders promised to develop areas for cooperation and create a short- and mid-term strategy to enhance bilateral ties. In addition, it was agreed to develop new cultural and tourist cooperation agreements, and Indonesia offered to host the first meeting of the joint bilateral commission. While much was accomplished by the state visit of Yudhoyono, the pace of relations has somewhat slackened. President Elbegdorj, although invited, still has not made a return visit to Jakarta. After considerable delay, the Mongolian Embassy opened in Jakarta on August 11, 2014 with visa issuance services, but the Indonesians have not so far reciprocated and continued to cover Mongolia from Beijing. Mongolia did attend the United Nations Alliance of Civilizations (UNAOC) Global Forum on August 29, 2014 in Bali,<sup>39</sup> so it is likely that further deepening of relations between the two countries will continue even if the timetable slips somewhat.

### **Laos**

Mongolia and Laos established diplomatic relations in 1962 and were politically close during the communist era. The former Speaker of State Great Khural R. Gonchigdorj visited Laos in 1998 and the former Chairman of National Assembly SamanVinhaket visited Mongolia in 2000. When the Great Khural's Assembly Hall opened in 2006, the desks and chairs in the Hall were made in Laos as a gift for Mongolia. To celebrate the 50th anniversary of diplomatic relations, Mrs. PanyYathotou, Chairman of the National Assembly of Lao, visited with Mongolian President Elbegdorj and Prime Minister SanjaaBatbold during February 25-29, 2012.<sup>40</sup>

In 2014 before Deputy Minister Gankhuyag visited Vietnam and Thailand, he went to Laos for meetings with his counterpart, Deputy Minister of Foreign Affairs of Laos Mrs. SounthoneXayachack in Vientiane City on April 24<sup>th</sup>. After discussing issues related to the integration in Asia and the Pacific, they reviewed Mongolia assistance projects in animal husbandry and veterinary science in Laos, the Laos-Mongolia Friendship hospital founded with Mongolia's aid, and a project for rice cultivation in Laos which could supply Mongolia's domestic needs.<sup>41</sup> The Mongolian delegation met ThonglounSisoulith, the Lao Deputy Prime Minister and Minister of Foreign Affairs. The parties discussed the East

<sup>39</sup> Statement by Ambassador Suren Badralat the group of friends ministerial meeting UNAOC VI Global Forum," September 1, 2014, [www.mfa.gov.mn/en](http://www.mfa.gov.mn/en).

<sup>40</sup> "Laos and Mongolia look to cooperate beyond politics," February 29, 2012, [www.mad-mongolia.com](http://www.mad-mongolia.com).

<sup>41</sup> B. Khuder, "Vice Minister in Laos," April 28, 2014, [www.infomongolia.com](http://www.infomongolia.com); "Laos and Mongolia Pledge to Boost Cooperation," *Lao News Agency*, April 25, 2014, [www.kpl.net.la/english/news](http://www.kpl.net.la/english/news); "Lao, Mongolia strengthen ties," *Vietiane Times*, April 25, 2014, [www.vientianetimes.org.la](http://www.vientianetimes.org.la).

Asia Summit or EAS, a forum held annually by leaders of 18 countries in the East Asian region, Mongolia's willingness to become a partner of the ASEAN Dialogue, the establishment of the International Think Tank for Landlocked Developing Countries, and various UNHRC and Security Council elections. Gankhuyag also met with Eksavang Vongvichit, Minister of Public Health and head of the Lao side of the Mongolia-Laos intergovernmental commission. They discussed Mongolian-funded repairs of the Lao-Mongolian Friendship Hospital, the long-term rental of land for rice cultivation, the establishment of a joint-venture wood-working factory, and Mongolia's potential rental of space in the economic free-zone in Savannakhet province.<sup>42</sup>

### **Cambodia**

Mongolia and Cambodia [Kampuchea] signed a treaty of friendship and cooperation<sup>43</sup> on December 11, 1980 in Ulaanbaatar. Communist-era friends, the relationship had not moved forward in Mongolia's democratic era. Mongolia's Embassy in Laos is accredited for Cambodia, and there is presently no Cambodian diplomatic representation in Ulaanbaatar. The only notable recent agreement between the two nations was signed in 2012 on visa exemption for diplomatic and official passport holders.

The spring trip of Deputy Foreign Minister Gankhuyag to Southeast Asia included a visit with Cambodian Deputy Prime Minister and Foreign Minister Hor Namhong on May 2, 2014 in Phnom Penh. He was there to participate in the first consultative meeting of the foreign ministries of Mongolia and Cambodia, and seemingly jumpstart economic and political ties. The two foreign ministry officials discussed Mongolia's desire to establish a dialogue partnership with ASEAN, and Namhong expressed readiness to promote Mongolia's willingness to join regional cooperation integration process by joining the East Asian Summit and ASEAN Dialogue.<sup>44</sup> Noting the importance of reviving the 30-year old stagnant bilateral relationship, Gankhuyag signed a Memorandum of Understanding (MOU) on the establishment of bilateral consultations, aimed at promoting bilateral, regional, and international cooperation between the two countries with his Cambodian counterpart Secretary of State for Foreign Affairs and International Cooperation

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<sup>42</sup> April 28, 2014, *Montsame*, [www.montsame.gov.mn](http://www.montsame.gov.mn).

<sup>43</sup> This was signed by then Mongolian President Yumjag Tsendenbal and Kampuchean President Heng Samrin, [www.docstoc.com/docs/28676984/No-21755-MONGOLIA-and-PEOPLES-REPUBLIC-OF-KAMPUCHEA-Treaty-of](http://www.docstoc.com/docs/28676984/No-21755-MONGOLIA-and-PEOPLES-REPUBLIC-OF-KAMPUCHEA-Treaty-of).

<sup>44</sup> "Mongolia-Cambodia consultation Held," May 5, 2014, [www.mfa.gov.mn](http://www.mfa.gov.mn); "Mongolia and the Kingdom of Cambodia have arranged its first consultative meeting at Foreign Ministry-level," May 6, 2014, [www.infomongolia.com/ct/ci/7799](http://www.infomongolia.com/ct/ci/7799).

Long Visalo.<sup>45</sup> Both sides agreed to strengthen cooperation in economics, trade, investment and tourism. Koy Kuong, a spokesman for the Cambodian Ministry of Foreign Affairs, commented that “The MOU is very important to pave the way for the two countries to increase cooperation in bilateral, regional and international frameworks. Under the deal, both sides also can exchange information and opinions on bilateral, regional and international issues.”<sup>46</sup> In 2015 Mongolia will celebrate the 55<sup>th</sup> anniversary of its formal diplomatic relationship with Cambodia.

### **Odd Nations Out—Brunei, The Philippines and Malaysia**

There are several prominent exceptions to the expansion of Mongolian relations in Southeast Asia. These are the nations of Brunei, the Philippines, and Malaysia. Mongolia and Brunei established diplomatic relations in 1992, but have had little contact or trade relations. When Foreign Minister Bold in July 1-2, 2013 attended the 20th ASEAN Regional Forum in Brunei, he met with his counterpart, His Royal Highness Prince Mohamed Bolkiah.<sup>47</sup> However, most recent contacts have been in Asian sports tournaments.

A more interesting exception is that of the Philippines. Although diplomatic relations between Mongolia and the Philippines were established over forty years ago on October 10, 1973, and President Natsag Bagabandi made a state visit to Ulaanbaatar from September 1-4, 2000, political ties have remained fairly stagnant. The 1st Policy Consultation between the two countries was held in Manila on March 19, 2013. At this meeting the two countries agreed to increase cooperation in trade and investment, labor tourism, culture and sports. The Mongols use their Embassy in Vietnam to cover the Philippines. They have a Consulate in Makati in Metro Manila and there is a Filipino Consulate in Ulaanbaatar staffed by a Mongol. The Honorary Mongolian Consul in the Philippines was invited to attend the Mongolia-Singapore Business Forum which was arranged as part of President Elbegdorj's Singaporean state visit in November 2013.<sup>48</sup>

The Philippines is primarily an agricultural nation, but it does have significant mineral deposits of copper, coal, tin, tungsten and gold, and one day could be a rival supplier to Mongolia's minerals. Nevertheless, there were some efforts to jumpstart trade relations in mid-August 2012 through the establishment of a

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<sup>45</sup> “Mongolia intends to become ASEAN's dialogue partner, EAS member,” *Xinhua*, May 2, 2014, [www.philstar.com](http://www.philstar.com).

<sup>46</sup> “Bilateral Consultations Inked with Mongolia,” *Khmer Times*, May 4, 2014, [khmer-timeskh.com/news/1252/](http://khmer-timeskh.com/news/1252/).

<sup>47</sup> “Minister of Foreign Affairs of Mongolia is attending the 20<sup>th</sup> ASEAN Regional Forum in Brunei,” July 2, 2013, [www.infomongolia.com/ct/ci/6213](http://www.infomongolia.com/ct/ci/6213).

<sup>48</sup> “Honorary Consul of Mongolia to the Republic of the Philippines was Accredited,” November 14, 2013, [www.infomongolia.com](http://www.infomongolia.com).

partnership agreement that was signed by the Philippine Chamber of Commerce and Industry (PCCI) and the Mongolian National Chamber of Commerce and Industry. The agreement “provides for the promotion of trade relations, exchange of information, strengthening business contacts as well as the putting up of a Philippine-Mongolia Business Council.”<sup>49</sup> The PCCI delegation was composed of 19 businessmen representing the textiles, pharmaceuticals, cosmetics, agricultural and real estate sectors. The delegation focused on medical tourism, agriculture and food, environment and waste management, and introduced information on investing in the Philippines’ Freeport of Bataan. There is no visa requirement for short term travel of citizens of the two countries. This has led to the problem of managing the growing Filipino illegal community who are mainly housecleaners and babysitters. The Mongolian Immigration Agency launched a campaign from July 1 to August 1, 2013 to register illegal Filipinos and reported 441 Filipinos registered as of July 2013.<sup>50</sup>

Mongolia’s relations with Malaysia appear even more stagnant. Diplomatic relations were established in 1971 and a bilateral investment treaty ratified in July 1995. However, Mongolia has not had an ambassador to Malaysia for eight years due to the controversial 2006 murder case of 28-year-old Mongolian fashion model and translator Altantuya Shaariibuu, girlfriend of Malaysian businessman, Abdul Razak Baginda, a close associate of Malaysian Prime Minister Najib Razak.<sup>51</sup> Two former bodyguards of the Prime Minister were convicted of her murder which was believed to be connected to a submarine deal between the Malaysian Government and a French company specializing in military goods.<sup>52</sup> The Director of the Mongolian MFA’s Consular Department Sh. Sukhbaatar was sent in May 2013 to review the situation, and the Mongol Government announced that it might reopen the embassy in 2014. However, a few months later the conviction of the two bodyguards was overturned in court,<sup>53</sup> which further antagonized the Mongols, so it is probable that there will not be any further upgrading of diplomatic ties anytime soon. Presently, the Mongolian Embassy in Thailand has responsibility for the over 1000 Mongolian citizens in Malaysia.

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<sup>49</sup> “PCCI signs agreement to establish Philippine - Mongolia trade relations,” September 17, 2012, [english.news.mn/content/120039.shtml](http://english.news.mn/content/120039.shtml).

<sup>50</sup> “Mongolian Immigration Agency is Registering Illegal Philippine Citizens Residing in Mongolia,” July 23, 2013, [www.infomongolia.com](http://www.infomongolia.com).

<sup>51</sup> Lindsay Murdoch, “Malaysian PM caught up in murder, bribery scandal,” *The Sydney Morning Herald*, January 13, 2013, [www.smh.com.au](http://www.smh.com.au).

<sup>52</sup> “Mongolia considers re-establishing Embassy in Malaysia,” May 15, 2013, [english.news.mn/content/144289.shtml](http://english.news.mn/content/144289.shtml).

<sup>53</sup> “Malaysia court over turns Mongolia model murder convictions,” *BBC News Asia*, August 23, 2013, [www.bbc.com/news/world-asia-23806897](http://www.bbc.com/news/world-asia-23806897).

## **Conclusion**

Mongolia has adopted a very activist approach in the past few years to elevating its political and economic ties to Southeast Asia. It has re-invigorated past associations with nations that were part of Mongolia's communist past such as Vietnam, Laos, and Cambodia, and, even more significantly, spent considerable effort to establish strong new relationships with major regional players such as Indonesia, Singapore, and Thailand. Much of the credit for this new agenda lies in the internationalism of the Elbegdorj presidency and the re-interpretation of Mongolia's 'third neighbor' policy of the democratic era.

Mongolia is seeking to raise its profile in its own Northeast Asia region and on the Eurasian continent. Mongolian policymakers now believe that to achieve the goals of more balanced economic trade relations and more advantageous regional transportation routes, while at the same time preserving national sovereignty, cultural traditions and democratic values, the nation needs to have its voice on Asian issues heard and not just wait on the sidelines for larger powers to make its decisions. For the first two decades of the democratic era, Mongolia kept its eye on its immediate neighborhood and the world's superpowers, while asking for more respect and recognition. However, it has found that some of its goals for development and national security were not being achieved. The new emphasis on getting to know and trade with Asian neighbors, which is the present mandate for Mongolia's Ministry of Foreign Affairs in its 'one-window' policy, now has been re-defined to include Southeast Asia.

If Mongolia raises its profile with Southeast Asian nations, it sees several potential benefits. First, naturally, it will find new, diversified markets for its abundant minerals and animal by-products, will be able to purchase consumer and high tech products from a wider range of partners, and could attract new types of FDI. Second, it is utilizing its contacts with Southeast Asia as leverage to raise its profile and reputation with its Northeast Asian and border neighbors. ASEAN is one of the key regional organizations that Mongolia is depending upon to learn more about regional structures to counterbalance the larger nations in the region, including China, Japan, and South Korea as well as the U.S. and Russia. Moreover, some of the Southeast Asian economies, such as Singapore, Thailand, and Indonesia, can teach Mongolia how to better handle western economic powers such as the U.S., Japan, and Australia—how to keep them interested long-term in a far-away small nation. Finally, most of the Southeast Asian countries, just like Mongolia, are faced with dealing with the continuing political-military rise and overwhelming economic influence of China. Thus, these nations and Mongolia have much to share and discuss on how to ameliorate rising tensions in the region plagued by unresolved Cold War conflicts and increased soft and hard power competition in the 21st century among the superpower contenders.

To be sure, Mongolia's outreach to Southeast Asia is part of a wider global strategy of Mongolia's internationalist president. President Elbegdorj confidently believes that Mongolia in Asia not only has lessons to learn from developed countries but also has lessons it can teach to other transitioning economies. A valid question is whether or not this policy will continue when this president's term ends in 2017? The answer to this question likely is intimately tied to how successful the outreach will be judged by all the respective countries, but certainly one can predict that Mongolia's role in its Asian region for the rest of this decade definitely will become more prominent and that Southeast Asia will grow in importance for Mongolian foreign policy.