

Map of Mongolia



- Huge territory - 1.56 mln.sq.km ,
- Rich of natural resources - Copper, Molybdenum, Gold, Coal, Gas
- Animal husbandry (Cow-2.6, Sheep-19.3, Goat-19.6, Horse-2.2, Camel-0.28)
- Cashmere (Second largest exporter)
- Educational level of people: (about 20% of Government budget dedicated to Education)
 - literacy rate 97.6%
 - 113 universities, institutes and colleges

- Few population – 2.73 mln., (11 times less than Nepal)
- Extreme (severe continental) climate - +/-35 C
- No sea access “landlocked” (Between two big Powers: Russia and China)
- Small market
- No experience in market economy (during 70 years isolated socialist system)
- Economy based on agriculture (animal husbandry) and raw material export
- GDP per capita -1669 USD

- Mongolia ,a landlocked country with no ports, a small army and an underdeveloped infrastructure. And yet numerous countries in the Asia-Pacific region and beyond are starting to recognize that this geographic titan (it's larger than France, Spain, and Japan combined) has real potential to become a key strategic partner.

Mongolia Global Mining Scene

- Recent discoveries of copper, gold and coal, the era of isolation is rapidly coming to an end. The Gobi is now seeing a flood of geologists, miners, investors and speculators.
- Over the next five to 10 years they are going to produce a world class mining industry that will rival Chile or Brazil



Democracy ?

- **In 1990 Mongolia abandoned its 70-year-old Soviet-style one-party state and embraced political and economic reforms, thousands of Mongolians gathered to demand an end to decades of communist rule. They got their wish, but democracy has not brought the better life that many people hoped for.**

- *Our life was good during communism but capitalism has left us with nothing. The government has done nothing to help us and nobody cares....*

Byambasuren

Symbolic figure

- Ghengis Khan is symbolic of a proud history.
- Running for big business. His image used to sell everything from clothes to cars, even doing his bit for the country's nightlife.



- Mongolia is one of the world's fastest growing economies, driven by this foreign direct investment. It reported a 17% growth rate in 2011, and 16
- Mongolia has expanded political and financial ties with the US, Japan and the European Union, but its main trading partners are neighbouring Russia and China. The latter is the biggest market for Mongolian exports; Beijing is also keen to exploit Mongolia's mineral and energy.

Russian interest in Mongolia

- Mongolia as a buffer state between Moscow & Beijing.
- “The Soviets’ best friend in Asia.”
- Nuclear testing.



“... the Soviet position in Asia would have been rather precarious were it not for Moscow’s reliable ally, the Mongolian people’s republic (MPR), which in spite of tremendous political and economic pressure from China unequivocally sided with Moscow.”

Chinese interest in Mongolia

- They considered “Mongolia, like Taiwan, a part of their territory.”
- Chinese expansionism.
- Strategic & political importance.

Security Challenges for Mongolia

• *Managing the fast growing economy,*

1. the regional economic cooperation because it would leave the country isolated or “vacuumed” from the world development, suffocating all its potentials and keeping it totally dependent on the neighbors.
2. Mongolia invites third nation’s investments in its strategically important economic sector to diversify Russian and Chinese direct influences.
3. “one third policy,” which declares “it should be the policy not to exceed investments from one nation of one third of total foreign investment

Security Challenges for Mongolia (cont)

Balancing interests of big powers,

- Mongolia is overwhelmingly vulnerable from the balance of power between its neighbors. Mongolia gives top priority to its neighbor policy and aims to hold a “balanced relationship” between the two.