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“Foreign Policy and Development”

Today I would like to discuss (1) the relationship between development and diplomacy, (2) an overview of Mongolia's foreign policy for the past 20 years, and (3) development as the most important element in our foreign affairs. Our diplomacy and our development are very closely related. Twenty years ago Mongolia began pursuing democratization and market-oriented reforms and, with the collapse of the Soviet Union, directing its own foreign policy as well. The 1992 constitution states that Mongolia will observe international law and engage in peaceful diplomacy. The 1994 foreign policy guidelines made mention of the perspective of development, and have been understood as calling for the creation of an environment in which diplomacy contributes to the nation's economic development. Over the past two decades, we have seen a cooperative relationship arise between foreign affairs and development. Mongolia has established partnerships with neighboring countries and many other countries around the world through open, peaceful and multi-faceted diplomacy, and these partners have cooperated in Mongolia's development.

As might be expected in view of its geographic location, Mongolia has developed good relations with the neighboring countries of Russia and China. A strategic partnership with Russia has been pursued since 2006. Russia has actively participated in creating the infrastructure necessary for the development of Mongolia's mineral deposits. Bilateral relations with China have also progressed. An agreement designed to foster a new relationship was signed in 2003, and China has become Mongolia's largest trading partner and investor over the past 15 years. Today China and Russia together account for 70% of trade with Mongolia and 60% of foreign investment in Mongolia. Maintaining friendly relations with both China and Russia is extremely important for Mongolia in terms of development and security. So that we do not become overly dependent on these two countries, however, we are also seeking cooperation from other countries. Furthermore, we must keep on good terms with major aid donors such as Japan, Germany and the US.

Mongolia hopes to achieve rapid growth through the development of its natural resources. There is active competition among neighboring countries to acquire these resources, presenting a challenge for our country. We must stress moderate development if we wish

to achieve sustainable development. We must also avoid the economic failures that many developing countries have experienced. We believe that we can resolve these issues by having strong partnerships with many countries. Given our circumstances, it goes without saying that balanced and flexible diplomacy is required for development.