

## Mongolia and Tumen Area Cooperation

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The current Northeast Asian Economic Forum is being held at a historic time. Many areas in the world have already successfully engaged in regional cooperation initiatives as a complement to globalization, and humanity is evaluating its activity in the past century and planning its future in the twenty-first century, preparing for entry into the new millennium.

Mongolia is committed to establishing its own position in regional cooperation externally and domestically through strong policies for macro-economic stabilization and structural reforms. It will also undertake decisive steps to facilitate the transition and reform process, as well as accelerating economic growth towards sustainable development in the twenty-first century.

The action programme of the Mongolian government defines its strategic objectives as: (1) to occupy its own place in the development of the region; (2) to pursue an active policy; (3) to develop multi-beneficial relations with countries of Northeast Asia as well as with those of Asia-Pacific. It will also pursue complementary innovations in domestic economic policy and legislation and give priority to developing bilateral and multilateral relations with the countries of the region.

In the foreign policy programme of Mongolia, it is stated that "Mongolia will exert efforts to strengthen its position in Asia and to take part constructively and appropriately in political and economic integration in the region." Within the framework of these goals, Mongolia will give priorities to the subregion of Northeast Asia.

The regional development of the country and the intensification of its infrastructure, especially the energy sector, communications, roads, and transport, shall be the top priorities.

During the previous period, changes occurred in all spheres of political, economic and social life. Mongolia continues to focus on the policies for private sector promotion, economic stabilization, reduction in public enterprises in the economy, and a general increase in the living standard of the population.

Overall, the aim is to move towards sustainable development to enable economic growth through promotion of the private sector and provision of infrastructure despite current economic hardships and other difficulties encountered during the transition period.

There are many challenges and problems for which decisive action and a comprehensive approach are needed. In this regard, I would like to emphasize

regional cooperation in Northeast Asia. The progress in regional cooperation in Northeast Asia is relatively slow.

The Northeast Asia Subregional Meeting in Ulaanbaatar, July 1991, considered several inter-country projects for Northeast Asia. Top priority was accorded to the Tumen River Area Development Programme, and the governments requested that UNDP provide support for this effort.

This Programme is only one of various proposals and initiatives. The activities of the Programme, however have been very limited—to organize regular meetings and workshops. Therefore, this programme, now in its third phase, should emphasize the new direction of regional cooperation in Northeast Asia and act as a catalyst for resource mobilization. In this way it will be a model for economic cooperation in Northeast Asia.

Despite difficulties that were in place in the past, compromises and consensus have been reached towards cooperation in a broader sense, not only for the narrow scope of the Tumen River area but also for the whole of Northeast Asia.

I would like to note the importance of the close interaction between the Northeast Asia Economic Forum and the Tumen Programme. The East-West Center and the Northeast Asia Economic Forum in cooperation with the Korea Development Institute and the Tumen Programme member governments have been preparing a very valuable report, an assessment of future infrastructure and financing requirements for the development of Northeast Asia. This report and its findings can contribute to the discussion at this meeting. The conclusions of this meeting can be supported through the decision-making process of the Tumen Intergovernmental Meetings, a decision could be made to establish an organization called “Northeast Asian Economic Integration (NEAEI),” which should have an intergovernmental operational office.

The establishment of the NEAEI needs strong support from the developed economies like Japan, the ROK as well as others. Mongolia supports such initiatives as the most effective way of launching regional integration. The creation of real facilities would provide potential investors and trade partners with necessary and timely information. The establishment of the Tumen Region Investor Service (TRIS) Network would effectively meet the above-mentioned objective. Therefore, Mongolia supports the establishment of the NEAEI and intends to be a functioning part of it.

The government of Mongolia considers that the establishment of an investment corporation (which will contribute to improvements in the investment climate, to the preparation of investor project proposals and the facilitation of project financing, to prudent commercial relations between the public and private sectors, and to loan or guarantee operations), will form a basis for co-investment and co-financing and will promote infrastructure sector investment under a

framework of regional integration. Mongolia will therefore support the establishment of such a corporation.

Mongolia will participate in joint planning activities in the transport sector on the basis of projections for transport volume in the Tumen/Northeast Asia region and in strengthening institutional linkages between TRADP member countries with respect to the transport sector. In the context of promoting infrastructure investment, transport priorities will be identified in relation to the development of regional economic cooperation.

The resources needed for the implementation of priorities in the transport sector, particularly for the implementation of the Mongolia-China Railway project linking Eastern Mongolia with Yirxie (China), Eastern Mongolia with Baganuur and further with Ulaanbaatar, will be mobilized.

In the context of facilitating cross-border transactions and movement, opening new border crossing points in the Tumen region, facilitating movement of passengers and goods crossing without undue impediment, and improvement of infrastructure facilities for border-crossing, are to be implemented under the framework of the Tumen programme.

Mongolia will actively participate in the Working Group on Tourism and propose Mongolia and its Eastern Region to be included in the Tourism Action Plan for the Tumen Region.

Under this programme, Mongolia will participate by making an inventory of tourism resources, carrying out market analysis, creating a tourism resources map of the region, and developing and implementing joint tourism promotion projects, particularly in Eastern Mongolia.

Mongolia will participate in the project "Network on Tourism Development Advisers" through the establishment of the National Tourism Development Advisers Network. Mongolia will also be included in the training and technical assistance activities under the framework of the project.

Mongolia will actively participate in medium-term programs of the Tumen Action Plan for Environment, such as regional environmental monitoring and planning, the prevention of trans-border environmental impacts, training and capacity building for the environment, and resource mobilization for the establishment of a regional environmental fund.

Mongolia will participate in projects for human resource development such as labor market facilitation through information sharing, matching demand and supply in labor markets, and cooperating on migration issues and on efforts to prevent the spread of communicable diseases in the Tumen Region with special emphasis on HIV/AIDS.

Within the framework of regional cooperation in the telecommunications sector, Mongolia intends to connect to Tumen region countries and the international telecommunications networks in accordance with the

recommendations of the Northeast Asia Economic Forum—by laying fiber optic cables on a North to South and East to West axis and by upgrading the switching and transmission systems through satellite links for basic and cellular services.

Mongolia will participate in the activities directed toward information exchange between member countries concerning development plans and long-term trends and comparing the development plans carried out by the Tumen Secretariat.

Mongolia intends to make efforts to ensure that the proposed natural gas pipeline and electricity transmission line from Russia to markets in China, the Republic of Korea, or Japan passes through Mongolia.

Mongolia will initiate programs and projects to encourage the development of trade with countries of the region, to establish special zones, joint ventures with full foreign investment or with granting concessions, and to align trade policy and procedures with GATT rules through the creation of a favorable climate for border and transit trade.

Within the framework of the Tumen Programme, Mongolia will seek joint studies and joint use of the geological, mining, and agricultural resources of Eastern Mongolia in regional cooperation, and it intends to implement programs and projects to attract investment.