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Mr. Chairman,

Dear Colleagues,

It is my distinct pleasure to welcome you all in Ulaanbaatar. As the youngest participating state of the OSCE, we are honored to host OSCE PA Autumn meeting in our capital city in the historical year of 40<sup>th</sup> anniversary of Helsinki Final Act.

Forty years ago, at the height of Cold War confrontation, perhaps no one participating state could have expected the Helsinki Final Act to eventually become foundation of the biggest multilateral security cooperation organization that includes countries even from NEA. As of today, Ulaanbaatar is the only capital city of the participating state that belongs to NEA within the OSCE. Geographically, Mongolia is situated at the juncture of Central and Northeast Asia. However, the reality is, politically and economically Mongolia is more integrated with Northeast Asia today.

I believe this conference will give us unique opportunity to feel and discuss about indivisible nature of Eurasian security. For the last two years, for understandable reasons, deliberations and debates within the OSCE were dominated by concerns around Ukrainian crisis. However today, I want to shift the focus of my talks a little towards to the east, to Northeast Asia. And here, at the table I am delighted to have our esteemed colleagues who represent OSCE regional offices in Central Asian countries as well as Shanghai Cooperation Organization. Again, I believe, this is unique opportunity for us to share views on inter vs. intraregional security issues within the broader Eurasian security context.

## Why Northeast Asia matters?

It is the only region where interests of three major nuclear powers and world's three largest economies converge around, and it is a region of increasing political-economic paradox.

Economically, NEA was the most rapidly growing region in the world for more than five decades. In 1960s the Northeast Asian economy accounted for only 4 percent of world GDP. However, by 2014, the proportion of the region's GDP in the world total had reached 23 percent compared to almost equal contribution from the European Union and slightly over 26 percent from the North American free trade agreement.

Our region holds a great deal of potential for further economic development. The regional countries possess enormous mutual complementarities of enlarging markets, abundant natural resources, and financial and human capital that could trigger continuous economic growth for longer period. Mongolia and Russia possess some of the richest natural resources in the world with main energy resources such as natural gas, oil, and coal. China and Japan are among world leaders in capital reserves, while Japanese and South Korean corporations boast latest technological advantages and know-how. Plus, we should also take note of the region's huge, still growing market of 1.7 billion population.

Within the context of Asia-Pacific, we have witnessed proliferation of regional trade agreements in recent years. Asian Infrastructure Investment Bank or the AIIB, was recently established uniting more than 30 countries from Asia and Europe. The AIIB is expected to help meet Asia's enormous infrastructure needs and to take multilateralism in Asia to the next stage. However, regardless the rapid growth of intra – regional trade and socio – economic connectedness, such degree of multilateralism and regional trade arrangements were observed far less in our sub-region per se.

The still ongoing process of China–Japan–South Korea trilateral free trade agreement can be named as the most notable in the region. In the 2014 and 2015 China and Korea, Mongolia and Japan have finalized bilateral free trade agreements separately. Rapidly growing trade and economic relationship between Russia and China, including recent large scale energy and infrastructure deals would undoubtedly bring intra – regional economic cooperation into the new level.

From the political and security point of view, there are critical concerns that shape complexity of Northeast Asian security perceptions, such as the ever-present tension in the Korean Peninsula, possible uncertainties across the Taiwan Strait, disputes on territorial sovereignty and maritime rights, and changing power dynamics among the major powers. Deeply rooted historical tensions and unsolved territorial disputes still exist among individual nations in Northeast Asia, which hinder mutual trust and political understanding. In addition to these more traditional concerns, Northeast Asian countries face non-traditional security challenges, such as energy security, financial vulnerability, and environmental degradation.

Despite such common challenges and opportunities in both economic and security retrospect, Northeast Asia lacks multilateral security cooperation mechanism to nurture mutual trust and confidence and address these concerns. Multilateral cooperation in the Asia-Pacific and East Asia is increasingly seen as ASEAN-centric, bound more towards Southeast Asia. The only dialogue mechanism that has the full potential to evolve into permanent multilateral security cooperation mechanism in Northeast Asia - the Six Party Talks, is still in a prolonged deadlock.

From historical point of view, bilateral arrangements among the major powers and power balancing strategy have served as main tools to sustain peace and stability in our region. However, in the 21<sup>st</sup> century, with rapidly increasing socio - economic interconnectedness and common challenges in more nontraditional security fields, the need for multilateral dialogue and cooperation is becoming more apparent. And I believe, we need Asian version of "Helsinki Spirit" to address the historical distrust and territorial disputes here in the NEA.

Ladies and Gentlemen,

It has been 25 years since Mongolia pursued peaceful, multi-pillar foreign policy, prioritizing balanced, friendly relations with its two neighbors, and diversifying relations with friendly nations of the world. Mongolia is the only nation in NEA without territorial or any other unsolved disputes with its neighbors. We maintain good relations with all the countries in the region, including both Koreas.

In 2009, Mongolia hosted an international conference with a unique title of "Ulaanbaatar as New Helsinki". It has sparked interests of Mongolian and international academia alike and has been the topic of active discussions ever since.

As an integral part of Northeast Asia, regional circumstances, both good and bad have profound influence for Mongolia. It remains our top foreign policy priorities to not only develop and strengthen ties with individual nations, but also to constructively contribute our share to the common wellbeing and security of the region.

With this in mind, President of Mongolia Mr. Elbegdorj initiated the Ulaanbaatar Dialogue. It's so that Mongolia, with its friendly relations and impartial stance can make tangible contribution to the security and stability of Northeast Asia. As culmination of this initiative, "Ulaanbaatar Dialogue on Northeast Asia Security" was held for two consecutive years, last year and this year respectively. The goal is to provide podium for security researchers and practitioners from regional countries to discuss about security challenges and means to overcome them. Both the North and the South Koreas were represented at the inaugural meeting, as were China, Russia, Japan, the United States, and some European nations.

The initiative of "Ulaanbaatar Dialogue" does not only refer to a single formal mechanism. Rather it's an open welcome and initiative to make our capital city Ulaanbaatar a venue for Northeast Asian regional dialogue to increase mutual understanding and confidence among the parties. Over the past two years, series of events focusing on common regional issues were organized in Ulaanbaatar, such as the first ever Northeast Asian

Women Parliamentarians' Forum, meeting of mayors and governors of capital cities of Northeast Asian countries, the expert-level meeting on Northeast Asia Energy Connectivity, and Northeast Asia Sub-Regional Youth Forum.

Today's meeting of the OSCEPA, as well as Asia-Europe Meeting or ASEM to be hosted next year also fall under Mongolia's commitment to engage regional countries, and consequently the international community to further mutual understanding and dialogue.

Only last week, National Security Council of Mongolia issued a Recommendation to declare a permanently neutral status for our country. As I see, this is not a new policy direction, as Mongolia's stance to not join any military alliance, to not allow the use of our territory or air space against any other country, and to not allow stationing of foreign troops or weapons, including nuclear or any other type of mass destruction weapons in our territory, was repeatedly stated in our 1992 Constitution and subsequent policy documents. In early 1990s, Mongolia declared its nuclear weapons free status and this initiative has been welcomed by international community ever since. In 2012, Mongolia's Nuclear-Weapon-Free Status was successfully endorsed by Resolution of UN Security Council, which includes our neighbors-Russia and China.

I am a firm believer that solutions to big problems do not have to start big. By finding a common ground on which we can build trust and cooperation, we can take significant steps towards security and prosperity. This is the legacy of "Helsinki Spirit", which even after 40 years still has not lost its meaning or significance.

Thank you for your attention.