



KUZEYDOĞU ASYA'DA ENERJİ İŞBİRLİĞİ VE MOĞOLİSTAN

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ÖZ

Moğolistan, daha yüksek oranlarda enerji talebi artışı ile karşılaşan potansiyel enerji kaynaklarına sahip Kuzeydoğu ülkelerinden biridir. Bu bölgede enerji işbirliği son dönemlerde gelişmeye başladığından, Moğolistan bu süreçte bir yer edinme girişiminde bulunmaktadır. Kuzeydoğu Asya'da oluşacak Hükümetlerarası Enerji İşbirliği Danışmanlığı mekanizması, bölgedeki enerji güvenliği ve enerji temininin sürekliliği için önemlidir. Moğolistan'ın çıkarları, bu entegrasyonun ve işbirliğinin gelişimine doğrudan bağlı bir hale gelmiştir. Dolayısıyla, Moğolistan bu doğrultuda inisiyatifler almış ve sürekli olarak da katılımında bulunmuştur.

Anahtar Kelimeler: Moğolistan, enerji işbirliği, Kuzeydoğu Asya

ENERGY COOPERATION IN NORTHEAST ASIA AND MONGOLIA

ABSTRACT

Mongolia is one of the Northeast Asian countries with potential energy resources that have experienced higher rates of growth in demand for energy. As the energy cooperation in this region has just recently started developing, Mongolia has been attempting to take up a position in this process. The mechanism for Inter-Governmental Consultation on Energy Cooperation in Northeast Asia is crucial to the energy security and stable energy supply in the region. Interests of Mongolia have been directly dependent on the development of this cooperation and integration, thus Mongolia has constantly participated and taken initiatives on the way.

Keywords: Mongolia, energy, Asia and Mongolia

Due to the Northeast Asian economies' rapid growth, the energy market in the region has been growing dramatically for last 30 years. The energy supply and energy security have become an important political and strategic issue during recent years as a result of economies' growth, industrial sector development and demographic increase. This has led to expansion of energy production and cooperation with non regional energy suppliers. It has become possible to initiate multilateral cooperation since the Cold War was ended and essential political changes were made in the region.

At the present, Northeast Asia accounts for over two-thirds of the primary energy consumption of the Asia-Pacific region or the third biggest energy consumer in the world. It is assumed that, the primary energy consumption of this region will reach 1.520 million Mtoe which will be 25% of overall consumption by 2030, thus it will leave behind North America and Europe [1]. North East Asia is not only an influential energy consumer but also significant energy producer. The region has biggest energy consumers of China, Japan, South Korea and energy rich Russia and Mongolia. The fast growth of world's

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energy need, particularly industrial needs in China, Korea and Japan in 21st century is triggered growing attention to Mongolia's energy resources. Therefore, the investment and cooperation in Mongolian coal, nuclear and renewable energy sector is witnessing significant increase. With increase in demand for energy around the world, especially in Northeast Asian industrialized countries such as China, Japan and South Korea, the interest in making investment in energy sources, for instance, coal, nuclear and renewable energy of Mongolia has increased [2]. Gradually, it has become available for Mongolia to play a bigger role in the energy sector in Northeast Asia. Mongolia neighbors the countries that are among the world's top 5 primary energy consumers and this condition creates an opportunity to get political and economic benefits using its energy resources.

Until recently Mongolia played little role in regional energy cooperation except small trading with two neighbours. However, fast growing energy demand of industrial giants of China, Japan and Korea has put more attention to the Mongolian energy resources. More and more countries and global corporations are expressing their interest to cooperate and invest into Mongolian coal, nuclear and renewable energy sector.

Mongolia is placed in 10th place in world by coal reserve /173.3 billion ton/ and 14th place by uranium reserve /1,5 million ton/. Moreover, it has huge potential of renewable energy and lately confirmed to have significant reserve of shale oil /800 billion ton/. These energy resources draw growing attention to Mongolia from big countries.

Another aspect of energy sector in Mongolia is it's growing domestic energy need triggered by the country's economic development. Therefore, Mongolian government has set goal of self-sustain it's energy need and to export energy to regional countries. This goal was announced on 'National Development Policy' based on Millennium Development goals in 2008. In order to reach this goal, the government plans to build number of hydropower stations, nuclear power plant, coal-to-liquids industry and coal based power plants.

Mongolia has tremendous opportunity to actively engage and improve position in North East Asian integration and other regional multilateral relations. The energy analysts and researchers have strong evidence to conclude Mongolia as potential country to compete with energy exporters in the region. For instance, in 2010, Mongolia exported 20 million ton coal and became 7th biggest coal exporter in world. Although Mongolian coal export has fallen last two years due to economic crisis and bas government policy, analysts agree that it will become important player in world energy sector in the long-term.

Mongolia has got experience in participating in and being as a partner to the cooperation institutions such as "World Energy Council", "Energy Charter Treaty", "International Renewable Energy Agency" and "International Atomic Energy Agency" and so on. Much importance has been given to the bilateral as well as the multilateral energy cooperation with the countries in Central, Northeast, and South-East Asian regions.

It is strategically quite important to have an interest and an objective on supplement of energy to the international market through regional multilateral cooperation and relations by breaking the dependency on single market. For this reason, Mongolia is willing to make significant efforts and participate in the operations of Northeast Asian countries' energy cooperation underlining the importance of it. For instance, a noticeable event was initiated by Mongolia in the energy cooperation which is the creation of "Inter-Governmental Collaborative Mechanism on Energy Cooperation in Northeast Asia. In November 2005, the Inter-Governmental Collaborative Mechanism on Energy Cooperation in Northeast Asia (ICM-ECNEA) was initiated and established by Mongolia, the Republic of Korea, the Russian Federation and the People's Democratic Republic of Korea in order to maintain energy cooperation in Northeast Asia, meet the challenges in energy cooperation considering a need of mutually profitable cooperation with the vision "By 2020, improved energy security in Northeast Asia through energy cooperation in a sustainable manner"[3].

To achieve this vision the following objectives were identified for ECNEA:

- To increase the supply of energy in the Northeast Asian subregion, lessening its dependence on energy imports from outside the subregion;
- To optimize the economy and efficiency of the supply and use of energy;
- To minimize the environmental impact of energy production and consumption through an improved energy mix and greater energy efficiency [4]

The Russian Federation, the Republic of Korea and Mongolia are the member states, where the People's Republic of China and Japan are observer states and the UN Asia Pacific Economic Social Commission is the Secretariat of this collaborative mechanism. The Sixth and the Eighth Sessions of the Inter-Governmental Collaborative Mechanism on Energy Cooperation in Northeast Asia *were held in Ulaanbaatar in 2010 and 2013 respectively. So far, this mechanism is the major multilateral energy cooperation institution in the region.*

There is another dynamic institution in the region which is the "Shanghai Cooperation Organization" (SCO) and its role has been increasing more and more. The SCO has 6 member and 5 observer states including Russia, China and some Central Asian states and it is expanding its scope to the spheres of politics, economics, science and technology, military and geopolitics. The "Energy Club" was established in 2006 to promote energy cooperation in the scope of the SCO objectives and operations. As Mongolia is one of the SCO observer states, there have been interests from Mongolian side to cooperate in the mining, energy sectors and infrastructure as well with the SCO member and observer states within the Energy Club initiatives [5]. However, it is observed that the Mongolian interests in the energy cooperation cannot be backed on a broad scale, probably for the reason that Mongolia participates in the SCO activities with due diligence.

The energy cooperation is one of priorities of already strengthened regional institutions such as the Association of Northeast Asia Regional Governments, ASEAN

Regional Forum (ARF), the Pacific Economic Cooperation Council (PECC) and the Asia Cooperation Dialogue (ACD). Mongolia has actively taken part in routine energy discussions within the above greater institutions' objectives and activities [6].

Since 2005, Mongolia has participated in the Central Asia Regional Economic Cooperation (CAREC) Members Electricity Regulators Forum, furthermore, the sessions of the Forum in 2007, 2010 and 2012 were held in Ulaanbaatar. There have been ongoing cooperation and peer review in infrastructure management, energy price, power distribution losses and effectiveness, regional energy market integration among the CAREC member states. The following issues that were raised within the strategic objectives on regional energy cooperation of the CAREC member states were discussed and financial quotation for their achievement was determined:

- To conduct a feasibility study on the implementation of a Transit Mongolia Program,
- To examine the possibility of Mongolia to import natural gas from Kazakhstan and other Central Asian states,
- To examine the possibility of Mongolia to import oil products from Kazakhstan,
- To explore cooperation on building oil, gas and coal refinery plants in Mongolia [7].

Besides the institutions that are focused on political and economic aspects of energy sector, there are some institutional arrangements focused more on energy industry and management such as "Energy Regulators Regional Association" (ERRA) and Mongolia has been actively involved in the ERRA or other regional institutions' forums and events either as a participator or an organizer. Particularly, the Government of Mongolia took an initiative in the organization of the convention on "Northeast Asian Renewable Energy Cooperation" in Ulaanbaatar in 2013. The agenda of the convention was about seeking a possibility of establishment of the "Asian Super Grid" that is supposed to supply transnational renewable energy taking sources from Mongolian and China Gobi to the Northeast Asia which was originated by the Japanese Renewable Energy Foundation.

Moreover, Mongolia joined the "Forum of Nuclear Cooperation in Asia" (FNCA) in 2010. The member states of the Forum cooperate in use of research reactors, application of isotope and radioactive generators to agricultural, health and industrial sectors, spread of reliable information on atomic energy to the public, security and emission management of radioactive materials and human resource promotion.

Until recently, the role of Mongolia is minor in regional energy cooperation, except for trade with its two giant neighbors. The situation has been failed to improve because of infirm mechanisms and institutions created for the energy cooperation promotion between regional countries, energy interests clashes, failure in conclusion of agreements upon

longstanding political confrontations rather than the efforts that Mongolia has made to develop multilateral energy cooperation.

It is noticeable that Mongolia has been more successful in bilateral relations rather than in multilateral ones. Particularly, it has been intensively cooperating with China, Russia, Japan and South Korea in energy.

Conclusion

Northeast Asian energy cooperation and integration slow down being affected by the regional political and geopolitical conditions. Therefore, the efforts that are made by Mongolia to broaden cooperation and its involvement in the process play a significant role in the maintenance of stable energy supply and improvement of energy security in the region. Besides that cooperation is beneficial for Mongolia, for its national interests so that it could overcome its geographical landlocked location and increase its role in the regional integration and collaboration mechanism. The impacts are expected on national interests, political and economic conditions and foreign policy of Mongolia as a result of energy sector development strategy, the plan and implementation of activities on using energy as cooperation tool.

As Mongolia has a big coal, oil shale, uranium and renewable energy resource potential, strategic importance of which is increasing in the regional countries, Mongolia will have a chance to reinforce its standing and become a key player in the region by developing energy cooperation.

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