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Mongolia: In Brief

Mongolia is a landlocked, mineral-rich country about the size of Alaska with a population of 3.6 million; it shares borders with two powerful neighbors, Russia and the People's Republic of China (PRC, or China). Mongolia has long sought to maintain good relations with Russia and China, while pursuing a “third neighbor” policy that emphasizes developing relationships outside of its immediate neighborhood, including with the United States. The United States and Mongolia upgraded their bilateral relationship to a Strategic Partnership in 2019. The Millennium Challenge Corporation has implemented two compacts with Mongolia (2008-2013 and 2021-2026). Mongolia has extensive deposits of minerals including copper, gold, coal, molybdenum, uranium, tin, and tungsten, and extractive industries account for over 90% of Mongolian exports. Mongolia has received international recognition for its peaceful transition to democracy in 1990, but some experts point to corruption and weak governance as chronic issues. This report provides an overview of U.S.-Mongolia relations, Mongolia's relations with China and Russia, as well as Mongolia's domestic politics and economy.

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Overview

Mongolia is a landlocked country that shares borders with two powerful neighbors, the People's Republic of China (PRC, or China) and Russia (see **Figure 1**). With a population of about 3.6 million and a land area slightly smaller than Alaska, Mongolia is the most sparsely inhabited country in the world. About half of Mongolia's population lives in the capital, Ulaanbaatar. While Mongolians have traditionally been nomadic pastoralists, the country's economy is now dependent on its mineral resources, with extractive industries accounting for over 90% of Mongolian exports.¹ For almost 70 years after its independence from the Republic of China in 1921, Mongolia was a satellite state of the Soviet Union, under the one-party rule of the communist Mongolian People's Revolutionary Party (MPRP). Following a peaceful revolution in 1990, Mongolia embarked on a successful democratic transition that sets it apart from other formerly communist countries in Asia. Mongolia's current head of state is President Ukhnaagiin Khurelsukh. The country's government is led by Prime Minister Nyam-Osoryn Uchral, who assumed office in March 2026 following a constitutional crisis in late 2025. Mongolia's foreign relations are driven by a desire to balance PRC and Russian influence by engaging with a range of other partners, including the United States, South Korea, Japan, and others.

U.S.-Mongolia Bilateral Relations

Mongolia reportedly has long sought to maintain good relations with the two countries it borders, Russia and China, while also pursuing a “third neighbor” policy that emphasizes developing relationships outside of its immediate neighborhood.² U.S.-Mongolia relations have expanded greatly since Mongolia's 1990 revolution, and the governments upgraded their bilateral relationship to a Strategic Partnership in 2019, declaring their intention to “intensify cooperation as strong democracies based on the rule of law,” “cooperate in promoting national security and stability across the Indo-Pacific region,” and “deepen national security and law-enforcement ties,” among other aims.³ The United States was the fifth country with which Mongolia established a strategic partnership, following Russia (2006), Japan (2010), China (2014), and India (2015).⁴ The U.S. House of Representatives and Senate passed resolutions reaffirming the U.S.-Mongolia strategic partnership in the 116th (H.Res. 1100) and 117th (S.Res. 36) Congresses. Mongolia is one of 17 countries worldwide whose legislatures participate in the House Democracy Partnership, a commission of the House of Representatives that aims to advance U.S. strategic interests by promoting good governance, legislative transparency, and institutional effectiveness. In the 119th Congress, the Southern Mongolian Human Rights Policy Act (H.R. 6877, S. 288) would direct the U.S. Agency for International Global Media to establish Voice of America Mongolian language programming for Mongolian language speakers in Mongolia, the PRC, and Russia and authorize the appropriation of \$2 million for each of the fiscal years 2026 and 2027 for such purposes.

The Trump Administration has expressed “support for Mongolia's democratic values and independent foreign policy.”⁵ In January 2026, Mongolia became a founding member of the Board of Peace, an international organization chaired by President Trump with a stated mission

¹ The Observatory of Economic Complexity, “Mongolia,” <https://oec.world/en/profile/country/mng>.

² Bolor Lkhaajav, “Mongolia's Third Neighbor Policy Blooms,” *The Diplomat*, March 28, 2016.

³ U.S. Department of State, Declaration on the Strategic Partnership between the United States of America and Mongolia, July 31, 2019.

⁴ Bolor Lkhaajav, “US Becomes Mongolia's 5th Strategic Partner,” *The Diplomat*, August 5, 2019.

⁵ U.S. Department of State, “Secretary Rubio's Call with Mongolian Foreign Minister Battsetseg,” May 30, 2025.

“to promote stability, restore dependable and lawful governance, and secure enduring peace in areas affected or threatened by conflict.”⁶ In July 2026, Secretary of State Marco Rubio stated, “as proud third neighbors and fellow democracies, the United States and Mongolia have built a strong partnership over the decades grounded in mutual respect and shared values.”⁷

For over 20 years, the Mongolian military has cooperated with the Alaska National Guard as part of the National Guard State Partnership Program, developing military-to-military contacts and participating in joint training exercises that seek to bolster disaster preparedness and regional security.⁸ Since 2003, Mongolia has hosted the annual Khaan Quest multinational military exercise, co-sponsored by U.S. Indo-Pacific Command and “designed to promote peace and security throughout the Indo-Pacific region.”⁹ Mongolia deployed troops in support of U.S. operations in Iraq between 2003 and 2008.¹⁰ From 2009 to 2014, Mongolia contributed troops to the NATO-led International Security Assistance Force in Afghanistan, and was one of the largest contributors to the subsequent Resolute Support Mission in Afghanistan (2015-2021).¹¹ The Trump Administration has noted Mongolia’s “leading role in peacekeeping missions around the world.”¹² Between 2002 and 2024, Mongolia sent more than 22,000 troops to United Nations (UN) peacekeeping operations worldwide, and as of 2024, Mongolia was the 8th largest contributor of troops to UN peacekeeping operations.¹³ According to the UN, “Mongolian contributions to UN peacekeeping have been notable for their high standards of training and for the high number of women they deploy.”¹⁴

In January 2026, the State Department paused the issuance of immigrant visas to Mongolian nationals as part of a “full review of all screening and vetting policies to ensure that immigrants from high-risk countries do not unlawfully utilize welfare in the United States and become a public charge.”¹⁵ Under the State Department’s visa bond program, U.S. consular officers may require Mongolian nationals to post a bond of up to \$20,000 before receiving a business or tourism visa to the United States.¹⁶ A Mongolian national was one of two International Criminal Court (ICC) judges sanctioned by the State Department in December 2025 pursuant to Executive Order 14203 of February 6, 2025. According to the State Department, “these individuals have directly engaged in efforts by the ICC to investigate, arrest, detain, or prosecute Israeli nationals, without Israel’s consent.”¹⁷

⁶ Board of Peace, “The Mission,” <https://boardofpeace.org/>.

⁷ U.S. Department of State, “Mongolia National Day,” July 10, 2026.

⁸ Balinda O’Neal, “Alaska National Guard, Mongolia Celebrate their Partnership,” *The National Guard*, April 29, 2015; David Bedard, “Alaska Army National Guardsmen Train in Mongolia to Save Lives,” *U.S. Army*, June 19, 2018.

⁹ U.S. Army, “Khaan Quest 26 Ends with Closing Ceremony in Mongolia,” July 7, 2026.

¹⁰ Tsogtgerel Nyamtseren, “Mongolian Peacekeeping as a Foreign Policy Tool, *Royal Society for Asian Affairs*, <https://rsaa.org.uk/blog/mongolian-peacekeeping-as-a-foreign-policy-tool/>.

¹¹ NATO, “Relations with Mongolia,” May 24, 2022.

¹² U.S. Department of State, “Joint Statement on the U.S.-Mongolia Annual Bilateral Consultation,” March 17, 2026.

¹³ “The Number of Mongolian Peacekeepers to Be Tripled,” *Montsame*, October 22, 2024.

¹⁴ United Nations, “Service and Sacrifice: Mongolia Continues to Strengthen Its Contribution to UN Peacekeeping,” March 9, 2018.

¹⁵ U.S. Department of State, “Immigrant Visa Processing Updates for Nationalities at High Risk of U.S. Public Benefits Reliance,” February 2, 2026.

¹⁶ U.S. Department of State, “Countries Subject to Visa Bonds,” May 13, 2026; U.S. Department of State, “Visas: Visa Bond Program,” 91 *Federal Register* 48757, August 3, 2026, <https://www.federalregister.gov/documents/2026/08/03/2026-15726/visas-visa-bond-program>.

¹⁷ U.S. Department of State, “Sanctioning ICC Judges Directly Engaged in the Illegitimate Targeting of Israel,” December 18, 2025.

U.S.-Mongolia Trade Relations

In 2025, U.S. goods exports to Mongolia totaled about \$415 million, while goods imports from Mongolia equaled about \$127 million.¹⁸ Under the second Trump Administration, the President has assessed Mongolia a 10% tariff rate under various authorities, most recently under Section 122 of the Trade Act of 1974 (19 U.S.C. § 2132).¹⁹ That tariff expired on July 24, 2026.

According to the State Department, Mongolia's agricultural and livestock sectors show "strong promise" for potential U.S. investment.²⁰ The Mongolia Third Neighbor Trade Act (introduced most recently as H.R. 6539 and S.Res. 3368 in the 118th Congress) would have authorized duty-free treatment for the import of certain cashmere articles from Mongolia to the United States, enabling Mongolia to diversify its exports.²¹ While Mongolia is the world's second-largest cashmere producer after China, most of its cashmere is exported in raw form and processed in, and then re-exported from, China.²² Mongolia's Ministry of Foreign Affairs expressed support for the bill, asserting that it would "support the Mongolian economy by creating jobs, diversifying export, and contribute to expanding trade and economic cooperation between Mongolia and the United States."²³ In response to concerns about the environmental impacts of cashmere production, particularly land degradation and desertification, the United States, the UN, and others have supported sustainable cashmere initiatives in Mongolia.²⁴

U.S. Foreign Assistance to Mongolia

Past U.S. assistance to Mongolia supported programs whose aims included strengthening democratic institutions, reforming the energy sector, promoting economic diversification, reducing vulnerability to climate change, building the capacity of law enforcement agencies, and supporting Mongolia's Independent Authority Against Corruption.²⁵ Between 2008 and 2013, the Millennium Challenge Corporation (MCC) implemented a five-year, \$285 million compact with Mongolia to address property rights, transportation, energy, education, and health.²⁶ A second,

¹⁸ CRS calculations using Trade Data Monitor data.

¹⁹ Section 122 allows the President to impose a maximum tariff rate of 15% for 150 days to address balance of payments crises, unless Congress takes further action. See also CRS In Focus IF13199, *Section 122 of the Trade Act of 1974*, by Christopher A. Casey, Danielle M. Trachtenberg, and Christopher T. Zirpoli. For background on previous tariff policies under the International Emergency Economic Powers Act, see CRS Legal Sidebar LSB11398, *Supreme Court Rules Against Tariffs Imposed Under the International Emergency Economic Powers Act (IEEPA)*, by Christopher T. Zirpoli.

²⁰ U.S. Department of State, *2025 Investment Climate Statements: Mongolia*, September 26, 2025.

²¹ A version of this bill was first introduced in the 115th Congress in 2018 and reintroduced in the 116th and 117th Congresses in 2019 and 2021, respectively.

²² Bolor Lkhaajav, "US-Mongolia 'Third Neighbor Trade Act' on the Way," *The Diplomat*, November 17, 2018.

²³ Ministry of Foreign Affairs of Mongolia, "Mongolia Third Neighbor Trade Act Was Reintroduced to the United States Congress," April 23, 2021, <https://mongolianembassy.us/2021/04/mongolia-third-neighbor-trade-act-was-reintroduced-to-the-united-states-congress/>.

²⁴ Jessica Sheaves, "NASA 'Steppes' onto the Runway to Make Mongolian Cashmere Sustainable," NASA, June 15, 2022; Mariana Simoes, "How Sustainable Cashmere Is Reversing Land Degradation in Mongolia," United Nations Development Programme, June 15, 2021.

²⁵ U.S. Department of State, *Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs, Fiscal Year 2025*, Appendix 2, pp. 233, 339.

²⁶ Millennium Challenge Corporation, "Closed Compact Report: Mongolia," October 17, 2015, <https://www.mcc.gov/resources/doc/closed-compact-report-mongolia>. The Millennium Challenge Corporation (MCC), established in 2004, is an independent U.S. foreign assistance agency that provides economic assistance through a competitive selection process to developing nations that demonstrate positive performance in three areas: just and democratic governance, investing in people, and fostering economic freedom.

five-year \$350 million compact to build critical water infrastructure in Ulaanbaatar entered into force in 2021 and concluded in March 2026.²⁷

Domestic Political Background

Mongolia is the only formerly communist country in Asia classified as “free” by the U.S.-based nongovernmental organization (NGO) Freedom House, which assesses that political rights and civil liberties in Mongolia “are generally respected.”²⁸ While Freedom House asserts that elections in Mongolia are free and fair, the Economist Intelligence Unit categorizes the country as a “flawed democracy,” stating that “political effectiveness is a weak link in Mongolia’s otherwise well-respected democracy,” due to “a combination of clientelism and political bargaining that complicates policy implementation.”²⁹ Similarly, the Varieties of Democracy (V-Dem) Institute, a research organization based in Sweden, classifies Mongolia as a “grey zone” electoral democracy in its 2026 *Democracy Report*.³⁰ The international NGO Transparency International ranked Mongolia 124th out of 182 countries its 2025 Corruption Perceptions Index, which measures perceived levels of public sector corruption.³¹ In its 2024 Country Report on Human Rights Practices, published in August 2025, the State Department noted “credible reports of enforcement of criminal laws that constituted a serious restriction on freedom of expression and political speech” as a significant human rights issue in Mongolia.³²

In Mongolia’s semi-presidential system, the president and the prime minister share executive power. The president plays the primary role in foreign policy and serves as head of state and commander-in-chief of the armed forces. The prime minister heads the executive branch, whose highest body is the Cabinet of Ministers. Since the country’s democratization in 1990, political power in Mongolia’s multiparty system has alternated between two major parties, the Mongolian People’s Party (MPP, the successor to the MPRP), and the Democratic Party (DP), whose roots extend to pro-democracy forces active during the 1990 revolution. The MPP has held a majority of seats in the unicameral parliament, the State Great Hural, since 2016. Constitutional reforms passed by the MPP-dominated parliament in 2019 introduced a limit of one six-year term on the presidency and reduced the scope of presidential powers. Mongolia’s June 2021 presidential election delivered a decisive victory for MPP candidate Ukhnaagiin Khurelsukh, who had served as prime minister until he resigned from that post in January 2021 amid protests over his government’s handling of the COVID-19 pandemic.³³ Khurelsukh’s victory was generally seen as cementing MPP control over the government.

Mongolia’s June 2024 parliamentary elections were the first to take place after May 2023 constitutional changes increased the size of the State Great Hural from 76 members to 126. The constitutional reform also introduced a mixed electoral system, with 78 members elected directly

²⁷ Millennium Challenge Corporation, “Mongolia Water Compact,” <https://www.mcc.gov/where-we-work/program/mongolia-water-compact>.

²⁸ Freedom House, *Freedom in the World 2026: Mongolia*, March 2026.

²⁹ Economist Intelligence Unit, *Democracy Index 2025: Mongolia*, April 8, 2026; Economist Intelligence Unit, “Mongolia: Two-Year Forecast,” June 10, 2026.

³⁰ V-Dem Institute, *Democracy Report 2026: Unraveling the Democratic Era?*, March 2026.

³¹ Transparency International, “Our Work in Mongolia,” <https://www.transparency.org/en/countries/mongolia>.

³² U.S. Department of State, *2024 Country Reports on Human Rights Practices: Mongolia*, August 12, 2025.

³³ Bolor Lkhaajav, “Mongolia’s Prime Minister Offers Shock Resignation Amid Protests,” *The Diplomat*, January 22, 2021.

in single-mandate districts and 48 elected via proportional representation.³⁴ The MPP maintained its majority, winning 68 seats. The DP won 42 seats. The new parliament also includes three smaller parties: the HUN party won 8 seats, while the National Coalition and the Civil Will-Green Party, neither of which had deputies in the previous parliament, won 4 seats each. The MPP, the DP, and the HUN party formed a coalition government that fell apart following May 2025 anti-corruption protests targeting Prime Minister Luvsannamsrai Oyun-Erdene of the MPP.³⁵ After Oyun-Erdene lost a confidence vote and subsequently resigned, a new coalition government was formed under the MPP's Gombojav Zandanshatar, including HUN and the Civil Will-Green Party, but not the DP.³⁶

Figure 1. Map of Mongolia



Source: Created from CRS using data from the U.S. Department of State, the Sovereign Limits (International Mapping) database, and ESRI. Date of Map: 09/16/2026.

Infighting within the MPP escalated into a constitutional crisis in October 2025. Some members of the MPP attempted to remove Zandanshatar as prime minister, while his supporters sought to remove his primary MPP rival, Speaker of Parliament Dashzegviin Amarbayasgalan. Amarbayasgalan resigned amid allegations of criminal misconduct, while Zandanshatar was dismissed through a vote in parliament. Zandanshatar challenged the vote to remove him as unconstitutional and not conforming to proper parliamentary procedure, and Mongolia's

³⁴ Marissa Smith et al., "Parliamentary Elections 2024: Yet Another New Election System," *Mongolia Focus*, March 12, 2024.

³⁵ Anand Tumurtogoo, "A Grand Coalition and a New Era in Mongolia," *The Diplomat*, August 1, 2024; Sumiya Chuluunbaatar, "Unraveling Mongolia's Prime Minister Resignation Protests," *The Diplomat*, May 24, 2025.

³⁶ Bolor Lkhaajav, "With New PM and Cabinet, Mongolia's Coalition Government 2.0 Takes Shape," *The Diplomat*, June 20, 2025.

Constitutional Court subsequently voided his dismissal.³⁷ Although Zandanshatar remained in office, his authority was “fatally weakened,” in the assessment of one observer.³⁸ In November 2025, Uchral was elected as MPP chairman and subsequently appointed as speaker. This dual appointment prompted a parliamentary boycott by the opposition DP, which argued that a party leader should not preside over a multi-party legislature. The State Great Hural lacked a quorum in the absence of DP members, paralyzing legislative work. After Zandanshatar resigned in March 2026, Uchral resigned as speaker and was elected prime minister by the State Great Hural. Uchral’s cabinet includes two members of the HUN party and one from the National Coalition.

Economy

Mongolia’s economy is dependent on extractive industries, and the country sends most of its exports to China, rendering it sensitive to fluctuations in commodity prices and developments in the PRC economy. The World Bank reclassified Mongolia as an upper-middle-income country in 2024, attributing recent economic growth to increased coal exports.³⁹ Mongolia has extensive deposits of minerals, including copper, gold, coal, molybdenum, uranium, tin, and tungsten. While Mongolia’s economy was traditionally based on herding and agriculture, the mining sector now accounts for about 25% of the country’s gross domestic product (GDP). The World Bank attributes 6.9% GDP growth in 2025 to strong performance in the agriculture and mining sectors and projects “robust” 5% growth in 2026 “despite headwinds from higher global energy prices and geopolitical uncertainty related to the Middle East conflict.”⁴⁰

Mongolia remains economically dependent on China and Russia, and some analysts assess that this dependency renders Mongolia vulnerable to Russian and PRC pressure.⁴¹ Some experts argue that increasing foreign investment from other sources, particularly in the critical minerals sector, is Mongolia’s best option for reducing economic dependence on Russia and China.⁴² China was Mongolia’s primary trading partner in 2025, having accounted for 89% of Mongolian exports and 40% of Mongolian imports.⁴³ Russia was Mongolia’s second-largest source of imports in 2025, having accounted for 25% of total imports, and over 94% of Mongolia’s petroleum imports.⁴⁴ In August 2026, Mongolia’s government reportedly instituted temporary gasoline rationing in response to a nationwide fuel shortage, which Mongolian officials reportedly ascribed to global energy supply disruptions stemming from the Russia-Ukraine war and conflict between the United States and Iran.⁴⁵ Despite Russia’s ongoing domestic fuel crisis, Mongolia reportedly has

³⁷ Geser Ganbaatar and Fernando Casal Bértoa, “Mongolia’s Constitutional Crisis: Island of Democracy or Banana Republic?,” *International Journal of Constitutional Law Blog*, December 26, 2025.

³⁸ Sumiya Chuluunbaatar, “Can Uchral Hold On? Beyond Mongolia’s Leadership Shake-Up,” *The Diplomat*, April 8, 2026.

³⁹ World Bank, *Mongolia Economic Update: Sustaining the Gains*, November 2024.

⁴⁰ World Bank, *Mongolia Economic Update: Maintaining Stability and Resilience*, April 2026.

⁴¹ Munkhnaran Bayarlkhagva, “A New Russian Gas Pipeline Is a Bad Idea for Mongolia,” *The Diplomat*, May 11, 2022.

⁴² Edward White, “Will Mongolia’s Crackdown on Graft Unlock Its Mineral Riches?,” *Financial Times*, July 27, 2023; Tuvshinzaya Gantulga and Sergey Radchenko, “Mongolia’s Search for a Third Way,” *Foreign Affairs*, October 6, 2023.

⁴³ CRS calculations using Trade Data Monitor data.

⁴⁴ CRS calculations using Trade Data Monitor data.

⁴⁵ Michael Kohn, “Mongolia Rations Gasoline as Fuel Shortages Send Drivers into Long Lines,” *bneIntellinews*, August 11, 2026; “Mongolia Bears Brunt of Russia’s Fuel Crunch, Official Says,” *Reuters*, September 3, 2026; E. Oyun-Erdene, “Mongolia’s Fuel Supply Returns to Normal, Restrictions on Licence Plates and Purchase Limits Lifted,” *Asia News Network*, August 18, 2026.

continued to receive shipments of Russian gasoline.⁴⁶ The Mongolian government reportedly is pursuing additional sources of fuel imports, including South Korea, China, and Kazakhstan.⁴⁷

A U.S.-Mongolia Agreement on Transparency in Matters Related to International Trade and Investment, intended to address concerns about the process through which Mongolia drafts regulations, entered into force in 2017, but, according to the State Department, the Mongolian government “seldom fulfills Mongolia’s statutory requirements for drafting, approving, and promulgating regulations.”⁴⁸ Although Mongolia’s vast mineral resources present significant opportunities for foreign investors, the State Department assessed in 2025 that “caution is warranted,” particularly in politically sensitive sectors such as mining and energy.⁴⁹ In the appraisal of the State Department, “Mongolia attracts investor attention but has trouble converting interest into investment” due to perceived investor risk.⁵⁰

In January 2022, the government of Mongolia settled a long-running dispute with Anglo-Australian mining company Rio Tinto over the expansion of the Oyu Tolgoi copper and gold mining project, with Rio Tinto cancelling \$2.4 billion in debt owed by the Mongolian government for the mine’s construction and committing to expand renewable energy generation.⁵¹ In 2023, the State Department described Oyu Tolgoi as a “bellwether of Mongolia’s investment climate.”⁵² In June 2025, Rio Tinto agreed to pay \$138.75 million to settle a U.S.-based class action lawsuit accusing the company of defrauding investors by concealing issues with the Oyu Tolgoi expansion.⁵³ Some environmental activists have argued that Rio Tinto has downplayed the social and environmental risks of the Oyu Tolgoi project, which Rio Tinto describes as “the largest-ever foreign direct investment in Mongolia.”⁵⁴ In December 2025, the State Great Hural passed a resolution that calls for a review of contested mining licenses at Oyu Tolgoi, investigations into corruption allegations against Oyu Tolgoi and Rio Tinto, and a renegotiation of the 2011

⁴⁶ Michael Kohn, “Mongolia Rations Gasoline as Fuel Shortages Send Drivers into Long Lines,” *bneIntellinews*, August 11, 2026.

⁴⁷ Mairdar, “Mongolia Signs Fuel Deal with South Korea,” *The Diplomat*, July 31, 2026; Telmen Altanshagai, “Mongolia’s Fuel Crisis Is a Demand Problem, Not Just a Supply One,” *The Diplomat*, August 6, 2026; Michael Kohn, “Mongolia Rations Gasoline as Fuel Shortages Send Drivers into Long Lines,” *bneIntellinews*, August 11, 2026.

⁴⁸ U.S. Department of State, *2024 Investment Climate Statements: Mongolia*, July 17, 2024; Agreement on Transparency in Matters Related to International Trade and Investment between the United States of America and Mongolia, <https://ustr.gov/sites/default/files/US-Mongolia%20Transparency%20Agreement-English-Final-As%20Posted.pdf>. See also USTR, “United States-Mongolia Transparency Agreement to Enter into Force,” January 19, 2017.

⁴⁹ U.S. Department of State, *2025 Investment Climate Statements: Mongolia*.

⁵⁰ U.S. Department of State, *2025 Investment Climate Statements: Mongolia*.

⁵¹ Ernest Scheyder and Praveen Menon, “Rio Tinto and Mongolia Settle Feud over Oyu Tolgoi Copper Mine,” Reuters, January 24, 2022; Nick Toscano, “Rio Tinto Reaches Deal for ‘Full Reset’ in Mongolia Mine Dispute,” *Sydney Morning Herald*, January 25, 2022.

⁵² U.S. Department of State, *2023 Investment Climate Statements: Mongolia*, July 26, 2023.

⁵³ Clara Denina and Jonathan Stempel, “Rio Tinto Reaches \$138.75 Million Settlement over Mongolian Mine,” Reuters, June 19, 2025.

⁵⁴ London Mining Network, *Country Briefing Papers to Support the Call for Independent Water Impact Assessments and Remediation for Rio Tinto Mines*, March 2024; Rio Tinto, “Rio Tinto and Government of Mongolia Agree to Adjust Oyu Tolgoi Shareholder Loan Interest Rate,” June 30, 2026.

Shareholders' Agreement governing the mining project.⁵⁵ Rio Tinto and the Mongolian government agreed to new financial terms for Oyu Tolgoi in June 2026.⁵⁶

Relations with Russia and China

Given Mongolia's "delicate balancing act between East and West," some analysts assert Russia's ongoing war against Ukraine has placed Mongolia in a difficult diplomatic position.⁵⁷ According to one observer, "Ulaanbaatar prioritizes national interest over taking a side in Russia's foreign war with Ukraine."⁵⁸ Mongolia has abstained from votes at the UN General Assembly on resolutions condemning Russia's invasion of Ukraine and attempted illegal annexation of Ukrainian territory. Following a September 2022 announcement of "partial mobilization" in Russia in September 2022, tens of thousands of Russian citizens fled to Mongolia, many of them members of Russia's Mongolic minorities.⁵⁹ In September 2024 Mongolia became the first International Criminal Court (ICC) member country to host Russian President Vladimir Putin since the ICC issued an arrest warrant for him in March 2023.

Russia and China have so far failed to reach an agreement on constructing the long-planned Power of Siberia 2 pipeline, which would supply Russian natural gas to China via Mongolia. Despite some speculation that supply chain disruptions stemming from the ongoing conflict in the Middle East might lend additional impetus to the pipeline, a May 2026 meeting between Putin and PRC President Xi Jinping did not yield significant progress. Some observers have argued that Russia is highly motivated to conclude the pipeline deal while China is "in no hurry," due in part to the availability of natural gas from Central Asia.⁶⁰ Mongolia reportedly stands to collect as much as \$1 billion a year in transit fees if the pipeline is completed.⁶¹ Some critics of the project caution that it could render Mongolia more dependent on its two neighbors.⁶²

Some analysts assess that Mongolia's economic dependence on China constrains Mongolian foreign policy, including on issues with strong domestic resonance. There are more ethnic Mongolians in China's Inner Mongolia Autonomous Region than there are in Mongolia itself. Limits on Mongolian-language education in China introduced in 2020 sparked protests in Inner Mongolia and among the Mongolian public but did not elicit any public response from Mongolian

⁵⁵ Sumiya Chuluunbaatar, "Oyu Tolgoi: Mongolia's High-Stakes Clash with Rio Tinto," *The Diplomat*, February 5, 2026.

⁵⁶ Leslie Hook, "Rio Tinto Agrees New Financial Terms for \$18bn Copper Mine Project," *Financial Times*, June 30, 2026; Rio Tinto, "Rio Tinto and Government of Mongolia Agree to Adjust Oyu Tolgoi Shareholder Loan Interest Rate," June 30, 2026.

⁵⁷ See, for example, David Stanway, "Mongolia's East-West Balancing Act Buffeted by Russian Invasion of Ukraine," Reuters, March 2, 2022; Mendee Jargalsaikhan and Altankhuu Badarch, "Geopolitical Resilience: The Case of Mongolia," *Combatting Threats Exchange* (Fall 2025), p. 18.

⁵⁸ Bolor Lkhaajav, "In Welcoming Putin, Mongolia Prioritizes National Interest Over Russia's War With Ukraine," *The Diplomat*, September 9, 2024.

⁵⁹ Bolor Lkhaajav, "Russian Citizens Flooding Into Mongolia to Evade Conscription," *The Diplomat*, October 8, 2022; Antonio Graceffo, "Russians Escaping Putin's War Face Tough Sanctuary in Mongolia," *bneIntellinews*, January 23, 2023. Some observers termed Putin's 2022 announcement of a partial mobilization of reserve forces a "back door draft," and it sparked a mass exodus of fighting-aged men from Russia. See Mark Cancian, "What Does Russia's 'Partial Mobilization' Mean?," CSIS, September 26, 2022; Pjotr Sauer, "Putin's Recruiters Scramble to Avoid Second Mass Mobilisation as Ukraine Losses Mount," *The Guardian*, August 14, 2026.

⁶⁰ Nils Adler, "What Is the Power of Siberia 2 Pipeline that Russia, China Are Planning?," *Al Jazeera*, May 20, 2026; Fyodor Dmitrenko, "China's Quiet Pivot to Central Asian Gas," *The Diplomat*, May 26, 2026.

⁶¹ Jeffrey Reeves, "Mongolia's Opportunity to Tap Siberian Gas," East Asia Forum, June 22, 2023.

⁶² See, for example, Munkhnaran Bayarlkhagva, "A New Russian Gas Pipeline Is a Bad Idea for Mongolia," *The Diplomat*, May 11, 2022.

authorities.⁶³ Some ethnically Mongolian PRC citizens have reportedly relocated to Mongolia due to the PRC's language policies; some activists critical of the PRC reportedly have been arrested by the Mongolian government, and several PRC citizens reportedly have been involuntarily returned to China.⁶⁴ The Southern Mongolian Human Rights Policy Act (introduced as H.R. 6877 and S. 288) references a 2023 incident in which PRC police reportedly detained an ethnic Mongol dissident in Ulaanbaatar and reportedly forcibly returned him to China. In 2025, activity by a Mongolia-flagged ship described by Taiwan media as a "suspected Chinese freighter" raised concerns about the potential sabotage of undersea cables off the coast of Taiwan.⁶⁵ The Critical Undersea Infrastructure Resilience Initiative Act (introduced as H.R. 8177 and S. 2222), which aims to counter gray zone tactics employed by the PRC against Taiwan, refers to this incident as an example of "recent activities by foreign adversaries, particularly the PRC, [that] have increased the risk of sabotage and disruption to critical undersea infrastructure serving Taiwan and other nations."

Tibetan Buddhism is the most commonly practiced religion in Mongolia, and Beijing has objected to Mongolia's close ties to Tibet's exiled spiritual leader, the 14th Dalai Lama, whom China's government blames for resistance to its control in the Tibet Autonomous Region and other Tibetan areas of China. Following a visit to Mongolia by the Dalai Lama in 2016, China criticized the Mongolian government, cancelled meetings with high-level Mongolian officials, and introduced tariffs on Mongolian commodity exports.⁶⁶ Although the visit was religious in nature and did not involve the Mongolian government, the foreign minister expressed contrition for allowing it to take place and stated that future visits would not be allowed.⁶⁷ In 2023, the Dalai Lama named U.S.-born minor A. Altannar, the son of a politically and economically prominent Mongolian family, as the 10th Khalkha Jetsun Dhampa Rinpoche, also known as the Bogd, the most senior Tibetan Buddhist lama in Mongolia.⁶⁸ In June 2025, the 14th Dalai Lama confirmed that the institution of the Dalai Lama would continue and he would reincarnate. He stated that his office, the Gaden Phodrang Trust, "has sole authority to recognize the future reincarnation; no one else has any such authority to interfere in this matter."⁶⁹ The PRC government has asserted that it alone should control the selection of a successor to the 14th Dalai Lama.⁷⁰

⁶³ Antonio Graceffo, "China's Crackdown on Mongolian Culture," *The Diplomat*, September 4, 2020; "China's Ethnic Mongolians Protest Mandarin Curriculum in Schools," *Agence France Presse*, September 1, 2020.

⁶⁴ Christian Shepherd, "After Arrests and Deportations, Mongolians Worry About Chinese Reach," *Washington Post*, December 10, 2023.

⁶⁵ Keoni Everington, "Suspected Chinese Ship Loiters off North Taiwan for 5 Days," *Taiwan News*, January 13, 2025.

⁶⁶ "China Says Hopes Mongolia Learned Lesson After Dalai Lama Visit," *Reuters*, January 24, 2017; Edward Wong, "Mongolia, with Deep Ties to Dalai Lama, Turns from Him Toward China," *New York Times*, December 30, 2016.

⁶⁷ Edward Wong, "Mongolia, with Deep Ties to Dalai Lama, Turns from Him Toward China," *New York Times*, December 30, 2016; Ganbat Namjilsangarav, "Mongolia Says Dalai Lama Will Not Be Allowed Future Visits," *Associated Press*, December 21, 2016.

⁶⁸ See David Pierson, "The 8-Year-Old Boy at the Heart of a Fight Over Tibetan Buddhism," *New York Times*, October 4, 2023.

⁶⁹ "Statement Affirming the Continuation of the Institution of Dalai Lama," His Holiness the 14th Dalai Lama of Tibet, July 2, 2025, <https://www.dalailama.com/news/statement-affirming-the-continuation-of-the-institution-of-dalai-lama>.

⁷⁰ See, for example, Congressional-Executive Commission on China, "Measures on the Management of the Reincarnation of Living Buddhas in Tibetan Buddhism (ICT Translation)," <https://www.cecc.gov/resources/legal-provisions/measures-on-the-management-of-the-reincarnation-of-living-buddhas-in-0> and "Full text: CPC Policies on the Governance of Xizang in the New Era: Approach and Achievements," *Xinhua*, November 10, 2023. See also Congressional-Executive Commission on China, "New Legal Measures Assert Unprecedented Control Over Tibetan Buddhist Reincarnation," May 5, 2008, and "Chinese Government Has 'Final Say' in Dalai Lama Reincarnation, Tibetan Official Says," *Reuters*, August 5, 2025.

Observers are increasingly speculating about the future fate of Tibet and the exile movement upon the eventual death of the current Dalai Lama, who turned 91 in July 2026.⁷¹ The Dalai Lama's death, coupled with PRC efforts to control the reincarnation process, could spark renewed social unrest in Tibetan areas of China and a new cycle of heightened PRC repression. PRC involvement in the selection of a 15th Dalai Lama could also potentially create new frictions between the PRC and other countries with significant Tibetan Buddhist populations, including Mongolia.

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⁷¹ See, for example, Saransh Sehgal, "The Dalai Lama's Succession Battle: The Stake for Tibetans and Beijing," *The Diplomat*, April 21, 2026; International Tibet Network, *Tibet, the Dalai Lama, and the Geopolitics of Reincarnation*, October 2022; Jessica Batke, "Is This the Last Dalai Lama?" *Chinafile*, March 15, 2019.