



MONGOLIA SECURITY ANALYSIS REPORT

AI-Assisted Open Source Intelligence Assessment

Analysis Period: March 05, 2026 - March 12, 2026

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Security Analysis Report: Mongolia (March 05, 2026 - March 12, 2026)

Executive Summary

During the period of March 05 to March 12, 2026, Mongolia demonstrated a dynamic engagement in its "Third Neighbor" foreign policy, marked by significant diplomatic and military interactions. A notable development was the commencement of a joint military exercise with China, "Steppe Partner-2024," aimed at combating illegal armed groups. Concurrently, Mongolia continued to strengthen its strategic partnerships with Western powers, including a high-level meeting with France and ongoing engagement with the European Union on economic cooperation. Domestically, cybersecurity remains a critical concern, with the nation facing tens of thousands of weekly cyberattacks, highlighting an urgent need for enhanced digital defenses. These developments underscore Mongolia's delicate balancing act between its powerful neighbors and its pursuit of diversified international relations to ensure national security and economic resilience.

Key Security Developments

- Joint Military Exercise with China: "Steppe Partner-2024"

On a Sunday during the reporting period, China and Mongolia commenced their first-ever battalion-sized joint army training, "Steppe Partner-2024," in Mongolia's Dornogovi Province. This exercise focuses on combating illegal armed groups and is scheduled to continue until late May. The drill signifies deepening strategic mutual trust and pragmatic cooperation between the two militaries, coinciding with the 75th anniversary of diplomatic relations and the 10th anniversary of their comprehensive strategic partnership.

- Strengthening Diplomatic Ties with France

On March 10, 2026, Jean-Noël Barrot, the French Minister for Europe and Foreign Affairs, met with Mongolian Minister of Foreign Affairs Ms. Batmunkh Battsetseg at the Nuclear Energy Summit. Discussions centered on advancing key partnerships in energy, transport, and civil protection, with plans for the forthcoming signing of the AFD establishment agreement to launch French activities supporting shared priorities.

- Mongolia-EU Investors' Roundtable

The Mongolia-European Union Investors' Roundtable is scheduled for March 13, 2026, in Brussels. This event aims to translate growing investment momentum into concrete outcomes, focusing on priority sectors such as energy, infrastructure, and sustainable finance, with a goal to mobilize up to €1 billion in potential European Investment Bank (EIB)-supported project financing. This initiative reinforces Mongolia's efforts to diversify its economic partnerships under its "Third Neighbor Policy."

- Ongoing Cybersecurity Vulnerabilities

Mongolia continues to face a significant volume of cyber threats, with an estimated 60,000 to 70,000 cyberattacks targeting the country each week. A comprehensive study conducted in February 2026, in collaboration with the Global Cybersecurity Capacity Centre at the University of Oxford, highlighted urgent needs in strengthening cybersecurity policies, legal frameworks, public awareness, workforce development, and international cooperation. The second phase of Mongolia's National Cyber Security Strategy is planned for 2026-2027.

- Formalization of "Greater China"-Mongolia Diplomatic Relations

Just prior to the reporting period, on February 7, 2026, diplomatic relations between "Greater China" and Mongolia were formally established, following the passage of an alliance bill by both parliaments. This development signifies a new level of bilateral engagement, including beneficial bilateral trades, infrastructure development, mining finance, and economic cooperation.

- U.S. National Defense Authorization Act (NDAA) Provision on Southern Mongolia

The U.S. NDAA for Fiscal Year 2026, signed on December 18, 2025, includes a provision establishing an Inner Mongolia Section within the U.S. Mission in China. This section is tasked with monitoring human rights, environmental, and geopolitical developments in Southern Mongolia (Inner Mongolia), reflecting international attention to the region's situation.

- Mongolia's Adherence to "One China" Policy

On February 11, 2026, Mongolia's Minister of Foreign Affairs, B. Battsetseg, reaffirmed the country's firm support for the "One China" policy during talks with China's Vice Minister of Foreign Affairs, Sun Weidong. This stance is stated to guide bilateral relations going forward, emphasizing mutual respect for sovereignty and territorial integrity.

- Mongolia Joins U.S.-Initiated "Board of Peace"

During the 2026 World Economic Forum, Mongolia officially joined the U.S.-initiated Board of Peace as a founding member. This new international cooperative body aims to resolve global conflicts, and Mongolia's participation is seen by its government as consistent with its independent, peace-centered, and multi-pillared foreign policy,

strengthening its international position and security through political and diplomatic means.

- Mongolian Foreign Minister's Visit to International IDEA

On March 2, 2026, Mongolia's Minister of Foreign Affairs, Ms. Battsetseg Batmunkh, visited International IDEA's headquarters in Stockholm. The visit reaffirmed the longstanding partnership and discussed ongoing cooperation, following Mongolia's leadership in spearheading a UN Resolution on Political Finance Transparency in December 2025.

- Russia-Mongolia Bilateral Agreements

On March 1, 2026, Russia and Mongolia signed three bilateral documents during the 26th meeting of their intergovernmental commission on trade, economic, scientific, and technical cooperation. These agreements aim to develop trade, economic, and cultural projects, including an agreement between Aurus Cashmere and Blue Sky Cashmere to develop the light industry, and a memorandum of understanding between the Russian Export Center and the National Chamber of Commerce and Industry of Mongolia.

Geopolitical Impact and Regional Dynamics

Mongolia's recent security and diplomatic activities underscore its persistent efforts to navigate a complex geopolitical landscape, balancing relations with its two powerful neighbors, China and Russia, while actively pursuing its "Third Neighbor Policy" with the United States, European Union, and other democratic partners. The joint military exercise "Steppe Partner-2024" with China, focused on combating illegal armed groups, highlights a pragmatic security cooperation with Beijing, which is crucial given their shared border and China's significant economic influence. This cooperation, alongside the recent formalization of "Greater China"-Mongolia diplomatic relations, suggests a deepening of ties that could enhance regional stability but also necessitates careful management to maintain Mongolia's strategic autonomy.

Simultaneously, Mongolia's engagement with the United States and European powers demonstrates its commitment to diversifying its partnerships. The U.S. NDAA provision concerning Southern Mongolia, while not directly impacting independent Mongolia, signals a broader international focus on human rights in the region, which could indirectly influence Beijing's policies and Ulaanbaatar's own approach to its ethnic Mongolian population. Mongolia's decision to join the U.S.-initiated "Board of Peace" is a significant strategic move, aligning it with a new international framework aimed at conflict resolution and potentially bolstering its diplomatic leverage on the global stage. This move, coupled with high-level meetings with France and the upcoming EU Investors' Roundtable, reinforces Mongolia's role as a democratic

partner in the Indo-Pacific and its desire for economic diversification away from over-reliance on its immediate neighbors.

The ongoing diplomatic and economic engagements with Russia, including the signing of bilateral documents on trade and economic cooperation, reflect the enduring historical and practical ties between the two nations. Mongolia's "multi-vector" foreign policy is evident in these simultaneous engagements, as it seeks to maximize benefits from all major powers without becoming overly dependent on any single one. This delicate balancing act is essential for its sovereignty and economic development, particularly as global and regional dynamics continue to shift. The emphasis on economic diversification with the EU and the US, alongside continued resource and trade relations with China and Russia, illustrates a pragmatic approach to foreign policy designed to enhance national resilience.

Military and Defense Analysis

Mongolia's military posture during this period is characterized by a focus on enhancing capabilities through international cooperation, particularly with its immediate neighbors and "Third Neighbors." The "Steppe Partner-2024" joint army training with China in Dornogovi Province is a key indicator of this, aimed at improving command, coordination, and support capabilities in combating illegal armed groups. This exercise, involving armored forces from the Chinese People's Liberation Army (PLA) 79th Group Army, suggests a focus on conventional and asymmetric threats, and the exchange of operational and training methods. Such drills are vital for modernizing the Mongolian Armed Forces and ensuring interoperability with a major regional power.

While specific defense acquisitions or arms deals within the reporting week were not highlighted, the ongoing nature of these joint exercises and diplomatic discussions with the U.S. on defense cooperation (as seen in earlier Bilateral Defense Framework meetings) imply a continuous effort to upgrade military capabilities. Mongolia's consistent participation in UN peacekeeping operations is a testament to its commitment to international security and provides valuable experience and training for its forces. The country's defense spending trends are likely influenced by these international engagements and the need to maintain a credible, albeit modest, defense capability in a strategically sensitive region.

The emphasis on combating "illegal armed groups" in the joint exercise with China could reflect concerns over regional stability, potential cross-border criminal activities, or broader counter-terrorism efforts. Mongolia's landlocked geography means its defense strategy primarily focuses on land forces and border security, with a strong emphasis on maintaining good relations with its neighbors and leveraging its "Third

Neighbor" policy to avoid undue influence from any single power. The annual Mongolian Military Day on March 18, while a traditional observance, serves as a reminder of the nation's military heritage and ongoing commitment to national defense.

Outlook and Forecast

Short-term trends (1-3 months):

In the immediate future, Mongolia is expected to continue its active diplomatic engagements. The Mongolia-European Union Investors' Roundtable on March 13, 2026, will likely lead to concrete project pipelines and financing pathways, particularly in energy and infrastructure, reinforcing economic diversification efforts. The "Steppe Partner-2024" joint military exercise with China will proceed until late May, indicating sustained military cooperation and a focus on enhancing capabilities against non-state threats. We can anticipate further discussions and potential agreements stemming from the French Foreign Minister's visit on March 10, particularly regarding energy and civil protection. Domestically, the high volume of weekly cyberattacks will necessitate continued focus on implementing the National Cyber Security Strategy, with potential announcements on new initiatives or partnerships to bolster digital defenses.

Critical flashpoints and risk areas:

A critical flashpoint remains the constitutional crisis and political instability that Mongolia entered 2026 with, stemming from power struggles between Parliament and the President. While not a direct security incident in the reporting period, this internal fragility could hinder effective governance and the implementation of vital reforms, potentially impacting economic stability and public confidence. The high frequency of cyberattacks poses an ongoing risk to critical information infrastructure, government services, and private sector operations, requiring robust and immediate countermeasures. Geopolitically, while Mongolia skillfully balances its "Third Neighbor Policy," any significant escalation of tensions between its major neighbors (China and Russia) and its Western partners (US, EU) could place Ulaanbaatar in a challenging position, testing its neutrality and multi-vector approach.

Indicators to monitor:

Key indicators to monitor include the outcomes of the Mongolia-EU Investors' Roundtable and any new agreements on economic diversification, which would signal progress in reducing reliance on its immediate neighbors. The nature and scope of future joint military exercises with China and Russia, as well as any new defense cooperation initiatives with the U.S. or other "Third Neighbors," will be crucial for

assessing Mongolia's evolving security alignments. Progress in cybersecurity capacity building and the effectiveness of measures to counter the high volume of attacks will be vital for national resilience. Domestically, monitoring the resolution of the constitutional crisis and the stability of the political landscape will be important for overall national security and governance.

Strategic recommendations:

Mongolia should prioritize accelerating the implementation of its National Cyber Security Strategy, focusing on public awareness campaigns, workforce development, and securing critical infrastructure. Leveraging its participation in the U.S.-initiated Board of Peace could provide a platform for enhanced diplomatic influence and access to international resources for conflict resolution and security cooperation. To mitigate internal political risks, efforts should be made to foster greater consensus and stability within the government, ensuring that political disputes do not impede essential reforms and economic development. Continuing to cultivate strong, diversified relationships with "Third Neighbors" through economic and diplomatic channels, while maintaining pragmatic engagement with China and Russia, will be paramount to safeguarding Mongolia's sovereignty and promoting its long-term security and prosperity.