

## **TOURISM OPPORTUNITIES IN THE CHINA-MONGOLIA- RUSSIA ECONOMIC CORRIDOR**

*Oyunchimeg Luvsandavaajav*

*PhD candidate, Faculty of Business and Economics, University of Pecs, Hungary*

*Senior lecturer, Department of Geography, National University of Mongolia, Ulaanbaatar,  
Mongolia; oyunchimeg\_1@num.edu.mn*

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### **Abstract**

The development of an economic corridor enhances regional cooperation through attracting investments, creating a transport network, information, and communication technology, providing job opportunities, linking urban and rural areas, and developing tourism. This study aims to review the opportunities for tourism corridor development based on the rail and road transport corridor between China, Mongolia, and Russia. Strengthening tourism cooperation in the economic corridor between three countries is important yet challenging with potentials. Tourism demand, tourist facilities, amenities, challenges, threats, and opportunities in the economic corridor are examined. The result implies implications and recommendations for regional tourism development along the economic corridor among three countries with a sustainable approach to the environment, economy and culture, tourism product planning, and market policy. Furthermore, the study proposes an option for regional tourism development between three nations by linking natural and cultural attractions with tourism products, which aim to increase the number of visitors.

*Keywords: economic corridor, tourism, development, regional integration, Mongolia, Russia, and China*

## TURISZTIKAI LEHETŐSÉGEK A KÍNAI-MONGOL-OROSZ GAZDASÁGI FOLYOSÓBAN

### **Absztrakt**

A gazdasági folyosó fejlesztése befektetések vonzásával, közlekedési hálózat, információs és kommunikációs technológia kialakításával, munkalehetőségek biztosításával, városi és vidéki térségek összekapcsolásával, valamint a turizmus fejlesztésével erősíti a regionális együttműködést. Jelen tanulmány célja, hogy áttekintse a turisztikai folyosó fejlesztési lehetőségeit a Kína, Mongólia és Oroszország közötti vasúti és közúti közlekedési folyosón alapulva. A három ország gazdasági folyosóján a turisztikai együttműködés erősítése fontos, ugyanakkor potenciális kihívást jelent. Megvizsgálják a turisztikai keresletet, a turisztikai létesítményeket, a felszereltséget, a kihívásokat, a veszélyeket és a gazdasági folyosó lehetőségeit. Következtetéseket és ajánlásokat fogalmazunk meg a regionális turizmusfejlesztésre vonatkozóan a három ország közötti gazdasági folyosó mentén, a környezet, a gazdaság és a kultúra, a turisztikai terméktervezés és a piacpolitika fenntartható megközelítésével. A tanulmány emellett három nemzet közötti regionális turizmusfejlesztési lehetőséget javasol a természeti és kulturális látnivalók turisztikai termékekkel való összekapcsolásával, amelyek célja a látogatók számának növelése.

*Kulcsszavak: gazdasági folyosó, turizmus, fejlesztés, regionális integráció, Mongólia, Oroszország és Kína*

## **1. Introduction**

Mongolia has striven for rapid, yet sustainable socio-economic growth for three decades. Although Mongolia has achieved a progress in the framework of macroeconomic stability in the last decade due to foreign direct investment in the mining sector, however, more efforts are needed to be done to put Mongolia on a continuous economic growth. Therefore, the policy makers are designing a variety of development projects to accelerate the speed of growth. The concept of economic corridor between China, Mongolia, and Russia is one of the development projects that are implemented by the governments of three nations (EGSHIG 2016; JUDGE 2018).

The concept of economic corridor among three countries was established within the framework of China's Belt and Road Initiative which is a strategy that seeks to connect Asia with Africa and Europe by land and maritime network systems with the objectives of developing regional integration, trade and economic growth (BHATTACHARYA 2016; CLARKE 2018; HUANG 2016; HILTON 2019; ASSADOLLAH - EHSAN 2020). The Belt and Road Initiative was launched in 2013 that gives rise to a new infrastructural development in the region (Jacob 2017; Timofeev et al., 2017). Hilton (2019) states that Belt and Road Initiative proposes six over land economic corridors with the idea of linking countries along the geographic routes to develop economic integration. This descriptive paper examines one of the six proposed corridors – the China, Mongolia and Russia corridor through an analysis of opportunities for tourism development, creation of theme route for tourism, opportunities and challenges based on the literature review.

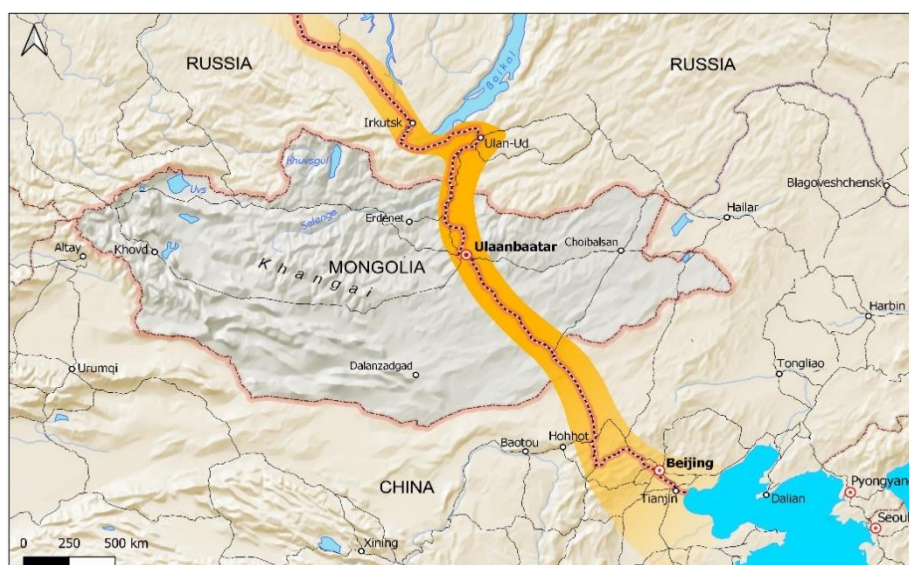
## **2. Research Design and Method**

The objective of this descriptive research is to examine the literature on the concept of the economic corridor in a relation to tourism development in various regions around the world, and the latter study Mongolia's tourism potentials, resources, and challenges within the concept of the economic corridor. The research discusses the topic of strategy for tourism development along the existing economic corridor. However, ALAMPAY - RIEDER (2008) state that there is a limited literature and conceptual research about the relationship between economic corridors and tourism development. The objective of this study is to examine the literature on the economic corridor concept with more focus on the China-Mongolia-Russia corridor, its tourism potentials, challenges and opportunities.

## **3. Study Area**

Mongolia, a landlocked country located in Central Asia with a vast territory of 1.566 sq km but is inhabited only 3.2 million people. Mongolia's location is strategically significant that provides a unique opportunity to strengthen the trade route between Europe and Asia with the accessibility of new markets. The concept of economic corridor was initiated by the governments of China, Mongolia and Russia in 2016 with the objectives to improve transport networks, cross-border trade, and infrastructure development, strengthening cooperation in energy, agribusiness, information technology, environmental protection, combating desertification and climate change and most importantly in the tourism sector (ZHAO et al. 2018). Mongolia has a potential for tourism development due to its natural beauty, pristine environment and unique nomadic lifestyle. According to the report from the Ministry of Nature and Environment of Mongolia, the tourism industry has become an important contributor of the national economy which accounts for 7-8% of the country's GDP and international tourist arrival was reached 577 300 arrivals in 2019 (NATIONAL STATISTICS OFFICE, 2020). GU et al. (2020) state that China, Mongolia and Russia corridor brings geopolitical and economic importance for Mongolia. One of the economic activities in the corridor is tourism development among three countries.

Figure 1: The research area



*Source: The author's own construct*

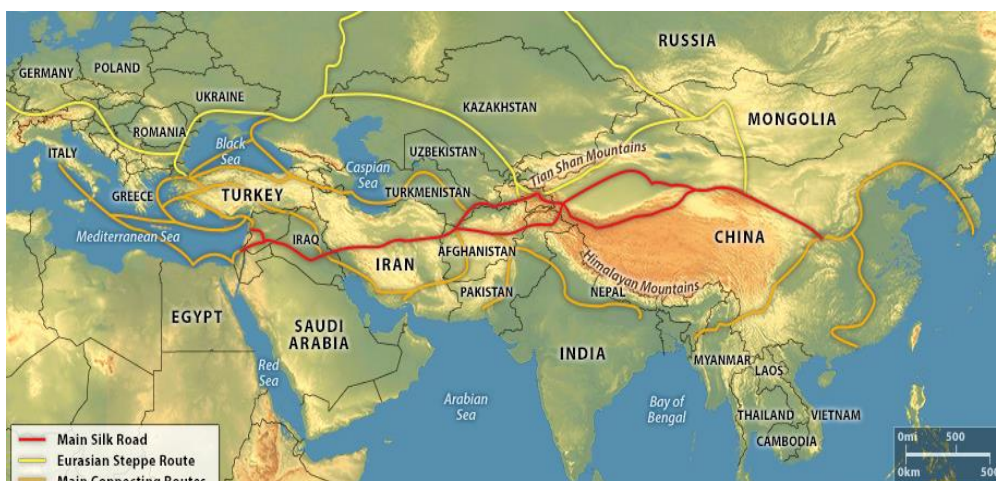
#### 4. Corridors as Development Strategies

Economic corridor is a systematic yet integrated network of infrastructures that is created to achieve business and trade between countries and regions (JUDGE 2018; BRUNNER 2014). Areas are likely to be connected by using different modes of transport for passenger and freight transportation. Historical evidence presents that corridors were established between cities, regions, and countries in order to link them through the shortest, direct, and fast transport system (BRUNER 2014). BENDER (2001) states that an economic corridor links large manufacturer to the high-density demand zones and markets. After the collapse of the Soviet Union and eastern block countries in the 1990s, the concepts of corridor began to increase, reflecting broader concerns of different sectors of the society. Spatial and geography researchers apply the term economic corridor as a framework for urban planning (PRIEMUS - ZONNEFELD, 2003). Eventually, the governments and economic development agencies have recognized the importance of the corridor as it is a driving force for the regional economic development. For instance, international examples of well-known economic corridor development models are the Greater Mekong Subregion, China-Pakistan economic corridor, and Delhi-Mumbai economic corridor (COMCEC 2019; BRUNNER 2014).

#### 5. Corridor Development and Tourism

Economic corridors are transport-based concept therefore, they are closely linked to tourism development (ALAMPAY - RIEDER 2008). Thus, a tourism corridor is based on the linear resource of a scenic route and trail that takes visitors to different attractions or destinations along a specified path (WALL 1997). The concept of a tourism corridor is defined as “an approach to tourism that offers travelers the opportunity to visit a variety of built and natural attractions along a themed route” (COMCEC 2019). UNWTO has initiated several successful tourism corridor concepts including the Great Silk Road Initiative which includes 24 countries in Europe, Central, and East Asia. This route is a successful transnational tourism corridor, and gained extensive attention (UNWTO 2006). The main objective of the Silk Road Tourism Initiatives (Figure 2) is regional cooperation in tourism development, research, and marketing promotion. Other successful benchmarking is the Slave Routes, Wine Routes, Pilgrimage Routes and the Danube River Tourism Corridor (COMCEC 2019; GRAF - POPESKU 2016; GONDA - RAFFAY, 2017).

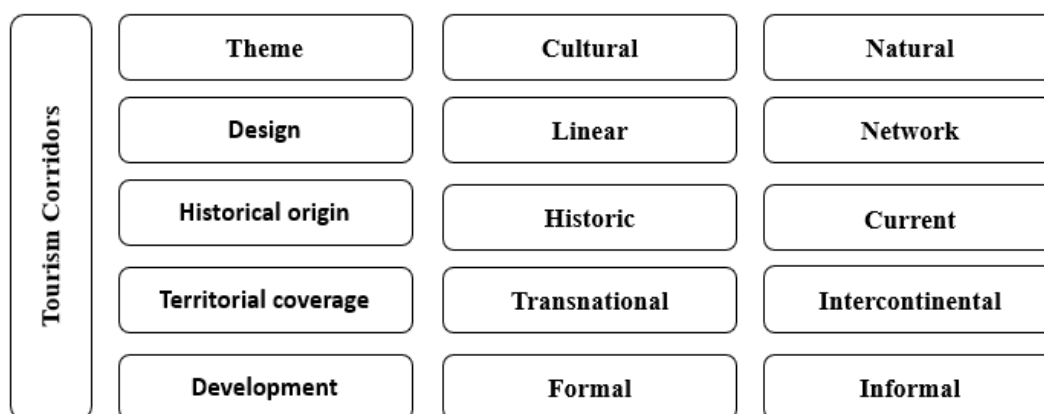
Figure 2: Transnational Tourism Corridor: Silk Road Initiative



Source: UNWTO 2006

The aim of the tourism corridor is to establish distinctive tourism products and services that present natural, social, and cultural characteristics of the nations along the route (ALAMPAY - RIEDER 2008). GONDA - RAFFAY (2015) state that theme routes existed in the ancient time, and in the development process of tourism industry several cultural routes evolved. Within the framework of a thematic perspective, corridors can be established as cultural or natural resource routes. Cultural routes are based on historical, cultural, spiritual, and economic ties that are part of the ‘collective memory’ of society. Cultural routes are formed on the religious heritage such as the Transromanica route, the lives of famous personalities such as Mozart, and the movement of people. Natural routes are based on natural resources, such as landscapes, plants, and wildlife, which are underdeveloped and undiscovered to some extent. Natural routes combine various elements, including experiencing adventure, natural landscapes and wildlife, and educational and conservation nature-related tourism activities. An example of nature-based routes is the Great Limpopo Transfrontier Park, offering a variety of trails including walking and wilderness trails.

Figure 3: Classification of tourism corridors



Source: COMCEC 2019

From a design perspective, tourism corridors are classified as either linear or network corridors (COMCEC 2019). Linear corridors are sequential, going from the various start points to the final point, as opposed to network corridors, which consist of various points that are connected by a common theme. The network corridors do not have starting or end points,

they may not be connected by a specific sequence, and their cohesion is based mainly on their shared theme rather than territorial linkages. In terms of historical perspective, tourism corridors are classified as of historical origin or based on current narratives. There are formal or informal tourism corridors. Informal corridors are formed by tourists, and in some instances, tourism agencies create itineraries that connect attractions of interest, while formal corridors are generally developed or supported by local authorities in territories along the corridor (VALKOVA 2015).

Heritage based cultural corridors are common practices; they are created where natural ecosystem and cultural diffusion spread across a definable linear space and region. In history, there were many ancient networks of trade routes that existed for centuries, including the Spice Route, and Eurasian Steppe Routes (UNWTO, 2015). These routes had crucial roles in political, economic, social, and cultural interaction between regions of Asian continent, connecting the West and the East. Art, religion, philosophy, technology, language, science, architecture, and various elements of civilization were exchanged and diffused through the routes along with the commercial goods that traders carried from one country to another. The development of transnational corridors in the tourism industry has emphasized the cooperative marketing network. The tourism corridors operate with unifying themes, similar images, and symbols that an individual country could use and enhance its marketing campaign. ALAMPAY - RIEDER (2008) note that the economic impacts of the tourism corridors are immense and they enhance the attractiveness and marketability of the destinations. They argue that individual attractions may not provide enough reasons for tourists to visit to that destination (ALAMPAY - RIEDER 2008). Therefore, multiple or series of attractions, so-called pull factors of travel motivations stimulate tourist flows to the region.

## **6. Trade Routes of Mongolia in the Past**

Economic corridor is created along the ancient trade and transportation routes. The Mongolian Empire that existed in the 13<sup>th</sup> century played a significant role in the history of the trade route over the Eurasian continent (WEATHERFORD 2004). At its height, the territory of the Mongolian Empire covered 23 million sq.km, making it the largest contiguous land empire in the world. This massive geographical area allowed the Empire to offer various trade routes in more secure and organized way throughout its territory. The border towns within the empire were well guarded in efforts to maintain the economic market and a trading post. These areas and towns were immediately populated by people of different nationalities, which meant their foods, traditions, and cultures were common there. Silk, tea, beads, satins, combs, and porcelains were imported from the eastern to the western part; fur, animal products exported from the northern to the southern part of the region. The recognition of trade and travel were important for all the Mongolian domains, which meant that traders were generally not in danger during the 100 years or so of Mongol domination and rule over Eurasia. Mongols maintained economic and commercial trade between Russia and China (AVERY 2005). The main mode of trade transportation was camel caravans (EGSHIG 2016). Caravan roads through Mongolia linked important commercial centers in the country with Chinese and Russian towns (Figure 4). Trade roads played a significant role in the development of foreign relations, opening long-distance, political, and economic cooperation between countries. According to OMRANI (2010), the Trans-Mongolian railway followed an ancient tea caravan route from China to Russia, connecting Ulaan-Ude on the Trans Baikal railway in Russia with the Chinese city of Jining, via Ulaanbaatar in Mongolia.

## 7. Economic Corridors and their Tourism Potential

The establishment proposal for “China-Mongolia-Russia Economic Corridor” was first emphasized at the meeting between the Ministry of Foreign Affairs of Mongolia and China’s Foreign Minister in 2015 (GU et al. 2020). The concept focused on an integrated approach within corridors to encourage effective investment in trade, agricultural and industrial production, tourism, and services. In the proposal, four main corridors among three countries were discussed including Eastern, Central, Western and Northern economic corridors (GU et al. 2020). The priority of these proposed corridors is Central corridor which follows Trans-Mongolian railway and road network and connects Russia and China the shortest transit route between Asia and Europe. The Central corridor has an established rail and road transport system which is close to main tourism region of Mongolia such as Gobi provinces. The rest of the three corridors have more trade orientation specifically freight and logistics in mining sector (EGSHIG 2016). Although the scope of economic development and cooperation between China, Mongolia, and Russia is extensive, the tourism is identified as one of the major activities that offers significant opportunities for economic growth in the corridor. The natural resource in the corridor is composed of the national parks, protected areas, cultural heritage, unique nomadic cultures along with rich historical attractions, which are valuable tourism supply attributes. The importance of tourism industry has increased in Mongolia recent years. Many places in the country have not yet been explored, therefore the natural landscape has remained unspoiled, providing a great potential for tourist attractions. Table 1 presents Mongolia received 577,300 incoming visitors and a reported market turnover of USD570 million (NSO 2020).

Table 1: International Visitor Arrivals to Mongolia 2012-2019

Rank	Countries	2012	2013	2014	2015	2016	2017	2018	2019
	<b>Total</b>	<b>623,839</b>	<b>515,205</b>	<b>505,686</b>	<b>467,231</b>	<b>471,239</b>	<b>471,200</b>	<b>529,370</b>	<b>577,300</b>
1	China	361,506	261,468	258,414	215,500	131,312	144,070	163,991	168,298
2	Russia	86,584	76,748	75,489	73,489	84,065	106,935	129,094	141,927
3	S Korea	45,489	46,498	47,084	48,979	57,587	74,985	84,185	101,279
4	Japan	17,642	18,751	18,893	19,837	19,985	22,582	20,990	24,419
5	USA	17,363	16,034	14,973	15,187	15,859	16,684	17,838	18,838

*Source: National Statistics Office, 2021*

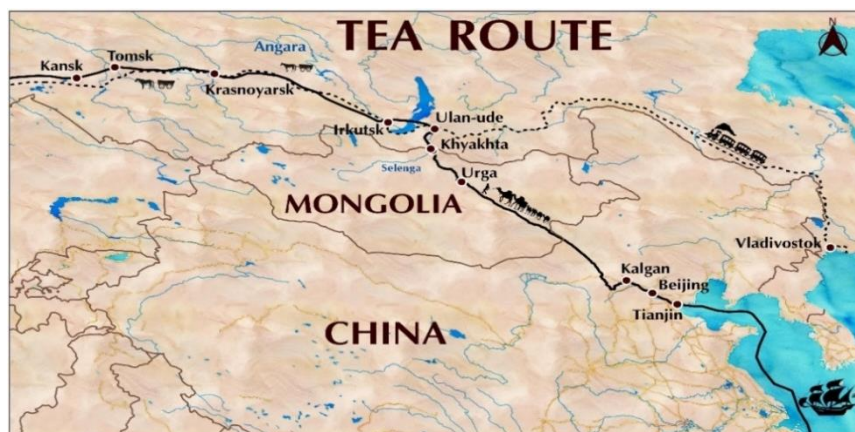
Despite great efforts from the government and tourism stakeholders, the industry has many challenges. Mongolia is accessible only by air and land; therefore, the current capacity of transportation is limited with few flights, airlines, and railway services. The active tourist season is only in the warm summer months from June to September. To address seasonality, public and private sector stakeholders aim to attract tourists from neighboring countries China and Russia during the off-season. One of the government initiatives is to develop regional and international tourism through the economic corridor among China, Mongolia, and Russia. Initiatives are on-going project based on the concept of economic corridor. Therefore, tourism authorities from the regions involved in the economic corridor from three countries are in the stage for building a strategic framework for the creation of tourism products and routes under the heritage theme of the Tea Road along the ancient trade routes between three countries.

The Tea Road was a part of the history for 300 years from 18-20<sup>th</sup> century passed through Mongolia. The reason for creation of the route was the fact that sea transportation was not appropriate for carrying freight which were not resistant to humidity. The demand for tea in Europe was high during that period; however, both sea and land routes from China to Europe through Middle Eastern countries were dangerous due to the regional political situation (EGSHIG 2016). This brought an opportunity for Mongolians to transport tea from China via Mongolian Gobi during arid and cool winter and spring times to Europe via Russia. The



favorable transportation mode for tea was the land transport, which was well-known to Mongolian traders who had experiences in camel cargo caravan (Figure 4). However, the Tea Road trade faced and overcame many political and economic challenges, and the size of the trade grew over the years. The Tea Road has linked interests, language and culture, history, and tradition of many different nations. Today, the route could become a heritage theme for creation of tourism brand and part of the economic corridor concept among three countries.

Figure 4: Trade Road between Mongolia, China, Russia (17-19<sup>th</sup> century)



*Source: Author's own construct*

### 7.1. Russian outbound tourism

Tourism among three countries along the economic corridor has been limited due to the political barrier, the issuance of visas, and the accessibility of transports. However, the visa-free agreement between Mongolia and Russia became effective from November 2014. According to the National Statistical Office, 344,267 Mongolians travelled to Russia, while approximately 141,927 Russians travelled to Mongolia in 2019 (NSO 2021). This is promising for developing the tourism along the economic corridor among the three countries. Russia was the ninth biggest outbound travel market in the world in terms of expenditure, generating USD 14.8 billion in spending abroad and 48 million outbound tourists in 2019 (UNWTO 2020). However, there has been an abrupt decline in the number of Russians travelling abroad due to the sanction against Russia for the ongoing war and military conflict between Russia and Ukraine since February 2022. The drop in the value of the Russian rouble against foreign currencies and the impact of travel restrictions seriously impacted and visa restrictions on the travel behaviour of Russians. From the perspective of the tourism business, a decline in Russian outbound tourist traffic to Europe and North America provides an opportunity for Mongolian inbound tourism from Russia. Prior to COVID-19 pandemic and war against Ukraine, Russians made a total of 18 million tourist trips abroad in 2019, according to the Federal Agency for Tourism statistics (UNWTO 2020). The closure of European tourism markets to Russian travellers, which were the most popular destination, had the biggest impact. The closure of the popular tourist destinations has forced travel companies to urgently look for a replacement, and some of the main candidates are in Asian countries, for example, Mongolia. In addition, Russian tourists are interested in Mongolia's tourist attractions, including its vast open steppe landscape, national parks, deserts, and nomadic culture. Most Russians who visit Mongolia travel in small groups or as a family, come from the emerging middle and upper-middle class (OYUNCHIMEG - GANTUYA 2021). The percentage of Russian repeat travellers to Mongolia is 30% from central Russia, but it is higher from central Siberia such as Novosibirsk and they tend to travel via land and railway (OYUNCHIMEG - GANTUYA 2021). However, Mongolia lacks visibility in the Russian media, and marketing efforts in this market which results in a low consumer awareness about



the travel products and experiences offered in Mongolia. The appeal of Mongolia to the Russian market appears to be potential due to its nature and outdoor experiences; plus, the current political situation will have a significant impact on the demand for tourism from Russia to Mongolia.

### **7.2. Chinese outbound tourism**

China has continued to grow in importance as the leading source of international arrivals over the last years. According to the State Administration of Foreign Exchange, there were 155 million Chinese outbound travellers in 2019 with spending of USD 127.5 billion which demonstrates an increase of 17% over the previous year (OYUNCHIMEG - GANTUYA 2021). The key characteristics for the increases in outbound tourism are disposable income rise, favourable foreign policies, and appreciation of RMB, which is called Renminbi, an official currency of China. Chinese outbound tourism is mostly generated in the developed areas in the south-eastern China. Hong Kong, Macao and Taiwan are the key destinations visited by Chinese tourists. There are basic characteristics that define Chinese outbound tourism which include social stratification, travel facilitation e.g. visas and quality of the tour, and switching online travel platforms from computer to mobile apps. Key points concerning the behaviour of Chinese outbound tourists, for example, millennials are that they are the dominant group in the outbound travel market; family orientation and bonds are important; attractions of scenic spot are the most important decision-making factor; online information search and booking is predominant; local cuisine and cultural entertainment is highly welcomed; ease of payment is expected; high quality and reasonable price is important, as are good air quality and natural environment; and enhancement of safety and security issues. China's growing economic power and geographic proximity increases Chinese outbound tourists' interest in Mongolia resulting in a growth in the number of trips to Mongolia. Chinese tourists are likely to prefer historic and cultural experience rather than adventure tours when they travel in Mongolia (OYUNCHIMEG - GANTUYA 2021). Most package travellers to Mongolia are from Hong Kong and Shanghai. Prior to pandemic, Mongolia received a significant influx of Inner Mongolian tourists which have similar ethnicity to Mongolians.

### **7.3. Mongolian outbound tourism**

Mongolians are enthusiastic travellers, but mainly travel abroad and spend their money in foreign countries. Although Mongolia is in the lower middle-income country category, outbound tourism started to develop a decade ago (MET 2020). With a growing economy due to the mining boom, young population and growing middle class, Mongolia has potential to outbound tourism market. Prior to COVID-19 pandemic, tour operators offered various days package tours to Mongolians. Thailand, Vietnam, Indonesia, Dubai, South Korea, Japan and recently Turkey are the popular destinations among Mongolians. According to the National Statistics Office (2020), 3,052,900 people travelled from Mongolia abroad in 2019. Although the COVID-19 pandemic has put considerable strain on Mongolia's economy and tourism industry, despite this strain, the future of outbound tourism looks promising. In general, China, Mongolia and Russia are important source markets and destinations for each other with more than 5 million cross-border visits each year (OYUNCHIMEG - GANTUYA 2021). In 2018, over 2.4 million Russian tourists visited China, which was a 3% increase from previous year. The number of visitors from Mongolia to China rose by 2.8% to over 1.9 million; the number of Chinese visitors visiting Russia reached 2 million, an increase of 21% from 2017. These tourism statistics show the growing appeal of Russia and Mongolia as tourist destinations for Chinese travellers. The growing number of tourists is an indicator that tourism plays a pivotal role in trilateral cooperation. Therefore, tourism could be the means of

connecting individuals from the three countries and promotion of social and economic development of the region.

## **8. Implication and Challenges**

To develop tourism among three countries, it is important to create mutually beneficial, environmentally friendly, and responsible tourism practices. The success of the destination development depends on the tourist product development (OROSZI et al. 2017). Therefore, the first significant tourism initiative across the three countries is to create a tourism corridor called “The Tea Road”. A series of research and familiarization trips were organized through ancient trade routes, and data was collected. Mongolian and Chinese tourism ministries and a tourism agency of the Republic of Buryatia from the Russian Federation were actively involved in the joint field trips for collecting data. Joint research teams were established, and experts in geography, history, transport, economy and tourism collaborated together. Political, media and cultural sectors were involved in the tourism corridor project. In addition, a collaboration of regions, non-governmental organizations, education, tourism and exhibition have strengthened. “The Tea Road 2012, 2014, 2016” auto rally and camel trips were organized along the proposed tourism corridor.

The creation of “The Tea Road” tourism corridor is crucial for Mongolian tourism; however, it lacks effective tourism marketing campaign due to insufficient funding. This situation remains, despite the fact that tourism is being identified as a key sector for the economic development of Mongolia along with the mining sector. “The Tea Road” tourism corridor needs to differentiate and position itself by offering unique and customized experiences which is a unique selling proposition. The tourism corridor provides added value to tourists by combining experiences and attractions by providing ways to interact with local communities and experience local lifestyle.

In line with growing interests of tourism collaboration by Mongolia, Russia and China, there are several challenges that appear to be persistent. First, except the idea of creation of theme-based historical tourism corridor with natural aspects, planning and establishment of initiatives are not clear. Establishing tourism corridor is a challenge that requires several elements starting from assessing the potential demand, and feasibility of the corridor. In addition, assessment of the corridor for benefiting local tourism stakeholders is essential in the planning stage. The feasibility assessment of the proposed corridor includes whether the corridor will boost the appeal of destinations along the corridor for potential tourists, increasing tourist numbers, and spending. For example, a sudden influx of Russian and Chinese tourists puts Mongolia in challenging positions since it has a limited capacity of tourism infrastructure. Tourism facilities includes capacity of customs regulations, transportation and accommodation need to be assessed within a framework of increase in tourism demand. Second, most tourism corridors benefit from previously existing social and environmental infrastructure in corridor countries, however, transport infrastructure is needed to improve connectivity between various nodes along the corridor. China, Mongolia, and Russia are connected by Trans Mongolian railways; however, it is unclear yet that how many nodes will be developed along the corridor. European railways connect the railway networks of 27 countries and provides accessibility for travel between European countries using a single pass, which is a clear example of tourism corridor practice. Third, a tourism corridor needs to present added value to various stakeholders from local communities, local businesses and local tourism industry along the corridor countries. The project carefully ensures the mitigation of the negative impacts and increase of economic benefits for local communities.

Fourth, the formulation of the tourism corridor theme should be based on the cooperation of the various stakeholders in the destinations along the corridor including corridors’ proposed

theme and name. Although theme and name of the corridor is defined as “The Tea Road”, it requires research with the aid of experts from historical, cultural, tourism, marketing perspectives to have an appeal to potential tourists. Fifth, the other important issue for tourism corridor development is governance and management. The current tourism corridor lacks governance and management framework. It is yet unclear who is the governing and managing body of the corridor. Governance involves ensuring the legislative frameworks governing corridor member countries with the choice of the most suitable governance and management model for tourism corridor. Sixth, a creation of a unique selling proposition with customized experiences along the corridor is important for joint destination marketing. The theme of the corridor can be used as a background for positioning and differentiating the corridor.

## 9. Conclusion

This study reviews the economic and tourism corridor concepts and its historic background in Mongolia. The economic corridor is based on the transport infrastructure between adjacent geographic regions to transfer commodities, passengers followed by socio-cultural exchange. The economic corridor across Mongolia historically connected Asia and Europe through the trade routes. The concept of the economic corridor could contribute to the regional economic cooperation to increase trade between Russia and China through Mongolia. Moreover, tourism could be one of the major components of the economic cooperation along the economic corridor.

The proposed “The Tea Road” has a potential given that there is sufficient political support from the governments of the three neighbouring countries. At this stage, China, Mongolia, and Russia have expressed their interests in developing the tourism route which benefits tourism stakeholders of the three countries. Internationally, the tourism route concept is widely practiced to create a distinctive tourism brand and collaboration among countries. Mongolia enjoyed considerable growth in international visitor arrivals prior to COVID-19 pandemic. However, the existing situation of COVID-19 pandemic and the ongoing war between Russia and Ukraine have negative impact on the recovery process of the tourism sector. Currently, tourism demand from Europe has declined abruptly, the tourism stakeholders in Mongolia are eager to receive Russian tourists via Trans-Mongolian railway from Russia to Mongolia. In particular, border regions of Mongolia’s neighbours share same language, ethnicity and cultural roots. Such cultural similarities could potentially reinforce collective brand creation across the economic corridor among the three countries for international travellers. However, there are many challenges for the creation of the tourism corridor including good planning and establishment, assessment and feasibility study of tourism demand and tourist infrastructure, governance and management of the corridor, branding and positioning, marketing and promotion. In conclusion, well-researched establishment planning, tourist demand assessment and legal framework for governance and management organizations are needed as a priority for the tourism corridor concept.

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