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Kazakhstan Welcomes US-Russia Nuclear Pact, Says It Strengthens Hope



Nursultan Nazarbayev welcomed the signing of a new Russian-American treaty, saying this step instills hope that a nuclear weapons free world is both real and achievable.

Photo by the Foreign Ministry

Kazakhstan's President Nursultan Nazarbayev, standing next to visiting UN Secretary General Ban Ki-moon in Astana on April 7, welcomed the planned signing of a new strategic arms reduction treaty between Russia and the United States in Prague on April 8.

"The world's two largest nuclear weapon states are showing [by this step] their firm political will to reduce their arsenals and strengthen the global nuclear security," President Nazarbayev said. "This instills hope that a nuclear weapons free future for the mankind

is both possible and achievable. Kazakhstan, working with the United Nations and all other states in the world, will spare no effort to make this dream of billions of people, including 16 million people in Kazakhstan, come true."

The President and the UN Secretary General spoke at a joint press availability in the presidential office in Astana after their almost two hours of talks. Ban Ki-moon visited Kazakhstan as the last leg of his tour of the five Central Asian nations.

"We discussed the international security and a number of upcoming events with great significance for the nuclear disarmament process," President Nazarbayev said. "We pin high hopes on the Global nuclear security summit in Washington, where I plan to participate, as well as the NPT review conference in New York in May."

“On a regional scale, it is important to ensure the implementation of the treaty on Central Asian Nuclear Weapons Free Zone, which entered into force one year ago,” President Nazarbayev said. He also added that the UN General Assembly, at Kazakhstan’s initiative proclaimed August 29, the day of the closing of the former Soviet nuclear test site at Semipalatinsk, as the International Day against Nuclear Testing. The test site was shut down by President Nursultan Nazarbayev in 1991.

On April 6, Ban Ki-moon visited the former test site, and standing in the Ground Zero, the epicenter of the first Soviet nuclear and thermonuclear explosions, called on the world to follow Kazakhstan’s nuclear disarmament example.

He reiterated that call today in Astana, saying that “Kazakhstan has led by example.”

As he addressed President Nazarbayev, the UN chief added: “No leader can speak about stopping nuclear testing and renouncing nuclear weapons with greater moral authority.” He proposed coordinating with the President of Kazakhstan the statements they plan to make at the nuclear summit in the U.S. capital next week.

“We are deeply grateful to you, Mr. Secretary General, for your high and just praise for Kazakhstan’s contribution to disarmament and non-proliferation of weapons of mass destruction,” President Nazarbayev said.

The Kazakh leader also presented Kazakhstan’s highest award for foreigners, the order of Dostyk (Friendship) of the first degree, to Ban Ki-moon, praising the role of the UN chief in promoting international security and development.

Nazarbayev Names Lack of Development Reason for Unrest in Kyrgyzstan

Kazakhstan’s President Nursultan Nazarbayev said the lack of economic development in neighbouring Kyrgyzstan over the years of independence were the main reason

Speaking in an interview with Euronews on April 8, the President expressed his “regret with the loss of lives in a brotherly country”, he condemned the violence and looting across Kyrgyzstan, and outlined Kazakhstan’s actions to date as the chairing country of the OSCE.

The President said Kazakhstan, as OSCE Chairman, has appointed a special envoy to Kyrgyzstan, Zhanybek Karibzhanov, Deputy Speaker of the Mazhilis (lower house of Parliament), and also dispatched Director of OSCE Conflict Prevention Centre Ambassador Herbert Salber to Bishkek.

“The Kyrgyz Republic is our neighbor. I’m looking at this event with a big regret. I’m just sorry for very close to us brotherly Kyrgyz people who permanently entering such an abyss,” President Nazarbayev said.

“All the politicians there are saying they do care about the people, they do wish well for them. In fact, looting has been taking place for the second day. Shops are being crashed and burned, banks are closed, business is leaving the city, and the capital leaves Kyrgyzstan. When there is no stability, nothing can come out of it,” the Kazakh leader said.

“They should not occupy themselves with politics or barricades. They need to do something in order to feed the people first, give them jobs. Today, more than half of Kyrgyzstan’s population lives below the poverty line. There is very high unemployment,” the President continued.

“GDP per capita in Kyrgyzstan equals to \$800, in Kazakhstan, it is \$8,000. Kazakhstan, all these years has been ‘bathing’ in a peaceful life, people are easily working, rearing their children. It is stable in the country. Despite the multi-ethnic composition of the population, people respect each other, and tolerance is very high. This gives us an opportunity to grow, gives to attract investment. All of this suggests stability and peaceful living of the people is the most important thing,” President Nazarbayev underlined.



Zhanybek Karibzhanov, the new special envoy of OSCE Chairman-in-Office in Kyrgyzstan, has already arrived in Bishkek and began his activities.

Photo by the Press Office of the Mazhilis

In the meantime, on April 8 and 9, OSCE Chairperson-in-Office, Kazakhstan's Secretary of State – Minister of Foreign Affairs held numerous telephone consultations with his counterparts from Germany, France, Turkey, Lithuania, Spain, Russia, as well as with UN Secretary General Ban Ki-moon to discuss the situation in Kyrgyzstan. Saudabayev's colleagues expressed support for Kazakhstan's actions regarding the unrest, in particular the dispatching of his special envoy and reaffirmed the OSCE's position in favour of a political solution to the crisis through broad dialogue. They also called for the stop of violence and looting.

Saudabayev and Ban also agreed their special envoys would coordinate their activities on the ground. As his special envoy, the UN Secretary General has sent Under Secretary General Jan Kubis, a former Slovak foreign minister and Secretary General of the OSCE.

"I express my deepest condolences over the loss of lives during the unrest, and urge the people of Kyrgyzstan to refrain from violence and seek stabilization of the situation as soon as possible through a broad dialogue," Saudabayev said on the issue.

Astana, Kiyv Set to Open New Page in Bilateral Relations



Kazakhstan's President Nursultan Nazarbayev (R) shakes hands with Ukraine's President Viktor Yanukovich in Astana April 7, 2010.
Photo by the Foreign Ministry

The visit of Ukraine's newly elected president Viktor Yanukovich to Kazakhstan, coming within a few weeks after his inauguration sent a powerful message of both Kiyv's and Astana's strong intentions to give a fresh start to bilateral relations.

"I believe we are opening a new page in history of bilateral relations between our nations", Viktor Yanukovich stated during his talks with President Nursultan Nazarbayev. In his own turn, the Kazakh leader expressed confidence the visit would boost the development of Kazakh-Ukrainian relations.

"I hope your first visit to our country, accompanied by such a representative delegation will give a new impetus to the expansion of our cooperation in economic terms," the President said.

Astana was only the third foreign visit for Viktor Yanukovich who has earlier visited Brussels and Moscow.

The fruitful negotiations, which focused on promoting trade and economic ties, as well as cultural and humanitarian links, resulted in signing of a joint statement of the two leaders reflecting their common approach to a number of international issues and the "Roadmap 3" plan of the Kazakh-Ukrainian

collaboration for 2010-2011.

Nazarbayev and Yanukovich noted the progressive and dynamic character of Kazakh-Ukrainian relations with an extensive legal base behind them. The sides maintain active political dialogue, both bilaterally and within international organizations. The official Kiev has actively backed Astana's initiatives on the OSCE chairmanship and the promotion of CICA as a major security dialog platform in Asia, as well as efforts to advance intercultural and interfaith tolerance.

Viktor Yanukovich voiced his fascination with the steady development of Kazakhstan, "where much has been done to improve the quality of life for the common people". He also thanked the Kazakh government for creating favourable conditions for the active cultural and social life of the Ukrainian diaspora, numbering 350,000 people.

Kazakhstan and Ukraine are traditionally linked by the strong economic ties. To date, up to 160 companies with the Ukrainian capital operate in Kazakhstan, and the trade turnover reaches US\$ 3.5 billion.

Last year, the trade turnover, due to the impact of global recession, went down to US\$ 3.5 billion from US\$ 4.9 billion in 2008. To improve the situation, the two presidents assigned their ministries with reviving the practice of holding annual talks within the Intergovernmental commission for economic collaboration.

Among key aspects of bilateral relations are issues related to the energy resources. Those concern the deliveries of Kazakh oil to the Ukrainian refineries, and its transit to Central Europe. Around six million tons of oil from Kazakhstan are planned to be transported through Ukraine' in 2010.

Yanukovych also invited Kazakhstan to build a grain terminal at one of the Ukraine's commercial ports at the Black Sea.

"We want you to become our partner in the grain market in Ukraine, offering to build a grain terminal, together with you, at 50 – 50 ratio," the president of Ukraine said.

Nazarbayev noted that over the past decade, Ukraine delivered more than one thousand units of agricultural equipment worth more than seven billion tenge (KZT 147 = 1 USD) to Kazakhstan.

"We agreed to expand the cooperation in this area by creating joint ventures here in Kazakhstan to assemble Ukrainian equipment," the Kazakh President noted.

"Kazakhstan is interested in participating in the Russian-Ukrainian project on commercial launches from the Baikonur space port. We discussed this here and gave appropriate instructions to relevant agencies in our governments," he added.

Much attention was paid at the talks to the cultural and humanitarian cooperation between the two post-Soviet nations. Hundreds of Kazakh students are studying now in the Ukrainian universities, with the largest proportion getting trained in engineering and similar technical specializations. Nursultan Nazarbayev himself had two years of training in metallurgy at the college in Ukraine's Dniprodzerzhinsk back in late 1950s.

Following the talks and signing the approved documents, the two presidents held a joint press conference. There, both Nazarbayev and Yanukovich reiterated their intention to use to the fullest extent and the potential of bilateral partnership between Kazakhstan and Ukraine. "We would like to invite Ukrainian companies to participate in implementing the Kazakhstan's Program of Accelerated Industrial and Innovational Development". He also said he looked forward to Ukraine's involvement in developing international transport corridors improving land communications between China and the EU, as well as all the transit countries.

In his turn, the Ukrainian president said: "We are opening a new page in relations between our countries. I feel delighted by those projects which you implement, as the leader of Kazakhstan, including the construction of Astana. Innovation and investment method of economic development, which you use in many fields of industry, deserves deep respect and needs to be studied," Yanukovych said.

He expressed his support for the OSCE Summit in Astana, as well as the Kazakh initiatives in the field of nuclear disarmament, in which the two countries that voluntarily renounced their nuclear weapons support each other extensively.

Trading House KMG Changes Name, Shifts Focus on Domestic Market



Daniyar Berlibayev said a revamped company will seek to both expand its activities and raise customer satisfaction with its oil products.

Photo by Izvestia.kz

The joint stock company "Trading House *KazMunaiGaz* (KMG)", a subsidiary of Kazakhstan's national oil and gas company *KazMunaiGaz*, announced last week a name change and presented key points of its renewed development policy.

At a press conference in Astana on April 1, the company's general director Daniyar Berlibayev said the company was rebranded as JSC *KazMunaiGaz: Refining and Marketing* and specified the new priority goals.

Following the creation of the Oil and Gas Ministry in

March 2010, the national company, as well as its branches, handed over a significant portion of their responsibility to the new ministry. Berlibayev explained the changes by saying that "the company's activity now will focus more on increasing its efficiency in oil refining and product realization, aiming to meet the requirements of the domestic oil market."

A new concept of development, presented by Daniyar Berlibayev, outlines a number of general strategic goals and objectives in the company's further activities. In his words, JSC *KazMunaiGaz*:

Refining and Marketing will now pay greater attention to the domestic market with a view of satisfying the republic's demand for oil products.

Another important task the shareholders pose for the company after its reformation is to modernize the refining capacity of Pavlodar, Atyrau and Shymkent refineries. Nearly four billion US dollars will be allocated to this end, thus ensuring the achievement of this ambitious task by 2014.

Today KMG holds 100 per cent of shares in Atyrau and Pavlodar oil refineries, and 50 per cent share in Shymkent processing plant. The company covers nearly 85 per cent of the entire oil refinery market in Kazakhstan.

“Our third priority is to maximize the company's export revenues. Here, we are going to develop transport logistics and come onto the Black sea market. We need to involve Kazakhstan's national shipping services into the work as well. We will then sell some oil at international prices to our plants in Europe, where it will be processed and sold through a number of petrol stations, which in turn will increase the added cost for oil,” Berlibayev said.

The company, likewise, intends to expand its sales by operating under the CIF contracts, as well as by developing its business with oil transfer and storage in special tanker ports and oil storage facilities.

“The company's new vision is meant to turn the former high-performance trading company working in upstream and downstream sectors into a highly efficient managing company, ensuring proper oil refining and marketing. Keeping the leading position in crude oil refining in Kazakhstan, we are determined to work with other owners of oil reserves as well. Our client list includes such globally renowned companies as Chevron, Exxon Mobil and Shell. JSC KMG has ambitious plans in the years ahead, and we have every confidence our company offers favorable terms for potential suppliers for we are selling the oil at international prices,” Berlibayev stressed.

KazMunaiGaz: Refining and Marketing plans to establish joint ventures with shipping companies, thus achieving maximum economic efficiency.

The company will also seek to improve the performance of services and help the government in regulating fuel prices during the upcoming spring sowing campaign. In an effort to provide better management of the company, a new organizational structure has been developed. Today, the total number of its employees was reduced from 170 to 145 people, other general and administrative expenses having been optimized.

Preparations for Asian Winter Games on Track in Almaty and Astana



Kazakhstan has undertaken great responsibility by holding such a major event as Asian Olympic Games. The games' successful holding next year could go a long way toward strengthening Kazakhstan's potential bids for winter Olympics in the future.

Photo by Wikipedia.org

Representatives from the Asian Olympic Council and national committees of the countries whose sportsmen would participate in the Asian Winter Games next year have visited Almaty.

They inspected the city's sport facilities and participated in the launch of the 2011 Asian Winter Games countdown board. On the practical side, the delegation handed a report on the preparatory work for the incoming sports festival.

“Major international competitions such as the Asian Winter Games, require a lot of work, but I am confident the 2011 Games in Kazakhstan will be held at a high level and become not only the most ambitious, but the most striking event in the history of the Asian Olympic Council,” Honorary Life Vice-President of the Council Wei Zhizhong said during the visit.

Earlier last week, Prime Minister Karim Masimov also inspected the sport facilities in Almaty.

The final report, in addition to sport fields, also mentioned the need to improve infrastructure of the whole city before the Olympics.

“If the services will be at a high level, it will certainly have a positive impact on Kazakhstan's image. Things like adequate services, accommodation and leisure, walking areas in the city and public transport definitely play a major role here. All this will affect the mood of the participants and guests.

And as a result of these impressions they will form their opinion about the country and the Kazakhs,” Akim (Mayor) of Almaty Akhmetzhan Yessimov said following the meeting.

The Astana-Almaty Winter Asian Games Organizing Committee (AWAGOC) has determined the hotels which will host national teams in the cities of Astana and Almaty.

The organizers now pursue various marketing programs, oriented for work with the hotels that will be involved in hosting participants and guests of the 2011 Asian Winter Games. Every hotel, which passes the test successfully, will receive a special certificate with the symbols of the games.

AWAGOC will inspect restaurants, cafes, entertainment complexes as well.

To date, over one billion dollars has already been spent in preparations for the Asian Games. In addition, more than 23 million tenge has been spent on different souvenirs.

Experts unanimously agree the 2011 Asian Winter Games is the project which works for the reputation of the country and aims to attract tourists, as well as improve training conditions for the Kazakh athletes.

“The development of sport infrastructure will help our athletes to better prepare for future international competitions, will give a base for training juniors,” Acting President of the Sports Development Fund of Kazakhstan Vladimir Lysenko said. “Business will receive many advantages from the Asian Winter Games. Hotels and restaurants already look forward to receiving more guests. Another big advantage is the improvement of Kazakhstan’s reputation in the international arena, and this will bear fruit for a long time. The third advantage is the promotion of the healthy lifestyle.”

Yessimov also pointed out to the reputational component of the Asian Winter Games. He noted Chimbulak ski resort and the Medeo skating rink will be the only facilities of this kind in Central Asia which meet world standards.

The 7th Asian Winter Games will be held in Astana and Almaty from January 30 to February 6, 2011. The program of the games includes 11 disciplines, including speed skating, figure skating, ice hockey, bandy, cross-country skiing, biathlon, ski jumping, ski, freestyle, short track, orienteering on skiing. As of now, 30 countries are expected to participate in the games.

Also in the News:

- On April 6-7, Prime Minister Karim Massimov of Kazakhstan paid an official visit to the Republic of Lebanon. There a memorandum on political consultations between the foreign ministries of Kazakhstan and Lebanon was signed. They also reached a number of agreements on increasing bilateral economic cooperation. Kazakhstan also invited Lebanon to participate in the Conference on Interaction and Confidence Building Measures in Asia, initiated by the President of Kazakhstan.
- On April 9, Prime Minister Nikoloz Gilauri of Georgia paid a visit to Kazakhstan. He held talks in Astana with his Kazakh counterpart Karim Massimov. The sides discussed the Kazakh-Georgian business cooperation, and exchanged opinions on overcoming the effects of the global economic downturn on both countries. One day prior to the Prime Minister’s visit, the fourth session of the Kazakh-Georgian intergovernmental commission on trade and economic cooperation took place in Astana. Participants discussed a number of issues relates trade, transport, energy, agriculture and culture.
- The Ministry of Industry and New Technologies of Kazakhstan and the Ministry of Industry and Trade of Russia will establish a working group to coordinate the development of automobile market of the Customs Union and analyze possibilities for establishment of production facilities in Kazakhstan. An agreement was reached during the visit of Russia’s Minister of Industry and Trade Viktor Khristenko to Astana. The two sides also discussed prospects of cooperation in the aerospace market and automotive industries, as well as issues related to the establishment of the Customs Union.
- An international rating agency Moody’s Investors Service improved the outlook of the sovereign rating of the Republic of Kazakhstan “Baa2” from “negative” to “stable”. The improvement came as evidence that the impact of the global recession on the Central Asian country were weaker than expected.

- In order to promote healthy lifestyle and prevent damage from smoking, the Kazakh government raised the minimum retail prices of cigarettes. A minimal price per pack of cigarettes was increased by almost 25% and now amounts to 70 tenge (KZT 147 = 1 USD).

Things to Watch:

- On April 11 through 14, President Nursultan Nazarbayev will visit Washington, where he will attend the Global Nuclear Security Summit and hold talks with U.S. President Barack Obama. In addition, he will meet with heads of several other states participating in the summit.
- On April 10, President Nazarbayev will visit Brussels, where he is to meet President of the European Council Herman Van Rompuy, head of the European Investment Bank Philippe Maystadt, and other top officials.
- The 9th International Jazz Festival will be held in Almaty, from April 8 to April 11. This year the festival brings together jazz bands from Austria, France, Germany, Kazakhstan, Kyrgyzstan, Switzerland, and Turkey.
- On April 9-11, Astana will host the exhibition of financial products for the population “Investfunds-Weekend-2010”. The aim of the event is to acquaint potential customers with services provided by financial institutions and help them understand mechanisms of individual investments on the stock market, as well as to give guests a chance to arrange a contract with a brokerage firm and buy securities right at the exhibition.

ASTANA CALLING is a bi-weekly online publication of
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