



Aral Sea Recovery: North Aral Grows by Twenty Percent

(Kazakh Government is set to recover the Aral, National Geographic reported)

New Plan for Accelerated Industrialization of Kazakhstan's Economy

(The Kazakh Government approves a program of rapid industrial development)

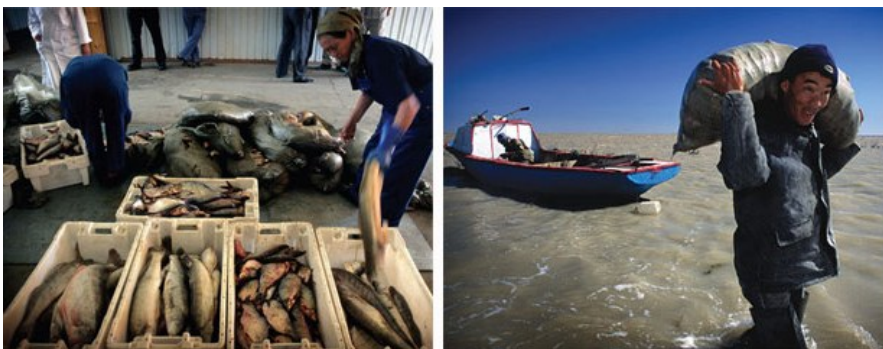
Kazakhstan's Uranium Boom Coincides with Global Nuclear Renaissance

(Potential for cooperation with global players is immense and growing)

Kazakhstan's Military Budget Grows

(The Kazakh Army gets more funds to enhance its effectiveness)

Aral Sea Recovery: North Aral Grows by Twenty Percent



There is now an ongoing effort by the Kazakh government to save and replenish the North Aral Sea. As part of this effort, a dam project was completed in 2005; in 2008, the water level in this lake had risen by 12 meters (39 ft) from its lowest level in 2003. Salinity has dropped, and fish are again found in sufficient numbers for some fishing to be viable.

Photo by Philip Micklin and Nikolay Aladin

Aral Sea, one of the world's most shocking environmental disasters of all times, despite being so intensely altered, shows some signs of recovery, Pat Walters of National Geographic magazine reported. The story, published on April 2, 2010 is part of a special series that explores the global water crisis and says with help from the Kazakh government, the World Bank, and scientists, the Aral's northern part has started to make a recovery. Fish, sea birds and reptiles have begun to repopulate

the Aral Sea and surrounding area.

Below are excerpts from Pat Walter's article. (For the full text [click here](#)).

"Once a colossal geographic feature—at 26,000 square miles, it was the fourth largest inland water body on earth in terms of surface area — the Aral shrank to hold just one-tenth of its original volume, becoming a tragic shadow of itself. The fishery died in the 1980s, after the Soviet government drained the sea to feed thirsty cotton fields planted in the inhospitable landscape surrounding it. As less freshwater entered from the rivers, the Aral, which had always been brackish, became increasingly salty. All 24 species of native fish vanished, and almost overnight, the fishing industry collapsed. The most skilled fishermen abandoned their ships on sandbars as the Soviet government transferred them to other fisheries on the Caspian and Baltic seas.

After the Soviet Union collapsed and Kazakhstan became independent in 1991, glimmers of hope appeared for the North Aral's recovery. The mayor of the town of Aralsk followed scientists' advice and built a makeshift dam, isolating it from the South Aral and retaining the entirety of the Syr Darya's meager discharge.

By 2005 the World Bank and the government of Kazakhstan had designed and built a permanent eight-mile dam intended to raise the North Aral by about 13 feet, several feet shy of the level needed to refill Aralsk's harbor, but deep enough to drop salinity and allow native fish to repopulate the sea. The \$85 million project also improved irrigation structures upriver from the Aral. "That dam," says Joop Stoutjesdijk, the World Bank officer assigned to the Aral region, "showed us that something could be done."

The North Aral grew by 20 percent, and today salinity is at 14 grams per liter, not far from 1960 levels. Soon native plants, stifled for years by the saltwater, began to sprout, and migrating birds like pelicans, flamingos, and ducks again began to visit the Aral. Nowadays, "It's a paradise for birds," says Russian Academy of Sciences zoologist Nick Aladin, who has been studying the Aral since the 1970s. "It's a place for pleasure, and it's an enormous victory."

Most importantly, though, freshwater fish like pike, perch and carp, which took refuge in the Syr Darya, have returned to the Aral, and in 2008 fishermen caught roughly 1,500 tons (1,360 metric tons) of them. Mostly, the men are selling locally, but they have shipped some fish to Russia and Georgia. Two fish processing plants operate in Aralsk and a third, with a capacity of 6,000 tons a year, is under construction. Middle-aged men and women who left the region when they were young are starting to return for the fishing, and they're building houses. Billboards announcing the Aral's return stand beside a new hotel.

To be sure, progress has been limited, but the president of Kazakhstan, Nursultan Nazarbayev, has said he hopes Aralsk can become a tourist destination. In 2008 he stood on the dam near the town and committed to a five-year, \$250 million project that will guide the North Aral, still 12 miles (20 kilometers) away from the city, back to the harbor through an elaborate system of locks and dams. The World Bank will help, but most of the cost will fall on the government, which happens to be flush with cash from its oil fields: Kazakhstan is expected to double oil output and become one of the world's top 10 oil-producing countries by 2020. With the government's help, some say the water could bring more than just fish to the city. Locals imagine hotels, cafes, and nightclubs.

Nonetheless, while the president talks about attracting tourists to the city, Aralsk's fishermen are relishing the simple pleasure of casting their nets. "For now," Stourjesdijk says, "they will fish." And for now, fishing is plenty."

New Plan for Accelerated Industrialization of Kazakhstan's Economy



The projects included in the map of industrialization were designed not only to raise the level of the economy, but also to create more than 130,000 permanent jobs.

Photo by the Foreign Ministry

For several years now, Kazakhstan has been trying to develop non-oil sectors as it builds a more diversified and stable economy. The recent global financial and economic crisis has only strengthened Astana's resolve to have a strong and varied economic base, one that would be characterized by new technologies and industries.

Earlier this year, in his state of the nation address, President Nursultan Nazarbayev has called for a major industrialization drive up to the year 2020, and the Government has set to work with renewed vigor.

Hence, a State Program for accelerated industrial and innovative development (AIID) for 2010-2014 as the first five-year plan to implement a 10-year development strategy of Kazakhstan

developed by the government and approved by a presidential decree on March 19 this year.

In mid-April, the Government approved key mechanisms for implementing the strategy including an action plan, “Scheme of Rational Distribution of Manufacturing Capacities”, “Map of Industrialization” and a “2020 Business Road Map”.

Presenting the document, First Deputy Minister of Industry and New Technologies Albert Rau noted that the draft plan has been worked out and agreed with all concerned government agencies and departments, local governments of the regions (akimats), the Samruk-Kazyna National Welfare Fund, and the KazAgro national holding.

The “Map of Industrialization” envisages 101 projects worth 6.8 trillion tenge. Once implemented, they are due to create more than 130,000 temporary and 90,000 permanent jobs.

The main aim of implementation of the “Scheme of Rational Distribution of Manufacturing Capacity” is to identify required parameters for the territorial and sectoral development with reference to the Map of Industrialization. Moreover, this program is a guide line for planning investment solutions for business, forecasting basis for developing programs of a regional development, the basis for building up sectoral programs for implementing the State Program for AIID.

Under the “2020 Business Road Map”, new investment projects and enterprises, aimed at modernizing and expanding Kazakhstan’s production capacity will get subsidized loans. This year, the Government has provided 30 billion tenge for this program from the state budget. The program will consist of three areas, including the promotion of new business initiatives, improvement of the business sector and support for export-oriented industries.

The Program AIID focuses on three areas: increasing the efficient use of natural resources, improving the efficiency of human resources, and implementation of geopolitical potential. By 2014, the Government plans to achieve significant results. The GDP is to grow by 50% from the level in 2008, labor productivity – by up to 50% in the manufacturing sector and by 100% - in some sectors of the economy, and the proportion of non-oil exports is to grow by up to 40%.

There are 12 priority areas in the new state program, including the development of agriculture, metallurgy, oil refining, energy, chemistry and pharmaceuticals, construction industry, transport, information communications, engineering, uranium industry, space, light industry, and tourism.

The implementation of such a program would help achieving the main goal set by the President, which is to achieve sustainable and balanced development of economy in the next ten years through diversification and enhancing its competitiveness, advancing social effectiveness of priority sectors and implementing investment projects which create an enabling environment for industrialization, building up centers of economic growth on the basis of rational territorial organization of economic potential and ensuring effective interaction between government and business.

“Considering the fact that our main goal is to carry out this very program, a new approach to an action plan has been proposed which uses an analysis of international experience in implementing comprehensive programs as a basis,” Albert Rau stressed.

First, the plan has a number of strategic directions. Second, the implementation of each direction will follow a clear pattern “goals - objects - indicators - timing implementation”. Third, only one government agency or department will be responsible for the implementation of each program, and regular monitoring of the implementation will be in place.

The productivity, the amount of direct investment, increase of non-oil exports and the share of innovation active enterprises, the number of new high-performance jobs will be the main indicators of the success of the program.

“The program will contribute to strengthening the role of small and medium-sized businesses in the process of industrialization, increasing the productivity in the manufacturing industry, and expanding the proportion of non-oil exports,” Minister of Economic Development and Trade Zhanar Aitghanova underscored.

Kazakhstan's Uranium Boom Coincides with Global Nuclear Renaissance



In 2009 Kazakhstan became the world's largest producer of uranium, which is a main source for producing uranium pellets used to produce nuclear power.

Photo by Kazatomprom

is a nuclear weapons-free state blessed with 20 percent of the world's known uranium reserves, becoming, in 2009, the world's largest producer of uranium.

In a world anxious about the consequences of nuclear weapons proliferation getting out of hand against a backdrop of international security concerns, Kazakhstan firmly staked its own nuclear disarmament credentials shortly after it became an independent state 18 years ago.

Up until that point geographically, technically, and strategically integrated into the Soviet Union's nuclear weapons policy, Kazakhstan foreswore nuclear weapons future, signed the Nuclear Non-Proliferation Treaty (NPT) and pursued a policy of rapid nuclear disarmament. By 1995, Kazakhstan fully rid itself of the world's fourth largest nuclear arsenal, which included 1,040 nuclear warheads of one megaton TNT equivalent each.

This policy yields many benefits, both in a global and national context. Kazakhstan pursues a successful multi-lateral foreign policy. Its position as a non-nuclear weapons state confers upon the country additional kudos, particularly within the context of sensitive international discussions on nuclear proliferation issues. Moreover, it is a status that the country actively seeks to use in the interests of peace and security, as evidenced by President Nursultan Nazarbayev's proposal to host an IAEA-supervised nuclear fuel bank located in Kazakhstan, which would become a secure, controlled fuel source for countries seeking to develop their nuclear power generation capacity.

The significance of Kazakhstan's NPT status, however, goes much further. It provides the setting for the country itself to move forward as a major international nuclear industry player, from the mining and exporting of uranium, through to the manufacture and international sale of added-value uranium fuel pellets; and on to the development of the country's own nuclear generation capacity and its direct involvement in power generation in national and regional markets around the world through long-term partnership arrangements.

At the heart of Kazakhstan's nuclear industry is Kazatomprom, the national atomic company established some 13 years ago and wholly owned by the government. Not only does Kazatomprom control the country's uranium exploration and mining, but up-stream activities such as the manufacture of uranium fuel cycle pellets, as well as imports and exports of nuclear and nuclear-related materials and evolution of international partnerships. In various forms these now embrace a number of countries, including Russia, China, Japan, Canada and France, but are set to expand further in terms of the levels of commercial and investment activity, and also in geographical reach.

Kazakhstan is seeking to maximize its long-term return from its vast uranium deposits in a number of ways. Already the world's largest producer of uranium, it plans to roughly double output in the next decade or so, and in the process become the source of more than one-third of the world's uranium exports.

The world's renewed interest in nuclear energy as a long-term source of power, after a break of almost three decades, looks set to play a core role in the future development of trade and investment relations between Kazakhstan, the U.S., France, China, Japan and other players.

The return of nuclear energy to the global newly emerging energy policy mix comes at a time when Kazakhstan is unleashing ambitious plans not only to become one of the most important suppliers of uranium and uranium fuel pellets to world markets, but also a leading world player in the global nuclear power generation industry, both at home and abroad.

Its political and natural resource credentials for pursuing this policy are beyond reproach. Kazakhstan

Though the export of uranium is, in itself, a valuable source of revenue, the manufacture and sale of value-added nuclear fuel pellets and assemblies yields substantially greater overall returns, and it is in this area where partnership activities with foreign interests have been, and will remain, especially important.

Moreover, this will also be the case as Kazakhstan pursues plans to expand, from an existing small base, its own nuclear power-generating capacity, while simultaneously setting down an expanding and sustainable industrial presence in global nuclear power markets.

Given Astana's close links with both Moscow and Beijing, it is to be expected that Kazakhstan has agreements in place with both countries covering all commercial aspects of the nuclear fuel cycle.

Kazakhstan has in recent years engineered a number of deals that underline the country's economic and commercial multilateralism, which could not but catch the eyes of all those involved in the West's nuclear industries.

In 2007, Kazatomprom bought 10 percent of Toshiba-owned Westinghouse, one of the largest manufacturers in U.S. nuclear industry. The following year Canada's Cameco Corporation, building on an earlier cooperation agreement, announced a joint venture to build a uranium conversion plant in Ust-Kamenogorsk. Moreover, during the last two years, Kazatomprom has also signed mining and nuclear fuel fabrication deals with France's Areva.

Kazakhstan's Military Budget Grows



Successful funding of all programs of the budget of the Ministry of Defence aims to improve the operational, combat and mobilization training of troops.

Photo by the Ministry of Defence

Despite the impact of global financial crisis, Kazakhstan has been allocating sufficient funds for the Defense Ministry from the state budget in order to increase its capacities and readiness to protect the nation's interests. With government's special attention to military security, Kazakhstan's defense power is getting stronger year by year.

"Kazakhstan's armed forces are among the three leading armies in the former Soviet Union, and are certainly the best in the Central Asian region." Minister of Defence Adilbek Zhaksybekov stated during an expanded meeting of the Ministry of Defence board.

According to the military doctrine, approved by a presidential decree in March 2007, the level of defense spending is set to make at least 1% of

GDP. Kazakhstan's military budget in 2010 will amount to 165.469 billion tenge (equal to US\$ 1.125 billion), which is 26.1 billion tenge or 19% more than it was in 2009.

This increase in the military budget is primarily aimed at creating self-sustaining force groupings in strategic sectors. In addition, there will be a re-equipment of units that are in constant state of combat readiness. In other words, the state will provide the troops with modern armoured vehicles, aircraft and other weapon systems.

Boosting the prestige of military service is another important reason for increasing the military budget. As of April 1, the wages of military and civilian personnel have increased by 25%. Living conditions of servicemen and their families will also be improved. Plans are also afoot to build more than 1,700 apartments with the total area of 98,000 square meters in 2010.

According to the head of the department of Central Asia and Kazakhstan of the Institute of CIS countries in Moscow Andrei Grozin, the First International Exhibition of Arms, Military Materiel and Military Equipment - KADEX-2010, which is due in late May in Astana, will contribute to an increase of spending for the army in order to "restart" the national defense industry, intensify military training activities within the Collective Security Treaty Organization (CSTO), the Shanghai Cooperation Organization (SCO), "Partnership for Peace", as well as the purchase of new weapons.

Kazakhstan's military budget increase reflects the global trends. The majority of military experts believe that nowadays both peaceful and conflict affected states undergo an increase in defense spending. The former Soviet Union is no exception. "Despite the 7% decline in average total GDP of post-Soviet countries, their military spending increased by 5% as compared to 2009 and almost by 15% as compared to 2008," noted Grozin.

In Central Asia, Uzbekistan leads in terms of military spending.

Since it is the level of combat training that determines real combat capability of Army units, in 2010 it is also envisaged to increase funding for combat training by 25% in Kazakhstan, said Colonel Georgy Dubovtsev, President of the Center for Military and Strategic Studies in Astana.

According to military experts, in 2009 the funds allocated for training helped improve the quality indicators not only of individual training of soldiers, but also of field training of the units in all branches of the armed forces.

For example, the Kazakh pilots have the highest number of hours flown among the aviators of the CIS armies. During the real life and staff exercises, including the first exercises in the framework of the Collective Security Treaty Organization (CSTO) "Cooperation-2009" the Kazakh units and formations showed high levels of training.

Of relevance this year are goals such as improving the operational, combat and mobilization training of troops. According to sources in the Kazakh government, all these programs will be funded properly.

Also in the News:

- On Monday, Kazakhstan's Secretary of State and Foreign Minister Kanat Saudabayev held a telephone talk with Deputy Chairman of Kyrgyzstan's Interim government Almazbek Atambayev. The sides discussed efforts to stabilize the situation in Kyrgyzstan and Kazakhstan's assistance in political and economic areas. Kazakhstan has already allocated 3,000 tons of diesel fuel for the sowing campaign in Kyrgyzstan, Prime Minister Karim Massimov of Kazakhstan said at an April 24 government meeting.
- The meeting of Senior Officials Committee of the Conference on Interaction and Confidence-Building Measures in Asia took place in Almaty on Friday. They prepared draft documents for signing by heads of the CICA states at the conference's 3rd summit, due on June 8-9, 2010, in Istanbul. The Committee approved in general the Convention on Privileges and Immunities of the Secretariat, its personnel and representatives of CICA. If this Convention is approved at the summit, the Conference will acquire the practical features of an international organization. In future, this will allow the Conference to play a more active role in resolving the contentious issues in Asia, Kazakhstan's Deputy Foreign Minister Nurlan Yermekbayev said.
- These weeks the National Library of Kazakhstan in Almaty hosts a book fair "Path to Europe, Path to Civilization", where more than 5,000 books are presented. The exhibition is organized in the context of the state program "Path to Europe" and highlights the principles of Kazakh chairmanship of the OSCE. The exhibition presents a chronicle of Kazakhstan's cooperation with the OSCE and the European Union.
- On April 25, Alexander Vinokourov of Astana Cycling Team won one of the oldest races in cycling, Liege - Boston - Liege. The total length of the route is 260 km. The 2005 winner finished six seconds clear of Russia's Alexander Kolobnev. Astana team-mate and Tour de France champion Alberto Contador was the 10th. "It is magnificent. It is revenge. I dreamed of this. I have returned stronger than before and I've shown everybody that 'Vino' is back," Vinokourov, who was disqualified for two years for alleged blood doping, was quoted by BBC.



- More on Kazakh cycling, this time amateur. Bike marathon dedicated to the forthcoming Day of People's Unity of Kazakhstan (May 1) was held in Almaty. According to the Akimat (mayor's office), the plans of developing a proper infrastructure for cyclists is included in the comprehensive program of reducing environmental pollution in Almaty within the next eight years. In addition, local authorities plan to review a plan for the development of transport schemes and include bicycles routes in it.
- Kazakhstan's rugby team crushed Team Arabian Gulf (joint team of a few nations) with a score of 43-28 in the HSBC Asian Five Nations (HSBC A5N) Top 5 competition to take a strong step forward in their IRB Rugby World Cup 2011 qualifying campaign. The next game will be held on May 8 against Team Hong Kong. At the moment both teams are leading with the same number of points. Last year, Kazakhstan's rugby players were second, letting ahead of Asia's strongest team, Japan. The tournament's winner gets automatic qualification for the Rugby World Cup, while the runner-up can contest additional place through matches with European and American contenders.

Things to Watch:

- In the framework of interregional policy dialogue with the EU a meeting of foreign ministers in the format of the EU - Central Asia will take place in Brussels on April 28. The Kazakh delegation is led by Secretary of State - Minister of Foreign Affairs Kanat Saudabayev. The forum will discuss issues of regional and international security, interaction between the parties in overcoming the effects of the global recession, energy and environmental issues of regional development, including water resources management.
- Special Representative of the Secretary of NATO for Central Asia and Caucasus Robert Simmons will visit Kazakhstan on April 27-28. He will participate in the Eurasian Media Forum, meet with the leadership of several government bodies and visit the Partnership for Peace Training Center of the Defence Ministry's Military Institute.
- From April 29 through May 1, Prime Minister Karim Massimov of Kazakhstan will visit Shanghai, China. He is to hold meetings with a number of high-ranking officials of the PRC, executives of major Chinese companies working in Kazakhstan and attend the official opening of the World Exhibition EXPO-2010, which will be open from May 1 to October 31. The Kazakh pavilion, Astana, The Heart of Eurasia", will promote one of the youngest and most dynamic capitals of the world.

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Please send your requests and questions to pressa@mid.kz