



## **India's Krishna Visits Astana, Seeks to Promote Bilateral Cooperation** (Kazakh-Indian agreement on cooperation in culture, art, media and sport signed)

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## **India's Krishna Visits Astana, Seeks to Promote Bilateral Cooperation**



Both Foreign Ministers expressed optimism about future deepening of mutual interaction and support of each other's initiatives.

Photo by Kazakhstan's Foreign Ministry

through fruitful talks with President Pratibha Patil made an impact to the progress of bilateral relations. Since then, President Nazarbayev met India's Prime Minister Manmohan Singh twice, at the Yekaterinburg meeting of the Shanghai Cooperation Organization last year and at the Washington Global nuclear security summit last month.

During his Astana talks with Nursultan Nazarbayev, Indian Foreign Minister praised his policies that resulted in rapid economic development of the country. He expressed admiration for the pace of construction of Kazakhstan's capital Astana, noting India and Kazakhstan have long enjoyed a record of partnership and close friendly relations.

"India and Kazakhstan enjoy warm and friendly ties going back several millennia," Krishna said. "We belong to the same neighbourhood and we are multi-ethnic, multi-religious and secular societies. We have forged a strategic partnership to give a qualitative boost to our ties", Foreign Minister Krishna stated. "The political and economic contacts develop actively. We attach much significance to the enhancement of our cooperation. Together we can promote stability in the region."

The Kazakh leader expressed confidence the visit would further promote the development of Kazakh-Indian 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 the economic area,” President Nazarbayev said.

Earlier in the day, India’s Foreign Minister met with his Kazakh counterpart Secretary of State - Minister of Foreign Affairs Kanat Saudabayev. During the negotiations, the two foreign ministers had a comprehensive review of bilateral ties between the two states in all spheres including political, strategic, security, economic, commercial, social and cultural affairs.

Krishna stressed he was struck by the rapid development and progress that Kazakhstan has achieved since its independence.

“I am pleased to say that India and Kazakhstan have a strong congruence of views on major regional and international issues. Both our countries are strongly opposed to terrorism. I would like to thank Kazakhstan for its steadfast support to India in our fight against terrorism, particularly after the dastardly terror attack in Mumbai in November 2008”, he said.

In his words, India is going for a very huge massive expansion of its infrastructural facilities and Kazakh investment endows of India’s opportunity to build its infrastructure is most welcome.

“Both of our countries stand for peace, stability, development and growth, not only in the region but also in the world. Our cooperation is a win-win proposition and I am happy to see a strong commitment on the part of government and people in both our countries to take the process to a qualitatively higher level”, Krishna concluded.

Kanat Saudabayev, on his part, reminded the Indian delegation about the intensified industrial-innovation development program, initiated by President Nazarbayev and stressed Kazakhstan is strongly interested in India’s investments and cooperation in its realization.

“The state of our trade turnover stands behind the potentials of our countries. Taking into account Kazakhstan’s great resources and India’s high information technology capabilities, we have a lot to work on in the future,” Minister Saudabayev stressed.

The fruitful negotiations, which focused on promoting trade and economic ties, as well as cultural and humanitarian links, resulted in signing of an intergovernmental agreement on cooperation in culture, art, media and sport.

Later in the day, Krishna met Kazakh Prime Minister Karim Massimov and continued detailed negotiations on the prospects of economic cooperation between the two states. The parties expressed interest in further developing the strategic partnership and bringing trade and economic cooperation to a new level.

## **Kazakhstan, UAE Strive to Intensify Relations**



UAE Minister of State for Foreign Affairs Dr Anwar Mohammed Gargash praised the strong ties of friendship between the two countries under the leadership of President Nursultan Nazarbayev of Kazakhstan and President Sheikh Khalifa bin Zayed Al Nahyan of the UAE.  
Photo by Beken Nurzhanov

Since the early days of Kazakhstan’s independence, the United Arab Emirates has demonstrated its support for Astana, and the two countries have forged strong economic and cultural ties.

Political consultations between the foreign ministries of Kazakhstan and the UAE in Astana on May 12 once again confirmed both countries’ growing interest in consolidating bilateral trade, economic, cultural and humanitarian cooperation.

Deputy Foreign Minister of Kazakhstan Nurlan Yermekbayev led the Kazakh delegation while UAE’s Minister of State for Foreign Affairs Anwar Mohammed Gargash led the Gulf nation’s group.

The sides discussed the current state and prospects of bilateral partnership in political, economic and investment spheres, as well as further expansion of a legal base between Kazakhstan and the Emirates, the interaction within international and regional organizations, in particular the UAE participation in the Conference

on Interaction and Confidence Building Measures, in the work of Congress of Leaders of World and Traditional Religions, as well as the possibility of joint implementation of social and humanitarian projects in Afghanistan.

On the same day, Secretary of State and Minister of Foreign Affairs of Kazakhstan Kanat Saudabayev met with Minister of State

for Foreign Affairs Mohamed Anwar Gargash. The parties discussed the whole range of bilateral cooperation between the countries. The UAE has expressed support for Kazakhstan's foreign policy initiatives particularly Kazakhstan's OSCE presidency.

Gargash also informed about the agenda of the fourth meeting of the joint Kazakhstan-Emirate intergovernmental commission on trade-economic cooperation which was to be held in Astana and comprised issues relating to health, education, tourism and sports, cultural facilities, etc.

Relations between Kazakhstan and the UAE are developing dynamically. Diplomatic relations between Kazakhstan and the United Arab Emirates were established on September 1, 1992. The Kazakh Embassy in the UAE was opened in September 2006 while Consulate General of Kazakhstan is functioning since 1997 in Dubai. The UAE Embassy in Astana has started its work in October 2005.

Taking into account a stable political situation in Kazakhstan, Abu Dhabi has growing intention to make significant investment in Kazakhstan. According to Kazakhstan's Agency of statistics, trade between the two countries in 2007 amounted to 303 million US dollars, of which exports 56 million US dollars, and imports 247 million US dollars. In January-May 2008, the volume of mutual trade reached 139.7 million US dollars, including exports of 10.8 million US dollars, and imports of 128,9 million US dollars.

Today, the United Arab Emirates is a major trading partner of Kazakhstan in the Persian Gulf. Significant financial resources allocated by the UAE are mainly directed to promote construction in Astana, and building of multifunctional residential complex "Abu Dhabi Plaza" will start very soon in Astana. This project costs two billion US dollars and will be the highest building in the Central Asia.

Yet, even more ambitious joint project, worth more than 40 billion US dollars, is on its way. A whole new city, Aktau City to be precise, will soon rise on the Caspian sea coast. The work on this investment project has already started.

Also, in March 2010, the Agency for Financial Supervision (FSA) has issued a license permitting JSC Islamic Bank "Al Hilal" to conduct banking operations in Kazakhstan. The first Islamic bank «Al Hilal» was created in accordance with an agreement between the Governments of Kazakhstan and the United Arab Emirates (UAE) which was ratified on July 7, 2009. Al Hilal executives have said the bank is ready to invest in Kazakhstan's economy one billion US dollars this year.

## Kazakhstan's Resources Serve As Basis for Development



AGIP KCO's Kashagan Oilfield Offshore Island Project in the Caspian Sea. This photograph shows an artist's impression of the offshore artificial islands and barges. The design includes building production hubs on platforms and artificial islands to collect production.

Photo by KazMunaiGaz

Since independence in 1991, the aim of Kazakhstan's government has been to harness the country's vast and largely unexplored hydrocarbon resources for the development of the country's industrial, economic and social infrastructure.

Kazakhstan has since established itself as a major oil producer.

The 2009 BP Statistical Review of World Energy Report places Kazakhstan ninth in the world for proved reserves, with 39.8 billion barrels of oil in place or 3.2 percent of the world's total.

Kazakhstan's oil prospects were transformed by the discovery in the mid-1990s of the super giant Kashagan formation off the northeast Caspian coast near Atyrau. Kashagan

has turned out to be the biggest oil find over the past 30 years, with recoverable reserves of 36 billion barrels.

Producing and bringing these reserves to market has proved anything but easy, however. Together with Kazakhstan's other two major deposits - the onshore Karachaganak and Tengiz fields, themselves classed as "giants" - Kashagan has proved amongst the most technologically challenging of any field anywhere. It has called for state-of-the-art drilling and collection procedures to deal not only with adverse weather conditions - the field, located in shallow waters in an ecologically sensitive sector of the

Caspian Sea and is icebound for four months of the year - but complex geology and the poisonous hydrogen sulphide gas that is a feature of the oil structures of the northern Caspian.

These challenges have called for unprecedented levels of cooperation with the Western oil companies, which have contracted under 40-year or more production-sharing agreements to develop these fields.

In the case of Kashagan, a project whose scope and logistical challenges have only recently been properly evaluated - the development costs have almost quintupled to \$136 billion. This commitment is testing the organizational as well as technical skills, not to mention the financial muscle of the four principal foreign partners: ExxonMobil, Shell, Total and Eni. These companies, together with state oil and gas company KazMunaiGaz (KMG) each hold a 16.81 percent stake in North Caspian Oil Consortium, the development company; the remaining shares are held almost equally by Conoco Phillips and Inpex.

First oil is now slated to come on-stream in 2013 at an initial production rate of 150,000 barrels per day building to 1.5 million barrels per day by the end of the decade. This would effectively double Kazakhstan's current oil production. Meanwhile, Karachaganak and Tengiz have proved to be two of the most advanced and productive fields in the world.

Karachaganak, a Soviet-era field with recoverable reserves of 1.35 trillion cubic meters of gas and 1.2 billion tonnes of oil and condensate (8.2 billion barrels of oil equivalent - boe] has been completely revamped by Karachaganak Petroleum Operating (KPO), the consortium headed by British Gas and Italy's Eni. Chevron and Lukoil have smaller stakes.

Expanding production significantly is contingent on finding markets for the attendant associated gas. A processing plant in Orenburg across the Russian border takes the bulk of the 12 billion cubic meters produced annually. Local demand will absorb some of the extra production but KPO has looked to improve the condensate mix. Oil services company Petrofac is currently installing a fourth stabilization train that will boost production 56,000 boe/d to 280,000 boe/d by end 2011.

Situated in the north-east corner of the Caspian near Atyrau, Tengiz was developed in the 1990s by Chevron, which now heads the operating company Tengizchevroil with ExxonMobil, KMG and Lukarco as smaller shareholders. With up to 9 billion barrels of recoverable oil in place, it is the deepest operating giant field in the world and Chevron has had to develop revolutionary injection techniques to crack the field's sour gas problem. This it has done; a recently completed \$7.4 billion "second generation" expansion program will raise production capacity from 320,000 b/d to 560,000 b/d and there is talk of further expansion.

The need to deliver Tengiz oil to the global market spurred Chevron to promote Kazakhstan's first export pipeline, the 1,510 km Caspian Pipeline to the Russian Black Sea port of Novorossiysk. The governments of Russia and Kazakhstan control the largest stakes in Caspian Pipeline Consortium, the operating company, but Chevron has the largest stake (15 percent) of the seven private shareholders.

The first \$2.6 billion phase was opened in 2003 and reached full initial capacity of 22 million tonnes per year (t/y- 440,000 b/d) a year later. Throughput has since been ramped up to 34.6m t/y but now a much delayed \$2.5 billion second phase has been approved, it will rise to 67 million t/y by 2013 - in time to take first oil from Kashagan.

Kazakhstan is also looking eastwards to China. China National Petroleum Corporation has been a major investor in exploration and production projects in Kazakhstan as well as financing pipeline upgrades and two connecting sections, which now allows up to 200,000 b/d of oil to be shipped across Kazakhstan from Atyrau to Xingjian. Eventually it will supply oil from Kashagan and its capacity will be doubled.

Another export outlet being developed involves shipping oil from Aktau to Baku in tankers to be fed into the Baku-Tbilisi-Ceyhan pipeline. An undersea pipeline may be built if diplomatic impediments to its construction can be overcome.

Although the energy focus has been on oil, Kazakhstan has 1.82 trillion cubic meters of proved and largely untapped gas reserves. Kazakhstan now serves as a transit post for Turkmen gas destined for China. A 30 billion cubic meters a year (cm/y) pipeline is being built through Uzbekistan to link into a gas line that has been constructed alongside the oil pipeline from Atasu in eastern Kazakhstan to Alashankou in Xingjian. Due to be fully commissioned by the end of 2010, this pipeline will be the major artery for Central Asian gas into China. Kazakhstan will benefit not only from transit fees. Its existence will greatly enhance the viability of local gas finds along its way.

## Kazakhstan Is to Mark 15<sup>th</sup> Anniversary of Constitution



"The Constitution reflects the will of the people made into law," Igor Rogov said.

Almost fifteen years ago, in August 1995, the people of Kazakhstan voted at a national referendum for a new Constitution of the country which would be destined to become the foundation for its successes in developing economy and preserving political stability during a volatile transition period.

In 1995, the people made a historic choice in favor of a strong legal, democratic and social state, and this year Kazakhstan is set to mark the 15<sup>th</sup> anniversary of its Constitution.

Igor Rogov, Chairman of the Constitutional Council of Kazakhstan, briefed President Nursultan Nazarbayev on preparations for celebrating this anniversary during their May 11 meeting in Astana.

According to Chairman Rogov, apart from celebrating this event Kazakhstan is to hold on August 30 an International scientific-practical conference "The Constitution as the basis for democratic development". More than 30 foreign representatives, including chairmen of the constitutional courts, heads of other bodies of constitutional control, parliament representatives of foreign countries have so far confirmed their participation in the conference.

Speaking of the conference, the President pointed out that it should be focused not so much on the achievements, but on a profound scientific and theoretical analysis of the development of Kazakhstan and experiences gained from international colleagues.

"Based on this analysis, we must give some recommendations for further improvement of Kazakhstan's public legal framework," Nazarbayev added.

Adopted by a popular vote on Aug. 30, 1995 the Constitution of Kazakhstan reflects the will of people and consolidates the most important principles of a democratic polity, the basic rights and liberties of a citizen, the original provisions of the new economic order.

This constitutional framework is mainly maintained by Constitutional Council of Kazakhstan. If the President is the guarantor of the Constitution, then the Constitutional Council is its "guardian". Interpreting the Constitution, the Constitutional Council forms the legal doctrine that provides an understanding of its certain provisions.

The Constitutional Council of the Republic of Kazakhstan is a collective body of constitutional control in Kazakhstan. It consists of seven members. Chairman and two members of the Constitutional Council are appointed by the President. Two members representing the Senate and the Majilis each are appointed for six years. Former presidents of Kazakhstan shall have the right to be life-long members of the Constitutional Council. In 2004, Igor Rogov was appointed by the President as the council's chairman.

The main functions of the Constitutional Council are: to decide in case of dispute the correctness of: elections of President of the Republic, Deputies of Parliament, National referendum; to verify the compliance with the Constitution of laws adopted by Parliament before President signing them; to verify the compliance with the Constitution of international treaties before ratification; and to provide an authoritative interpretation of the Constitution.

### Also in the News:

- On May 11, the OSCE Chairperson-in-office, Secretary of State - Minister of Foreign Affairs Kanat Saudabayev of Kazakhstan met with President of the Oslo Centre for Peace and Human Rights, former Prime Minister of the Norway Kjell Magne Bondevik. The aim of his visit to Astana was to strengthen cooperation in peace-promoting activities and discuss the role of such activities in Kazakhstan's chairmanship of the OSCE. Bondevik noted Kazakhstan's efforts in strengthening the interethnic and interreligious harmony within the country and promoting principles of tolerance at the international level. The Norwegian politician stressed the importance of the contribution of Kazakhstan and President Nursultan Nazarbayev to nuclear

disarmament and strengthening international security. During his visit, Bondevik also met Kazakhstan's human rights ombudsman Askar Shakirov, chairman of the committee for religion at the Ministry of Culture Ardak Doszhan, and members of Parliament.

- The volume of natural gas production in Kazakhstan in January-April 2010 increased by 7.9 percent in comparison the same period of last year, Kazakhstan's Agency for Statistics reported. According to the Agency during the first four months of this year the country produced 12.6 billion cubic meters of gas. Explored and estimated reserves of natural gas in Kazakhstan are about 3.3 trillion cubic meters, and the potential resources reach 6-8 trillion cubic meters. Earlier, Kazakhstan declared its intention to increase production of raw gas in 2010 to 45 billion cubic meters.
- In Ust-Kamenogorsk, the "Asia Auto" car assembly plant has started the production of KIA cars, the company press release said. The plant will assemble the KIA Mohave and KIA Sorento SUVs, as well as KIA Cerato sedan. In the basic configuration, price of Mohave will be US\$ 37 500, Sorento will cost US\$ 25,000, and Cerato will fetch up to US\$ 14,900.
- The "Zerde" National Information and Communication Holding, in cooperation with a Korean company, will produce energy-saving lamps in Kazakhstan, according to a story in Business Resource magazine. The volume of the involvement of local resources will reach 70 percent. Total investments amount to US\$ 50 million, of which South Korean partners will invest about US\$ 20 million. They will also transfer new technologies. According to the Managing Director of JSC "Zerde" Marat Rzagaziev, lamps will not only cover the internal needs of Kazakhstan, but will also be exported to neighbouring countries, primarily those of the Customs Union.

### **Things to Watch:**

- On May 14-15, the second Trans-Parliamentary forum "Eurasian Dimension of the OSCE" will take place in Almaty. This forum is the first major event being held in Kazakhstan under the country's chairmanship of the OSCE. Delegates will discuss various issues of OSCE activity and its role in contemporary international relations, the situation in Afghanistan, as well as hold a special session on the latest political crisis in Kyrgyzstan.
- On May 15, "United Buddy Bears", an exhibition under open sky, will open in Astana. It promotes tolerance and understanding between peoples, cultures and religions. Each handcrafted bear represents a country member of the United Nations, and is decorated individually by the artist of the host state. The "Kazakhstan" bear was painted by Leyla Mahat. Since the first exhibition in 2002, more than 20 million people worldwide had the opportunity to admire the "Buddy Bears".
- From May 19-21, the KazAtomExpo 2010 exhibition will take place in Astana. It will represent the latest global developments in nuclear energy and industry. The event will bring together leading international and local companies, equipment manufacturers and materials for nuclear and electrical industries.

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