



Astana is Powerful Symbol of Unity, Driving Force for Economic Growth

(The city celebrates 16 years of being named capital, 12 of functioning as one)

Set Kyrgyzstan Back on Its Feet

(Kanat Saudabayev shares his views in an op-ed in the IHT on July 4)

Kazakh Metallurgy's Role Highlighted by Events in Astana, Temirtau

(Minerals & Metallurgy Congress, 50 Years for Industry Flagship Take Place)

Applied Research is Key for Development

(By Chan Young Bang, President of KIMEP University)

Astana is Powerful Symbol of Unity, Driving Force for Economic Growth



The Khan Shatyr, a giant transparent tent, adds to the list of Astana's landmarks as the one of world's youngest and most dynamic capitals celebrates its "birthday" on July 6, 2010. The famous British architect Norman Foster designed this unique building of a unique exterior and a floor area of 133,000 square meters housing a five-star hotel, offices, entertainment centre, shops, restaurants, concert hall, botanical garden, and even an artificial lake with a beach.

Photo by Neil Young

In 1994, when President Nursultan Nazarbayev spoke of moving the capital of Kazakhstan to a more central location, many considered it a very unlikely dream. Yet, Astana, a unique capital in the heart of Eurasia and the centre of Central Asia's largest country, is already celebrating its 12th anniversary on July 6.

The Kazakh capital belongs to one of the most unique cities in the world. As one of the few metropolis built chiefly in the 21st century, it is also among the world's youngest capitals.

Local residents marvel at the changes that have occurred over the past decade in the city, which was founded as a fortified outpost of Akmola in 1834, and in the 1950s became the centre of the then-Soviet leader Nikita Khrushchev's ambitious, though controversial, Virgin Lands campaign.

The Soviet town of Tselinograd ("Virgin Land City" in Russian) was given its original name of Aqmola

after independence. However, the desire to develop not simply a new administrative centre, but rather a powerful symbol of new beginning for the young nation was the reason of giving the town its new name of Astana (translated from Kazakh as "the capital") in May 1998.

When Kazakhstan got its independence, many believed it was lacking a unifying idea to shape a single nation referring to its diverse population and potential for regional differences as the original capital of Almaty in south-eastern Kazakhstan seemed to be a bit too distant and different from the rest of the country.

So, when President Nazarbayev came up with an idea to shift the capital closer to its geographical centre, he also clearly had a vision that creating a new visible centre for the nation's life could provide a strong symbol which would be appealing to all groups of the Kazakh people. And it was his clear determination in the correctness of such a bold proposal that persuaded the members of Parliament to overcome their natural initial scepticism (stirred by economic hardships of the time) and narrowly vote

in favour of the centrally-located town of Aqmola as the nation's future capital. The historical choice was made on July 6, 1994, which was President Nazarbayev's 54th birthday. It took another three years for the transfer actually to take place, as the seat of government moved in the frosty December of 1997, and the official presentation of the new capital with a new name took place the following June.

Astana was chosen as the new Kazakh capital for a number of practical reasons as well, including its considerable industrial potential, availability of free lands for further urban development, and extensive transport networks connecting the town with major centres in Kazakhstan, Central Asia, Russia, and China.

It is a well-known fact that the former capital, Almaty lacks space for further expansion due to being surrounded by mountains from three sides, and its location in an active earthquake zone was also risky for a capital city.

When the decision came to develop Astana as a new city, the best city planners and architects were invited to develop a concept for that. They finally came with an advice to the President about turning a left bank of the slow rolling Yessil River into the main field for construction that would turn a former sleepy provincial backwater of 280,000 into a dynamic capital with a unique face that it is today.

As part of the attempt to attract businesses to the capital, the government has set up "Astana New City", a 6,000-hectare special economic zone on the left bank of the Yessil River. Following the success of the first decade of the successful implementation of the city development plans, further incentives to invest in Astana are likely to come from Kazakhstan's Business Development Roadmap 2020, which will set the country's priorities for improving the business climate.

Astana's population has tripled since the move, to over 700,000 and is estimated to top one million in a decade or two. Astana is a magnet for young professionals seeking to build a career here, as well as for thousands of skilled builders and workers.

Astana's new residents are happy with the economic regeneration the move has brought. "There are lots of towns around Astana, and they are developing in parallel," says Margulan Rakhimbekov, a company manager who moved to Astana from the nearby city of Karaganda to make his career.

It is widely known that Astana competes with Ulaanbaatar and Ottawa for the title of the world's coldest capital. The city's famous cold and windy winters, however, turned notably milder in the latest decade, with the change attributed primarily to the positive effects of a greenbelt of forests being planted around the city, which essentially lies in the middle of the vast Kazakh steppe.

Yet, it is not only the city's outward appearance that has changed so dramatically in the last decade. Astana's role within Kazakhstan's economy has done so too. Over the last ten years, the GDP of Astana has increased more than fiftyfold and now accounts for 10% of the country's total GDP. At the same time, the industrial output has increased sevenfold, and investment flows are 22 times higher than in 2000.

Today, the young capital is growing rapidly as the key administrative and a major business centre of Kazakhstan, with over 200 joint ventures and foreign companies in operation. In addition, Astana is turning into one of the main business centres of the country. All but a few governmental organizations, diplomatic missions of 44 countries and 113 joint ventures and foreign businesses are located here. Almost half of all construction work in Kazakhstan is taking place in Astana as the government and investors press on with erecting the flagship city of the country.

Every year, the city hosts various international industrial exhibitions, conferences, musical contests and festivals. In 1999, by the decision of UNESCO, Astana was awarded the title of the City of the World.

One of Astana's most famous buildings is the pyramid-shaped Palace of Peace and Harmony which is the venue for triennial Congresses of Leaders of World and Traditional Religions and which recently hosted the OSCE conference on tolerance and non-discrimination.

Astana is a fascinating example of what one man, armed with strong determination, the support of his people and the financial resources that the country has been amassing from its booming economy, can achieve. Astana is indeed a living symbol of President Nazarbayev's determination and vision.

In 2008, the Parliament chose to celebrate the Astana Day on July 6, the day of the original decision to transfer the capital back in 1994.

This day coincides with the birthday of President Nursultan Nazarbayev, who this year marks his 70th anniversary. Yet, in one of the best Kazakh traditions, on his birthday, instead of thirsting for gifts

from others, the President gives presents to others, with Astana as his most prized gift to the people of the country that he has led since independence.

This year, the festivities, which began on July 4 with the hoisting of a huge flag of Kazakhstan over a sunny Astana, included concerts of famed singers and ballet dancers from around the world, street fairs and store promotions, folk concerts, exhibits and fireworks.

The key event, though, was the July 5 unveiling of the giant Norman Foster-designed Khan Shatyr commercial and entertainment centre with Andrea Bocelli giving a special concert in front of thousands of Astana residents and foreign dignitaries. Those included Russian President Dmitry Medvedev, Tajik President Emomali Rahmon, Ukrainian President Viktor Yanukovich, and Armenian President Serge Sargsyan, who came to Astana to participate in the summit of the Eurasian Economic Community, as well as King Abdullah II of Jordan, Crown Prince Sheikh Mohammed bin Zayed bin Sultan Al Nahyan of the UAE, Turkish President Abdullah Gul, among others.

Set Kyrgyzstan Back on Its Feet

(This opinion first appeared by Kanat Saudabayev, the foreign minister of Kazakhstan and chairman in office of the O.S.C.E., first appeared in the International Herald Tribune on July 4)



Kazakhstan reiterated its readiness to continue helping Kyrgyzstan in restoring its economy shaken by the recent turmoil, as President Nazarbayev received Rosa Otunbayeva in the Akorda Palace in Astana on July 4 in what was the first international visit by Central Asia's first female president.
Photo by Kyrgyzstan's Provisional Government

The international community faces an acute test of its political will in Kyrgyzstan. This small Central Asian country with a population of 5.3 million people is now in a deep political, economic and social crisis. As the tragic events of last month have shown, relations between the majority Kyrgyz population and some of the country's minorities have started to fracture in the south leaving the interim government struggling to regain control and maintain a functioning state.

Some people may ask: Why does the situation in Kyrgyzstan matter? For many of them it is probably, as Neville Chamberlain said famously of Czechoslovakia, a quarrel in a

faraway country between people of whom we know nothing. In fact, Kyrgyzstan is one of the main conduits for opium and heroin smuggling from Afghanistan to Russia and Europe.

If lawlessness and loss of authority are allowed to take root in Kyrgyzstan there is a danger that the country may be subject to infiltration by extremist groups, including terrorists.

The consequences of a complete breakdown of Kyrgyzstan could be very serious for Central Asia and the region beyond. The prospect of further violence, refugee flows to neighboring countries and a complete loss of control throughout the nation should be sufficient to galvanize world leaders to address the problems.

Kazakhstan, which holds the chair of the Organization for Security and Cooperation in Europe (O.S.C.E.), is a neighbor of Kyrgyzstan and the largest investor in the country. Kazakhstan feels a special responsibility to find a formula for deploying the resources of the international community to set Kyrgyzstan back on its feet.

In April, when the turbulence was at its height, Kazakhstan's president, Nursultan Nazarbayev, together with President Dmitri A. Medvedev and President Barack Obama contributed decisively to averting a civil war in Kyrgyzstan.

As chairman in office of the O.S.C.E., I have begun urgent consultations with the leadership of the United Nations and the European Union as well as with heads of foreign offices of regional players, including Russia, United States, China and Turkey, to coordinate our joint efforts on stabilizing Kyrgyzstan.

Under Kazakhstan's chairmanship, the O.S.C.E. deployed Zhanybek Karibzhanov as a special representative to Bishkek. Mr. Karibzhanov, deputy speaker of Kazakhstan's lower house of Parliament and chairman of the Kazakh-Kyrgyz interparliamentary group, together with envoys from the U.N. and the E.U., played an influential role in facilitating dialogue and defusing tensions.

While I believe that our efforts contained the crisis in April, the violence that erupted in mid-June is a chilling reminder of the fragility of the country and the limits of what the international community is currently able to achieve in Kyrgyzstan.

Let us be clear: Kyrgyzstan's root problems are social and economic, not political or ethnic. Since independence in 1991 successive governments in Bishkek have been unable to ensure adequate economic development in Kyrgyzstan leaving it with G.D.P. levels up to five times below that of its immediate neighbors. This has resulted in the sense of hopelessness and despair that is creating political divisions and driving the breakdown in relations between ethnic groups, most of which have a long history of living together peacefully.

That is why Kazakhstan has provided and continues to provide tangible humanitarian assistance to its close neighbor, sending fuel, seeds and foodstuffs. And that is why Mr. Nazarbayev has proposed to develop, together with Kyrgyzstan, an international plan of assistance for the country and a strategic program for its economic development.

Uzbekistan deserves great credit for opening its borders and offering sanctuary to tens of thousands of Uzbek refugees. Although most of them have now returned to Kyrgyzstan, the situation in the south of the country remains volatile and there are concerns that the splintering of Kyrgyzstan's ruling class and society could lead to disturbances in the north as well.

The O.S.C.E. has invested significant resources since 2003 to reform Kyrgyzstan's law enforcement bodies and played a major role as a mediator in stabilizing the political crisis of 2005 when President Askar Akayev was forced out of office amid violent scenes in several parts of the country.

Kazakhstan has welcomed the success of the Kyrgyz referendum on June 27 as an important step toward returning a legal framework and peaceful development to the country. We urge all political forces in Kyrgyzstan to unite their efforts in reviving the economy and solving the most acute social problems. Kazakhstan stands ready to share its experience of economic and political reforms to help our brotherly nation.

It is vital now that the international community find the resolve to support the Kyrgyz government's capacity to maintain public order and advance national reconciliation.

The O.S.C.E. is ready to make its contribution to accomplishing this mission. With this in mind, we seek the strengthening of the O.S.C.E. center in Bishkek and its operations throughout Kyrgyzstan.

To help Kyrgyzstan, Kazakhstan as chairman of the O.S.C.E. is working hard to employ the organization's potential to the fullest extent possible. It is important that the political will of its 56 member states now be mobilized to offer Kyrgyzstan the assistance that it so urgently needs.

Kazakh Metallurgy's Role Highlighted by Events in Astana, Temirtau



The metallurgical industry's status as a leading sector of Kazakhstan's economy was confirmed last week as the country hosted the first Minerals & Metallurgy congress in Astana, while the industry's flagship Karaganda Metallurgical Plant in Temirtau celebrated its 50th anniversary.

Photo by Vladislav Yakushkin

On June 30, Astana witnessed the first large scale conglomeration of the mining industry of Kazakhstan and partners from around the world. The Astana Minerals & Metallurgy (AMM) Expo, attended by President Nursultan Nazarbayev, included a congress of experts and industry professionals, an exhibition of latest technologies and techniques used in the field, as well as seminars on training young professionals and environmental policies.

The congress sought to attract assistance in attracting investment in mineral resources and metallurgy of Kazakhstan for the transition from a resource-oriented economy to a technological knowledge-intensive service in the industry. Also targeted was the strengthening the capacity of Astana as the site of interaction between state authorities and business structures.

Speaking at the event, President Nazarbayev noted that the Congress began its work in the first year of relative calm after two years of difficult global economic crisis. "In 2008, in the midst of economic recession, the total capitalization of the forty largest companies in the industry declined by

64%. As a result, companies had to take tough anti-crisis measures, mainly by reducing costs and delay implementation of previously announced ambitious projects.”

The President continued by saying that “in Kazakhstan we did not allow that to happen. We are proud to say companies operating in our country continued to implement breakthrough investment projects. We did not allow a reduction in jobs. Today, the results of our work are clearly visible.”

President Nazarbayev announced the overall strategy and development processes of the mineral sector and metallurgy in Kazakhstan and the importance of shifting from raw extraction to processing high quality metals noting that in tandem with rising demands there is a rise in standards.

He said, “The rapid development of high technology, space programs, nuclear renaissance, engineering, construction industry require products with unique quality characteristics. Therefore, increasing quality standards for metals are becoming popular new high-tech alloys with special properties, increasing the consumption of rare metals. All this compels us to strive to produce innovative products with higher added value.”

International experts, representatives of major multinational metallurgical and industrial companies, analysts, investment banks, and government representatives of the largest producing countries of mining and metallurgical complex (MMC) production enjoyed a chance to discuss key economic and investment performance of the industry and current projects.

The president also drew the attention to environmental issues and environmental protection, saying, “We need to find a balance between economy and environment. The disaster in the Gulf of Mexico is a glaring example. We should try to minimize negative impacts on nature and take care of future generations.”

Environmental issues as well as social corporate responsibility, training and retraining of professionals in the mining and metallurgy in Kazakhstan were central at the conference. Parallel to the main sessions of the forum, a technical conference convened with a program of seminars and presentations of new technologies, equipment and services for the mining and metallurgical industry.

President Nazarbayev also noted that “Kazakhstan has traditionally had a strong scientific and technical base metals sector and we must continue to develop it.”

The launch of a brand new intellectual Centre for Development at the congress was an especially important step for the development of advanced technologies. The official partners of the AMM 2010 project - the company “Has Sheber” and “Human Capital Lead”, have sponsored the centre named “Temir Kazyk Intel TM”.

According to the president, the work of the centre “will be aimed at modernizing the industry, the development of national science and technology, industrial application of advanced development.” He also noted that “the recently opened international university in Astana with its centres of engineering and energy will also contribute to this work and will generate innovations for the industry.” The importance of technological innovation, noted the president, “is the requirement of our time.”

The Congress AMM - 2010 is also sponsoring two charity events in support of residential homes of Astana for honoured veteran employees, as well as several environmental actions.

One of the goals of the AMM is the development of Kazakhstan’s capital as a key meeting place for senior government and business level, affecting the political and economic processes in Central Asia and the CIS. The congress aims to become an annual meeting place for members of mining and metallurgical sector in the Republic of Kazakhstan and foreign countries. For more information, please visit www.amm.kz

In addition, the AMM Conference allows for the formation of a permanent museum of Mineral Resources of RK in Astana, dedicated to the mining and metallurgical complex of the Republic of Kazakhstan. The historical photographs, exhibition specimens, publications and films of the MMC exhibited at the AMM 2010 have been transferred to City of Astana to further augmentation of the Museum.

The strong link between the Kazakh metallurgical industry’s past and the present was highlighted by the fact that the Congress of Minerals and Metallurgy took place just before the 50th anniversary of the industry’s flagship enterprise - the Karaganda Metallurgical Plant (now working under the name of ArcelorMittal Temirtau), located in the town of Temirtau.

“The Karaganda Metallurgical Combine, which is popularly known as ‘Kazakhstan Magnitka,’ (a reference to Magnitogorsk – Russia’s major metallurgical centre) began its work on July 2, 1960. I want

to congratulate all Kazakh metallurgists with this remarkable event, the 50th anniversary of the flagship industry,” said Mr. Nazarbayev, who himself is a former worker of the plant.

“50 years ago the first blast surface of the Kazakhstan’s Magnitka cast its first iron. And I am proud to have witnessed the legendary event personally,” the President stated.

Applied Research is Key for Development

By Chan Young Bang, KIMEP President

Founder of Kazakhstan’s first Western-style university speaks of economy & science

(This article first appeared in the International Herald Tribune on 3 June 2010)



KIMEP University’s President Chan Young Bang: “We are grateful for the opportunity to implement the vision of President Nursultan Nazarbayev. His presence is a tangible sign of the support he has given us since the day we were founded and clearly demonstrates the importance of KIMEP for the development of this great country.”

Photo by Akorda.kz

Kazakhstan is rich in natural resources. Already famous for its vast oil and gas reserves on the Caspian Sea, Kazakhstan is also the world’s largest producer of uranium, as well as a major exporter of chrome, copper, lead and zinc. Moreover, much of Kazakhstan’s proven mineral reserves are still waiting to be developed. Kazakhstan plans on doubling its already substantial uranium production over the next 10 years and has the potential to become one of the top five oil producers in the world.

Mineral wealth has been both a blessing and a curse for many developing countries. While resource

extraction is an easy source of foreign investment and helps build sovereign wealth funds, developing countries with such resources face considerable challenges in diversifying their economies outside of oil and mineral extraction.

Although Kazakhstan produces more than 1.5 million barrels of oil a day, it possesses only three refineries, which are capable of processing only a third of this production. Other industries are similarly underdeveloped, and the government has recently launched an ambitious development program to address this.

Kazakhstan’s development program rests on the shoulders of its sovereign wealth fund, Samruk-Kazyna, and its ability to continue to tax resource extractors. But this is not without its challenges. Global demand for Kazakhstan’s tenge rises with the price of oil, making the currency more costly and thus jeopardizing the country’s fledgling sector for manufactured exports. On the other hand, heavily taxing extraction industries and subsidizing the industrial sector has a negative effect on the backbone of Kazakhstan’s economy, which clearly diminishes Kazakhstan’s ability to further industrialize.

Addressing this dilemma is no small task, and one that is further exacerbated by Kazakhstan’s unique feature: it is both a commodity-rich and a transitional economy. There is a strong need for better understanding of both of these issues. Recent advances in development economics for transitional economies only partially help us understand the situation in Kazakhstan, and the same can be said about the current understanding of commodity-based economies. There is a great need for a synthesis of these two fields of research, especially for Kazakhstan, but for academia as well.

The Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP), the university which I am proud to serve as president, will soon undertake an ambitious project to ensure that Kazakhstan will have thorough and innovative research to form its resource policy in the future. The Commodities and Currency Research Centre will be based on a broad consortium of international partners, and link Western European and Russian academic institutions with multinational companies and public institutions in Kazakhstan. While initially funded by grant money, the centre will become self-sustaining by partnering with private and public organizations to deliver analysis catering to their needs.

The centre will also enrich the classroom, providing crucial, relevant material for students to analyze. The establishment of the centre will be followed by a project to establish a joint Ph.D. program between KIMEP and other European universities. Faculty trained under this program will possess the necessary skills to train future specialists in the field. Upon graduation, these young men and women

will be fully equipped to guide and enact policy to ensure that Kazakhstan effectively uses its resource wealth to develop into a stronger, more vibrant country.

The centre will also become a magnet for further interest in Kazakhstan and Central Asia, serving as the primary hub for any researcher interested in this part of the world. Publications in elite academic journals and international conferences will bring further attention to this nation, exposing this relatively unknown part of the world to the elite of academia.

Opportunities already exist for building an even broader collection of international partnerships. In 2004, Russia and Norway joined together to develop the International Institute for Energy Policy and Diplomacy, which uses a broad base of partners to deliver a master's degree in international business in the oil and gas sector. Both the University of Texas and Stanford University have also developed their own research centres focusing on energy management. In time, the work of these institutes can be developed to apply to Kazakhstan, and the research agenda at KIMEP can be used to enrich these institutions as well.

When looking at the future development of Kazakhstan, the importance of a robust research centre that focuses on this country's most pressing issues cannot be overstated. The management of Kazakhstan's commodity wealth is only one of many issues facing this country, and these challenges will not solve themselves.

The Commodity and Currency Research Centre will be followed by several other research centres, focusing on taxation, Eurasian integration, media issues and leadership development. I believe that it is eminently possible that these centres will be able to bring the brightest minds in the field to Kazakhstan, each making a significant contribution to the future development of this great nation.

Also in the News:

- Numerous foreign leaders and common citizens of Kazakhstan congratulated President Nursultan Nazarbayev of Kazakhstan on his 70th birthday on July 6. Presidents Hu Jintao of China, Islam Karimov of Uzbekistan, Shimon Peres of Israel, Ilham Aliyev of Azerbaijan, Heinz Fischer of Austria, Vaclav Klaus of the Czech Republic, Alexander Lukashenka of Belarus, Roza Otunbayeva of Kyrgyzstan, King Juan Carlos of Spain, former presidents George H.W. Bush and Bill Clinton of the USA, Arnold Ruutel of Estonia, Peter Stoyanov of Bulgaria, former chancellors Helmut Kohl and Gerhard Schroder of Germany, Franz Branzky of Austria, and many others sent their telegrams in which they noted Nazarbayev's important contribution to international peace and cooperation, as well as turning Kazakhstan into a responsible and respectable member of the global community of nations.
- The OSCE Permanent Council adopted a statement on July 2 that expressed its readiness to assist Kyrgyzstan and called for a quick conclusion of negotiations with Kyrgyzstan's authorities. The statement said the Permanent Council "expresses its readiness to consider the early deployment of a Police Task Force to Kyrgyzstan and calls for the swift conclusion of the negotiations with the competent Kyrgyzstani authorities so that the Permanent Council can take an appropriate decision". The statement, adopted unanimously by representatives from the 56 OSCE participating States, took note of an OSCE Needs Assessment Mission that recently visited Kyrgyzstan. It also recalled that the Permanent Council in June had offered "to assist Kyrgyzstan upon its request in resolving the current crisis, preventing the spillover of tensions in the region and in promoting post-conflict rehabilitation".
- On July 3 in Astana, Prime Minister Karim Massimov officially launched the construction of the first National Space Centre, opening the on-site monument dedicated to the memorable date. François Auque, President of the European Aeronautic Defence and Space Company N.V. (EADS) Astrium, said apart from cooperation in establishing a joint venture for satellite construction, they intended to train Kazakh space specialists. He also noted as a partner of Kazakhstan the company has now gained a chance to share the Central Asian nation's aspiration for improving its position among leaders in space industry and research. Anne-Marie Idrac, French Secretary of State for Foreign Trade, also attended the ceremony to declare her country's support for the project. EADS is a large European aerospace corporation, formed by the merger in 2000 of DaimlerChrysler Aerospace AG (DASA) of Germany, Aérospatiale-Matra of France, and Construcciones Aeronáuticas SA (CASA) of

Spain. The company develops and markets civil and military aircraft, as well as communications systems, missiles, space rockets, satellites, and related systems.

- In November, the construction of a new testing complex for space vehicles will start in Astana, Chairman of the National Space Agency Talgat Mussabayev said during the workshop “Realization of space projects within the industrial-innovational development of Kazakhstan” on July 2. The project worth 110-120 million Euros is 27.5% financed by France, with the rest being funded by Kazakhstan. In addition, the first Kazakh satellite with remote probing system will be launched from the Kourou Space Centre of French Guiana. The project is to be finished by the end of 2012, and the construction of 260-million-Euro satellite, by 2014. “Our goal is to establish space industry in Kazakhstan, and the government is doing its best for realizing it. We need more than a plant, we must foster the personnel and adopt the latest technologies of our strategic partner and the leading company in this field, EADS Astrium,” Mussabayev said.
- In Beijing, on July 2-3 Kazakh Deputy Minister of Foreign Affairs Nurlan Yermekbayev held inter-ministerial consultations on the Shanghai Cooperation Organization with his Chinese colleague Cheng Guoping. During the negotiations, the sides discussed multilateral collaboration and an SCO Action Plan for 2010-2011 initiated by Kazakhstan. Yermekbayev also held talks with the SCO Secretary General Muratbek Imanaliyev, where the sides paid particular attention to the organization’s work during the Kazakh chairmanship and preparations for the 10th anniversary summit due to take place in June 2011 in Astana. The negotiations are continuing the cycle of consultations held by Kazakhstan with the Organization’s member states. Yermekbayev held similar consultations on June 25 with Russia and intends to continue with his colleagues from Kyrgyzstan, Tajikistan and Uzbekistan.
- On July 1-2, the 6th session of the Kazakh-Lithuanian Intergovernmental Commission on Trade and Economic Cooperation took place in Druskininkai, Lithuania. Executive Secretary of the Foreign Ministry Rapol Zhoshybayev headed the Kazakh delegation, and the Lithuanian side was led by Minister of Economy Dainius Kreivis. The participants of the meeting exchanged views on bilateral cooperation in transport, education and science, technology and innovation, information technologies, healthcare, tourism, labour and social protection, and consumers’ rights. The parties also signed a Protocol reflecting the promising directions of bilateral trade and economic cooperation, including an agreement on cooperation in the field of archives between the Ministry of Culture of Kazakhstan and the Lithuanian State Archive Department.
- A new leukaemia paediatric centre will be established in Kazakhstan under the support of Japan. Kazakh Minister of Health Zhaksylyk Doskaliyev and President of the Japanese Association of Private Finance Initiative (PFI) Kazuo Ueda signed an appropriate agreement last Saturday. The document says the centre will be built through private-public partnership and foresees the private side to be in charge of the centre during the construction work, following which it will pass the proprietary right to the government. Along with the Kazakh medical professionals, who have already completed their training in Hiroshima University, Japanese leukemia experts will work in the centre.
- Oil transport tariff through the Baku-Tbilisi-Ceyhan (BTC) pipeline is not competitive with railway transportation, President of “KazMunaiGaz” national company Kayirgeldy Kabyldin said last Friday. “The BTC tariff has become too non-competitive with railway services. That is why we use railway transport in the “Baku-Black sea” corridor,” Kabyldin noted. He also said the negotiations on the tariff rates were held between the management of “Tengizchevroil” company and the Azerbaijani side. “Since BTC is, above all, meant for Azerbaijan oil, and they upped tariffs for the third parties, the tariff is no longer attractive for Kazakhstan,” Kabyldin noted.
- Moody’s Investors Service upgraded the long-term local and foreign currency deposit ratings of Alliance Bank to B3 from Caa3 on July 2. According to the agency’s official review, Alliance bank’s E bank financial strength rating (BFSR), which now maps to a Baseline Credit Assessment (BCA) of Caa2, and Not Prime short-term ratings have been affirmed.

Concurrently, the bank's senior unsecured and subordinated notes issued in the course of the restructuring have been assigned long-term debt ratings of B3 and Caa1, respectively. The bank's BFSR carries a stable outlook.

- Kazakhstan's Yaroslava Shvedova became the first ever Central Asian player to have won the Wimbledon Championships, arguably the most prestigious of four Grand Slam tournaments. She did so by claiming the title in Women's doubles along with her US partner Vania King. In the final game they defeated Vera Zvonareva and Elena Vesnina of Russia 7-6, 6-2.



Ladies' Doubles Champions Yaroslava Shvedova and Vania King
Photo by AELTC / M.Hangs

Things to Watch:

- The 51st International Mathematical Olympiad (IMO) is held in Astana on July 6-17. This is the first time a World Championship in mathematics for high school students is held in a post-Soviet country. The Olympiad will gather nearly 600 talented young mathematicians from 102 countries across the world. In total, more than 1,200 guests will arrive in Astana for participation in the event.
- On July 16-17, foreign ministers from 56 OSCE participating states will gather in Almaty for a two day informal council to review the current state of affairs within the Organization and plan for the future. The Kazakh Chairmanship is putting together an agenda for the event currently, working with partners at the OSCE.

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