



Ambassador Ashok Sajjanhar
Advisor, Central Asia, Ananta Aspen Centre
Former Ambassador of India to Kazakhstan, Sweden and Latvia

HIGHLIGHTS

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Political Developments

US President Donald Trump met **Kazakh President Nursultan Nazarbayev** in Washington DC. Both leaders agreed to enter into an Enhanced Strategic Partnership. Nazarbayev declared a “new era of relations” between the two countries that will cooperate on supply of U.S. and Afghan militaries. Nazarbayev expressed desire to host talks to find a peaceful solution for North Korean nuclear crisis and asserted that having abandoned its own nukes, Kazakhstan has a moral right to call on Iran and North Korea to give up their nuclear programs. U.S. companies signed 20 commercial contracts worth US\$7.5 billion.

Nazarbayev spoke about a new format of cooperation between Central Asia and United States termed as “C5+1.” He said that region will certainly benefit from American finance and technology. A meeting of foreign ministers of C5+1 will be held in first quarter of 2018. Commenting on US intention to hold such a meeting, Russian Foreign Minister said that Washington’s intention is not aimed at helping economic growth of Central Asia; rather US is pursuing its geopolitical goals and implementing its Greater Central Asia project. Russian strategy is to firmly push back US efforts to expand its influence in Central Asia.

Nazarbayev offered Kazakhstan as venue for talks to solve Ukraine-Russia crisis, which has severely damaged US-Russian relations. The Minsk Process is at a dead end, and the parties — Ukraine, Russia, European countries, and U.S. — need to try new approaches. In response to Belarus’s criticism of this suggestion, Kazakhstan said that it does not doubt the importance of Minsk platform, and “respects” the Minsk peace accords. It does not wish to interfere in Minsk process but is ready to offer a new platform for talks if a request came from the warring sides. Nazarbayev stated that the proposal had emerged in response to a suggestion by Trump. Russia said that commitment to Minsk accords is “more important than the venue for negotiations.”

As President of United Nations Security Council (UNSC) for January, 2018, **Kazakhstan** chaired the quarterly UNSC open debate on Middle East- Israeli-Palestinian conflict. Both sides were exhorted to avoid unilateral actions that could delay achievement of an early and fair resolution of the conflict.

Speaking at UNSC Meeting on building regional partnership in Afghanistan and Central Asia convened by **Kazakhstan** as President of UNSC for January, 2018, UN Secretary General (UNSG) said that regional cooperation offers opportunities to address common concerns, including counter-terrorism financing, improving border security, fostering dialogue with religious institutions and leaders, and countering

human trafficking and drug smuggling. He said that even “modest” improvements can result in substantial gains and noted recent intensification of cooperation on sharing water resources. He said that “only by addressing the root causes of crisis, including inequality, exclusion and discrimination, will we build peaceful societies resilient to terrorism and violent extremism.”

Despite an increase in activities of terrorist groups in Afghanistan, **Kazakhstan** stated that all Central Asia countries believe Afghanistan should not be viewed as a threat. Instead, Kazakhstan considered it crucial to integrate Afghanistan’s economy with the region by promoting regional infrastructure, trade, investment, transit and transportation projects.

Russian foreign minister stated that militants are fleeing from Syria to Central Asia, including Northern Afghanistan. He said that Northern Afghanistan is turning into a main base for international terrorism with Afghan wing of Islamic State in the lead. He said that Russia is open for multilateral cooperation on implementation of large-scale economic and infrastructure projects such as TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline and Central Asia-South Asia (CASA-1000) energy bridge.

Speaking at UNSC, **Nazarbayev** called on North Korea to give up its nukes. He further advocated boosting confidence measures and faster nuclear weapons reductions by P-5, which would encourage other countries not to pursue nuclear weapons. In addition, Nazarbayev called for a UNSC resolution outlining sanctions against countries that move to quit the Non-Proliferation Treaty and obtain nukes.

Kazakh Foreign Minister proposed a code of conduct to achieve a terrorism-free world by 2045. The proposal calls for creation of a broad international coalition of partner countries to counter terrorism.

Kyrgyz President Sooronbai Jeenbekov discussed current state of bilateral relations with his Tajik counterpart Emomali Rahmon during his visit to Dushanbe. They identified priority areas for further cooperation including trade and economy, transport, cultural and humanitarian spheres.

Uzbek President Shavkat Mirziyoyev dismissed chief of Uzbekistan’s National Security Service (NSS) Rustam Inoyatov who held this position since 1995. Mirziyoyev had criticized the leadership of NSS in December, 2017 and called for immediate reforms in the agency. The replacement is important as, since demise of president Islam Karimov in 2016, a power struggle has been evident between Mirziyoyev’s and Inoyatov’s supporters. With replacement of his long-time rival, Mirziyoyev is now in almost full control to pursue his reform agenda, including scrapping internal visas for Uzbeks willing to go abroad, liberalizing media sector, etc.

Foreign Ministers of **Turkmenistan and Azerbaijan** met in Ashgabat and agreed to intensify work of intergovernmental Turkmen-Azerbaijani commission on trade and economic cooperation and to develop relations in energy and transport, logistics, and developing effective mechanisms for car-ferry and rail-ferry services.

Uzbek Foreign Minister visited USA and met top U.S. officials including National Security Adviser H.R. McMaster.

Turkmen President Gurbanguly Berdimukhammedov has banned women from driving cars. This comes after his decision to ban black vehicles because white cars are luckier. If women are seen driving, they risk losing their license as well as their car. President Berdimukhammedov apparently decided to take action because, according to Turkmen authorities, women drivers are responsible for majority of car accidents.

Governor of Ferghana Province in **Uzbekistan** has forbidden young men of 20-22 years to travel to Saudi Arabia to perform hajj. He also declared that local residents will be forbidden to travel to Russia. He made this announcement after 52 Uzbek nationals died when a bus carrying them to Russia caught fire in Kazakhstan.

Economic Developments

Groundbreaking ceremony to start work on **TAPI** pipeline in Afghanistan is expected to take place on Turkmen-Afghan border on 23rd February, 2018. Turkmenistan has invited Heads of State of India, Pakistan and Afghanistan to participate in the ceremony. This will herald the beginning of formal talks amongst

participating countries who will work on their respective agreements concerning safety, security, taxation, exemptions and fiscal incentives, although terms of commercial contracts are yet to be negotiated.

According to Global Passport Power Rank 2018, **Kazakhstan** falls in 59th place with visa-free travel to 71 countries. Azerbaijan and China rank 65th as their citizens can visit 64 countries without visa. **Kyrgyzstan** is in 69th place with visa-free travel to 59 countries. **Uzbekistan, Tajikistan,** and India rank 72nd as their citizens can freely travel to 55 countries. **Turkmenistan** is in 77th place with visa-free travel to 50 countries.

At recently held 12th meeting of senior officials of **Central Asia+Japan** in Dushanbe, cooperation in transport and logistics, natural resources, industry, energy, health, climate and environmental change, personnel training, tourism and regional security were discussed. All participants noted desirability of intensifying cooperation in agriculture, fighting emergencies, promoting trade and economic cooperation, and developing capacities of Central Asian countries.

Kazakh government is working to increase share of tourism in Kazakhstan's GDP from 1% in 2016 to 8% by 2025.

Kazakhstan ran a current account deficit of US\$4.6 billion in first nine months of 2017, posting a 24% decline from same period in 2016.

A Dutch court has lifted the freeze on **Kazakh sovereign fund's** assets worth US\$22 billion. The assets were frozen last October after a lawsuit by a Moldovan businessman to enforce a US\$500 million arbitration ruling against Kazakhstan.

Kazakhstan plans to increase electricity generation through renewable energy sources (RES) to 2.7 billion kW/h in 2018 and bring it to 30% by 2030. RES production increased to one billion kW/h in 2017 which is 22% more than in 2016.

Kyrgyzstan's economic growth in 2017 surpassed expectations with a 4.5% GDP growth rate and recovery in most sectors. IMF said that money transfers increased by 25% in dollar terms and public spending, which grew by 4%, stimulated demand. Overall inflation was 3.6% and deficit around 3.5% which were close to target range of National Bank of Kyrgyzstan.

GDP growth in **Turkmenistan** amounted to 6.5% in 2017. In comparison with 2016, overall production increased by 6.4%.

Turkmenistan, which once provided drivers a quota of free gasoline every month, has raised its prices by 50% as country struggles with low prices for export of natural gas.

Kazakhstan has improved its position in Index of Economic Freedom-2018 with a score of 69.1, making its economy the 41st freest among 173 countries leaving behind Russia (107th place) and China (110th). Some years ago, Kazakhstan was placed at 69th position.

Tajikistan's US\$4-billion mega dam, intended to be tallest in the world, could begin operations in November. Plans to build a dam on Vakhsh River in southern Tajikistan date back to Soviet- era but the project was scaled up in recent years.

India-Central Asia Relations

Foreign Minister of **Uzbekistan** visited India on 11-12 February, 2018 and held discussions with his Indian counterpart on expanding bilateral and multilateral cooperation. This was part of his working visit to Iran, Pakistan, China and India for discussing bilateral cooperation, regional developments and international issues. He had earlier visited India with Uzbek Minister of Foreign Trade and a big business delegation in August, 2017.

Deputy Prime Minister and Foreign Minister of **Turkmenistan** visited India and held discussions with Indian External Affairs Minister to strengthen and expand bilateral, regional and multilateral cooperation. He had earlier visited India in August, 2017.

In a major boost to its efforts to promote connectivity, India was admitted to **Ashgabat Agreement** that envisages transit and transportation of goods between Central Asia and Persian Gulf. The Agreement was initiated by Iran, Oman, Turkmenistan and Uzbekistan in 2011. This would diversify India's connectivity options with Central Asia and impact positively on India's trade and economic ties with region.

Kyrgyzstan was partner country of 32nd international annual Surajkund mela. A large 50-member Kyrgyz delegation participated in the festival. Kyrgyzstan presented its strategic programs and projects including promotion and development of tourism and World Nomad Games-2018.

Kazakhstan is planning to soon introduce a 72-hour visa-free transit visit for Indian citizens. This is being done to tap into rapidly expanding Indian outbound tourist traffic and in view of India's rapid economic growth. A similar scheme started with China sometime ago is working well.

A 2-day international conference titled "Muhammad Hyder Duglati— golden bridge between **Kazakhstan and India**" was organized at Central University of Kashmir (CUK) in collaboration with Taraz State University, Kazakhstan. Discussions were held to highlight literary and cultural legacy of Duglati and his rule as Governor in Kashmir in mid-16th century. Grave of Duglati on outskirts of Srinagar has been restored by Archaeological Survey of India. CUK and Kazak institutions agreed to organize joint conferences, seminars and identify further areas of collaboration.

A 12-member Folk and Dance Ensemble from **Kazakhstan** visited India at invitation of Indian Council for Cultural Relations(ICCR) and performed in New Delhi, Lucknow and Patna.

A 5-member Artisans Group from National Museum of **Kazakhstan** and Union of Artisans of Kazakhstan participated in 32nd International Surajkund Craft Mela, Haryana.

Government of India conferred Padma Shri award for 2018 on Prof. Habibullo Rajabov, a renowned Indologist from **Tajikistan**. Prof. Rajabov has studied Indian languages, literature and history for more than 50 years. He has written fourteen books and published over 200 articles on Indian philology. He has translated several works of famous Indian writers into Tajik language. He is the first Tajik scholar to be conferred this award.

An International Conference was organised in **Dushanbe, Tajikistan** to celebrate life, teachings and philosophy of Mirza Abdul Qadir Bedil Dehlavi. Indian Ambassador to Tajikistan said that Bedil was most prominent representative of Indian style of Persian poetry. He was a man of great learning and a true symbol of composite culture of India. He was tolerant of all faiths and religious persuasions. Several prominent Tajik academics presented their papers on Bedil's poetry and its influence in strengthening cultural relations between India and Tajikistan.

Indian Ambassador to **Turkmenistan** Dr TV Nagendra Prasad paid a farewell call on Turkmen President prior to his departure from Ashgabat on completion of his tenure.

(The views expressed are personal)
