

HIGHLIGHTS

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Political Developments

President Biden became the first U.S. president to meet with leaders from five Central Asian nations in a group on the sidelines of the UN General Assembly session on 19th September, 2023. President Biden termed the meeting as a 'historic moment.' Even though the dialogue format C5+1 has existed between the US and Central Asia since 2015, meetings had, until now, taken place at the foreign minister level. The summit in New York can be viewed as a sign of the upgrading of the region in US foreign policy. Discussions were held on prospects for enhancing trade and economic cooperation, green development, ensuring energy security and introducing renewable energy sources, ensuring regional security, combating terrorism and cross-border crime. It was noted that the "C5+1" format, created eight years ago in Samarkand, had become a sought-after platform for open and constructive dialogue and the development of productive interaction in all areas between Central Asian countries and the United States. Priority areas of cooperation for development of the entire region were defined, such as strengthening trade and investment activities, establishing project cooperation, developing transport corridors in the region, promoting the green agenda, ensuring human rights and gender equality, expanding educational programs, promoting peaceful settlement in Afghanistan etc. Agreements were reached on further deepening mutual understanding and enhancing practical partnership between the countries of the region and the United States.

The priorities specified by Biden include, among other things, cooperation with the Central Asian countries in the fight against terrorism and its financing. In addition, Washington wishes to expand its economic cooperation with the region, via the exploitation of natural resources and renewable energy, as well as the establishment of a C5+1 dialogue on critical minerals, to guarantee long-term energy security and supply chains. China is currently the most important source of imports for 26 of the 50 minerals that have been classified by the US government as critical, including

lithium, cobalt and nickel, while uranium comes predominantly from Russia. The US is clearly looking for ways to diminish its reliance on China and Russia for the supply of critical raw materials and regards Central Asia as an alternative.

The C5+1 Leaders' Joint Statement that came out of the meeting with President Biden covers a broad range of issues and sets an agenda for what comes next in the U.S. relationship with the region. It reaffirms a commitment to independence, sovereignty and territorial integrity for all countries under the U.N. Charter and supports regional efforts to find local solutions to their own problems, as well as efforts to stabilize and deal with threats emanating from Afghanistan and develop the security dialogue more broadly.

On the economic front, the statement supports the creation of a new corridor for trade, getting energy to market, and promises more investment in the region's infrastructure — especially clean energy and other projects to help mitigate the effects of climate change. Additionally, it promises much greater engagement in cultural and educational exchanges.

German Chancellor Olaf Scholz hosted the five Central Asian leaders for their first-ever summit on 29th September in Berlin to discuss strengthening regional and economic cooperation as EU member states seek to win geopolitical allies in the Central Asia region. They discussed the development of the so-called 'Middle Corridor' route and attracting financing for infrastructure projects under the Global Gateway initiative. The leaders confirmed their interest in developing the Middle Corridor. Chairwoman of the Committee on Eastern European Economic Relations Catharina Claas-Mühlhäuser called the meeting "historic", as she proposed five priorities for intensifying cooperation: Energy, raw materials, agriculture, transportation and vocational training. In a joint statement, all parties stressed the importance of respecting the global sanctions regime against Russia. Central Asian states have often been accused of providing Moscow with supplies it can't obtain due to punitive measures it's facing over the Ukraine war. Kazakh President Tokayev said that Kazakhstan won't help Russia to circumvent Western sanctions. Tokayev also vowed to increase future oil deliveries to Germany, as Berlin seeks alternatives to Russian imports.

Gurbanguly Berdimuhamedov, Chairman of the People's Council of Turkmenistan stressed that among the modern problems, the most pressing issues are security, socio-economic development, ecology and humanization of international relations. He added that currently about 200 facilities are being built in the country with a total value of almost \$10 billion. Turkmenistan's GDP growth for 8 months of 2023 amounted to 6.2 percent. The amount of annual investment in the economy is equal to 18-19 percent of GDP.

It is reported that Central Asian trade with Germany showed a positive trend, totaling \$11 billion at the end of last year. Kazakhstan accounts for more than 80% of this trade turnover. Tokayev condemned sanctions confrontation and supported trade without restrictions and barriers. Cooperation in the field of transport and transit was also on the agenda of the meeting. Tokayev invited German partners to participate in developing the Trans-Caspian route and Caspian Sea ports and establish joint production of transport vessels and creating logistics centers. Tokayev spoke about terrorism, religious extremism, drug trafficking and transnational crime as one of the challenges for Central Asia. Germany has been addressing these threats through its projects and

within the framework of the EU, the Organization for Security and Co-operation in Europe (OSCE) and other international organizations.

Japan is taking steps to strengthen relations with the five Central Asian nations. In addition to its strong ties with Russia and China, the region is seeking to diversify diplomatic ties in the wake of Russia's invasion of Ukraine. Japan held its first ministerial economic and energy dialogue on Sept. 26. Japanese economy and industry minister said that they would like to candidly exchange opinions on how Japan can cooperate in realizing carbon neutrality while balancing both economic growth and a stable energy supply. Following the meeting, the ministers issued a joint statement that included promoting implementation of the Joint Crediting Mechanism, which would allow countries to count the dissemination of greenhouse gas reduction technologies to other nations as reductions in their own emissions.

What's striking is that the joint statement from the C5+1 meeting with President Biden says almost all the same things as the various joint statements from C5 meetings that took place recently with India, Russia and China. The direction of the trade corridor is obviously different in the other versions, and the one with Russia has a few more edgy statements about the world order. The Xi'an Declaration from the China-Central Asia Summit on 18th-19th May also had some nice things to say about the Chinese Communist Party's historic role in the region.

But for the most part, all these statements echo each other with slightly different spins. While it's tempting to see this as Central Asian leaders contradicting themselves, the statements' similarities actually confirm their deep commitment to a truly multi-vector foreign policy and rejection of zero-sum thinking in the competition between great (and medium) powers in the region.

However, this was not the only time Central Asian leaders got together recently — they have been on something of a "C5+" summit road-show over the past year-and-a-half. The tour started in January 2022, when they held a virtual summit with Indian Prime Minister Narendra Modi. Next came an October 2022 meeting with Vladimir Putin in Kazakhstan, followed by a November summit with Turkish President Recep Tyyip Erdogan in Uzbekistan (this meeting did not include Persian-speaking Tajikistan). Last May, the five leaders traveled to Xian, China, to meet with Xi Jinping. In June, they met with the European Union in Kyrgyzstan and then travelled to Saudi Arabia for a summit with the Gulf Cooperation Council in August.

This summit tour has been something of a coming-out affair for a new generation of political leadership in the region, with four of the five Central Asian presidents having taken office since 2016. This collective engagement among the region and with the world also shows a real commitment from the C5 to a "multi-vector" foreign policy that attempts to maintain good relations with all its neighbors. For small- to medium-sized landlocked countries in a rough neighborhood, this policy makes a lot of sense.

The Central Asian countries are using the current geopolitical changes to transform their relative isolation into a strategic advantage. For decades, they have been conducting an extremely balanced foreign policy and were able to find the right equilibrium in relationships with their powerful neighbours China and Russia, as well as with Europe, the United States and Turkey. Kazakhstan is pursuing a so-called multi-vector foreign policy; Uzbekistan describes its foreign

policy principle as 'balanced equidistance' to existing and emerging global powerhouses; Turkmenistan has committed itself to ongoing neutrality in a UN General Assembly Resolution from 12 December 1995. It is, however, only since the start of the Russian invasion of Ukraine that the Central Asian countries have emerged as key players at the heart of international politics because they have skillfully applied their tried and tested equidistance approach during this conflict. For example, their representatives have abstained at all UN votes condemning Russian aggression or did not vote at all, as was the case with Turkmenistan. None of the five countries recognised the annexations of Ukrainian territory by Russia. They have also firmly resisted Russian attempts to recruit their citizens for the battle in Ukraine. At the same time, Kazakhstan, Uzbekistan and Kyrgyzstan were among the countries to admit the most people from Russia in 2022.

Regardless of whom the Central Asian countries meet in the C5+1 format, one aspect never changes: the representatives of all five countries sit at the same table and operate as a group – a development that has only been observed recently and is closely linked to Russia's war against Ukraine and the withdrawal of Western troops from Afghanistan.

Following the retreat from Afghanistan and the start of the Russian war against Ukraine, the Central Asian countries have themselves been increasingly playing the role of the regional stabiliser. Whereas, in the past, the region was a bridgehead for Western operations in Afghanistan and could count on Russia to guarantee its security, it now needs to handle security policy challenges largely on its own. For this reason, Kazakh President Kassym-Jomart Tokayev proposed the creation of a mechanism to allow representatives of the respective security councils to consult regularly on the development of common solutions to security threats.

In the context of the war against Ukraine, the Central Asian countries have proven their growing autonomy by expanding their political, economic and security policy contacts without cutting their existing ties to Russia in any way. Instead of attempting to form an exclusive alliance with large regional or extra-regional players, their aim is to foster the regional integration that has been faltering for decades.

On 14-15 September, Tajikistan hosted the fifth consultative summit of Central Asian leaders. Azerbaijani President Ilham Aliyev was invited as an "honored guest" to this informal summit.

The waning influence of Russia appears to have prompted the regional states to promote regional interconnectivity, diversify export markets, and promote trade with non-regional states, including Azerbaijan, Iran, and Türkiye. The agenda of the meeting included a wide range of issues related to regional cooperation, including trade, investment, energy, transportation, security, and culture. Kazakhstan's President focused on promoting more trade. According to estimates, intraregional trade grew by an impressive 80% to \$10.6 billion in the past five years. Of all the issues discussed, the environmental issue has become particularly urgent because of shrinking water resources in the region. Also, the rapid melting of glaciers, escalating natural disasters, floods, droughts, and landslides pose grave threats. The critical scale of the problem suggests that Central Asia's water and environmental challenges will intensify in the near future. The demand for water resources in certain parts of Central Asia is projected to triple by 2040, potentially causing economic damage equivalent to 11% of the gross regional product. Amid perceived

threats from the Taliban in Afghanistan and persistent droughts and water shortages in the entire region, discussions in Dushanbe revolved around border security and water-energy resource management. Tajik President Emomali Rahmon expressed concerns about what he called two “alarming” recent attempts by militants affiliated with Jamaat Ansarrulah, an Islamist extremist group based in Afghanistan that is considered a terrorist organization by Dushanbe, to breach his country’s border. Tajikistan had said on September 6 that it had killed three members of this group, which is made up mostly of ethnic Tajiks and aims to overthrow the Tajik government, as they attempted to enter the country in late August. As geopolitical tensions escalate, Tokayev emphasized the need to foster stability, security, and sustainable progress in the region. He prioritized expediting the Treaty on Friendship, Good-Neighborliness, and Cooperation for the Development of Central Asia in the 21st Century, which sets out a mutually acceptable formula for achieving this shared objective.

In recent years, the Central Asian region has made concerted efforts to assert its own claims and voices independent of external influence. This drive gained significant momentum since Shavkat Mirziyoyev assumed power in 2016 following the death of his predecessor, Islam Karimov, who had favoured a more isolationist stance.

In an opinion piece, Kazakh President Kassym-Jomart Tokayev reiterated the indispensable role of religious leaders and the need for a new global movement for peace to build a new international security system. Tokayev wrote that faith plays a significant factor in people’s lives, with 85% of the world’s population identifying with some form of religion. According to him, the sacred value of human life, mutual support, and the rejection of destructive rivalry and hostility are principles shared by all religions, and they can serve as the basis of a new world system. Tokayev also underscored the role of diplomacy in facilitating cooperation. He highlighted Kazakhstan’s approach to solving disputes by negotiations following the United Nations (UN) Charter. The world, according to him, is witnessing “rising international tensions and erosion of the global order that has been in place since the establishment of the UN.”

Kazakh Deputy Foreign Minister Roman Vassilenko announced that Kazakhstan will provide the facility of visa-free travel to 100 countries. It plans to include several Latin American countries on the list. Bilateral agreements are being negotiated with Peru and Uruguay, among others. 17 new countries are to be added to the list. More than 8.5 million tourists visited the country in 2022, 20% more than in 2021, primarily due to the increase in the flow of visitors from China and India.

In more evidence of the hollowing out of judicial independence in Kyrgyzstan, lawmakers voted by a sweeping majority on September 28 to permit the president to overturn Constitutional Court rulings deemed to contradict “moral values.” Consideration of the legislation had not been planned, but the vote was placed on the agenda as a matter of urgent business by Almazbek Abytov, the presidential envoy to the Jogorku Kenesh, as the one-chamber legislature is known. The surprise move wrong-footed any activists or lawmakers who might have been inclined to mobilize opposition to the provision. The most eye-catching aspect of the legislation is the one that will allow Japarov, who was the person who formally advanced the change to the law in the first place, to overturn decisions made by the Constitutional Court if they go against “moral values

and the social conscience of the people.” It will also allow for rulings to be nixed in the event of amendments to the constitution or if previously unknown circumstances come to pass.

Economic Developments

Kazakhstan’s First Deputy Prime Minister, Roman Sklyar stressed the potential of the Trans-Caspian International Transport Route (TITR) in context of China’s trade with Europe, saying in the “current geopolitical situation, creation of new transport and logistics routes to diversify and ensure reliable mutual chains of supply and production gains key strategic importance. As of today, over 80% of the goods made in China and Central Asia are transported through Kazakhstan. Given this background, the Trans-Caspian International Transport Route plays an increasingly important role on the continental trade map.” He said that last year, the shipment of goods doubled to around 1.7 million tons; the flow of goods rose 64% in five months of this year. Kazakhstan will try to bring the flow of goods to 10 million tons in the mid-term.

The European Bank for Reconstruction and Development has predicted the largest upward revision in its latest bi-annual growth forecast for Central Asia to 5.7% in 2023 and 5.9% in 2024. These countries are serving as intermediaries in trade between Western Europe and Russia. This is due to Western sanctions that limited trade with Russia after the war in Ukraine. Russia registered 3.5 million new migrant workers in 2022; 90% of them are from Central Asia. And because the (Russian) rouble was strong during the first half of the year, that has boosted remittances to those countries. Russian companies relocating to central Asian countries and Chinese demand for commodities added to the momentum.

Kazakhstan is bolstering its oil industry with China’s assistance to enhance its independence from Russian pipelines, given the risks posed by the conflict in Ukraine to Kazakh crude exports. An expert in Caspian region oil and gas projects said that “today, diversifying routes has become synonymous with independence.” Kazakhstan’s National Welfare Fund Samruk-Kazyna, and China National Petroleum Corporation (CNPC) decided to launch four major projects in Kazakhstan. These include the expansion of two oil pipelines: Kenkiyak-Atirau will increase its transport capacity by 6 million tons annually, while Kenkiyak-Kumkol will expand by 5 million tons per year. Both pipelines are part of the crude export line to China. After Crimea’s annexation in 2014, “Russia actively invested in strengthening its oil infrastructure in the Far East toward China. Kazakhstan however relied solely on the CPC (Caspian Pipeline Consortium, the pipeline transporting crude through Russian territory to the Black Sea) and is now trying to rectify its mistakes.” In addition, Kazakhstan hopes to build with Chinese assistance, a new Beyneu-Bozhoi-Shymkent gas pipeline, with an annual capacity of 15 billion cubic meters of gas. This will be complemented by the expansion of the Shymkent refinery in southern Kazakhstan, doubling its production capacity to 12 million tons of hydrocarbons, and the construction of a gas plant at Kazakhstan’s largest Kashagan field in the west, producing 4 billion cubic meters annually. The process has been challenging due to fears rooted in history and ethnicity about Astana’s excessive dependence on Beijing. Recently, Astana residents protested against Chinese language signs along the route of the future metro line currently being built in the city by a Chinese company. Such incidents are rooted in deep, long-standing concerns over China’s “expansionist aspirations.” Some Kazakh scholars have stated that the current Kazakhstan-China relations are “pragmatic and mutually beneficial.”

Summit of the heads of state of the founders of the International Fund for Saving the Aral Sea (IFAS) was held in Dushanbe on the occasion of the 30th anniversary of the establishment of IFAS. Over the past years, IFAS has become an important regional platform for dialogue and cooperation in order to solve environmental and socio-economic problems caused by the drying up of the Aral Sea. The member countries agreed to intensify work to improve the legal framework of the Fund and determine the goals and objectives of further work. The rapid melting of glaciers, escalating natural disasters, floods, droughts, and landslides pose grave threats. These challenges necessitate a unified approach and action. Central Asia's security is imperiled by global climate change, impending water shortages, and irrigation water deficits. It was decided that Kazakhstan would assume the presidency of the Council starting in 2024. The IFAS was established in 1993 by the heads of the Central Asian states to overcome the ecological crisis and improve the socio-economic situation in the Aral Sea basin.

China has postponed indefinitely the construction of the China-Kyrgyzstan-Uzbekistan railway line, which was scheduled to start construction this autumn. This is positive news for Kazakhstan, as the route was supposed to be an alternative for the delivery of Chinese goods through Russia, depriving Astana of customs clearance fees. The ostensible reason for this decision appears to be because the three countries have not been able to agree on the financing of the project. This may drag on for a long time. Kyrgyzstan and Uzbekistan have no money to finance the project. While China could build everything itself, the railway is not a current priority. There is a lot of discussion on transport projects in all Central Asian republics, everyone wants to become a freight hub, but money is required for such large-scale projects.

India-Central Asia Relations

Special representatives and senior officials from Russia, China, Pakistan, Iran, India, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan took part in the fifth meeting of the Moscow Format Consultation on Afghanistan in the Russian city of Kazan. Acting minister for Foreign Affairs of Afghanistan, representatives of Saudi Arabia, Qatar, United Arab Emirates and Turkey also attended the meeting.

During the meeting, the participants exchanged views on the current situation in Afghanistan, with an emphasis on regional security and the country's integration into regional economic processes. The participants in the meeting called on the Taliban to create a "truly inclusive system of government reflecting the interests of all key ethno-political groups in the country and also to step up counter-terrorism and anti-drug efforts". The Russian Foreign Ministry stated that the prevailing point of view was that it was crucial to immediately and unconditionally unblock the Afghan assets by Washington and its allies, who bear the main responsibility for the post-conflict reconstruction of the Afghan economy, and that any return of US and NATO military structures to the territory of Afghanistan or its neighbouring states under any pretext was unacceptable. All participants gave assurances to continue providing humanitarian assistance to Afghanistan.

Union Minister of State for Information and Broadcasting L Murugan represented India at the Tashkent International Film Festival from September 29 to October 1, 2023. The Festival was aimed to build cinematic partnerships, have exchange of programmes, nurture filmmaking and

act as a bridge between the cultures. Known as the 'Pearl of The Silk Road', the Tashkent International Film Festival was started in 1968, and Indian movie "Amrapali" was screened in the opening edition of the festival.

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COMMENTS