

# Kazakh minister: Two ‘revolutionary’ stories are happening in Central Asia

By Georgi Gotev

Originally published in Euractiv, 31<sup>st</sup> August 2017



*This article is part of our special report [Expo 2017 Astana](#).*

**Kazakhstan’s Deputy Minister of Foreign Affairs, Roman Vassilenko, sheds light on important new developments in Central Asia, little known in the EU, and on the role of his country in major international issues.**

*Roman Vassilenko served as a diplomat at the Kazakh Embassy in the United Kingdom in 1996-1999, followed by seven years in the Kazakh embassy in the United States. He was appointed as Ambassador-at-Large in 2013 and as deputy foreign minister in 2016.*

*In a wide-ranging interview with EURACTIV.com’s Senior Editor Georgi Gotev, Vassilenko said:*

- China-Europe cargo traffic via Kazakhstan has grown immensely since 2011
- Five Central Asian states have turned from tension to friendly relations
- Kazakhstan to chair UN Security Council from January 2018
- The EU helps with investments, political support
- Kazakhstan is a major peace mediator

## **What is new in Kazakhstan? What do you think the people in the European Union and in the West, in general, fail to notice?**

I am not sure how much they have noticed but indeed, there are big stories that are happening in Kazakhstan and in our part of the world.

The first is the reconnection of Central Asia with the rest of the world. In terms of transportation, in terms of restoring the Silk Way, if you will, in modern ways. I was recently in Berlin, to participate in an OSCE conference on economic matters and on connectivity – this is the buzz word now in this part of the world.

I was looking into statistics, and I was truly amazed because this is nothing short of revolutionary in terms of container traffic via Kazakhstan to Europe and back. In 2011 there were only 1,200 containers TEU (twenty-foot equivalent unit) transiting Kazakhstan's territory. In 2016 we had 105,400, which is an 80 times growth. We expect this number to continue to grow and in 2020 I think it will reach 2 million containers, another 20 times growth in three years.

### **But where does this come from?**

I think it comes from the construction of rail within Kazakhstan, also in China, and from the intensive work of all the railway administrations of all countries on the route – China, Kazakhstan, Belarus, Poland, Germany. This is one route.

The other route is China, Kazakhstan, across the Caspian Sea, Azerbaijan, Georgia, Turkey and Bulgaria and Romania. There are two companies that have been established, in which railways companies of all these countries are partners. One is called United Transports and Logistics Company, consisting of China, Kazakhstan, Russia and Belarus. The other one is Trans-Caspian International Transport corridor. Within these institutions, they agree on common tariffs, profitable for all. And although Russia is under sanctions from the EU, they are interested in reaping the benefits of these projects.

And of course China's Belt and Road initiative. I'm talking about railways, but there are also roads that have been built. In Kazakhstan, this year we will complete the construction of our segment of the Western Europe-Western China highway, a 7 thousand kilometre highway.

### **How big is Kazakhstan's segment?**

It's 2,700 kilometres. It is almost finished, and it is something that didn't exist in the past. This will again contribute to the increased volumes transited via Kazakhstan. It's a four-lane highway, meaning two lanes in each way.

Also, as a result of reducing administrative burdens, the transit of goods has become much faster. Goods like computers produced in China for Hewlett-Packard are produced in this country's mainland. So instead of shipping them to the coast, loading them on ships and waiting for 45 days until they reach Europe, the new route is 11 days. And Kazakhstan's Temir Zholy [the national railway company of

Kazakhstan] is the driving force in this because they work with producers in China and consumers in Europe to find matches.

### **Meaning that trains should not run empty on the way back?**

Exactly. In Europe there are four big destinations, the biggest one being Duisburg, reached by the majority of these trains. The biggest challenge is to find goods to be shipped to China. They are already able to load 50% of the trains with goods back to China. As an example, a fully refrigerated train was loaded with high-quality French wines to China. They need to be very ingenious for that.

So this is one of the biggest stories that is taking place in our part of the world. I think it was an American journalist [who called Kazakhstan “the buckle in the belt”](#), for the belt and road. And it is indeed if you look at the map.

### **Kazakhstan connected the dots in terms of infrastructure. The next step is probably the hubs.**

The first hubs are there already, it's Horgos [at the railroad crossing with China, also called “dry port”. This is where the wheels of the railroad wagons are changed, as the width of the railroad in Kazakhstan is larger than in China. This is also where trains are “repackaged”, if they are not fully loaded ]. The other one is Aktau, a sea port on the Caspian Sea [where the trains are loaded on ferries and where petrol is loaded on tankers].

### **And the second biggest story?**

The second biggest story in Central Asia is the very different dynamics in the relations between all five member states [Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan, and Tajikistan]. This was conditioned by the changing positions of Uzbekistan, our closest neighbour, since September last year [Uzbekistan's leader Islam Karimov died in 2016 and his successor Shavkat Mirziyoyev is pursuing a less autocratic path, which seeks to reform and liberalise the country].

Somebody said “winds of change are blowing in Central Asia” if you recall the famous song of the Scorpions, which was about Perestroika, but here it's a bit similar. There is a newly-found desire of all five states to resolve the issues that have accumulated in the two-and-a-half decades of our independent life. I mentioned the relations of Uzbekistan with Kazakhstan, but there are similar positive trends in Uzbekistan's relations with other countries in Central Asia. And Uzbekistan is the central country, bordering all other four countries, including Afghanistan.

Speaking of Afghanistan, I should say that Kazakhstan has implemented its programme of educating 1,000 Afghan students in our universities, to the cost of \$15 million. This is a program the Afghan government is very keen to continue, and maybe this is an area where we could cooperate with the EU. We train Afghans in peaceful professions, they go back to their country, none of them stays in Kazakhstan or emigrates to Europe. And it is very economical – education here is much cheaper than in Europe.

Kazakhstan hosted the Uzbek president three times this year alone. The first was a state visit resulting in the signing of 75 commercial agreements, totalling one billion dollars. It may not sound huge, but this is against the background of the figure of the annual trade, which is 2 billion. The second visit was with our president, in the southern region of Shymkent, where I come from. But for the Uzbek president to arrive, he only needed a 30-minute drive from Tashkent, just across the border. And then he visited Kazakhstan for the opening of EXPO2017, last June. Before the end of the year, we expect more meetings at the highest level again. Also, the intergovernmental commission met several times, and usually it meets once a year. This is where issues like agreeing on tariffs, exchange rates, establishing trade houses and opening border crossings, and there is progress in all fields. Now we have reopened two border crossings that were closed years ago, not at our initiative. And there has been a high-speed train route launched between Almaty [the former capital of Kazakhstan] and Tashkent.

I mention all of that because it has helped us in our work in the UN Security Council [Kazakhstan was elected to a non-permanent seat on the UNSC and is serving a two-year term since 1 January 2017. In January 2018, it will chair the UNSC] where we say, and not without good reasons, that we represent Central Asia there and their interest, and we regularly coordinate. That's why we intend to use our Presidency of the UNSC in January 2018 to focus on Central Asia and especially on Afghanistan.

But to understand the progress one has to be reminded that our foreign ministers [of the five Central Asian countries] met for the first time only last year. We are very encouraged and believe this trend will continue. Definitely, this is the second biggest story about what is happening in this part of the world.

### **And where is the EU in all this?**

The EU is generally supportive of all of that because it benefits them as well. In terms of transport infrastructure, the main beneficiary is Germany, as the largest destination and processing centre. There is also this 16+1 initiative [a format initiated by China aimed at intensifying and expanding cooperation with 11 EU member states and 5 Balkan countries — Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Macedonia — in investments, transport, finance, science, education, and culture.] And on the political level they are supportive and quite excited by the developments, at least this is what I could see.

In terms of a legal basis of our relations with the EU, in 2015 we signed the Enhanced Partnership and Cooperation Agreement, called a “second-generation agreement” and replacing an older one. I don't think there is another country which has signed such an “enhanced” agreement. This is of course not an association agreement, and we are not looking for such a type of agreement. But what such agreement does is that it creates the format for the expanded cooperation between Kazakhstan and the EU in 29 areas. It is 300-pages long, with more than 200 devoted to trade. This speaks about the value of trade for both parties.

The agreement is enforced provisionally, after Kazakhstan and the European Commission approved it. This means that only those provisions that are prerogatives of the Commission are enforced, and trade is among them. For the agreement to enter fully into force, it has to be ratified by all the 28 member states and by the European Parliament.

### **How many countries have ratified?**

Sixteen have ratified, 12 are remaining, as well as the European Parliament, which will take up the issue in October-November this year. The EU is Kazakhstan's largest trade partner, accounting for 50% of our trade, and also 50% of our investments, is the EU. Speaking about individual countries, our three biggest trading partners are Russia, Italy and China.

### **What about your country's participation in the Russia-led Eurasian Economic Union [in which the founding members were Russia, Kazakhstan and Belarus, later joined by Armenia and Kyrgyzstan]?**

In 2016 Kazakhstan chaired the Eurasian Economic Union (EAEU) and we wanted to launch the process of dialogue EAEU-EU. It didn't work. This is an issue our president discussed with Jean-Claude Juncker and with Donald Tusk in March 2016 in Brussels. At that point, it was said that maybe at some point in the future this could be a good idea, but not now, given the political relations with Russia, the largest member of the EAEU [Russia in the meantime annexed Crimea]. We thought [the decision to postpone] was unfortunate. And also we were told launching such a dialogue is a prerogative of the EU members.

However, the Eurasian Economic Commission has been given a mandate by the EAEU members to launch such a dialogue with the EU on technical matters. We are not talking about grand political schemes. But there are two integration initiatives, one is 60-years old [the EU], the other one is more recent [the Eurasian union], but the idea behind both is to remove trade barriers, to create common a market, and it would be only logical for them to agree on tariffs etc.

This is something that will still be done, maybe not as quickly that we would hope, given the current political stand-off between the West and Russia, which we think is unfortunate, and for putting an end to which we have been campaigning for years already. We understand of course the political situation in the conflict in Eastern Ukraine has to change and the fulfilment of the Minsk agreements needs to take place.

### **Is this the reason why Kazakhstan is mediating in the case of the crisis in Ukraine, also maybe in the case of the Syria war?**

In the case of Ukraine, this is an issue that cuts across our society. In Kazakhstan, there are 4,5 million ethnic Russians, and about 300,000 ethnic Ukrainians. In the past, nobody distinguished between them. My last name is Vassilenko, it's a Ukrainian name, but I have Ukrainian, Polish and Russian blood.

Since 2014 we were shocked to see the violence in Eastern Ukraine. And that's why the President of Kazakhstan, Nursultan Nazarbayev, has been so keen to mediate. He helped arrange the first meeting in Minsk, in August 2014, and then "Minsk-2" [February 2015] could have been "Astana-1" because there was an agreement between all for that, we even prepared all the facilities. Then it was said it would take place in Minsk again, and we said that's fine, as long as it produces a result, which it did.

The Minsk agreements are the only viable foundation for the resolution of this issue, the problem being that they are not fully implemented. We are so keen for resolving this issue because we are affected indirectly, but in a very major way, by this stand-off between Russia and the West.

### **Bad timing?**

The Eurasian Economic Union, established under the Treaty of Astana of May 2014, and launched in January 2015, is a good and prudent initiative, in terms of creating a common market between its participants. But as you say, it was launched at the worst possible time, because Russia was under sanctions, and reciprocal sanctions were introduced. This affected the early two years of our economic union. Our economies faced strong headwinds. We did not face a recession, but we saw a major reduction in our mutual trade and in our trade with the Western countries.

Regarding Syria, the economy has nothing to do with our motivation. This is purely a desire to help resolve the 7-year old civil war. We were offered to host those talks, we gladly accepted, and we have hosted five meetings already of the so-called Astana process. We see it as complementary to the Geneva process. Our role is to be a host for the Syrian government and the Syrian armed opposition, who met for the first time in seven years here, and the three guarantor states, Russia, Turkey and Iran, and the United Nations.

Of course, this would not have been possible if Kazakhstan, if our president didn't help Russia in Turkey, after Turkey downed the Russian bomber at the border with Syria [24 November 2015]. Then again, we wanted to help these two important partners, because the deterioration of their relations was affecting us. Russia is our largest trading partner, Turkey is an important economic partner, but also close culturally, because of Kazakhs and Turks being of the same Turkic-speaking group, and Turks considering the steppes of Kazakhstan the homeland of their nation.

There was this famous expression – if Russia sneezes, we catch a cold. That's true. You cannot jump above that.