

Central Asia sees opportunity in US-China trade war

The U.S.-China trade dispute is a boon to Central Asian farmers.

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In the escalating trade dispute between Washington and Beijing, Central Asia stands to benefit.

The vast region to China's west produces some favorite agricultural goods the country has long purchased from the United States. In many cases, moreover, transportation infrastructure is available thanks to Chinese President Xi Jinping's signature foreign policy undertaking, the trillion-dollar [Belt and Road Initiative](#) (BRI).

Since [January](#), U.S. President Donald Trump has been ramping up import duties on goods from China. After U.S. tariffs on \$34 billion worth of Chinese goods officially [took effect](#) on July 5, China imposed equivalent retaliatory import duties on U.S. products ranging from [soybeans to electric vehicles](#), hurting American exporters.

Meanwhile, Kazakhstan's wheat exports to neighboring China were up nearly [50 percent](#) in the year to March. Last month, the Ministry of Agriculture [announced](#) it would triple its supply of wheat to China by 2020 over 2016 levels.

It's too early to say the U.S.-China tariff spat is causing trade with Central Asia to increase, but Chinese buyers seem happy to have alternatives.

“We have just started buying wheat from Kazakhstan this year. Our first order was for several thousand tons. We will see about sales and profits. If they're good, we will increase imports for sure. It is related to the current trade war,” one Chinese trader **told** CNBC this month.

Kazakhstan is also looking to increase exports of soybeans – formerly America’s **largest** agricultural export to China. Kazakhstan began sending soybeans to China in **2016**, and shipped 8,400 tons there **last fall**. After China essentially stopped importing U.S. soybeans in May, it inked a deal with a supplier in Northern Kazakhstan to buy **100 tons**.

That’s a tiny fraction of the Chinese appetite – estimated around 100 *million* tons – but underlines a shift.

Kazakhstan has been a major beneficiary of BRI investments, many of which began even before Xi **announced** the BRI during a visit to Astana in 2013. A China-Kazakhstan logistics hub financed by the initiative has processed nearly 13,500 tons of Kazakhstani wheat **since February**. Uzbekistan too stands to gain from the BRI, signing **\$20 billion** worth of agreements with Beijing for new infrastructure projects last year.

In its response to Washington, Beijing has also applied non-tariff barriers to U.S. imports, slowing the processing of U.S. goods at customs, the South China Morning Post **reported** this month. One Chinese cherry importer told the paper that he had stopped buying American cherries and started sourcing the fruit from Uzbekistan and Kyrgyzstan because “customs clearance and quarantine inspection are much simpler and quicker at ports along the route of China’s Belt and Road Initiative.”

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