

## **Belt and Road: path of mutually beneficial development and shared prosperity of #China and #Kazakhstan**



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This year, the Belt and Road Initiative marks its five-year anniversary. This is a great event that draws the attention of the world community. It is even of more paramount importance for China and Kazakhstan.

During the first state visit of President Xi Jinping to Kazakhstan on Sept, 7, 2013, he delivered a speech at Nazarbayev University and formally launched an ambitious initiative to jointly build the Silk Road Economic Belt, which was immediately supported by President Nursultan Nazarbayev and received the proactive response of various segments of Kazakh society. Subsequently, Kazakhstan became one of the first states to engage in international cooperation as part of the Belt and Road Initiative. China and Kazakhstan are in the lead in the construction of the Belt and Road.

Over the past five years, China and Kazakhstan have firmly adhered to the principles of “joint discussion, joint construction and joint use,” deeply converging the Belt and Road Initiative with the Nuryly Zhol new economic policy, comprehensively promoting cooperation in the five connecting elements and going hand in hand along the path of mutually beneficial development.

First, this means the deepening of political coordination and the integration of development strategies. Soon after President Xi Jinping put forward the initiative of jointly constructing the Belt and Road, President Nursultan Nazarbayev announced the Nuryly Zhol new economic policy and called for convergence with the Belt and Road Initiative. After the signing of the cooperation plan for converging the construction of the Silk Road Economic Belt and the Nuryly Zhol new economic policy in September 2016, political coordination between China and Kazakhstan was brought to a higher level of convergence of state strategies.

Over the last five years, the heads of state, prime ministers and deputy prime ministers of the two countries have repeatedly made mutual visits. Having determined the right direction of strategic convergence, the heads of the two states thoroughly studied specific issues of mutually beneficial cooperation and ensured the constant deepening of bilateral mutual trust and the continuous strengthening of cooperation. The ways and the timing for turning the “Chinese dream” about the revival of the Chinese nation and the “Kazakh dream” about the prosperity of the Land of the Great Steppe into reality coincide. Such a deep inter-state convergence of development strategies is a very rare phenomenon on a global scale which reflects the high level of bilateral relations between China and Kazakhstan.

Second, this means the promotion of smooth trade, the optimisation of the trade and economic structure. Over the past five years, bilateral trade between China and Kazakhstan has reached a historically high figure of \$28.6 billion. However, affected by complex factors like the international

economic crisis and the fall in crude oil prices, etc., at one point statistics started to decline. Faced with difficulties, China and Kazakhstan went ahead with the east wind of the joint construction of the Belt and Road, overcame temporary hardships together, channeled their efforts to optimise the bilateral trade and economic structure, did their utmost to intensify cooperation in the non-primary sector and successfully increased trade after the decline.

Chinese statistics say that the trade turnover between the two countries over the past year amounted to \$18 billion, a comparable increase of 37.4 percent. It is quite possible to reach an even greater annual increase. It is especially worth noting that last year China imported wheat, sunflower seeds and other agricultural products from Kazakhstan, which exceeded 500,000 tonnes, a comparable increase of 20 percent, which was a new and significant event in bilateral trade. Currently, Kazakhstan is China's first trading partner in Central Asia and the second among Commonwealth of Independent States (CIS) countries. China is the second trade partner of Kazakhstan in the world.

Third, this means accelerated infrastructure connectivity, the creation of a logistics network. There is a direct connection between the six cities of China and Kazakhstan, five permanent checkpoints, five cross-border oil and gas pipelines, two cross-border railway lines and one international cross-border cooperation centre.

China and Kazakhstan have the Western Europe-Western China motorway and opened 72 international cargo and passenger routes, including many Sino-European flights such as Chang'an, Chongqing-Xinjiang-Europe, Lianyungang-Xinjiang-Europe, Wuhan-Xinjiang-Europe, Yiwu-Xinjiang-Europe, Zhengzhou-Xinjiang-Europe and others. More than 1,200 transit cargo shipments from China to Europe went through Kazakhstan in 2016 and the comparable increase in the volume of rail traffic between China and Kazakhstan amounted to eight million tonnes. Last year, the number of transit cargo shipments from China to Europe that passed through the territory of Kazakhstan exceeded 1,800, accounting for more than 60 percent of the total; in the same period, the comparable increase was 50 percent. This brought Kazakhstan \$3 billion of revenue from transit traffic. In addition, due to the Sino-Kazakh transit logistics base in Lianyungang, the Kazakh side for the first time in its history gained access to the Pacific Ocean. Indeed, thanks to the construction of the Belt and Road, from an inland country Kazakhstan has turned into an important transport hub connecting the Eurasian continent with the Asia-Pacific region.

Fourth, this means promotion of currency circulation and joint opposition to financial risks. To date, the governments of China and Kazakhstan have signed an agreement on mutual exchange of national currencies for a total of 14 billion yuan (US\$2.04 billion). Both sides actively deployed settlement operations of national currencies and jointly resisted the blows of the global financial crisis. Through financial platforms like the Asian Bank for Infrastructure Investments, China-Eurasian Economic Cooperation Fund and targeted loans to promote cooperation on production capacities, the two states provide protection for the joint construction of the Belt and Road. Within the Silk Road Fund, the two sides have established an industry-specific China-Kazakhstan production capacity cooperation fund and invested \$2 billion in the first stage. At the invitation of the Kazakh side, the State Development Bank of China, Import-Export Bank of China and other financial institutions provided various kinds of financial support in the amount of more than \$50 billion for the construction of projects in Kazakhstan. This July, the activities of the Astana International Financial Centre were officially launched; it was established on the initiative of President Nazarbayev. The Shanghai Stock Exchange of China initiated the building of a strategic cooperation with this centre. In addition, the international stock exchange on the incorporated capital has been founded. The Chinese side has 25.1 percent of the shares, assisting the Kazakh side in managing administrative activities. Until the end of last year, the total amount of investments by China in Kazakhstan exceeded \$43 billion. In terms of investment in Kazakhstan, China became fourth.

Fifth, this means facilitating the mutual convergence of peoples' aspirations, ensuring the transfer of friendship from generation to generation. In recent years, the boom in the study of the Chinese language has been rising in Kazakhstan. The Kazakh boom has also become a part of

life in China. Currently, five Confucius Institutes are teaching the Chinese language in Kazakhstan. At the same time, five Kazakh cultural and linguistic centres settled in China. This is the largest number among the countries of Central Asia. To date, about 14,000 people are studying in China and about 1,400 Chinese students came to study in Kazakhstan.

Last June, during the third state visit to Kazakhstan, President Xi Jinping, at the request of the Kazakh side, promised to increase the number of government scholarships by 200 for Kazakh students in the next five years. We may predict that in the future the scale of bilateral exchange of students will expand.

Last year, young Kazakh singer Dimash Kudaibergen took part in the musical reality show Singer 2017 in China, where he instantly became famous. After the return to his homeland, he received a personal invitation to meet with President Nazarbayev and was praised as the “Symbol of Independence of Kazakhstan.”

“The Dimash phenomenon” is not only about the unexpected success of a person, but also an indispensable result of rapprochement of the peoples of the two countries. China welcomes such bright talents that can serve as a bridge for cultural exchange and convergence of peoples’ aspirations.

Camel bells rang 2,000 years ago and cooperation on the Great Silk Road has now revived in a new look! The achievements of Sino-Kazakh cooperation in the construction of the Belt and Road for the last five years are obvious to all; their significance has long gone beyond the framework of bilateral relations. They have not only strongly stimulated the joint development of China and Kazakhstan, but also gained valuable experience for international cooperation, setting an example of success. Looking to the future confidently, eliminating all obstacles and uniting efforts along the Belt and Road, we will fulfill the great opportunities of Sino-Kazakh mutually beneficial development and common prosperity!

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