

*After reading the chapter, the reader will be able to develop an analytical understanding on the following:*

- Basic background of Kazakhstan
- Origin of Indo–Kazak relationship
- Commercial diplomacy
- Technology diplomacy
- Analysis of PM visit in 2015
- Future areas of cooperation
- Case Studies
- Tea trade in Indo–Kazak relations

## BASIC BACKGROUND

The ancient Silk Route connected Kazakhstan and India. The Silk Route passed through the territory of south Kazakhstan, via Shymkent and Zambul regions. As of today, Kazakhstan has a border with Russia and the Caspian Sea and it is a highly industrialised and resource-rich country. It has large tracts of land which are suitable for agriculture and wheat, cotton, apples, walnuts grow naturally in the country. It has huge deposits of oil and gas, along with reserves of uranium, gold and copper. Kazakhstan follows a multi-vector foreign policy with all countries in the world.



Post-Cold War, Kazakhstan has adopted a technocratic model of governance where it established clusters in each zone to boost resource-centric development of the regions.

India and Kazakhstan established diplomatic relations in 1992. For India, Kazakhstan is both geopolitically and geo-strategically significant. It also possesses minerals and oil and gas to drive India's growing economy. In 2009, Nursultan Nazarbayev of Kazakhstan was the chief guest for Indian Republic Day celebration. India seized the opportunity to conclude a strategic Partnership Agreement with Kazakhstan and also signed a nuclear deal for peaceful civilian nuclear cooperation. The strategic partnership lays down the foundation of Indo–Kazakh Cooperation.



## COMMERCIAL AND OIL DIPLOMACY

Kazakhstan is an oil and gas rich country, which is referred to as the Saudi Arabia of CA. Colossal oil and gas reserves are found in Abai and Satpayev reserves in Alikekmola and Kurumangazy blocks. The commercial significance of Kazakhstan for Indian foreign policy can be inferred from the fact that four Indian premiers (P V Narsimha Rao, Vajpayee, Manmohan and Modi) have visited Kazakhstan since the Cold War ended. In 1992, an inter-governmental commission on trade, economic, technology and cultural cooperation was established (IGC). The Indo–Kazakh IGC is an institutional mechanism to promote bilateral trade. In the latest meeting of IGC in 2014, India completed negotiations on oil exploration in Abai Oil block in Kazakhstan. Abai block possesses 387 million tonnes oil. In 2005, India and Kazakhstan have also established a business forum which identifies specific areas to enhance cooperation in the bilateral negotiations under the IGC. The countries have also decided to jointly undertake oil exploration. The oil based relationships with Kazakhstan will now be explored in two ways. Firstly, India may have to participate directly in its future as a sole developer of oil. Secondly, it may also explore oil as a consortium partner. This will enhance the prospects of cooperation to achieve energy security of India. The OVL has set its sight on the Satpayev oil field where it owns 25% stake at present. As far as trade commodities are concerned, India exports pharma products, coffee, textiles, and engineering goods, while importing iron, zinc, steel, sulphur and lime. Prominent Indian firms have presence in Kazakhstan. For instance, L&T has an office in Astana while Tata, Apollo and Punj Lloyd also are present. In 1995, Mittal Steel had acquired Karmet Steel Plant and it is today managed as Ispat Karmet.



### India–Kazakhstan and Tea Trade

India was always one of the leading tea exporters to Kazakhstan. However, in recent times, the tea trade has declined. India's overall tea exports have gone down due to quantity and marketing related issues. Poor marketing campaign has been identified as a single most important reason responsible for the declining exports. Some steps have been taken in the recent times to give a boost to Indian teas exports. The Tea Board of India, along with the Indian mission, has organized tea festivals in Almaty and Astana. These kind of measures have, to some extent, strengthened the tea exports but the trade has not yet reached its earlier peak.

## NUCLEAR COOPERATION AND TECHNOLOGY DIPLOMACY

There are two aspects to the technology-based relations between the two countries. In 2009, the two nations concluded a civilian nuclear deal. As per the MoU signed between Nuclear Power Corporation of India (NPCIL) and Kazatomprom, Kazakhstan shall be

supplying India with Uranium for civilian use. There shall be cooperation at the level of nuclear medicine and radiation therapy for healthcare. Kazakhstan has the second largest Uranium reserves in the world. This nuclear deal has led to India importing Uranium for its nuclear power plants.

Kazakhstan also has the Baikonur Cosmo drome, a very important space research centre controlled by the Kazakhstan National Space Agency with which the ISRO signed a MoU in 2011 for technology transfer.

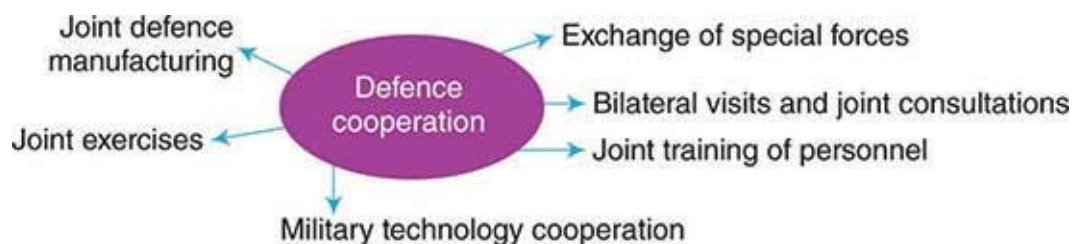
At the knowledge sharing level, another area for Indo–Kazakh cooperation has been agriculture. Kazakhstan has made great progress in agriculture. It has achieved record production in wheat but faces severe shortages in milk and fertilizers. India has decided to assist Kazakhstan in white revolution.

## ANALYSIS OF INDIAN PRIME MINISTER’S VISIT—2015

In 2015, Indian PM Narendra Modi visited Kazakhstan and gifted Nursultan Nazarbayev a set of books based on religions born in India, which included the stories of Guru Gobind Singh, *Bharabahu Kalpasutra* and *Ashtasahasrika Prajnaparamita* and a Persian version of *Valmiki Ramayana*. The PM paid a visit to the Nazarbayev University and inaugurated the Indo–Kazakh Centre of Excellence in Information Technology.



jo In 2009, when the Indo–Kazakh nuclear deal was signed, Kazakhstan agreed to provide India Uranium for a period of five years. As per the contract of 2009, the term for Uranium supply ended in 2014. During the prime ministerial visit, a fresh agreement was concluded whereby Kazakhstan will now provide 5000 tons of Uranium to India from 2015 to 2019. At the economic level, India committed its participation in Expo 2017 meet and will cooperate with Kazakhstan in the field of renewable energy. Kazakhstan has ined hands with the universities in India for youth exchange programmed over the next five years and it has identified 26 projects to cooperate upon, including a gas turbine plant and a solar plant. Sectoral cooperation is to be enhanced through cooperation between JSC Invest India and JSC Kaznex Invest (JSC stands for joint stock company). A joint study group has been established to explore the possibility of a FTA also. At the defence level, the two countries have reached a conclusion to achieve the following.



## FUTURE AREAS OF COOPERATION

During the rule of Mughal emperor Humayun, a person by the name of Mirza Mohammad

Haider Dulati was the governor of Kashmir. Mirza Mohammad is not only a symbol of our past relationship but he has been, in recent times, branded in Kazakhstan as a national hero. India needs to use this cultural icon to indulge in cultural diplomacy. Another important area is defence. There are many old, idle and abandoned military industrial complexes in Kazakhstan that India may use for its own benefit. India can explore imparting naval training to the Kazakhstani navy for anti-piracy operations.