



## CHINA'S AND INDIA'S SUMMITS WITH CENTRAL ASIA: LATEST DEVELOPMENTS

On January 25, 2022, China hosted a virtual summit to commemorate the 30<sup>th</sup> anniversary of diplomatic ties with the Central Asian states. Two days later, on January 27<sup>th</sup>, India also gathered all central Asian leaders to celebrate the 30<sup>th</sup> anniversary of diplomatic relations. Heads of states of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan participated in both virtual summits. Given the traditional competition between China and India, the coincided two summit meetings are considered under their larger matrix of geopolitical rivalry, along with their competition for influence in the Central Asian region.

President of China, Xi Jinping during his speech highlighted the strategic importance of the region and mentioned implemented projects in connectivity, including oil and gas transportation projects as examples of successful cooperation. By reaffirming China's interest in enhancing existing cooperation with the Central Asian region, he proposed new areas of development, discussed later.

Prime Minister of India, Narendra Modi also stressed the importance of the Central Asian region, which in the foreign policy of India is framed under the "extended neighborhood" policy. During his speech, PM Modi mentioned the significance of regional dialogue and the symbolic importance of the first summit meeting between leaders of India and Central Asian states. Initially, he invited Central Asian heads of states to join the Republic Day of India 2022 as chief guests, yet the plans were changed due to the rise of COVID-19 cases. Nevertheless, the intention to celebrate with Central Asian leaders demonstrates the strategic significance given to the region.

During the China-Central Asia Summit, President Xi affirmed that the government will continue to work within the "China plus Central Asia" foreign ministers' meeting format to deepen mutually beneficial cooperation. Indian leader meanwhile proposed to institutionalize the summit format with the heads of states and to hold it every 2 years. Also, he proposed to regularly hold the National Security Councils meeting, along with the regular meetings of the Trade and Culture Ministers. The Secretariat for the India – Central Asia Summit in New Delhi will be established to coordinate these initiatives.

Connectivity was mentioned among the strategic areas of cooperation during both summits. President Xi praised the implemented transportation projects, including oil and gas pipelines. He calls to accelerate the construction of the China-Kyrgyzstan-Uzbekistan railway project, as well as the Line D of the China-Central Asia Gas Pipeline. PM Modi also during his speech paid special

attention to connectivity with the region, while the lack of direct connectivity is positioned as a major obstacle for increasing bilateral trade. He suggested setting up a Joint Working Group on Chabahar Port, which would contribute to accelerating the process of free movements of goods and services. A roadmap for regional connectivity and cooperation for the next 30 years was also proposed to increase bilateral economic engagement between Central Asia and India.

Regional security was also top on the agenda of both summits. Since the Taliban takeover, stability of the region has been discussed in various platforms, including within the SCO mechanisms, where all states are part of. Chinese leader reiterated his commitment to combating terrorism, extremism, and separatism while calling to further enhance joint operations and drills to strengthen the regional security net. China was among the first who provided emergency humanitarian aid to Afghanistan. Noteworthy, the Taliban takeover of Afghanistan threatens China's security due to the security risks of its western borders on the one hand, and of the Belt and Road projects on the other hand.

PM Modi likewise defined regional security and prosperity among the major objectives of the summit. He encouraged to establish a Joint Working Group on Afghanistan at the Senior Officials' Level, which will work basically on the issues related to the risks coming from Afghanistan such as the spread of extremism, terrorism, drug trafficking, migration and others. India has been actively cooperating with the Central Asian region on the instability issues of Afghanistan. In November 2021, India hosted the Delhi Regional Security Dialogue on Afghanistan, where in addition to Central Asia Defense Ministers, Russia and Iran Ministers joined the discussions over Afghanistan's multidimensional crisis. The third meeting of the India-Central Asia Dialogue at the Foreign Ministers' Level also touched on the Afghanistan issue. For India, the Taliban takeover menace the spread of Islamist groups and boosted insurgency. Also, it threatens the connectivity projects with the Central Asian region since the projected connection with Iran's Chabahar port goes through the Afghanistan territory. Overall, instability in Afghanistan, with which Uzbekistan, Tajikistan, and Turkmenistan have common borders urges to work closely with the Central Asian region to find a common regional approach in maintaining security.

Boosting trade with Central Asia was among the top priorities of both China and India. China intends to increase the trade flow with Central Asian states up to US\$70 billion by 2030. According to China's Commerce Minister trade between China and

Central Asia increased by more than 100 times, while China's direct investment exceeded over \$14 billion in the past three decades. The Chinese President also proposed to establish a dialogue mechanism on e-commerce cooperation between China and Central Asian states, along with the forums on industrial and investment cooperation. India meanwhile with the present volume of trade reaching \$3 billion in 2020, also encourages to expand trade activities. The established Trade Ministers' Meeting is aimed to enhance trade interaction, while India is engaged in negotiations on the free trade agreement with the Eurasian Economic Union, which also will contribute to boosting trade flows.

During the summit, President Xi announced that China in the next three years would provide \$500 million grant assistance to Central Asian states to support livelihood programs and over 5,000 capacity-building seminars to strengthen abilities for self-generated development. For youth, China will allocate 1,200 government scholarships and a priority to open Confucius Institutes and Confucius Classrooms in Central Asian states. Besides, in 2022 China will support medical centers of Central Asian states and plans to send an additional aid of 50 million doses of vaccines. A new China-Central Asia health industry alliance has been proposed to coordinate such initiatives.

India also pays attention to people-to-people contacts. India aims to provide professional training programs for Central Asian diplomats and youth. New Delhi plans to host annually a 100-member youth delegation from Central Asian states. India in 2020 already announced to provide a \$1 billion Line of Credit for infrastructure, energy, IT, and agriculture projects in Central Asia, along with extending educational opportunities for Central Asian students.

By and large, China and India are looking in the same direction when engaging with the Central Asian region. With the moderate market, yet with the large potential of energy exports, the region places a strategic geopolitical position. Central Asia is also essential in maintaining regional security and stability. Both China and India, albeit in different scales and volumes, once again during the summit emphasized three major areas of cooperation such as trade and economics, regional security, and people-to-people contacts. Central Asian states within their multivector diplomacy welcome the elevation of the Central Asian region in China's and India's politics. The summits meanwhile demonstrated the significance given to the region, which contributed to facilitating intended objectives and raising cooperation to a new level.

## Politics, Foreign Affairs, and Security

- The President of Kazakhstan Kassym-Jomart Tokayev visited Russia, where he had a meeting with his Russian counterpart Vladimir Putin. The Presidents discussed the prospects for the development of bilateral relations and key issues of interaction at the regional level, and noted successful development of multilateral contacts. The Heads of States paid special attention to the cooperation in the education sphere and reached agreements to expand the network of branches of leading Russian universities in Kazakhstan (Kazinform, 10.02.2022).
- In accordance with the agreements between the Presidents of Uzbekistan and Kazakhstan, the countries recently signed an agreement on the establishment of the Inter-Parliamentary Cooperation Council. Chairman of the Kazakh Parliament Yerlan Koshanov stressed that it would give a new impetus to the interaction between the parliaments, including at the legislative level. He added that the Council would increase the effectiveness of inter-parliamentary cooperation in the implementation of all agreements and strengthen the strategic partnership between the two countries (Kun.uz, 10.02.2022).
- A working meeting of the heads of the chairmen of the committees of the parliaments of the CSTO member-states was held in Moscow. The participants of the event discussed topical issues of improving the collective security system and priority areas of the CSTO activities for the period of the chairmanship of the Republic of Armenia in the Organization in 2022. They also focused on issues of interaction in organizing and holding joint events (Odkb-csto.org, 10.02.2022).
- The President of Uzbekistan Shavkat Mirziyoyev met with the Prime Minister of the Islamic Republic of Pakistan Imran Khan. The leaders discussed the prospects and plans for further cooperation in different areas and the implementation of the Termez-Mazar-i-Sharif-Kabul-Peshawar railroad project. The sides noted with satisfaction the success of the previous meeting and the officials agreed to continue building up cooperation by discussing a schedule of contacts at the highest and high levels (Centralasia.news, 07.02.2022).
- The Central Election Commission of Turkmenistan has begun preparations for early presidential elections to be held on March 12. Prior to that President Berdimuhamedov said at the Khalk Maslakhaty (upper house of parliament) that he welcomed the idea that the road to public administration at a new stage in the development of the country should be given to young leaders. The President also admitted that in the future he intends to consider the post of chairman of the Halk Maslakhaty as his main position (Turkmen.news, 12.02.2022).
- The law regarding the approval of the "Shusha Declaration on Allied Relations Between the Republic of Turkey and the Republic of Azerbaijan" that was signed in Shusha on June 15, 2021, between Azerbaijan and Turkey was published in the Official Gazette. The document focuses on cooperation between Türkiye and Azerbaijan and provides a framework for joint actions in the political and military spheres (Anadolu Agency, 12.02.2022).

## Economy, Finance, and Energy

- Kazakhstan plans to develop a full-fledged package of solutions for the regulation of cryptocurrency miners and then increase taxes for them. The government will identify and check all mining farms in the country as illegal crypto farms consume more than 1.4 GWh/year of electricity, which is two times more than officially operating miners use. In August, 2021 Kazakhstan ranked second in the world – 18% of the global mining volume – after the United States. Russia ranked third (Qazaq TV, 10.02.2022).
- The real economic sector of Belarus attracted \$8.7 billion of foreign investments in 2021. Russia remained a key source of investments as its share in the total investments amounted to 42.6%, followed by Ukraine (15.2%) and Cyprus (13.9%). Foreign direct investments amounted to \$6.6 billion. In 2021, business entities of Belarus invested \$5.9 billion abroad. More than 80% of total outward investments went to Russia. The shares of Ukraine and Cyprus were correspondingly equal to 4.9% and 2.4% (BelTA, 11.02.2022).
- According to the Ministry of Energy of Uzbekistan, a plant for the production of electricity was put into operation at the Uzbekistan natural gas to liquid (GTL) plant, which would begin generating electricity necessary for the operation of the entire enterprise. Moreover, it will supply additional volumes of electricity to the national grid of Uzbekistan - up to 45 MW with a total output of up to 90 MW. The total cost of Uzbekistan GTL amounted to \$3.42 billion (UzReport, 07.02.2022).
- The Head of the foreign trade department of the Statistics Committee of Kyrgyzstan Gulnara Sulaimanova recently reported that in 2021, the volume of foreign trade and mutual trade in goods of the country amounted to \$7.2 billion. Compared to 2020, the volume increased by 27%, while export supplies decreased by 15.9%, and import surged by 49.8%. The volume of trade with the EAEU countries amounted to \$3.4 billion and increased by 40.5% compared to 2020 (Kabar, 10.02.2022).
- According to the Azerbaijani Ambassador to Iran Ali Alizade, Turkmenistan may increase swap supplies of natural gas to Azerbaijan through Iran. Currently the parties conduct negotiations. Azerbaijan hopes that the project will contribute to the development of regional cooperation. Earlier, Iranian authorities mentioned that the volume of Turkmen gas supplies to Azerbaijan through Iran could be increased up to 15 billion cubic meters per year. Now Azerbaijan buys 2 billion cubic meters of Turkmen gas annually through Iran (Orient, 10.02.2022).
- Ambassador Extraordinary and Plenipotentiary of the Republic of Türkiye to Azerbaijan Cahit Bagchi recently told reporters that the volume of trade turnover between Türkiye and Azerbaijan is scheduled to reach \$15 billion. At present, trade turnover exceeds \$4 billion. The diplomat noted that 5,000 Turkish entrepreneurs have companies registered in Azerbaijan. These companies contribute to the trade development in Azerbaijan, working in the fields of services, tourism, healthcare, and food (AzerNews, 12.02.2022).

## Society and Culture

- The 12th meeting of the Council of Elders of the Organization of Turkic States was held in Istanbul. During the meeting, the members discussed the creation of a special economic zone 'TURAN' in Turkistan and the implementation of the concept document "Prospects of the Turkic world-2040". The Council is aimed at further strengthening cooperation between the Turkic states (Qazaqtv.com, 11.02.2022).
- The Mayor of the city Stari Grad in Bosnia Herzegovina Ibrahim Hadzibajric was awarded a Medal of Abai issued by TURKSOY for the 175th anniversary of the famous Kazak poet and philosopher. The medal was handed over by TURKSOY Secretary General Dusen Kasseinov within the framework of his visit to Bosnia Herzegovina on the occasion of the 38th Winter Festival of Sarajevo. Ibrahim Hadzibajric thanked TURKSOY Secretary General Kasseinov for his visit and the Medal of Abai and expressed his willingness to continue the fruitful cooperation between TURKSOY and Bosnia Herzegovina (Turksroy.org, 10.02.2022).
- According to the Ministry of Internal Affairs of Russia, migrants from Uzbekistan took first place in the number of work patents issued in Russia in 2021. In total, 2,221,826 patents were issued in 2021, of which 1,316,569 were issued to citizens of Uzbekistan, 787 thousand to citizens of Tajikistan and almost 65 thousand to citizens of Azerbaijan. Patents issued to citizens of Ukraine and Moldova were 37 thousand and 17 thousand respectively (Avesta.tj, 07.02.2022).
- The Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan Serikkali Brekeshev held a meeting with the Minister of Water Resources of the Republic of Uzbekistan Shavkat Hamraev. During the meeting, joint measures were discussed to improve the water management situation in the middle and lower reaches of the Syrdarya River. As a result of the discussions, agreements were reached on taking joint measures to increase the inflow to the Shardara reservoir and stable water supply through the Dostyk interstate canal (Avesta-news.kz, 10.02.2022).
- Azerbaijani and Turkish cinematographers agreed to produce a film about the Second Karabakh War. This was discussed at a press conference held at the Nizami Cinema Center in Baku, which was attended by the director of the film project Selahattin Sanjaklı and the rest of the film crew. The film will be his second film project in Azerbaijan. Filming is scheduled to begin in the summer (Azernews.az, 12.02.2022).
- According to the Ministry of Education and Science of Russia, Turkmenistan became one of ten countries actively participating in Youth Student Exchanges with Russia. 30.6 thousand Turkmen students studied at Russian universities in January 2022. The top ten countries also included China, Belarus, Egypt, Iran, Kazakhstan, Kyrgyzstan, Mongolia, Turkmenistan and Uzbekistan. China was the first in the list with 10.4 thousand students involved in the exchange process (Turkmenportal.com, 09.02.2022).