

Analysing Li Keqiang's Maiden Visit to Kazakhstan

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Chinese Premier Li Keqiang was on a visit to Kazakhstan from December 14-15, 2014. This was Li's first-ever visit to the Central Asian country. Though the main purpose of the visit was to attend the 13th Prime Ministers' Meeting of the Shanghai Economic Cooperation (SCO), as expected, the focus was also on strengthening China-Kazakhstan economic relations. During the discussions, the two sides covered almost all areas of cooperation. The major takeaways from the visit were cooperation agreements on wide-ranging issues such as "nuclear matters, exploitation of mineral resources and the use of national currencies in commercial operations". The two sides inked agreements worth US\$ 14 billion. Kazakhstan has been an important economic partner for China for the past 20 years. While Kazakhstan is China's largest trading partner in Central Asia and second amongst the Commonwealth of Independent States (CIS); China is Kazakhstan's second largest trading partner.

Nuclear Cooperation

China's nuclear cooperation with Kazakhstan is remarkable. Kazakhstan has always been one of the major suppliers of uranium to China. Kazakhstan being the largest uranium producer in the world is a natural choice for China. Their nuclear cooperation began in December 2006 when China General Nuclear Power Corporation (CGNPC) inked a strategic nuclear cooperation agreement with Kazakhstan's state-owned nuclear holding company, Kazatomprom. Thereafter, in May 2007, the scope of the agreement was expanded to include the provisions for uranium supply and fuel fabrication. Another agreement was signed in September 2007 for intensifying CGNPC's participation in Kazakh uranium mining joint

ventures and the same agreement allowed Kazatomprom to increase investment in China's nuclear power industry so as to make the latter an important stakeholder in China's nuclear power industry. In October 2008, nuclear cooperation was strengthened and further areas of cooperation were included in the field of "uranium mining, fabrication of nuclear fuel for power reactors, long-term trade of natural uranium, generation of nuclear electricity and construction of nuclear power facilities". Hence, building on the December 2006, May 2007, September 2007 and October 2008 agreements, CGNPC signed another cooperation agreement with Kazatomprom for taking their mutual nuclear cooperation to the next level. The agreement allows the exploration of Uranium in Kazakhstan and also takes into account the transit of uranium to China. This trend of nuclear cooperation suggests that China is heavily tilting towards Kazakhstan to fulfill and diversify its energy needs. As far as Kazakhstan is concerned, this would give a much-needed fillip to Kazakhstan's nuclear and mining industry.

Reviving Silk Road

The efforts of Li Keqiang and Kazakh President Nursultan Nazarbayev to push ahead the revival of the Silk Road will prove to be a long-term investment in the bilateral relations in general and China-Central Asia relations in particular. Central Asia is going to play a great role in the revival of the Silk Road. It is important to note that while China had minimal contacts with other Central Asian countries of the former Soviet Union; its association with Kazakhstan is relatively old and dates back to the Soviet period. Hence, Kazakhstan holds a vital place in China's plan of reviving the ancient Silk Road. The major part of the Silk Road also passes through Xinjiang. With the intention of reviving this Silk Road, an agreement has been signed to pave the path. Chinese President Xi Jinping proposed to revive the Silk Road during his visit to Kazakhstan in September 2013 and rechristened it as the Silk Road Economic Belt for the 21st Century. Recently, during the 2014 APEC summit in Beijing in November 2014, China announced to invest US\$ 40 billion for the infrastructural development

along the Silk Road. Interestingly, China's interest in the Silk Road Economic Belt is a part of second wave of opening up policy.

The feasibility of the Silk Road Economic Belt seems to be quite high as both the provincial and Central governments in China are eager to develop the western and northwestern provinces. With respect to Kazakhstan and other Central Asian region, they are also interested in speeding up the process which, in turn, would give these countries an access to China through land. The New Silk Road, as and when materialises, would stretch from eastern end of China to Europe. Air, road and rail links as also the pipelines, highways and energy cables would run along the stretch.

Conclusion

China is keen to revive the Silk Road, an ambitious project which needs support of Kazakhstan; a strategically located neighbour of China. China understands that being the second largest economy in the Central Asian region, and a uranium rich power, Kazakhstan holds substantial economic and strategic significance for China. China's growing economy needs energy supplies from diverse sources. In the long run, as China shifts towards nuclear energy, Kazakhstan would become a major source of nuclear supplies. Clearly, strengthening ties with Kazakhstan is a long term strategic objective of China as this would also facilitate China's deeper ties with other Central Asian Republics. Stronger ties with Kazakhstan, a major power in the Central Asian region, would help China in the regional multilateral dynamics also. Li Keqiang's maiden visit to Kazakhstan was timely and will deepen China's strategic foothold in the Central Asian region.