



Kazakhstan News Bulletin

Released weekly by the Embassy of the Republic of Kazakhstan to the USA and Canada
www.kazakhembus.com

February 1, 2007

Vol. 7, No. 6

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Kazakhstan, Germany Seek Stronger Ties

Kazakhstan's President Nursultan Nazarbayev visited Germany earlier this week meeting with his German counterpart Chancellor Angela Merkel, the country's federal president and business leaders to discuss growing ties between the two countries.

"We have agreed to improve and broaden cooperation on energy matters," Merkel told a press conference in Berlin on January 30 after talks with President Nazarbayev.

Merkel offered German expertise to help Kazakhstan develop its huge natural resources, which, besides oil and gas, include steel, copper and zinc. Today Germany, Europe's biggest economy buys about 33 percent of its oil and 42 percent of its gas from Russia.

Kazakhstan is estimated to hold 100 billion barrels of oil and more than 200 trillion cubic feet of gas. Kazakhstan's Kashagan oil field, one of the five biggest in the world, will produce an average of 1.2 million barrels a day between 2010 and 2041, Uzakbai Karabalin, president of KazMunaiGaz national oil and gas company, said on Monday.

"Kazakhstan is a very rich country and German business has great interests in promoting its economic development. We have a lot of common interests, and we would like to be the driving force for Kazakhstan's relations with the EU," Merkel said. She added that 40 percent of Kazakhstan's population still live on farming. "There's a chance for our export businesses," she explained.

Merkel, holder of the European Union's six-month presidency, said the bloc wants to compete with Russia and China for greater influence in Central Asia. Germany, which also holds the chair of the Group of Eight industrialized nations, will "very deliberately" pursue cooperation with Central Asia, the German Chancellor noted.

President Nazarbayev said Kazakhstan is "the key market" for German companies in Central Asia since bilateral trade equals 5.2 billion dollars a year. Kazakhstan has already invested more than one billion dollars in Germany, while German companies have invested 2.2 billion dollars in Kazakhstan's growing economy.

Kazakhstan's links to Germany are historical. During the Soviet days, many ethnic Germans in Russia found themselves exiled to Kazakhstan.



Reuters photo
President Nazarbayev and Chancellor Merkel share a moment following a review of German troops in Berlin on January 30.

There they quickly became a valuable part of the local community. After Kazakhstan's independence in 1991, large numbers of ethnic Germans repatriated themselves back to Germany creating an even stronger bond.

Several major private deals were signed during the visit including the 100 million euros (120 million dollars) agreement between the Kazyna Sustainable Development Fund and Thyssen Krupp, one of the world's largest steel manufacturers, to build a metallic flint plant in Kazakhstan.

During the visit, President Nazarbayev also promoted Kazakhstan's bid to chair the Organization for Security and Cooperation in Europe (OSCE) winning the support of the Chancellor. Kazakhstan's efforts to improve public safety, tackle human rights abuses and promote legal structures should earn the country the OSCE chairmanship, he said adding "we're doing a lot and have a claim to the OSCE chair." Merkel expressed support for Kazakhstan's bid, saying Germany "can live" with the country in the OSCE chair "provided it carries on with reforms."

Another Opposition Party Registered in Kazakhstan

Kazakhstan's Ministry of Justice registered the opposition All-Nation Social Democratic Party (ASDP) on January 25.

Zharmakhan Tuyakbai, a former speaker of the Majilis, the lower house of Parliament, and a presidential contender in the December 2005 election, leads the party.

In 2005, Tuyakbai ran as a candidate from the *For A Just Kazakhstan* political movement, receiving slightly more than six percent of the vote.

The new ASDP has approximately 140,000 registered members, almost three times the required legal minimum for a party in Kazakhstan.

The registration of ASDP continues the transformation of Kazakhstan's political landscape. Last year, three other political parties, the Asar Party, the Civic Party and the Agrarian Party, merged with the ruling Otan party which by the end of the year created a larger and more dominant Nur-Otan party. Earlier this year, another center right party, Atameken, announced its desire to register.

Kazakhstan Seeks Completion of WTO Talks in 2007

Kazakhstan is planning to complete accession talks with the World Trade Organization (WTO) this year, a joint statement from the country's government and central bank said on January 26.

Kazakhstan applied to join the WTO in 1996. A total of 38 countries, Kazakhstan's major trading partners, have been negotiating with the country about its accession (the 25 countries of the European Union are counted as one). Up to now, Kazakhstan was able to conclude negotiations with more than a dozen of such countries, while deals are yet to be sealed with several key players, such as the United States and Canada.

The U.S. has been supportive of Kazakhstan's aspirations to join the world's largest trading block. A joint statement in September 2006, issued after the White House meeting between Presidents Nursultan Nazarbayev and George W. Bush, said: "The United States supports Kazakhstan's membership in the World Trade Organization, and welcomes Kazakhstan's efforts to prepare for membership, recognizing that a market access agreement will enhance free trade and contribute to the continuing modernization of Kazakhstan's economy. The United States will send a team of experts to Kazakhstan in the coming months to continue this joint work."

Among the issues remaining to be ironed out between Kazakhstan and the U.S. are agricultural subsidies, labor regulations and copyright protection.

Free market reforms and generous foreign investment in the vast energy sector have made Kazakhstan one of the most economically successful post-Soviet states, with annual economic growth of nearly 10 percent since 2000. Kazakhstan has been recognized as a market economy by both the U.S. and the EU.

While the raw materials sector still plays a very important role in Kazakhstan's economy, accounting for a third of the budget revenues, other industries have grown rapidly, including banking, metallurgy and construction accounting for ever larger proportions of the economy.

In their January 26 statement, the Government and the National Bank of Kazakhstan said the Central Asian nation will also work out a system to control the quality of goods manufactured by domestic producers. The statement outlined the government's economic priorities and targets for 2007.

In early January, President Nazarbayev appointed Karim Masimov, a reformer economist, as the new Prime Minister tasking him with boosting Kazakhstan's economic competitiveness as part of plans to enter the 150-member Geneva-based WTO.

Kazakhstan Projects 2007 GDP Growth at 8.6 Percent

Kazakhstan's gross domestic product is expected to grow 8.6 percent in 2007, the Government said on January 26.

Kazakhstan's economy, the largest in Central Asia, has grown by more than 75 percent in the past seven years. The growth was fueled by high commodity prices on world markets combined with huge foreign investment and effects of privatization and other market economic reforms which freed up the entrepreneurial spirit.

This year, "average annual growth in industrial output is projected at 7.2 percent, while agricultural production will increase by 3.2 percent," the Government said. "Capital investment will grow 15 percent year-on-year," it added.

Kazakhstan's GDP in 2006 totaled 78 billion dollars, and the per capita GDP was \$5,100, according to the Ministry of Economy and Budget Planning.

The government's goal is to bring per capita GDP up to \$6,543 by the end of 2009, under a three year program launched in 2007. The growth rate in the three year period is expected to be an average of 8.8 percent.

52-1, 38-0, and 17-1, Kazakhstan Hammers Rivals on Rink

Yes, that's right. Those are real scores from this week's 6th Asian Winter Games taking place in Changchun, China. In which sport? You guessed it: ice hockey.

Kazakhstan, a Eurasian country with long and cold winters and long traditions of ice hockey is a natural favorite for these Games where it is pitched against other countries on the continent with far fewer opportunities to train and field a strong winter sports team. Kazakhstan did compete in the Turin Winter Olympics a year ago with the well-known dominant powers of the sport including Sweden, Russia and the United States. Kazakhstan's standard of hockey is well known, there are several Kazakh players in the National Hockey League.

This week in Changchun, Kazakhstan, ranked 11th in the world, beat the United Arab Emirates 38-0, then Thailand 52-1, and China 17-1.

The story of Kazakhstan playing ice hockey with countries such as Thailand and the UAE reminds of *Cool Runnings*, an emotional and inspiring movie about the 1988 bobsled team from Jamaica, which never sees any snow, who pushed its way almost to the finals of the Calgary Olympics. It is a story of countries wishing to explore new sports and of a few spirited individuals, like the *Cool Runnings'* unfortunate sprinter Leon (played by Derice Bannock) and coach Irving Blitzer (played by John Candy).

The Thais went into the game knowing they were going to lose to Kazakhstan, but an opportune goal seven minutes into the third period was celebration enough in the 52-1 loss.

The hero was forward Arthit Thamwongsin, who jumped on a rebound off the boards to slam a shot past Kazakhstan goaltender Sergey Ogureshnikov.

"They are just an outstanding team," Thailand's American coach Michael Rolanti said of Kazakhstan. "I think it was a good game for us because we did not give up."

Rolanti is a former college player at Rennselaer Polytechnic Institute in Troy, N.Y., who was managing a chain of English schools in Bangkok when he was asked to help coach the national team. “We only have about 40 guys in the whole country to pick from,” said Rolanti, as well as only two ice rinks.

Team Kazakhstan needs not to become overly complacent though, as they are slated to meet Japan and South Korea during this week.

Elsewhere in the games Kazakhstan is performing well too, with two gold, four silver and three bronze medals in its column, placing it fourth in the overall medals standings behind China, Japan and South Korea. More than 800 competitors from 26 countries and regions across Asia, including some where winter sports are not normally played, are in Changchun, a northeastern Chinese city of about seven million.

The experience of participating in Asian Winter Games is useful for Kazakhstan as Almaty prepares to host the seventh such games in February 2011.

Nuclear Ambitions, Pipeline Politics and OSCE Bid to Feature at Almaty Forum

Organizers of the upcoming Eurasian Media Forum (EAMF) in Almaty have shown they are aiming high as they set a very ambitious and wide ranging agenda for the event which will include sessions on nuclear ambitions of nations, the pipeline politics in Eurasia and Kazakhstan’s bid to chair the Organization for Security and Cooperation in Europe (OSCE).

The sixth annual EAMF forum, to take place April 19-21, 2007, will include topics such as “A Nuclear Program: A Sovereign Right or Dangerous Ambition,” “Kazakhstan’s Chairmanship in the OSCE: Pros et Cons,” “The Peculiarities of Pipeline Politics” and “The Regulation of Media and Freedom of the Press in the former Soviet Union.”

Vladimir Rerikh and Larissa Pak, EAMF general producer and general director unveiled the plans at a January 30 news conference in Almaty providing details. They said they had invited former Iranian President Mohammad Khatami to speak on the panel about nuclear ambitions, while the session on pipeline politics will focus on recent disagreements over natural gas supplies between Russia, Ukraine and Belarus affecting the supplies to Europe. The discussions will also focus on the news coverage of the Middle East, including the recent war in Lebanon, the role of the media in nation building, and the responsibilities of the media in covering multiculturalism and immigration.

In more than five years of its existence, the Eurasian Media Forum, typically attended by several hundred editors, reporters, policy experts and business leaders from more than three dozen countries, has proven itself a valuable platform for an open and free flowing discussion of pressing international issues. Past international participants included former U.S. Army General Wesley Clark, former U.S. Ambassador to the UN and current Asia Society Chairman Richard Holbrooke, as well as the then Iranian President Khatami.

CNN International is acting as a general international news partner of the EAMF. Russian News Agency (RIA), ITAR-TASS, the International Herald Tribune and the Asian Pacific Union of TV and Radio Broadcasters are news partners of the EAMF, too.

For more information about the forum, visit their web site at www.eamedia.org. Those interested in participating should contact Larissa Pak, EAMF General Director, at tel: +7 327 2506 504/5, fax: +7 327 2506 514, email: info@eamedia.org.

Helping a Sister City Face Alcoholism: Arvada Reaches out to Kyzylorda

CROSSwalk People Helpers, a non-governmental charitable counseling service specializing in international goodwill projects in Arvada, Colorado, sister city of Kyzylorda, Kazakhstan, announced a new joint project to help cure the curse of alcoholism in Kyzylorda.

The Faith-based Substance Abuse Rehabilitation Project will document faith-based alcoholism recovery programs that have attracted the attention of local government officials for their success rates. Organizers will then make the results available as a model for other treatment programs to follow. To implement the project, the organizers are seeking to raise \$15,000 in donations online at www.SupportSisterCities.org.

Michael Coen, project leader and founder of CROSSwalk People Helpers said, “Communism has been lifted from these people, but alcoholism and other substance abuse addictions hold many back from thriving in their new-found freedom.”

Statistics from the World Health Organization show that alcoholism is a growing problem in Kazakhstan, particularly among the youth.

Kyzylorda is a city of roughly 250,000 in south Kazakhstan not far from the Baikonur Cosmodrome.

For more information about this project, visit CROSSwalk People Helpers’ website at www.peoplehelpers.org and [visit their SupportSisterCities.org project page](http://www.SupportSisterCities.org) or contact Michael Coen, at tel. 303-941-0292 and email mike@peoplehelpers.org

Kazakhstan Is One of Hottest Holiday Spots in Europe...Thanks to Borat!

Borat, the spoof mockumentary by a fictional Kazakh TV reporter played by Sacha Baron Cohen, and efforts of the dedicated Kazakhs to take advantage of the opportunity to draw attention to the real Kazakhstan, seem to be finally bringing some benefits for the country so wrongfully represented.

As London’s Daily Star reported on January 25, *Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan*, has left everyone wanting to go to the former Soviet country.

It is at No. 3 in the list of European countries travelers would most like to visit. Kazakhstan was beaten only by Italy and the United Kingdom in a poll of 2,800 international tourists and gap-year students, carried out by www.travellersconnected.com.

Website spokesman Alastair Banks said, “It’s really quite fantastic what Borat has done to raise the public profile of Kazakhstan.”

“For it to get more votes than Spain demonstrates the sheer power of the media. When we compiled the same survey last year, Kazakhstan barely got any votes at all.”

The top 10 desired destinations in Europe now rank, in that order, Italy, UK, Kazakhstan, Spain, France, Greece, Turkey, Austria, Germany and the Netherlands.

Things to Watch:

- President Nursultan Nazarbayev is visiting Ukraine February 1-2 for talks about promoting stronger economic ties between the two countries.
- *Kazakhstan: Reaching for the Future*, a 9-minute video documentary made by our Embassy, tells the story of what Kazakhstan has become in the 15 years of independence and of the importance of strategic partnership between Kazakhstan and the U.S. The video is available at Youtube [here](#). A limited number of copies are available on DVD. To receive a copy, please contact Roman Vassilenko at numbers below.

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