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Kazakhstan Consolidates Casinos, Limits Them to Two Towns

New legislation in Kazakhstan, scheduled to take effect on January 1, 2007, will limit gambling in the country to the two towns of Kapshagai and Schuchinsk. This move will reduce the harmful effects of gambling addictions which have affected Kazakh society, while allowing citizens who wish to gamble a legal opportunity for their pastime.

Today, there are currently 140 registered casinos in Kazakhstan, including 37 in the former capital of Almaty, a city of 1.2 million, and 14 in the new capital of Astana. Additionally, the country has nearly 2,000 smaller gambling halls, slot machine parlors and roulette rooms.

Kapshagai is near Almaty in the southeastern part of Kazakhstan, and Schuchinsk is in the northern part of the country. Both towns have plenty of potential to become tourist destinations. Kapshagai stands on the shore of the Kapshagai artificial lake, while Schuchinsk is located in the area of Borovoe, called Kazakhstan’s “Switzerland” for its beautiful lakes, hills and pine trees.

The proposed law, “On gambling,” has already been introduced by the government, and is expected to pass through Parliament. President Nursultan Nazarbayev, whose approval will also be required, has publicly supported the bill since its introduction.

Kazakhstan’s Finance Minister Natalya Korzhova said the legislation is necessary to reduce the harmful affects of gambling addiction on Kazakhstan’s people.



USA TODAY photo by Laura Bly.

Almaty’s Green Bazaar is a major attraction for shoppers and tourists. See story on page 5.

“Gambling mania, which for our society is a bane, like drug addiction, will finally leave our families,” Korzhova said. Additionally, the legislation will help Kazakhstan reach President Nazarbayev’s goal of becoming one of the 50 most attractive countries for investment.

The legislation is similar to one currently under debate in Russia, which would limit gambling to four designated cities spread across Kazakhstan’s northern neighbor.

KazMunaiGas Ups Oil and Gas Production for First 10 Months in 2006

KazMunaiGas Exploration & Production, a leading producer of crude oil in Kazakhstan, increased its oil production to 7.965 million tons in the first 10 months of 2006. Compared to the same period last year, this increase totaled 171,000 tons, for an overall increase of 2.2 percent. (One ton is approximately 7.5 barrels.)

Additionally, KazMunaiGas EP increased supplies of oil to domestic and international markets over the same period. From January to October 2006, KazMunaiGas EP supplied 2.25 million tons of oil in-country and 5.58 million tons internationally, for a net increase of 2.4%.

KazMunaiGas EP is the third largest crude oil producer in Kazakhstan. It is a subsidiary of Kazakhstan’s national oil and gas company, KazMunaiGas. KazMunaiGas EP controls 44 oil and gas fields in western Kazakhstan. Its fields are estimated to contain approximately 206 million tons of proven and probable oil reserves.

Kazakhstan has proven oil and natural gas reserves of 35 billion barrels and 200 trillion cubic feet, respectively. Kazakhstan is the second largest producer of oil among former Soviet republics. Kazakhstan currently produces 1.2 million barrels of oil daily and exports one million.

Kazakhstan’s total reserves are estimated at 100 billion barrels, and the increase is expected to come from offshore exploration in the Caspian Sea. By 2015, Kazakhstan is expected to be producing 3.5 million barrels of crude daily and exporting three million barrels, which would put it firmly among the world’s top ten oil producers.

Parliament Approves \$16.6 Billion 2007 Budget

Kazakhstan’s Parliament agreed this week to an annual budget of 2.17 trillion tenges (KZT), or about \$16.6 billion, for 2007.

Both houses of Parliament, the Senate (upper house) and the Mazhilis (lower house) agreed to the law, “On National Budget 2007.” Government spending in 2007 is expected to be 1.982 trillion tenges and account for 16.7% of the projected GDP of 11.9 trillion tenges (\$93 billion). Government income for the year is projected to be 1.98 trillion KZT, leaving a deficit of 1.2% of the 2007 GDP.

President Nursultan Nazarbayev has made it a national goal to increase Kazakhstan’s global competitiveness. Prime Minister Danial Akhmetov said the 2007 budget provides a “professional and balanced approach” towards achieving the presidential goal. “Now that the law on the 2007 national budget has been passed, all state measures for the next year take a real and concrete shape,” Akhmetov said.

Kazakhstan’s economy has been showing signs of rapid growth. “If in 1994, the GDP per capita in Kazakhstan amounted to 400 dollars, then in accordance with the budget for 2007, this index will exceed 6,000 dollars,” the President recently noted. He also estimated a 10% increase in the national economy in 2007 compared to 2006. The Government also now estimates the economy will grow more than 10 percent in 2006 as well.

The budget, passed in its second reading, includes increased spending for education and health care, including an additional six billion tenges to be used for the construction of a blood center and regional children’s hospital in Shymkent, where a recent HIV outbreak has occurred.

The current exchange rate is 127.9 tenges per dollar.

“Borat” Actor Says He Means No Offense to Kazakhstan

Sacha Baron Cohen, the star of *Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan*, said in a *Rolling Stone* interview this week that he meant no offense to Kazakhstan with his portrayal of the fictional Kazakh reporter Borat Sagdiyev.

“The joke is not on Kazakhstan,” Cohen said. “I think the joke is on people who can believe that the Kazakhstan that I describe can exist, who believe that there’s a country where homosexuals wear blue hats and the women live in cages and they drink fermented horse urine and the age of consent has been raised to nine years old.”

The “mockumentary” stars Cohen who interacts in character with unwitting Americans. As Borat, Cohen attends a dinner party pretending not to know how to use a toilet, asks a gun dealer for “the best type of gun to kill a Jew.”

Cohen described the version of Kazakhstan that appears in the movie as a “fictitious country” that is not even remotely based on the real Kazakhstan. True to Cohen’s word, not a single image of the real Kazakhstan is seen in the film.

The “Kazakh” spoken by Borat and his producer in the movie is a mixture of Hebrew, Polish and gibberish. *Borat* opens and closes in a destitute village in a former Soviet bloc country nearly 2,000 miles west of Kazakhstan.

The real Kazakhstan, a nation of 15 million people, could hardly be more different. The former Soviet republic, the ninth largest country in the world, boasts a literacy rate of 98 percent and is on the road to rapid economic, social and political modernization. The first country in the world to dismantle its nuclear arsenal, Kazakhstan has been working hard with the international community in preventing the spread of nuclear weapons technology.

Finding the Real Kazakhstan

Here is a story by Laura Bly from the November 17 edition of USA TODAY (Life Section)

ALMATY, Kazakhstan — At a national park an hour’s drive from the largest city in the ninth-largest country on earth, men with broad smiles and sharp knives crouch over the steaming entrails of a horse whose meat they’ll be savoring for months.

Back in town at a Wi-Fi-friendly coffeehouse, wafer-thin women clad in Dolce & Gabbana and stiletto boots nibble smoked salmon sandwiches against a backdrop of Toyota Sequoias and Lexus sedans.

And in the chilly parking lot of what’s billed as the world’s highest Olympic skating rink, members of a champagne- and vodka-fueled wedding party — one of 70 or 80 a day on weekends — kick up their heels to a traditional Caucasus folk dance called the *lezginka*.

Welcome to the glorious, previously obscure nation of Kazakhstan: land of horseflesh eaters, fashionistas, romantics and a foul-mouthed TV reporter named Borat.

Not.

British comedian Sacha Baron Cohen, whose Kazakh alter ego Borat Sagdiyev has been dissing this Central Asian republic since 2000 in the TV series *Da Ali G Show* (which originated in Britain), catapulted into the global zeitgeist with his new mockumentary *Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan*. The film’s real targets may be American bigotry and xenophobia. But what rankles real Kazakhs is the depiction of Borat’s homeland — including, among other insults, the fact that he shares his village home with a cow and is so unfamiliar with indoor plumbing that he washes his face in a toilet bowl.

This former Soviet state pulled the plug on Cohen’s website, and threatened legal action after he showed up at last year’s MTV Europe Music Awards in an Air Kazakh prop plane controlled by a one-eyed pilot clutching a vodka bottle. Officials have since backpedaled, inviting Cohen to visit and discover that “women not only travel inside buses but also drive their own cars, that we make wine from grapes,

(and) that Jews can freely attend synagogues.” Sayat Tour, a local travel agency accustomed to sending Kazakhs out of the country for R&R rather than welcoming foreign tourists in, just launched a nine-day “Jagzhemash!!! See the Real Kazakhstan” itinerary that promises to “greatly inspire, hearten and energize you” and “hopefully bring our peoples closer together.”

A land of startling contrasts

Thanks to its massive reserves of oil and gas, Kazakhstan boasts one of the region’s fastest-growing economies. In the cultural and financial center of Almaty, a city of 1.2 million sprawled at the base of the snow-capped Tian Shen mountains near the southeastern border with Kyrgyzstan, crumbling Soviet apartment buildings stand next to garish casinos. City markets sell fermented camel milk and horse sausage, while European designer boutiques hawk \$1,400 sterling liquor flasks and \$4,000 leather jackets. Nearly devoid of private cars a few years ago, its tree-lined streets are now clogged with vehicles — which, in turn, have created a perennial shroud of smog.

Most Almaty residents have never heard of Cohen's *Borat* and his assaults on Kazakh pride. Though English is taught in public schools, Russian language and cultural influences still hold sway, and home-based Internet access remains a rarity. But among those who have, the reaction to their newfound notoriety is nearly universal: dismay at Cohen's depictions of Kazakh life, and worry that gullible foreigners will accept his outrageous assertions at face value.

“We don’t live in yurts, and we don’t drive camels. This is modern country, but many people in America think Kazakhstan is in the Middle Ages,” sputters Almaty college student Dias Murzakanov.

An hour from Almaty at the 10,000-foot Chimbulak ski resort — which lost a bid for the 2014 Olympic Winter Games but will host the 2011 Asian Winter Games — Kazakh public relations executive and former BBC producer Daulet Zhumadil notes that new slope-side homes are fetching upwards of \$1 million and invites a visitor to “breathe the freshest air in the world” (fresher than Almaty’s, at any rate).

Pointing to a trio of *babushkas* (Russian for grandmothers) waiting for their young snowboarders to return from the slopes, Zhumadil breaks into a sly grin: “Sacha Cohen was not correct,” he says. “We don’t use these women to power our ski lifts.”

There are several theories about *Borat*, Zhumadil says. The film could be “a plot of Hillary Clinton to discredit George Bush by making Americans look bad.” Or maybe someone in Kazakhstan’s opposition party “tries to make the black PR to show Kazakhstan in negative colors.” Or, he says, *Borat*’s homeland “could be just accidental. (Cohen) sucked it from the finger and said, ‘Let it be Kazakhstan.’ ”

In fact, says Almaty-based Summer Coish, co-editor of a new magazine about Central Asia called *Steppe*, *Borat*’s creators were on to something: Kazakhstan is a “blank spot on the map” to even the most educated and peripatetic travelers.

Cultural learnings abound

A stop along the ancient Silk Road trading route and once home to nomadic horsemen who traced their origins to Genghis Khan, Kazakhstan's vast grasslands and deserts were a dumping ground for political prisoners and other undesirables during the Stalin era. The Cold War started here when the Soviet Union detonated its first nuclear weapon at Semipalatinsk, and Kazakhstan’s Baikonur Cosmodrome launched the world’s first manned orbital flight in 1961.

The country’s daunting distances have helped keep tourism to a trickle, despite such draws as mountain climbing, hunting with eagles and falcons and overnight stays in traditional yurts (now used seasonally by shepherds who spend their winters in heated apartments). The Almaty-based Ecotourism Information Resource Centre, a 2-year-old tour company that’s the first of its kind in Kazakhstan, will host about 400 international travelers this year — up from 130 the year before.



Photo of Borat, center, by Peter Kramer, Getty Images For CMJ; All other photos by Laura Bly, USA TODAY

But the boorish Borat may be a blessing in a cheap-suited disguise: According to the London *Observer*, the foreign currency firm Travelex has had to order more of the Kazakh currency, the tenge, to meet a recent surge in demand by British travelers.

Whether newly curious Americans will brave a long journey (11 time zones from the East Coast) to sip horse milk, browse for antique carpets and hike through the lair of the endangered snow leopard remains to be seen. But Sayat Tour's Talgat Dairov is optimistic.

"Most don't believe people will come here for touristic purposes," Dairov concedes. But he has received more than 50 inquiries since launching his Borat tour. Some, he hopes, will be "willing to travel to Kazakhstan and see for themselves what the real country, not the Borat version, is really like."

The Kazakhstan File

<p>Size: World's ninth-largest country (1.05 million square miles), the size of Western Europe</p> <p>Population: 15.2 million</p> <p>Ethnic diversity: Kazakh 51.8%, Russian 31.4%, Ukrainian 4.4%</p> <p>Religion: Muslim 47%, Russian Orthodox 44%, others 9%</p> <p>Literacy rate: 98%</p> <p>Government: Constitutional republic with a strong presidency; independence from U.S.S.R. in 1991</p> <p>Natural resources: World's largest reserves of barite, lead, tungsten and uranium; second-largest reserves of chromite, silver and zinc. Oil reserves: 35 billion barrels (twice as much as the North Sea).</p> <p><i>Sources: U.S. State Department; Kazakhstan Embassy in Washington</i></p>

Is it Kazakh or is it Cohen? Let this be your guide

In *Borat*, comedian Sacha Baron Cohen portrays the Central Asian republic of Kazakhstan as a grim backwater where women pull oxcarts, wine is made of horse urine and killing dogs is a national sport.

As USA TODAY's Laura Bly learned, Cohen's cinematic take is (mostly) full of horse manure — even though a favorite Kazakh drink is *kumys*, a potent brew made from fermented mare's milk. A look at how the country in Cohen's "moviefilm" stacks up against the real thing:

“Boratstan”	vs.	Kazakhstan
A nonsensical mixture of Hebrew and Polish	Native language	Official language is Kazakh, but Russian is spoken by about 95% of the population
Perennially mangled (“Do you theenk a woman should be educate?” Borat asks a group of feminists in the “US and A”)	English proficiency	Often tenuous (From the guest information book at Almaty’s InterContinental Hotel: Members Bar is “a place where live music shrouds in the wings to give a peace to mind.”)
Eastern European (<i>Borat’s</i> village scenes were filmed in Glod, Romania)	Citizens’ physical appearance	Kazakhs, the largest of more than 100 ethnic groups, are of Mongolian descent and have Asian features
Kazakhs celebrate an annual “Running of the Jew” festival, and gays must wear blue hats	Religious and cultural tolerance	The country recently dedicated the largest synagogue in Central Asia; regardless of sexual preference, felt caps are popular during the frigid winters
Cheese made from human breast milk	Cuisine	Traditional favorites include <i>besparmak</i> (boiled horsemeat and noodles) and <i>bas</i> (baked sheep’s head)
Disco dancing, archery, rape and table tennis	Popular sports	<i>Kokpar</i> , a Kazakh version of polo played with a headless goat carcass instead of a ball.

Things to Watch:

- Picking up from last week’s things to watch, Kazakhstan lost to Portugal 3-0 on November 15.
- Fashion Week in Almaty next week will bring the best work of Kazakhstan’s fashion designer to the catwalk.
- President Nazarbayev visits Turkey to take part in the summit of the Turkic speaking countries, and then goes to London where he will meet Prime Minister Tony Blair and open a day’s trading on the famed London Stock Exchange. LSE already lists two Kazakh companies with more to come, including KazMunaiGaz EP (see the story above).

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