



# Kazakhstan News Bulletin

Released weekly by the Embassy of the Republic of Kazakhstan to the USA and Canada  
[www.kazakhembus.com](http://www.kazakhembus.com)

November 22, 2006

Vol. 6, No. 42

## *In this issue:*

**Kazakh President  
Laughs off “Borat”  
Controversy**

**Kazakh, British  
Leaders Stress  
Growing Ties**

**New Agreement  
Links London and  
Almaty Financial  
Communities**

**New U.S. Embassy  
Building Opens in  
Astana Drawing  
Kazakhstan and  
U.S. Closer**

**Kazakhstan, Other  
Asian Nations  
Agree to Create  
Trans-Asian  
Railway**

**Kazakhstan and  
Central Asian  
States Launch  
Program to  
Reverse Land  
Degradation**

*The Embassy wishes  
all of its American  
friends a very happy  
Thanksgiving!*

## **Kazakh President Laughs off “Borat” Controversy**

*Here is a REUTERS story by Katherine Baldwin from November 22.*

LONDON (Reuters) – There’s no such thing as bad publicity, the president of Kazakhstan joked on Tuesday as he welcomed the attention lavished on his country by the comedy film “Borat.”

“This film was created by a comedian so let’s laugh at it, that’s my attitude,” a smiling President Nursultan Nazarbayev told reporters at a joint news conference with British Prime Minister Tony Blair.

“There’s a saying that any publicity is good publicity,” he added, when asked about the treatment given to his country on the screen.

The movie satirizes America and also pokes fun at a fictional Kazakhstan as a place where people drink fermented horse urine among other questionable practices.

The film, whose full title is “Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan,” is a box-office hit in the United States and Europe despite fierce debate over its main character’s controversial opinions.

British-born Sacha Baron Cohen, 35, plays a mustachioed Kazakh journalist who tours the United States expressing misogynistic, racist and anti-Semitic views.

Baron Cohen’s jokes have become a public relations headache for Kazakhstan as the former Soviet state seeks to portray itself as a modern nation of well educated professionals and a major non-OPEC oil exporter.

A village in Romania stood in for Kazakhstan in the film, and Nazarbayev noted that Baron Cohen had never visited his country. However, he laughed off the controversy.

Standing alongside Blair, he initially asked whether Baron Cohen’s alter ego was at the press conference. “Maybe the journalist himself Borat Sagdiyev is here representing Kazakhstan? I would very much like to speak to him if he is.”



AP photo

**President of Kazakhstan Nursultan Nazarbayev, second from right, is applauded by the chairman of the London Stock Exchange Chris Gibson-Smith, right, as he presses the button to open the stock market in London Wednesday.**

Nazarbayev was in Britain -- his first official visit since 2000 -- to discuss co-operation on energy and financial services and the possible expansion of air links.

## **Kazakh, British Leaders Stress Growing Ties**

At a joint press conference following bilateral talks on Tuesday Prime Minister Tony Blair and Kazakh President Nursultan Nazarbayev reported significant progress in the relations of trade, energy and the fight against terror.

Blair said that Britain will continue to invest in the country's energy sector, but will also link financial services between the two nations. Britain, the largest foreign stakeholder in Kazakhstan after the U.S., has already invested three billion pounds in the Central Asian country.

"[Kazakhstan and Britain] have a close, broad-based, relationship," Blair said. "We have come a long way in these past few years since you were last here," Blair said, referring to Nazarbayev's visit in 2000, he said.

"Particularly in this region, we need stable partners, and I think there is a whole new and different relationship that Europe should have with Kazakhstan where we recognize that strategic importance," Blair said.

Nazarbayev reiterated the importance of trade with Britain and Northern Ireland in reaching the leader's stated goal of making Kazakhstan one of the 50 most competitive nations in the world. "The support we get from the U.K., the entry of U.K. small and medium enterprises into our economy, not just in the oil and gas sector, is very important," Nazarbayev said.

Nazarbayev also affirmed his commitment to working with Britain and its allies in the war against terrorism and in maintaining security. Noting that Kazakhstan was located near Iran, Iraq, and Afghanistan, Nazarbayev said, "no single state is capable of solving these problems in isolation on their own."

"The work that we are doing within the anti-terrorist coalition to Afghanistan, we need to take that work to its conclusion, the same in Iraq," he continued. "Kazakhstan, to the extent possible is contributing to that and is supporting those efforts in Iraq," he said.

Nazarbayev in particular warned withdrawing coalition forced from Iraq too soon, saying it would lead to "an enormous confrontation" and "a massive civil war."

"We would have a second Afghanistan on our hands," Nazarbayev said.

## **New Agreement Links London and Almaty Financial Communities**

President Nazarbayev's visit to Britain this week produced an agreement formally allying the London Stock Exchange and the Almaty Regional Financial Center (ARFC) in a cooperative relationship.

Established earlier this year, the ARFC is a special zone within Almaty, the former capital and the largest city of Kazakhstan. It was designed to serve as a regional financial center for the Central Asian region and to encourage foreign investment. Foreign companies with businesses in the ARFC receive financial incentives and are reimbursed for auditing costs for registering in the Center.

Investors entering the ARFC have access to the Kazakhstan Stock Exchange (KASE), as well as the most stable and developed banking and technological systems in the Commonwealth of Independent States, a group that includes Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, and Turkmenistan.

James Wolfensohn, former head of the World Bank, has advised President Nazarbayev about the creation of the ARFC, and will continue in his role as an advisor.

The agreement between LSE and ARFC is a landmark step on the road to Kazakhstan's goals of joining the world's most competitive nations and developing Almaty as a major regional financial hub. The ARFC establishment will be supplemented by actions to improve corporate transparency and governance.

President Nazarbayev also held talks with British Prime Minister Tony Blair, Chancellor of the Exchequer Gordon Brown and had an audience with Queen Elizabeth II on Tuesday. On Wednesday, he opened the day's trading at the London Stock Exchange, attended a conference on modernization, and met the Lord Mayor of London John Stuttard who plans on visiting Kazakhstan in 2007.

## **New U.S. Embassy Building Opens in Astana Drawing Kazakhstan and U.S. Closer**

Fresh from a visit to the White House six weeks ago, President Nursultan Nazarbayev opened a new building of the U.S. embassy in Astana last week.

At the opening, Nazarbayev said the new embassy building symbolizes "growing ties of partnership" between the United States and Kazakhstan. "Our accumulated experience in cooperation is a firm foundation for moving forward in the interests of both our countries," he noted.

In September, President Nazarbayev made his most recent visit to the United States, where he met President Bush, members of the Administration and Congress, and delivered a major address on nonproliferation policies at a Washington dinner hosted by the Nuclear Threat Initiative (NTI). On that same trip, President Nazarbayev unveiled the Monument of Independence of Kazakhstan, a seven foot tall bronze statue, in front of the Kazakh Embassy in Washington, DC.

At the U.S. Embassy in Astana, the Kazakh President praised Bush for supporting Kazakhstan's goal of becoming one of the world's 50 most competitive nations. He noted U.S. investments in Kazakhstan's energy sector, U.S.-Kazakhstan cooperation in the fight against international terrorism and U.S. support for democratic reforms in Kazakhstan as examples of growing cooperation between the two countries.

John Ordway, U.S. Ambassador to Kazakhstan, described the new embassy as "a symbol of friendship and strategic partnership between our countries."

In addition to being a sign of international friendship, the opening of the new embassy also symbolizes Astana's increasing sophistication as the new capital of Kazakhstan. Astana replaced Almaty as the capital in 1997. Since then, many foreign embassies have moved to the new capital, now including the U.S.

"We regard the U.S. government's decision to build the new embassy here as the recognition of the high status of the new capital of Kazakhstan, and as a significant contribution to creating a new image of Astana," President Nazarbayev said.

## **Kazakhstan, Other Asian Nations Agree to Create Trans-Asian Railway**

One day it will be possible to board a train in Germany and to stay on it as it travels 14,000 kilometers east to the Pacific coast in China. If you do get on such a train, you'll be able to visit Kazakhstan along the way.

Last week, the governments of Kazakhstan and 17 other nations agreed to develop the Trans-Asian Railway, a proposed railroad network which would run through the Asian continent and neighboring regions. The Trans-Asian Railway (TAR) would be a major boon not only for tourism, but for Kazakhstan's imports and exports. Kazakhstan is a land-locked nation cannot rely on ports for international trade.

TAR, which would build on existing rail networks, would actually consist of four major railways. The longest of these, nicknamed the "Iron Silk Road" after the route traders used for centuries in the ancient past, would run through the center of Kazakhstan. Stopping at its capital Astana, as well as Mointy, Aktogai and other cities, the route would continue through to the eastern end of Kazakhstan.

Kazakh Prime Minister Danial Akhmetov signed the agreement at a meeting of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in Busan, South Korea. China, Azerbaijan, Cambodia, Turkey, Laos, South Korea, Viet Nam, Uzbekistan, Indonesia, Iran, Sri Lanka, Thailand, Tajikistan, Russia and Armenia also signed the agreement Other nations may join the agreement at a later date.

## **Kazakhstan and Central Asian States Launch Program to Reverse Land Degradation**

Kazakhstan and four other former Soviet states have launched a \$1.4 billion project to repair and reverse ecological damage done to formerly productive lands in the area. Funded by international banks and aid organizations, the Central Asian Countries Initiative for Land Management (CACILM) will work to improve the health of lands in Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan in an ecologically sustainable manner.

“The CACILM Partnership offers Central Asian countries an excellent opportunity to systematically combat land degradation and improve rural livelihoods,” said Robert Everitt, Senior Natural Resource Management Specialist at the Asian Bank Development, which is coordinating the effort.

Misguided policies during the Soviet era have created serious environmental catastrophes in Central Asia. In Kazakhstan and Uzbekistan, irrigation to produce vast fields of cotton, or “white gold,” drained the Aral Sea and other bodies of water to fractions of their natural levels, increasing salinity in their waters and turning surrounding areas into deserts. Over-grazing and soil erosion have also caused substantial harm to the livelihoods of the region’s rural inhabitants, to agricultural productivity and to the land itself.

CACILM activities will focus on issues such as creating sustainable irrigation and agricultural policies, conserving biodiversity and protected areas, and planning future land use. Specific areas of focus in Kazakhstan include repairing lands around the Aral Sea and managing the ecosystems of Kazakhstan’s rangelands and pastures.

Ecological repair activities coordinated by the Asian Bank Development will continue for the next 10 years. More than \$155 million has been committed to fund projects through 2008.

These efforts will come on the heels of the successful joint Kazakhstan-World Bank project to save the northern part of the Aral Sea, the so called Small Aral, which have already led to major improvements in the lives of the people in the area.

### **Things to Watch:**

- The Embassy has uploaded on [www.youtube.com](http://www.youtube.com) another video, *Kazakhstan Unveiled*. If you would like to see it, please click [here](#).
- Those of our readers who are thinking of visiting Kazakhstan may also want to check the following story by John Noble on [www.lonelyplanet.com](http://www.lonelyplanet.com), [The Real Kazakhstan: Where Borat Never Was](#).

---

For back issues, other news and information visit us at [www.kazakhembus.com](http://www.kazakhembus.com)  
News Bulletin of the Embassy of the Republic of Kazakhstan to the USA and Canada  
Contact person: Roman Vassilenko  
1401 16<sup>th</sup> Street NW, Washington, DC 20036  
Tel: 202 232 5488, ext. 104, Fax: 202 232 5845