



# Kazakhstan News Bulletin

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## **Central Asia Declares Itself a Nuclear Weapons Free Zone**

The five countries of Central Asia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan have signed a treaty creating a nuclear weapons free zone in their lands. Semipalatinsk, the former Soviet nuclear test site in eastern Kazakhstan, was the scene for the treaty's historic signing on September 8.

Under the treaty, the five countries have committed themselves to ban the production, acquisition and deployment of nuclear weapons and their components. The treaty does not prohibit the use of nuclear energy for peaceful purposes.

Kazakhstan's Foreign Minister Kasymzhomart Tokayev, Kyrgyzstan's Foreign Minister Alikbek Jekshenkulov, Uzbekistan's Foreign Minister Vladimir Norov, Tajikistan's First Deputy Foreign Minister Saimumin Yatimov, and Turkmenistan's Ambassador in Kazakhstan Muhamed Abalakov signed the treaty.

It took the countries nine years to put together the treaty, the first of its kind in the region.

Similar zones have been established in South America, Africa, the Pacific and Southeast Asia with more than 100 countries involved.

"This is our contribution to global security," Kazakhstan's Minister Tokaev said of the treaty. "It will become an impetus for the coordinated efforts of the world community in nonproliferation and prevention of the acquisition of weapons of mass destruction by terrorists. It will undoubtedly become an important step in the development of peaceful nuclear energy."

"While the creation of the nuclear weapons free zone in Central Asia is undoubtedly important, it is only the first stage in this initiative," Uzbekistan's Minister Norov noted. What is needed, is the firm observance on behalf of the signatories of the fundamental principle, the complete absence of nuclear weapons in that zone.

Kazakhstan was the only country in the region which had nuclear weapons in the past, having inherited the world's fourth largest nuclear arsenal at independence in 1991. It rid itself of the weapons in cooperation with the United States under the Nunn-Lugar program.

The new zone borders on two large nuclear weapon states, Russia and China, and occupies a territory of more than 3 million square kilometers (approximately 1.5 million square miles).

UN Secretary General Kofi Annan sent a congratulatory letter to the signatories.

## **President Calls for Major Reforms in State Management**

President Nursultan Nazarbayev, in a speech on September 1 at the opening of the new session of the Parliament of Kazakhstan, called for modernization of state management based on principles of corporate management, transparency and social accountability in the framework of the administrative reform.

“We will build a completely new model of state management giving priority to the quality of state services and the interests of their consumers. The state machine must function on the principles of corporate management, transparency and social accountability while taking into consideration best international practices,” President Nazarbayev told the legislators.

The President outlined main directions of the administrative reform which include improving the structure of state bodies, boosting salaries of state employees, introducing rating systems for the performance of state bodies, using new methods in the budget process, increasing stability, sustainability and controllability of the government, and fighting corruption.

The President commissioned an administrative reform working group to develop and to offer suggestions to reform the law enforcement system, budget sector, and education and healthcare systems.

“The logic of Kazakhstan’s entering this new stage of its development requires a scrupulous consideration and accurate implementation of the corresponding reforms in state management, of the political system and, possibly, in the Constitution. We must adopt an optimal model for our country’s political and state structure... This will allow Kazakhstan to become one of the centers of international policy, dialog of civilizations, stability and integration in Central Asia”, President Nazarbayev said.

For full text of the President’s speech in English, please click [here](#).

## **Palace of Peace and Harmony Opens Ahead of Religious Congress**

President Nursultan Nazarbayev dedicated the Palace of Peace and Harmony in Astana on September 1 in presence of large number of guests from across Kazakhstan and the Presidents of Uzbekistan, Kyrgyzstan and Tajikistan.

President Nazarbayev said, “The construction of the Palace is a bright embodiment of an idea brought forth at the first Congress of World Religions [in 2003]. At that time, religious leaders from across the world gathered on Kazakh soil for the first time and supported our initiative of a global dialogue between religions. The results of this historical meeting inspired us to construction this unique building.”

The Palace, designed in the form of a steel and glass pyramid by the renowned British architect Lord Norman Foster, was built on the right bank of the Ishim River in the capital next to the Ak Orda presidential residence. President Nazarbayev said the pyramidal form of the Palace shows unity of different religions.

The Palace houses a research center for major faiths and offices of different religions, a museum of Kazakhstan’s national culture, a university of civilizations, exhibition and concert halls, a library and an opera house with 1500 seats. The Palace is 77 meters (250 feet) high, and it occupies an area of 25,500 square meters.

Later this week, the Palace will be the site of the Second Congress of Leaders of World and Traditional Religions. The hall where religious leaders are to meet was designed after the UN Security Council chamber in New York.

The first congress in September 2003 brought together more than 120 religious leaders from a total of 17 religions, including Islam, Christianity, Buddhism, Hinduism, and Judaism. The second congress on September 12-14, 2006 is expected to welcome 42 foreign delegations totaling 160 delegates including not only religious leaders but civic leaders from other countries such as former Iranian President Mohammad Khatami, former Prime Minister Mahathir Mohamad of Malaysia, and former Soviet President Mikhail Gorbachev, as well as UN and UNESCO representatives, coming as honorary guests.

## **Koizumi's Visit Expands Political and Nuclear Energy Ties**

Junichiro Koizumi, Prime Minister of Japan visited Kazakhstan on August 28 for talks with President Nursultan Nazarbayev on regional development and security, and energy issues.

The two leaders agreed to expand political dialogue and humanitarian exchanges and boost cooperation in jointly developing uranium mines and other natural resources.

The two leaders issued a joint statement on further development of friendship, partnership, and cooperation between the two states. Bakhtykozha Izmukhambetov, Kazakhstan's Minister of Energy and Mineral Resources and Tetsuo Ito, Ambassador of Japan to Kazakhstan, signed a memorandum of understanding on the promotion of cooperation in the peaceful use of atomic energy.

Kazakhstan plans to quadruple uranium production and overtake Canada and Australia, two other countries with large reserves of natural uranium, to become the world's biggest uranium producer by the end of this decade. In a joint statement issued after the talks, Japan and Kazakhstan said they will cooperate in the development and processing of uranium and other natural resources.

Speaking at a news conference after his talks with President Nazarbayev, Koizumi, the first Japanese Prime Minister to visit Kazakhstan, said, "Japan attaches major importance to relations with Kazakhstan which can become a driving force for Central Asia's development." Koizumi added, "The cooperation in uranium mine development and in the field of nuclear energy is promising."

Koizumi's visit to Kazakhstan was followed by one to Uzbekistan. The visit came as the region's abundant energy resources increasingly attract attention of the world's largest consumers. With 80 percent of its oil and gas coming from the Middle East, Japan, under a new energy strategy, chose to focus on promoting ties with resource rich countries through free trade agreements and the promotion of nuclear energy.

In addition to energy, Japan is seeking greater engagement in Central Asia in general and has already initiated a "Central Asia plus Japan" cooperative dialog a few years ago. Since the early 1990s, Japan has been one of the leading donors of economic assistance to the region, providing more than two billion dollars. The statement adopted during the visit said Japan will accept students and trainees from Kazakhstan in the next three years.

President Nazarbayev said Kazakhstan is interested in Japan's investment and looks forward to working with the Japanese on new projects.

## **KazMunaiGaz E&P to List Shares on London Stock Exchange**

KazMunaiGaz Exploration and Production, a subsidiary of Kazakhstan's national oil company KazMunaiGaz, announced plans to list about 40 percent of its stock on the London and Kazakhstan stock markets.

KazMunaiGaz E&P Managing Director Askar Baljanov said September 4, "I am very pleased that KazMunaiGaz Exploration and Production is today announcing its introduction on the stock market."

A company statement did not disclose the amount of money it hopes to raise from the listing.

KazMunaiGaz Exploration and Production is the third largest oil producer in Kazakhstan, with average daily output of 188,000 barrels and reserves estimated at 1.5 billion barrels.

It will follow in the footsteps of two other Kazakh companies who successfully listed their shares on the London Stock Exchange in recent years, including Kazakh Altyn, the gold producer, and KazakhMys, the copper smelter. Within a few months of its listing, KazakhMys joined the FTSE 100 index, the premier share index of the LSE.

## **Azerbaijan, Uzbekistan and Kyrgyzstan Will Use KazSat Satellite**

Askar Zhumagaliyev, Chairman of Kazakhstan's Agency of Communications and Information, told the country's Parliament on September 9 Azerbaijan, Uzbekistan and Kyrgyzstan sought to use services

provided by KazSat, Kazakhstan's first commercial satellite launched in July.

Zhumagaliyev said relevant agencies of the three countries had sent appropriate requests to the Kazakh authorities, while many communications operators expressed desire to work through KazSat.

Following the launch of KazSat from the Baikonur Cosmodrome on July 18, the launch of the second such satellite is being prepared.

## **Kazakhstan's Gold, Forex Reserves Grow 1.5 Percent in August**

Kazakhstan's gold and foreign exchange reserves, including gross reserves at the National Bank and assets of the National Fund, grew 1.5 percent in August to \$24.479 billion, the National Bank said.

The National Fund's assets stood at tentatively \$10.936 billion on August 31, the bank said.

The National Bank's assets in gold fell by \$29.3 million as a result of a 2.39 percent drop in the price of gold on the world markets.

### **Things to Watch:**

- Kazakhstan will host the Second Congress of Leaders of World and Traditional Religions in Astana on September 12-14, 2006.
- Prime Minister Han Myeong-sook of South Korea will visit Kazakhstan at the end of September. South Korea is among the largest foreign investors in Kazakhstan, and a business forum will be part of the program.

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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