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Recent India-Kazakhstan Relations: Venturing Towards Greater Cooperation

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The recent visit of Prime Minister Dr. Manmohan Singh to the Central Asian state of Kazakhstan in April 2011, took place against the backdrop of a volatile regional setting. It was a trial of the skill of Indian statecraft that New Delhi could embark upon a sequestered bilateral relation with Astana impervious of the regional turbulence prevalent in the area. Even if the recent BRIC summit achieved materially little, apart from the usual discourses on cooperation among BRICS countries, the visit of Dr. Singh to Kazakhstan definitely did cement a more meaningful relationship with that particular Central Asian country. Seven agreements in various fields of economic cooperation, from oil and gas to nuclear energy and allied fields, not to mention agriculture-related activities, are indeed a commendable record.<sup>i</sup> The following agreements have been concluded between India and Kazakhstan<sup>ii</sup>:

- Package of 3 Agreements between ONGC Videsh Ltd. and National Company 'Kazmunaigas' on Satpayev Exploration Block;<sup>iii</sup>
- Agreement between the Government of the Republic of India and Government of the Republic of Kazakhstan for Cooperation in the Peaceful Uses of Atomic Energy;<sup>iv</sup>
- Joint Action Plan for furthering the Strategic Partnership between the Republic of India and the Republic of Kazakhstan (Road Map) for the period of 2011-2014;<sup>v</sup>
- MoU between Indian Computer Emergency Response Team(CERT-In), Dept of Information Technology of India and Kazakhstan Computer Emergency Response Team (Kz-CERT), Republic of Kazakhstan;<sup>vi</sup>

- Treaty between the Republic of India and the Republic of Kazakhstan on Mutual Legal Assistance in Civil Matters;<sup>vii</sup>
- Agreement between the Ministry of Agriculture of the Republic of India and the Ministry of the Agriculture of the Republic of Kazakhstan in the field of agriculture and allied sectors;<sup>viii</sup> and
- Agreement between the Ministry of Health of India and the Ministry of Health of the Republic of Kazakhstan on cooperation in the field of healthcare.<sup>ix</sup>

Among other things, India's ONGC Videsh will be purchasing a 25 per cent stake in a Kazakh oil exploration block, marking the public sector's entry into the country's oil and gas sector.<sup>x</sup>

### **India's Widening Influence**

Dr. Singh's Astana visit signifies that relations between the two countries are on the brink of a major change. Kazakhstan is literally the powerhouse of Central Asia, and has been undergoing a sustained metamorphosis over decades as an influential regional player. More importantly, what New Delhi is eagerly seeking is cooperation in the highly strategic field of nuclear fuel supply.

Nomura International reports a forecast of an impending deficit of uranium ore in the next 5-year period thanks to the global uranium demand growth driven by China, India, Russia and South Korea. From a price of \$40 per pound of uranium at present, prices may average about \$75 in the coming 5-10 year period. Kazakhstan holds the world's second largest uranium reserves, constituting almost one-fifth of the global reserves. In 2010 it produced 18,000 tonnes of uranium and by 2018 that is expected to go up to 30,000 tonnes. Kazakhstan is developing 21 new uranium deposits but is depending on Russia for uranium enrichment. (Russia enjoys 45 per cent of global uranium enrichment capacity). India can integrate into this matrix, given its robust strategic ties with Russia and with its ties with Kazakhstan assuming a strategic character.<sup>xi</sup>

Kazakhstan's cooperation with China and Japan also offers a blueprint for India. China is already the largest buyer of Kazakh uranium. The two countries recently agreed to trade in 55,000 tonnes of uranium through the coming decade. They created an enterprise in 2009 to produce nuclear fuel. Japanese companies too are developing Kazakh deposits that can produce 1, 60,000 tonnes

uranium by 2050. Interestingly, Kazakhstan holds a 10 per cent share in Japanese-owned Westinghouse Electric, one of the world's largest suppliers of nuclear power reactors.<sup>xii</sup>

The joint statement issued after Dr. Singh's talks with Kazakh president Nursultan Nazarbayev emphasised the "need for expansion of mutually beneficial cooperation" in the nuclear field. "India is going for a fivefold increase in electricity generation through nuclear power plants and up until 2014 Kazakhstan will supply more than 2,000 tonnes of uranium", Nazarbayev stated in the joint statement.<sup>xiii</sup> Meanwhile, Kazakhstan's support for India's membership of the Shanghai Cooperation Organisation (SCO) is judicious. The relationship with Kazakhstan can optimally advance if India combines the bilateral track with the SCO track. China met with phenomenal success doing the same.

Hitherto, effective economic and strategic relations have been established by the two countries to a certain extent since Prime Minister Nehru's visit to Almaty in 1955. Thereafter, several high level exchanges have taken place, including Dr. Radhakrishnan's visit to Kazakhstan in 1956 in his capacity as Vice President. India was one of the primary countries to recognise the independence of Kazakhstan. President Nursultan Nazarbayev's first official visit after Kazakhstan acquired independence was made to India in 1992. Diplomatic relations were established on February 22, 1992. The Embassy of India was established in Almaty in May 1992, and subsequently the Embassy of Kazakhstan was formed in New Delhi in 1993.<sup>xiv</sup> The foundation of current Kazakh-Indian relations was laid during the visit of President Nursultan Nazarbayev to India in February 1992 when several inter-governmental agreements were signed. In May 1993, Prime Minister Narsimha Rao made a return visit to Kazakhstan. Nursultan Nazarbayev visited India in December 1996 and February 2002. Vice President of India, K.R. Narayanan visited Kazakhstan in September 1996 and Prime Minister Atal Bihari Vajpayee visited Kazakhstan in June, 2002 for the 1<sup>st</sup> Confidence-Building Measures in Asia (CICA) Summit and bilateral talks.<sup>xv</sup>

Further in January 2010, Nursultan Nazarbayev was the Guest of Honour at India's 60th Republic Day Parade. The visit provided an opportunity to reaffirm bilateral ties at the highest political level and to exchange views on regional and global issues of mutual interest in the backdrop of friendly relations and cooperation. It was also an occasion to reaffirm the commitment to further strengthen bilateral relations and diversify areas of cooperation.

## Conclusion

In a nutshell, it may thus be concluded that there are certain basic areas in which further cooperation between the two countries could benefit both in the long run. Although effective bilateral relations with regard to security is already in operation, however, prudent measures are further required to ensure effective partnership between India and Kazakhstan. The recent agreements concluded between the two countries would go a long way towards cementing India's relations with Kazakhstan. However, the road ahead may not seem very smooth if regional dynamics are taken into account. It would be advisable for both countries to proceed in a more prudent manner and ensure that effective bilateral relations becoming the foundation for the growth of regional interactions in the near future.

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<sup>i</sup> "Bilateral agreements concluded during PM's visit to Kazakhstan," *Ministry of External Affairs*, Government of India, April 16, 2011, accessed electronically at <http://meaindia.nic.in/meaxpsite/declarestatement/2011/04/16js03.pdf>, on April 19, 2011.

<sup>ii</sup> *Ibid.*

<sup>iii</sup> The three Agreements are to give effect to the transfer of participating interest in the Satpayev Exploration Block from "Kazmunaigas" (KMG) to ONGC Videsh Ltd. (OVL).

- Participating Share Assignment Agreement defines transfer of 25% stake from KMG to OVL and terms governing this transfer.
- Carry Agreement defines the key features of OVL's "carry" and KMG's repayment of the carried amount in case of commercial discovery and development of the discovered fields.
- Joint Operating Agreement defines the relationship between the Parties and the way operations are to be conducted.

Satpayev exploration block, located in the Kazakhstan sector of the Caspian Sea, covers an area of 1482 sq. km and is at a water depth of 6-8 mts. It is situated in a highly prospective region of the North Caspian Sea and is in close proximity to major discoveries. The block contains two prospective structures, namely Satpayev and Satpayev Vostochni (East) with 256 MMT in estimated hydrocarbon resources. This transaction marks the entry of OVL in Kazakhstan's hydrocarbon sector. Although OVL has been trying to gain a foothold in Kazakhstan since 1995, the efforts got a boost when OVL entered into a MoU with KMG in February 2005 for cooperation in the hydrocarbon sector. Heads of Agreement (HOA) was signed between OVL and KMG in 2009 and the Exploration Contract was signed between Ministry of Oil and Gas

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of Kazakhstan and KMG in 2010. Now, on signing of the definitive agreements, KMG will assign 25% participating interest in the Satpayev Block to OVL as a strategic foreign partner in the Project.

<sup>iv</sup> The Agreement envisages a legal framework for mutually beneficial cooperation between the two sides in the peaceful uses of nuclear energy including fuel supply, nuclear medicine, use of radiation technologies for healthcare including isotopes, reactor safety mechanisms, exchange of scientific & research information, exploration and joint mining of uranium, design, construction and operation of nuclear power plants etc.

<sup>v</sup> The Roadmap outlines the joint action plan for implementation of projects to be undertaken by both sides during the period 2011-14 for the implementation of Inter-Governmental Agreements. The Roadmap details specific milestones in a range of areas of bilateral cooperation including hydrocarbons, civilian nuclear energy, space, information technology & cyber security; high-tech and innovative technology, pharmaceuticals, healthcare, agriculture and cultural exchanges.

<sup>vi</sup> The MoU envisages development of cooperation in the area of Information Security and covers the scope of mutual response to cyber security incidents, exchange of information on spam and other cyber-attacks, exchange of information on prevalent cyber security policies and exchange of human resources.

<sup>vii</sup> The Treaty envisages a wide range of measures for mutual legal assistance in civil matters in accordance with laws of both countries. These measures include service of summons and other judicial documents or processes, taking of evidence by means of letters or request or commissions, recognition and execution of court decisions and arbitral awards.

<sup>viii</sup> The document envisages cooperation between the two Ministries in the field of agricultural research and technologies, food and agricultural production. It also envisages cooperation in the spheres of agricultural science, food processing, crop production, plant protection and agricultural trade.

<sup>ix</sup> The Agreement envisages cooperation in the field of healthcare, medical services and pharmacy. It proposes establishment of direct cooperation between public health organizations as also scientific research and medical institutes. It covers exchange of information and data about communicable diseases. It also envisages joint scientific research, visits of experts and specialists, exchange of information in the field of health services and medicine.

<sup>x</sup> “Toe-Hold in Kazakhstan,” *Business Line, The Hindu*, April 20, 2011, Chennai, accessed electronically at <http://www.thehindubusinessline.com/opinion/editorial/article1709854.ece?homepage=true>, on April 20, 2011.

<sup>xi</sup> Bhadrakumar, M.K., “PM in Kazakhstan: A Splendid Start,” *Deccan Herald*, April 20, 2011, Bangalore, accessed electronically at <http://www.deccanherald.com/content/155008/a-splendid-start.html>, on April 20, 2011.

<sup>xii</sup> *Ibid.*

<sup>xiii</sup> “Joint Statement on PM’s Visit to Kazakhstan,” *Ministry of External Affairs*, Government of India, April 16, 2011, accessed electronically at <http://meaindia.nic.in/mystart.php?id=501017550&flg=1>, on April 19, 2011.

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<sup>xiv</sup> “India-Kazakhstan Relations,” *Embassy of India*, Astana, September, 2010, accessed electronically at <http://www.mea.gov.in/meaxpsite/foreignrelation/Kazakhstan.pdf>, on January 3, 2011.

<sup>xv</sup> *Ibid.*