



Kazakhstan, South Korea Expand Economic, Political Ties



South Korean President Park Geun-hye (l) and Kazakh President Nursultan Nazarbayev (r) discussed expanding economic and political ties.

By Ruliyana Ospanova

ASTANA – South Korean President Park Geun-hye paid an official visit to Kazakhstan within her Central Asian tour on June 18-19, focusing mainly on expanding

economic ties and realising her vision for a barrier-free Eurasia.

At a bilateral meeting of the two presidents on June 19, the main directions for discussion were strengthening high-level contacts and expanding trade, investment and

technological cooperation, as well as the development of a Kazakhstan-South Korean strategic partnership.

Kazakh President Nursultan Nazarbayev and Park exchanged views on topical issues of the international agenda and checked

their positions on key issues of bilateral cooperation within international and regional organisations.

Nazarbayev noted that the visit of the South Korean president is a significant event for Kazakhstan. **Continued on Page A8**

Energy, Industrial Cooperation Agreements Signed During Visit of Italian Prime Minister

By Malika Orazgaliyeva

SCHUCHINSK – Two cooperation agreements were signed and prospects for expanding cooperation in energy, agriculture and transportation were discussed during the meeting of Kazakh President Nursultan Nazarbayev and Prime Minister of Italy Matteo Renzi on June 12 in the Burabay resort area approximately 250 kilometres north of Astana. Renzi was in Kazakhstan on a working visit.

The two documents signed include an agreement between KazMunayGas and Italy's Eni S.p.A on implementing the Issatay exploration project and a shipbuilding/shipyard construction project, as well as a memorandum of understanding between Kazakhstan's Ministry of Industry and New Technologies, IVECO S.p.A. and Allur Group LLP.

The parties also discussed prospects for expanding cooperation in oil and gas, transport, energy and agriculture, as well as in the trade, economic and investment spheres. In addition, Nazarbayev and Renzi exchanged views on current issues on the international agenda. **Continued on Page A8**

After the ceremony of signing bilateral documents, the leaders made a joint statement.

President Nazarbayev noted that relations between Kazakhstan and Italy are developing intensively in many areas.

"Italy is a strategic economic partner of Kazakhstan in Europe. Italy accounts for 13 percent of Kazakhstan's foreign trade. The total volume of Italian investments in our economy is \$6.5 billion. Moreover, Italy is the largest consumer of Kazakhstan's oil," he said.

The President also noted that Kazakhstan has high hopes for Italy's upcoming chairmanship of the European Union in the second half of 2014, since the country is preparing to sign an enhanced Partnership and Cooperation Agreement with the EU. The Kazakh President also invited the prime minister to pay an official visit to Kazakhstan.

In turn, the Italian prime minister expressed hope for further cooperation between Kazakh and Italian companies. **Continued on Page A8**

More Engagement, Not Less, Needed in Central Asia after Troop Withdrawal, Say Atlantic Council Experts

By Michelle Witte

ASTANA – The Atlantic community's engagement with Central Asia must be deepened and expanded, said Frederick Kempe and John Herbst of the Washington, DC-based think tank, the Atlantic Council, following their meeting with Kazakh Prime Minister Karim Massimov and Foreign Minister Erlan Idrissov on June 9. As coalition troops are withdrawn from Afghanistan this year, the United States and its partners must find more avenues of non-military cooperation in the crucial region, they say.

The Atlantic Council promotes international engagement with the hope of fostering global security and prosperity. Engagement with Central Asia has been insufficient, Herbst and Kempe said, but the council is hoping to help rectify this by considering a presence in Kazakhstan as the region heads into a period of both potential growth and turbulence following the creation of the Eurasian Economic Union (EEU) and the troop withdrawal from Afghanistan.

American engagement in Central Asia has been primarily focused on Afghanistan for too long, said Kempe, Atlantic Council president

and CEO. "Energy rich, historically crucial, between China and Russia – we have to start engaging and studying this area of the world in its own right," he said. The U.S. has interests in stability, prosperity and progress in all of Central Asia, he says, and there is a need to build solid and meaningful relationships in the region.

Not enough is being done, particularly in light of the troop drawdown, said Herbst, director of the Atlantic Council's Dinu Patriciu Eurasia Centre and former U.S. ambassador to both Uzbekistan and Ukraine. **Continued on Page A3**

Talgar Couple Cares for Hundreds of Orphaned Children

By Asset Kalymov

TALGAR – Spouses Tuyak Yeskozshina and Anuarbek Baisarin have raised more than 340 orphaned children left without parental care. Theirs is the largest family, not only in Almaty region, but also throughout the country.

Nur, a family-type orphanage opened in 1998, and Yeskozshina, its permanent director, try to respond to every child's outcry for help. It all started one day when she met a neglected seven-year-old girl at an Almaty bazaar. The kind woman's heart went out to the miserable and abandoned girl and after talking with her husband and grown sons, she brought the child

to their home. Over the years, more kids kept coming to the Baissarin's household; some came themselves, others were left on the doorstep by their mothers. Yeskozshina mothered and sheltered them all.

When their standard three-room flat became too small for the growing family she applied to the town administration, which gave them an old kindergarten building. The Baissarins, who have raised their own three sons, thereafter sold their Almaty apartment. With that money they revamped the abandoned kindergarten and opened one of the first family-type children's homes in the country.

Nur looks like a big ant hill. Children are everywhere. Some

are painting, dancing and singing in the game room, others are doing their homework in the classroom. To them the Baissarins are guardians de jure and parents in fact and they call them mama and papa.

Yeskozshina's pre-retirement teaching experience at a kindergarten and school came in handy. But it's hard to imagine what a heavy burden this woman and her husband have shouldered by deciding to shelter and parent the orphaned kids. Of course, every parent loves his or her children, but few can bring themselves to take other children into their family, take responsibility for their lives and bring them up as decent citizens. **Continued on Page B2**

Bolashak Scholarship Makes Graduates, and Country, Competitive

By Malika Orazgaliyeva

The Bolashak presidential scholarship programme, introduced in November 1993, has since become a key ingredient in Kazakhstan's history of independent development as well as an integral part of the country's image abroad. To learn about the current status of the programme and its future, we spoke to Gani Nygmetov, the President of the JSC Centre for

International Programmes under the Ministry of Education and Science, which administers the Bolashak scholarships.

How would you describe the key achievements of the Bolashak programme so far?

Last year, the Bolashak scholarship celebrated its 20th anniversary. At the alumni forum in November 2013, President Nursultan Nazarbayev named the scholarship

"a golden page in the country's history."

Over 20 years, the scholarship has been awarded to 10,363 Kazakhstan citizens, including 6,975 graduates of the programme.

The Bolashak scholarship provides specialists for all economic sectors, according to market demand. In addition to its numerical value, there is an essential effect of the programme that cannot be measured. **Continued on Page A2**



Tuyak Yeskozshina teaches her adopted children to read.

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NATION

WEDNESDAY, JUNE 25, 2014

New Technology for Cancer, TB Treatment Leading to Earlier Diagnosis, Better Results

By Alina Usmanova

ASTANA – Journalists were shown a day in the life of oncology and tuberculosis specialists in Kazakhstan on a press tour organised by the Kazakhstan Scientific Research Institute (KazSRI) of Oncology and Radiology and the National Centre for Tuberculosis Problems (NCTP) on June 13, just before the National Day of Medical Workers. Advanced innovative technologies for the rapid diagnosis of the two socially significant diseases as well as complex surgical processes were also demonstrated.

Kazakh experts identify early-stage cancer and TB much more

frequently now, and over the past 10 years the death rate from TB in Kazakhstan has decreased by 72.8 percent. The Ministry of Healthcare has implemented six screening programmes for early detection of the most common types of cancer, which has led to more positive outcomes. Through this early diagnosis, doctors have managed to achieve positive results in the implementation of the state Cancer Care Development Programme for 2012-2016 and the National TB Control programme.

The oncology and radiology offices of KazSRI and the NCTP were opened for the media day, including surgical departments where reporters could see the tuberculosis myco-

bacterium and modern methods of TB diagnosis at the National Bacteriological Reference Laboratory.

The introduction of advanced innovative technologies for accelerated laboratory diagnosis is an important factor in improving cancer and tuberculosis treatment. KazSRI is now fitted out with high-tech equipment. American high-energy linear accelerators of the latest generation cost up to 1.5 billion tenge (US\$8.1 million). Using what they term a "gamma knife" and "cyber knife," their beams affect only tumours, while healthy tissue is not irradiated.

"Low-energy linear accelerators, co-produced by Japan and Ger-

many, will be delivered before the end of this year to five high-tech radiation oncology centres of Kazakhstan," said Director of KazSRI Kuanysh Nurgazyev.

All regional and city bacteriological laboratories in TB dispensaries have introduced advanced innovative technologies for rapid laboratory diagnosis of tuberculosis, including the BACTES MGIT-960, Hain-test and Gene-Expert tests.

For 2012-2016, the state has allocated 211 billion tenge (US\$1.1 billion) for the development of oncological care, and the funding of TB services is increasing each year. In 2013, it was 35.47 billion tenge (US\$193.3 million), while in 2012 it

was 34.56 billion tenge (US\$188.3 million). Kazakhstan is one of the few countries in the world where all cancer and anti-TB drugs are paid for by the state budget.

According to NCTP Director Tleukhan Abildayev, along with the adjusted conservative treatment, new surgical technologies for TB patients and patients with extensively drug-resistant tuberculosis are being introduced.

Nurgazyev and Abildayev noted that despite the positive steps, they are not going to slow down and they will do everything possible to achieve even better results in the near future in the fight against socially significant diseases.

NATIONAL NEWS IN BRIEF

The Mazhilis of the Kazakh Parliament recently approved amendments to the nation's Criminal Code that are meant to prevent extremism, terrorism and the spread of radical ideologies. The amendments stiffen penalties for extremism and terrorism and make spreading radical ideologies a criminal offense. The confiscation of property was excluded as a form of additional punishment from 45 articles of the Criminal Code. As First Deputy Prosecutor General Johann Merkel noted earlier, an important part of the Criminal Code addresses criminal liability for disseminating false information. According to Merkel, the newly-approved amendments strengthen laws relating to terrorism and extremism and also make it illegal to do unsanctioned archaeological work. The amendments are also expected to reduce the number of prison inmates by increasing the use of fines and public service penalties. Additional amendments are also expected to be introduced that would combat organised and specialised crime, including in the field of information technologies and medicine. The goal of the draft law is to update the Criminal Code, including the elimination of contradictions and conflicts between acts regulating the basis of administrative and criminal liability, as well as the order of execution of administrative penalties, criminal penalties and legal restrictions related to criminal liability. The amendments had already been approved by the Kazakh Senate, so they are now considered to be fully adopted. The bill on the amendments must be signed into law by the President of Kazakhstan before they enter into force.

With the commissioning of the KazSat-3 satellite, the formation of a closed Kazakh satellite communication system will reduce the import of communication services by 4 billion tenge (US\$21.8 million) a year, Chairman of the Kazakh National Space Agency (KazCosmos) Talgat Mussabayev said at a June 23 government hour in the Mazhilis, the lower chamber of Parliament. "KazSat-2 and KazSat-3 satellites will provide mutual backup, which creates favourable conditions for the transition of Kazakh operators to KazSat satellites," he said. He recalled that KazSat-3 was launched April 28 from the Baikonur Cosmodrome, successfully entering its orbit May 28. After completion of the required tests in September, the satellite will be accepted into service. The current communications satellite KazSat-2 is operating in normal mode. Its utilisation rate is about 66 percent of the total volume of satellite capacity leased to 12 Kazakhstan operators, amounting to over 3.5 billion tenge (US\$ 19.1 million).

The Tourism Industry Committee of the Ministry of Industry and New Technologies of Kazakhstan jointly with the International Air Transport Association (IATA), plans to develop a programme for the development of airports in Kazakhstan, the ministry's press service said. This decision was made June 19 at a working meeting of Marat Igaliev, chairman of the committee, and Jordan Karmalakov, IATA country manager for Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. As part of the adopted concept of development of the nation's tourist industry through 2020, the sides discussed issues of cooperation in the implementation of promising tourism projects that would receive significant competitive advantage. IATA expressed interest in contributing to the regulation of Kazakh air carriers' charter programmes. In particular, the association presented the product called MarketIS and the report on the movement of passengers, which aims to determine the most popular passenger routes. In addition, the association represented the system to verify the authenticity of visa requirements called TIMATIC.

Nuclear Fuel Bank Negotiations Reach Final Stages, Agreement Expected Later This Year

By Alevtina Donskikh

EAST KAZAKHSTAN REGION – After 14 rounds of talks between Kazakhstan and the International Atomic Energy Agency (IAEA), an agreement on the establishment of the IAEA bank of low-enriched uranium (LEU) is in the final stage and planned for signing before the end of the year. The information was shared by Alexander Khodanov, director for sales

of the Ulba Metallurgical Plant (UMP), which would become the facility for storing the LEU owned by the IAEA.

As Khodanov explained, after reaching the agreement, Kazakhstan and the IAEA will sign a number of documents between UMP, the assumed technical operator of the project, and the IAEA. The negotiations with the agency are carried out with the participation of specialists of Kazatomprom and UMP. The documents will stipulate

all technical details of this bank, beginning with issues of security.

"The plant has experience in the work with such material and its storage is a standard procedure. We are talking about the storage of low-enriched uranium in the form of hexafluoride, which is used in the production of fuel pellets for fuel assemblies at nuclear power plants. The principle of LEU bank operation is similar to safekeeping in a safe deposit box. The question is the

storage of more than 60 cylinders of uranium hexafluoride, which in terms of uranium is about 90 tonnes," Khodanov said.

The initiative to establish the LEU bank belongs to the IAEA and was supported by Kazakh President Nursultan Nazarbayev. The main objective of this bank is to create a certain safety margin of raw materials for the production of nuclear fuel for the countries that do not have uranium technologies. In case of supply problems, consumer coun-

tries can use LEU material stored at UMP. All raw materials will be the sole property of the IAEA and will be sold by the agency only under an agreement with a particular company which manufactures fuel pellets and assemblies. The project is funded by donor states.

"For this purpose, a special fund which has already accumulated \$150 million was created and the means will be spent on the purchase of material and its transportation under control of the IAEA. Kazakhstan only provides space and accepts some operational costs associated with the storage of this material. The storage will not be paid, because it is Kazakhstan's contribution to the process of non-proliferation of nuclear weapons," Khodanov concluded.

Bolashak Scholarship Makes Graduates, and Country, Competitive

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First and foremost, it is the development of social-economic opportunities for young citizens throughout the state, including the regions. For the majority of the scholars, Bolashak offers the only possibility to study in the world's top universities.

Another thing is that the Bolashak scholarship ensures the internalisation of the education process in Kazakhstan. The scholarship has already gained huge international recognition. At the Going Global International Conference held in Miami in 2014, Bolashak was mentioned as the best scholarship programme in the world. Russia's programme of training specialists abroad used experiences from the Bolashak programme. The Chinese national research fund [and] various organisations from Poland, Malaysia, and Ukraine are continuously studying Bolashak programme mechanisms.

Bolashak scholars are playing a key role in shaping Kazakhstan's positive image abroad. They represent the elite of the Kazakhstan youth, scientific and training staff, civil servants, engineering and medical staff.

In recent years, there have been several changes in the programme, from ending the bachelor's degree programme and refocusing on master's degrees to introducing short-term fellowships. How would you rate the results of these changes? Have they been timely?

2011 was the year the bachelor's degree for Bolashak scholarship was discontinued, but the programme-oriented approach to awarding the scholarship was introduced. The approach requires employer's bids for personnel training which are formed according to national and industry development programmes. Therefore, the training of specialists has been implemented to match the recruitment needs of certain regions. After graduation, specialists have to work for 3-5 years in the organisation that got them into the Bolashak programme.

Over the years, the Bolashak

scholarship has undergone many changes, the most recent of which were established in 2013. The priority categories of Bolashak programme applicants were broadened. Today, arts and mass media industry professionals are eligible for the scholarship, along with public servants, academic and medical staff, engineers and technical workers.

In order to foster integration into the world's scientific community and strengthen the scientific capacity of homegrown scientists, Ph.D. scholarship holders are given an option to learn a foreign language for 12 months prior to starting their Ph.D. programme.

Many of the changes implemented over the years since the Bolashak scholarship was established were aimed at covering a shortage of highly-qualified specialists with international educations in light of the changing goals of the country's economy.

The Bolashak programme is now in its 21st year. What are the challenges of the programme going forward? Is there a longer-term vision of how the programme will operate in, say, 5 or 10 years from now?

One of the main goals set by the head of state in his address, "Kazakhstan 2050," is to build a science-intensive economy. Thus, one of the priorities of the Bolashak scholarship is the support and provision of specialists for the realisation of the second five years of the State Industrial and Innovative Development Programme [SPAIID].

The Centre for International Programmes supports the enhancement and diversification of internships. In collaboration with the National Chamber of Entrepreneurs, professional development programmes for the staff of organisations and enterprises of accredited entrepreneurs' associations are being designed.

Another programme development objective is the creation of an innovative research professional elite in universities and scientific-research centres of Kazakhstan. This year, a pilot project on implementing a split-Ph.D. programme was launched. The project is tar-



Gani Nygmetov

geted at the local staff of Nazarbayev University, including Bolashak programme graduates, to help them obtain doctoral degrees. The academic doctoral plan will involve research requirements to be accomplished in Kazakhstan (in Nazarbayev University's laboratories and research centres) as well as in partner foreign universities.

Upon completing his or her studies, the Ph.D. student will receive a doctoral diploma from the partner foreign university. If the programme is successful, this mechanism is planned to be applied in other leading universities of the country.

What are the top professions Bolashak students seek to get through the programme and what are the state's priorities in terms of such professions?

A list of priority majors for Bolashak programme applicants is generated annually, based on requests from state agencies, universities and scientific organisations in Kazakhstan.

According to statistics, the most popular specialities among applicants for the Bolashak scholarship are state policy, political science, public administration, pedagogy and psychology [and] accounting and auditing. Finance and economics are among the technical specialities applicants actively submit for the oil and gas business. The list also includes petrochemicals and petrochemical synthesis, the development of oil and gas, computer science, information technology and systems, information security, computing equipment and

software. A public health major is prevalent among medical staff.

The Ministry of Education and Science continuously modernises the programme in accordance with the new priorities of country's development. The Plan of Development of the Bolashak Scholarship until 2015 adopted in 2011 emphasises masters and Ph.D. programmes.

Currently, the main priority of the Bolashak programme, as an important mechanism for the implementation of the Kazakhstan 2050 Strategy, is to increase the regional representation of fellows. A large-scale information campaign in the regions by the Centre for International Programmes from March to April included 13 cities and 10 monocities. The number of participants reached 4,500.

How effective is the programme in finding jobs for Bolashak alumni?

The Minister of Education and Science established a new format for interaction with Bolashak alumni. The Bolashak Alumni Relations Office (BARO) at the Centre for International Programmes is a new initiative that helps graduates realise their potential within their specialty, contributing to employment in various companies and organisations, from national companies to government agencies, private companies and non-profit organisations. In January 2014, BARO went through "ideological" changes. The orientation of the office now involves not only the mere administration of graduates' five years compliance with prescribed contractual obligations, but also focuses on creating long-term relationships between Bolashak alumni, their consolidation, meetings with potential employers, job fairs [and] informal meetings with dignitaries. BARO holds regular meetings with employers in search of potential candidates for vacant positions.

The head of the Ministry of Education and Science has set a new standard of open, informal discussion with Bolashak alumni. Over the last three months, the Centre for International Programmes, together with the Ministry of Education

and Science, has organised two informal meetings with the minister in Astana and Shymkent, with 200 and 150 participants respectively. During the meeting, graduates had a unique opportunity to discuss relevant issues with the minister and make their proposals on improving the Bolashak scholarship and education system in Kazakhstan.

Careful attention is paid to the employment of graduates. So, on March 15, the Centre for International Programmes in collaboration with the Ministry of Education and Science organised a job fair at Nazarbayev University with more than 600 graduates. One hundred leading companies and organisations representing various spheres participated in the job fair. In conclusion, the job fair assisted more than 45 graduates in finding jobs. Another job fair took place in Atyrau on June 20. The overall number of participants reached 700 people, including 100 graduates of the Bolashak programme.

Once a month, BARO publishes its own newsletter, dedicated exclusively to Bolashak graduates, the BARO Digest. Graduates can share their success stories in a variety of industries, talk about their achievements and the process of education abroad and what impact the Bolashak programme has had in their lives. For employment, the BARO Digest contains a career centre section, through which graduates have the opportunity to work directly with employers.

In November 2014, another alumni forum of Bolashak graduates will take place. The forum will become a unique platform for alumni and ... the exchange of innovative ideas and the development of further cooperation.

Bolashak graduates are a great example of talented, progressive-minded young people with active civil positions. Upon completion of the programme, graduates return to Kazakhstan with a full store of knowledge [and] experience, but most importantly with great potential and a desire to work for the sake of the country, improve the lives of our citizens and contribute to the development of the future. What distinguishes them from others is the competitiveness that they earned while studying abroad. When you study in a university where students barely know the geographical location of Kazakhstan, it pushes you forward to act, achieve and prove that Kazakhstan and its citizens are worth competing with.

EURASIA&WORLD

WEDNESDAY, JUNE 25, 2014

EXTERNAL NEWS IN BRIEF

Minister of Foreign Affairs of Kazakhstan Erlan Idrissov met with his counterpart from Tajikistan Sirodjidin Aslov on June 16 in Astana to discuss the future of Kazakh-Tajik cooperation and current issues in regional and international cooperation. Following the talks, they signed a cooperation plan between the foreign ministries of the two countries for 2014-2015. Their priority areas of bilateral cooperation are interaction in mining, nonferrous metallurgy, machinery, the energy sector, light industry, transport and communications, as well as agriculture. The Kazakh minister noted Tajikistan's successful chairmanship in the Shanghai Cooperation Organization (SCO) and expressed its gratitude to Tajikistan for its support of Kazakhstan's candidacy for non-permanent membership in the UN Security Council for 2017-2018.

The Kazakhstan Mazhilis (lower chamber of Parliament) has approved an agreement between Kazakhstan and Italy allowing the transit of Italian military equipment and personnel through Kazakhstan, Trend.az reported. The Committee on International Relations, Defence and Security has also concluded that Italian aircraft may be given permission by Kazakhstan's Ministry of Foreign Affairs to fly along air routes specified in the agreement. Kazakhstan will provide air navigation services to transiting aircraft and air crews will be obligated to comply strictly with orders given by Kazakhstan air traffic control. Military equipment and personnel will be subject to border and customs controls as well as any other controls deemed necessary by Kazakhstan law.

The famous ancient Silk Road and China's Grand Canal, the world's longest artificial waterway, were added to the list of World Heritage Sites on June 22. Jointly submitted by China, Kazakhstan and Kyrgyzstan, the application for adding part of the Silk Road, which served as a corridor for trade and cultural exchanges between Asia and Europe dating back 2,000 years to the UN Educational, Scientific and Cultural Organisation (UNESCO) list was approved by the World Heritage Committee at a session in the Qatari capital. The application consists of 33 historical sites along the ancient trade route, including 22 in China, eight in Kazakhstan and three in Kyrgyzstan. They range from urban palaces and pagodas to ruins in remote, inaccessible deserts.

A congratulatory telegramme to King Felipe VI on the occasion of his accession to the throne in Spain was sent by President Nursultan Nazarbayev of Kazakhstan on June 20. In his message, President Nazarbayev noted that full and mutual cooperation between Kazakhstan and Spain was allowed to form thanks to the balanced policy of his father King Juan Carlos I. "Today, Spain is considered a reliable European friend and strategic regional partner of Kazakhstan. I hope that with your support, the deepening comprehensive cooperation between Kazakhstan and Spain will be continued," the telegramme stated. The President also expressed confidence that the existing relations between the two countries will be further strengthened. He invited the King of Spain to visit Kazakhstan on a state visit. In conclusion, Nazarbayev wished King Felipe VI inexhaustible energy and significant successes and wellbeing to the friendly people of Spain.

Representatives from the Technical Regulation and Metrology (measurements) Committee of the Ministry of Industry and New Technologies of Kazakhstan, the Kazakhstan Metrology Institute (KazInMetr), the Kazakhstan Standardisation and Certification Institute (KazInSt), the Kazatomprom Joint Stock Company and the Ulba Metallurgical Plant visited the Turkish metrology institute, Tübitak Ume, in Gebze, Turkey on June 11 to discuss extending their cooperation in the sphere of metrology.

Astana, Paris Expand Ties, as EXPO Is Recognised



Kazakh Foreign Minister Erlan Idrissov (l) and his French counterpart Loran Fabius (r) noted that trade and economic cooperation is one of the main components of the Kazakh-French strategic partnership.

By Altair Nurbekov

PARIS – Kazakhstan and France are working to expand their relations across the board as the two countries prepare for the French president's visit to Astana before the end of the year, Kazakhstan's Foreign Ministry announced following the visit here by its top diplomat.

Kazakh Foreign Minister Erlan Idrissov met with his French counterpart, Loran Fabius, as well as the French president's counselor on multilateral cooperation, Jacques Audibert, on June 10 to discuss expanding bilateral political and economic ties, including organising President François Hollande's visit to Kazakhstan at the invitation of Kazakh President Nursultan Nazarbayev at the end of 2014.

President François Mitterrand visited Astana in 1993, while President Nicolas Sarkozy visited Astana in 2009. President Nazarbayev has visited France 10 times overall, and it was during one such visit in 2008 that the countries signed an agreement on their strategic partnership.

According to the Kazakh Foreign Ministry, Idrissov and Fabius noted that the upcoming visit should mark the achievement of the new mutually beneficial agreements, which will expand the fields of joint activities between the nations, primarily in the economic sector.

Trade and economic cooperation is one of the main components of the Kazakh-French strategic partnership. In this context,

the two ministers marked the successful work of the intergovernmental commission on economic cooperation and the business council that facilitates the discussion and resolution of economic issues.

"By the end of 2013, France was fifth among the leading trading partners, with a volume of trade that exceeded \$6 billion. In terms of direct investments into Kazakhstan's economy, France holds fourth place. For the years of cooperation, this figure amounts to more than \$10 billion," Idrissov stated.

The two ministers expressed their intention to further develop cooperation in areas such as aerospace, manufacturing Eurocopter helicopters, nuclear energy and mechanical engineering.

The ministers also discussed the possibility of establishing direct flights between Astana and Paris, which would provide an important impetus to Kazakh-French cooperation as well as to developing tourism, enhancing business contacts and promoting investment.

Idrissov noted that Kazakhstan attaches great importance to cooperation in education.

"Joint research projects and studies are being successfully developed between the universities of our countries. We welcome the establishment of Kazakhstan-Sorbonne University in Almaty and the opening of French schools," he said.

Turning to multilateral cooperation, the two ministers discussed the new agreement on expanded

partnership and cooperation between Kazakhstan and the European Union (EU) that is being negotiated now to replace the outdated one from the late 1990s.

"A new agreement will give an opportunity to consolidate the privileged nature of our partnership, in which we have to take into account our mutual interests in equal proportions," Idrissov stated. He also expressed his hope that the parties will be able to finalise the text of the document during the next round of negotiations in order to sign it in October in Brussels.

The Kazakh foreign minister also addressed mutual liberalisation of the visa regime, expressing hope for the support of the French side in this matter.

"It is necessary to emphasise the increase in mutual trips by our citizens. Every year, more than 100,000 Kazakh citizens visit European countries. In this regard, the current visa regime between Kazakhstan and the EU does not correspond to the existing realities and goals of the development of political and economic dialogue," he said. France is a signatory to the Schengen agreement, which established a pan-European visa regime. On June 12, Kazakhstan announced the introduction of a visa-free regime for short-term visits by citizens of 10 countries, including France.

During his meeting with Fa-

bius at the Quai d'Orsay, Idrissov stressed that Kazakhstan considers France an important and reliable partner in international organisations.

"We express our special gratitude to France for the positive attitude toward our request for status as a nonpermanent member of the UN Security Council for 2017-2018," Idrissov said.

Noting the significant scientific and technological level of development and implementation of green technologies in France, Idrissov urged French companies to take an active part in the preparations for EXPO 2017.

In Paris, Idrissov also met with Yves-Louis Darricarrère, co-chairman of the Kazakh-French Business Council and president of the energy company Total Upstream, and Luc Oursel, president and CEO of AREVA.

On the second day of Idrissov's visit, the international exhibition EXPO 2017 was officially recognised during the 155th General Assembly meeting of the International Exhibitions Bureau (BIE) in Paris on June 11.

"Close cooperation with the [BIE] secretariat contributes to the EXPO 2017 preparation process. After Kazakhstan became a member of the BIE, we reached a new level of cooperation with the organisation and its members," said Idrissov in his speech at the BIE assembly.

Idrissov also presented to the assembly a message from President Nursultan Nazarbayev.

"The exhibition will take place on the territory of the Commonwealth of Independent States (CIS) for the first time and it is going to be a platform for productive discussions and presentations on energy efficiency. No doubt, EXPO 2017 contributes to the promotion of energy-saving technology, as it gives a real chance to get to know brand-new technical solutions from experts coming from different countries of the world. Together we can unite our endeavours in order to create an eco-friendly and secure world," the message from President Nazarbayev read.

The relevancy of the EXPO 2017 topic, Future Energy, was also mentioned by the President. Kazakhstan is committed to a green economy, he noted, and believes in its successful realisation. In connection with this, the Strategy for Global Energy-Ecological Sustainable Development in the 21st Century as well as the Green Bridge Programme were proposed by the country in 2012.

"I am sure that EXPO 2017 is going to be one of the brightest international events of the year and will stimulate further development on energy saving technologies. We will do our best to hold our the exhibition on the highest level," said Nazarbayev.



The official BIE flag, the symbol of the recognition EXPO 2017, was presented to Foreign Minister Erlan Idrissov, First Deputy Foreign Minister and EXPO 2017 National Commissioner Rapi Zhoshybayev, and Chairman of Astana EXPO 2017 national company Talgat Yermegiyayev by BIE President Ferdinand Nagy and BIE Secretary General Vicente Loscertales.

More Engagement, Not Less, Needed in Central Asia after Troop Withdrawal, Say Atlantic Council Experts

Continued from Page A1

"Yes, there's always been serious Euro-Atlantic interest in energy development in Central Asia, because there are substantial hydrocarbons here. Beyond that, there's not been constant engagement, and we think that's a mistake."

By having a presence in the region, the Atlantic Council hopes to foster interests that go beyond energy, he said. Those interests include security issues like terrorism and drug trafficking, but also larger issues of sovereignty and independence. "It's in our interests that all these countries prosper politically and economically," Herbst said, and in regional leader Kazakhstan's interests as well.

Engagement in a fragmented region

Engaging with Central Asia as a whole, however, is complicated by the disjointed nature of the region, the experts say. "Central Asia is a region that doesn't quite work," said Herbst. Despite ties from the Soviet era and earlier, "the countries have not found a way to really cooperate on the core economic, and for that matter, political issues in which they have common interests." These issues include resource sharing, in particular, the use of water – a difficult area, Herbst says, but one in which the Atlantic Council hopes to make a contribution.



Frederick Kempe

Greater cooperation, common development and economic expansion would solve "a lot of issues," said Kempe. "We do think ... that it would be far better if you could have greater regional development, and so we're hoping to play a role as the Atlantic Council in analysing that situation, figuring out why it's not happening and perhaps from the outside proposing solutions that some of the regional players might find interesting."

In the fragmented region, Kazakhstan stands out in terms of security, stability and economic growth development, both experts say. "Part of the reason we're attracted to coming here is there is, – whether you're looking at nuclear proliferation, whether you're looking at the future of energy through

EXPO 2017, whether you're looking at the candidacy for the UN Security Council – this leadership that takes itself seriously and benchmarks itself and tries to do better in the world," said Kempe. "So it's an interesting country to watch in that respect." Efforts in the region must take into account Kazakhstan's economic success as well as the differing situations in other countries, said Herbst.

The new Eurasian Economic Union, both say, has the potential to be a great boon for the region – provided it evolves as an inclusive entity. "[The EEU] was originally President Nazarbayev's idea," noted Herbst, "and it was his idea, rightfully, as a way to integrate economies that had just been fragmented by the fall of the Soviet Union."

The impact of the new union, which Kempe calls "a natural evolution in a region that is trying to grow economically closer," depends on whether it is executed as an exclusionary body or one that is open to inclusion and interaction with other economic bodies, he said. Both experts agreed that as an open structure that doesn't hinder trade with outside countries, the EEU could be a great benefit. If instead it erects barriers to other trade, said Herbst, then the EEU's future could be "interesting," for those inside and outside the union.

The EEU is largely out of the Atlantic community's hands, said Kempe, but its experts do have

some influence on the Transatlantic Trade and Investment Partnership, the proposed free trade agreement between the U.S. and the EU now under negotiation. "We're trying to create that as an open infrastructure, where it becomes a platform for the best trading and economic practices, where others can sign on to and become part of," he said. "And I hope that would be true for Kazakhstan, I hope that would be true for Turkey, I hope that would be true for Russia over time. That's really got to be the future of the global trading and investment system. If we build islands that become protectionist, that is contrary to the direction the world ought to be going."

After Afghanistan

As for the coming withdrawal of troops, the U.S. and the Atlantic community need to find a way to help the region deal with the likely rise in terrorism and drug trafficking, said Herbst. But the news from Afghanistan isn't all bad: "You have a transition going on in Afghanistan that's going much better than anyone expected," said Kempe. The election of either of the two current presidential candidates would be a good outcome, he said, and Afghan troops are taking on responsibilities faster than some expected.

However, the withdrawal of troops that have been bringing billions of dollars definitely has the po-

tential to destabilise the country, he said, and that could affect the whole region. The transition will require a great deal of focus. "That gets to the work the Atlantic Council is doing, because we're very much in favour of what we've been calling the New Silk Road Initiative, which is using the old Silk Road of trade routes and investment routes and really building it under new rules and new approaches, so that you're actually not just leaving the region as a country, you're staying in the region in a different form. That's what we're hoping for."

The U.S., Kempe said, is a great technological, financial, creative and intellectual power, and must bring these to its partnerships in the region. "Our engagement in this region has been excessively military and not sufficiently otherwise, and so in this transition we shouldn't just leave a vacuum – we should fill it with other engagement. And that's what the Atlantic Council hopes to do."

"The Atlantic Council has a way of concentrating attention in Washington among senior policy makers on core national security issues," added Herbst. The council hopes to draw that attention, from both Washington and Europe, to Central Asia, he said. "We think there's a good story to be told in Central Asia about what we can do to help and in Europe and the United States about developments in Central Asia over the past 20 years, especially in Kazakhstan."

ECONOMY

WEDNESDAY, JUNE 25, 2014

Kazakh Non-Oil Exports Expected to Increase

By Rosa Amanova

Due to the new tools of support, the volume of non-oil exports by 2019 should increase by 1.1 times compared to the level of 2012.

A comprehensive programme to support domestic export-oriented industries created during the first five-year stage of industrialisation has become a priority in the State Programme of Accelerated Industrial and Innovative Development-2 (SPAIIID-2). Exports should become a driver of economic growth. To achieve the goals, it is planning to introduce such tools as pre-export financing, development of a supportive net for Kazakhstan's businesses abroad and a mechanism to reduce transport costs through the guarantee of traffic volumes. The areas of export support in SPAIIID-2 in 2015-2019 were considered by the government.

Kazakhstan is among the 50 leading exporters of uranium, flour, wheat, zinc, lead, iron ore and petroleum. The export basket consists of more than 900 commodity items delivered to 121 countries around the world.

However, according to the Ministry of Industry and New Technologies, Kazakh exports are oriented toward raw materials. The first 15 commodity items, including oil, gas, petrochemicals, uranium, copper and ferroalloys, make up



A comprehensive programme to support domestic export-oriented industries created during the first five-year stage of industrialisation has become a priority in the State Programme of Accelerated Industrial and Innovative Development-2.

92 percent of the total exports of the republic.

Unfortunately, sale markets also demonstrate low diversification. Four-fifths of the total export is sent to 10 countries. Thus, raw commodities are supplied to Italy (18.4 percent), China (17.4), the Netherlands (12), France (6.4) and Switzerland (5.2); 7 percent of processed goods are exported to the Customs Union (CU) countries and 6 percent to the Commonwealth of Independent State (CIS) countries (Ukraine – 2.5, Uzbekistan – 1.4, Kyrgyzstan – 0.8 percent, and so on).

In order to diversify the national economy and improve the structure of the export basket, the government provided support to the export of processed goods, including free-of-charge assistance to small and medium-sized enterprises (SMEs) in the promotion of exported goods (trade missions, trade shows, advertising and presentation activities), analytical support, implementation of the programme to reimburse expenses of exporters in developing foreign markets and the financial and insurance support through KazExportGarant Export Credit Insurance Corporation.

At the same time, the competition of countries for export niches in the context of globalisation is increasing and it is very important for Kazakhstan to achieve a new level of development in this field. Therefore, the government developed the National Export Strategy, the main provisions of which are included in SPAIIID-2.

Thus, pre-export finance and insurance support for the purchase of raw materials in the manufacture of export products includes transport, storage and other expenses.

The second direction is the support of Kazakh businesses abroad.

According to the World Bank study, a network of trade support abroad provides a 6-10 percent increase in export volumes. Many countries have a wide network of representative offices abroad; for example, the U.K. (UKTI) has 4,000 such offices. In Kazakhstan, today there is no such network of business support abroad to protect and promote the interests of domestic entrepreneurs. That's why the government, together with the National Chamber of Entrepreneurs, defined a geographical structure of this network. Thus, it is planning to open representative missions in eight target markets – Afghanistan, Belarus, Georgia, Iran, Kyrgyzstan, Tajikistan, Turkmenistan and the border regions of Russia. The concept to form the supportive network for Kazakhstan's business abroad will be developed until 2015.

Particular attention will be paid to such constraining factors as the high transport component in the cost of goods. Thus, the export of processed goods in 2013 amounted to \$19.5 billion, of which 48 percent is transported by railway, 25 percent by motor road, 19 percent by multimodal transportation and 4 percent by marine and air transportation.

It is also planning to introduce a mechanism to reduce transport costs by guaranteeing traffic volumes. This will increase the volume of sales and open up new markets.

ECONOMY NEWS IN BRIEF

At a joint sitting of the houses of Parliament, the reports of the government and the Accounting Committee on execution of the national budget in 2013 were approved, head of the Kazakh Accounting Committee Zozy-Korpesh Dzhamburichin said at a June 20 Central Communications Service (CCS) media briefing. "The reports were considered at the sitting of the houses of Parliament, their committees and working groups," said the head of the committee. During the briefing, he also noted that in 2013, the Accounting Committee held 26 events to control the process. Thus, 68 recommendations and 309 instructions have been prepared and sent by the committee, which were executed at a rate of 98 and 80 percent, respectively. The head of the committee also noted that the government did great work on execution of the budget. "As a result of the work on the execution and control of the budget in 2013, we have developed recommendations for the government. They are aimed at improving the quality of the taxation and customs administration and increasing the effectiveness of the programme documents and investment projects," Dzhamburichin said. "Taking into account our approaches, the recommendations of the committee were accepted by the government for implementation. We will try to help find the best solutions for the optimal execution of the budget."

A reduction of Kazakh tax audits by 25 percent has resulted in an economic effect worth 136 billion tenge (US\$741 million), Deputy Prime Minister and Minister of Finance Bakhyt Sultanov said at a June 20 joint meeting of Parliament. "Implementation of warnings instead of fines, together with the development of the risk management system, has reduced tax audits by 4,000, or 25 percent. At the same time, the return, or tax collection, increased by 136 billion tenge (US\$741 million), or 46 percent," Sultanov stated. He also noted a positive effect of the modernisation of tax and customs information systems. "Today, we get 91 percent of tax accounts in electronic form," the minister said. According to Sultanov, the plan for the Kazakh national budget revenues in 2013 was executed by 100.6 percent. Budget revenues amounted to 5.272 trillion tenge (US\$28.7 billion), which is 7.8 percent or 383 billion tenge (US\$2.1 billion) more in comparison with 2012. Expenditures amounted to 5.991 trillion (US\$32.6 billion) or 99.3 percent of the plan. Compared with 2012, expenditures increased by 195 billion tenge (US\$1.1 billion). The budget deficit amounted to 718 billion tenge (US\$3.9 billion). "The government debt is close to 13 percent of GDP, which is a safe level. According to the public debt index, Kazakhstan occupies 14th position out of 148 countries," Sultanov concluded.

In 2013, government revenue from non-oil sector enterprises in the form of corporate tax increased by 14 percent, which exceeds the nominal growth of the economy, Deputy Prime Minister and Minister of Finance Bakhyt Sultanov said June 20 while providing the report on the 2013 national budget execution. He noted that taxes received from the companies involved in the industrialisation programme increased by 11 percent in 2013. "Entrepreneurs who have received subsidies under the Business Roadmap paid 88 billion tenge (US\$479.5 million) in taxes. Thanks to the subsidies of 28 billion tenge (US\$152.5 million), more than 2,000 entrepreneurs represent a real potential for future earnings in the economy," the deputy prime minister said. In addition, revenues from special economic zones (SEZ) increased by 35 percent last year, Sultanov added.

Government Works to Halve Share of Energy Consumption in GDP

By Doszhan Nurgaliyev

ASTANA – The Kazakh government is working to halve the energy-consumption share in the GDP by 2050 by focusing on energy efficiency in three key sectors of the economy: industry, transportation and utilities.

According to the Ministry of Industry and New Technologies, industry is the most energy-intensive area where power consumption is more than 70 percent. The study indicates industrial production is extremely costly in terms of energy consumption, especially compared to foreign analogues.

More than 35 percent of the electric power generated in Kazakhstan is consumed by 15 major industrial enterprises, including the Aksu Ferroalloy plant, ArcelorMittal Temirtau and Kazakhstan Aluminium Smelter. Meanwhile, the energy audit has found that most of them have significant potential for energy savings. In the Aksu Ferroalloy Plant, for one, experts estimate the possible savings at about 48 percent, or 2,719 million kW/h of electricity, a sum of nearly 160 billion tenge (US\$871,887,308). The Petropavlovsk heavy machine building plant has as much potential for energy saving too.

Based on these assessments, an annual savings of primary energy resources of 7.8 million tonnes of oil equivalent (TOE) is envisioned in industry and around 0.9 million

TOE in utilities and the public sector.

According to First Vice Minister of Industry and New Technologies Albert Rau, the basic legal and institutional mechanisms of energy conservation were established

"The energy intensity of the GDP has already decreased by 13.5 percent compared to the year 2008. The consumption of primary fuel and energy resources amounted to 6 percent." – Albert Rau

in Kazakhstan in the last four years. In 2012, a new law on energy saving and energy efficiency and 22 related normative legal acts were adopted. A comprehensive plan to improve energy efficiency is being implemented, supported by 16 regional and five sectoral comprehensive plans for energy conservation. In the target programme of the Samruk Kazyna Welfare Fund and its subsidiaries, a rise of their

energy efficiency by 25 percent is slated until 2020.

A certain effect is already being felt in the government measures for reducing the energy intensity of the economy.

"The energy intensity of the GDP has already decreased by

13.5 percent compared to the year 2008. The consumption of primary fuel and energy resources amounted to 6 percent," Rau said.

The state energy registry of major energy consumers of the country was made in 2013, which includes about 11,802 entities for

which appropriate requirements for energy efficiency are set.

A market of energy auditors is currently in the making in Kazakhstan and investments will be contributed in energy saving in the energy-intensive sectors with more investment in modernisation and application of energy efficient technologies. Nurturing the culture of energy efficiency will be focused on as well.

Demonstration centres of energy efficiency and 14 training centres are open in Almaty, Astana and Aktobe.

GLOBAL COMPANIES SHOULD DEVELOP LOCAL TALENT.

It's to everyone's benefit. So it's what we do. We've partnered with the Kazakh National Technical University to help prepare Kazakhstani students for work in a global energy market. And to ensure that our workforce is continually learning best practices and the latest technology, Chevron and our partners have invested over \$35 million in professional training. Now, 85% of our employees in Kazakhstan are from here. And they're doing more than working for an oil and gas company. They're helping to build a country. Learn more at www.ChevronKazakhstan.com

WE AGREE.

Rashat Ismagambetov
President
Association of Business Women of Kazakhstan

Chingizbik Yildizbayeva
Managing Director
Chevron Eurasia
Almaty, Kazakhstan

Russian-Kazakh Production Venture Sees Success in Kostanai

By Aslan Kudabayev

KOSTANAI – The joint Russian-Kazakh venture EurazCaspianStal has produced its first batch of industrial fittings.

The technological equipment was put into operation in December 2013. The plant has the latest technology supplied by Siemens SPA. The new equipment will allow the company to produce output with high-added value. At the same time, the construction industry will be supplied with quality materials.

Before the year-end, EurazCaspianStal is planning to produce 150,000 tonnes of products, 30 percent of the annual capacity. In this regard, it is expected that the volume of industrial production in Kostanai will grow by 7-9 percent and the share of manufacturing in the total industrial production volume of the region will grow by 3-5 percent.

The produced output will be sold in Kazakh markets, which are steadily growing, as well as in the Central Asian states.

BUSINESS

WEDNESDAY, JUNE 25, 2014

BUSINESS NEWS IN BRIEF

The Ministry of Industry and New Technologies jointly with the National Agency for Technological Development launched an innovative bus June 23, with the aim of finding new ideas and technological solutions in the Kazakh regions. "The bus will travel to all regions of our country in search of the best inventors. In the entire history of the competition we have found more than a thousand innovators from different regions of our country. For the convenience of the innovators, for the first time this year, we opened the front offices of the competition at the entrepreneurship service centres of the entrepreneurship development fund Damu in all regional centres and the cities of Astana and Almaty, where each interested inventor can get advice or apply for the competition," Deputy Minister of Industry and New Technologies Yerlan Sagadiyev said during the launch ceremony. According to him, the winner will receive a prize of 7.5 million tenge (US\$40,863). Prizes for second and third places will amount to 2.5 million tenge (US\$13,621) and 1.5 million tenge (US\$8,172), respectively. The bus is equipped with a 3D printer and 3D scanner, which innovators can use to test their inventions on the spot. The bus will visit all regional centres for a month for the purpose of informing the population about the competition and attract applicants. Experts from the Ministry of Industry and New Technologies and National Agency for Technological Development will meet with the authors of the innovative ideas. During the meetings, inventors can present their projects and apply for participation in the competition. According to the National Agency for Technological Development, about 4,000 innovations and projects have been identified in the last four years, 555 of which got practical assistance worth 12.5 billion tenge (US\$68,105,133). Of those, 213 innovative grants totaling 9.6 billion tenge (US\$52,304,742) were issued.

President Nursultan Nazarbayev visited the new ferroalloy plant TNK Kazkhrom, June 23, while on a working visit to the Aktobe region. The head of state was informed about the project of creating a ferroalloy plant and upon completion of his visit, Nazarbayev carried out the ceremonial launch of the first melting furnace. The President congratulated the staff with the launch of a major new production, wishing them success and prosperity. The design capacity of the plant is 440,000 tonnes per year of high carbon ferrochrome, with the release of 226,500 tonnes scheduled through the end of this year. The number of jobs in the company approaches 500.

According to a government decree published June 21, the Kazakh government has included the Karazhanbas oilfield, in the Mangistau region, on the high viscosity list and reduced the tax rate on mining. According to the document, the field is included on the list of hydrocarbon raw materials attributable to the category of low-margin, high-viscosity and watered. The decree noted that the field is included due to the high viscosity oil, which at reservoir conditions makes from 378 to 541 MPa per second. In accordance with the decree signed June 18 by Prime Minister Karim Massimov, part of the field set the tax rate on mineral extraction tax (MET) at 0.5 percent. The decision did not indicate the previous severance tax rate, but according to the current tax code, the severance tax on crude oil, including gas condensate, is dependent on the volume of annual production ranging from 5 to 18 percent. The Karazhanbas-munay company produces oil at Karazhanbas, located in the north-western part of the Buzachi Peninsula. It is one of the three leading oil producing companies in the Mangistau region. The owners of Karazhanbas-munay are the Kazakhstani company KazMunayGas and Chinese state corporation CITIC Group.

Kazakh-Israeli Agro Forum Expected to Grow Innovation

By Dmitry Lee

Almaty will host a Kazakh-Israeli agricultural business forum on June 24 and 25. Major Israeli companies will present innovative solutions and the latest drip irrigation, crop protection, fish farm, post-harvest processing, dairy production, horticulture and crop production technologies.

The event will serve as a platform for further agricultural cooperation and build new and existing partnerships between Kazakhstan and Israel.

"Minister of Agriculture and Rural Development of Israel Yair Shamir will head the Israeli delegation along with five others," Ambassador of Israel to Kazakhstan Elyahu Tasman said in an interview with The Astana Times. "The minister is planning to visit three countries in the region starting with Georgia, then he is off to Kazakhstan and then he is headed to Uzbekistan," the ambassador explained.

During the visit, the minister will meet the Akim (mayor) of Almaty Akhmetzhan Yessimov and open a business forum that will host 24 Kazakh companies including major corporate players such as KazAgro Product and Oil Real Estate, amongst others, followed

by presentations from Israeli companies, roundtable talks and meetings.

"The minister and I are planning to visit a farm that is fully operated by the LR Group, an Israeli company located about an hour away from Almaty. At the facility, they raise livestock and grow corn amongst other things," the ambassador explained.

Upon returning to Astana, Shamir intends to meet with his counterpart, Minister of Agriculture of Kazakhstan Assylzhan Mamytbekov and other ministers, Tasman said.

"KazAgro, KazAgro Finance and other major Kazakh companies will host a round table and discuss past projects in Kazakhstan with their Israeli counterparts," the ambassador said.

Tasman underscored the importance of this visit by stating that this will be perhaps the first ever visit of its type with so many leading agricultural companies and state officials representing the two countries.

"I have already mentioned this before and I would like to emphasise it once more. It is true that Israel boasts high technological achievements in agriculture, but we are not the only country operating in Kazakhstan, hence we



Ambassador of Israel to Kazakhstan Elyahu Tasman

need to do things right. I say, if you come to Kazakhstan [to do business] you need to stay [permanently]," Tasman insists that to successfully run a business in Kazakhstan, just establishing and launching it, then departing the country is not enough.

"I also keep saying that [the Israelis] need to invest from 15 to 20 percent of their money. This way, both sides have guarantees of long lasting business ventures. Kazakhstan will be assured that the Israelis are not just here to teach and leave.

If Israeli companies adhere to my formula, both sides will benefit."

"I think the investment climate is very favourable in Kazakhstan today, as the President [Nazarbayev] said, Kazakhstan probably has one of the best investment climates in the world. Taxes are low [for doing business,] some 20 billion US dollars will be allotted by the state as part of the AgroBusiness 2020 programme to support small and mid-sized businesses. I see the picture from all angles. Firstly, Kazakhstan is not a big market, the population is only 17 million, however, it will be a market of 170 million once the Eurasian Economic Union (EEU) comes into effect in January 2015; this market will also be one that grows. Secondly, Kazakhstan is facing a shortage of meats and vegetables; the country currently imports these products," he said. "Why not produce them in country? It is possible and we [the Israelis] have great technology and need to share our expertise; we can show Kazakhstan what to produce and what not to."

"My first objective as ambassador was to demonstrate how big Kazakhstan is and how comfortable it was to work in the country; today, leading Israeli companies are here eager to engage in projects

with Kazakhstan," the ambassador said. "There were other Israelis that had worked in the bountiful Central Asian country but had left after only a short period of time". A greenhouse founder from Israel left after three years, which was enough to make it fully operational. I keep reminding all Israelis – if you don't do this, others will do it instead of you."

Tasman also noted that joining the EEU will create more opportunities for the Kazakh economy.

"Israel is interested in being a part of the EEU. We are interested in being a part of every economic union. Joining them is imperative to us," he underlined. "We need to clearly distinguish and draw a thick line between political and economic unions," Tasman emphasised.

According to the ambassador, Almaty is home to the largest Jewish community in Kazakhstan and this business forum was organised by the Embassy of the State of Israel in the Republic of Kazakhstan, KazAgro and the Union of Beekeepers of Kazakhstan Ball-Ara.

"I would like to thank the Honorary Consul of Israel and former Prime Minister of Kazakhstan Sergey Tereshchenko, who helped to make visit happen," the ambassador concluded.

State Support Encourages Intensive Gardening in South Kazakhstan

By Lyubov Dobrota

SOUTH-KAZAKHSTAN REGION – Nurlan Kuralov, director of Amankeldi LLP, plans to grow one million trees on his 420 hectares of gardens and vineyards with the use of intensive technology.

The South Kazakhstan region is betting on the development of in-

tensive gardening, combining the efforts of farmers, local authorities and the state – which has the role of attracting funds and modern technologies through financial institutions for development. In a few years, they plan to have 10 hectares of intensive gardens.

In addition, six nurseries are being created to supply home-grown seedlings, cheaper than

the imported ones, to the domestic market. Now, the Shymkent Socio-Entrepreneurial Corporation has developed a special programme for intensive gardening that helped farms introduce a new form of crop management. One of these farms is Amankeldi, created 15 years ago as a farm specialising in the cultivation of grain.

In 2007, they laid out 10 hectares of vineyards with help from a state subsidy programme, and a few years later collected an initial harvest that surpassed all expectations. That bounty was crucial in deciding the partnership's future specialisation.

Today, there are 120 hectares of grapes and 300 hectares of orchards in the partnership, including 100 hectares of trees grown with drip irrigation, a technology for more intensive farming. Several years ago, the farmers of Amankeldi defined their strategy, having realised that growing gardens without drip irrigation was a waste of money. Now, the state only subsidises the establishment of orchards that use drip irrigation, encouraging farmers to conserve

water and use modern technologies.

"We have come to understand that gardening should be intensive; otherwise it's a waste of time and money. This year, we will collect the first harvest of cherries, apples [and] apricots that were planted 5-6 years ago. And our intensive garden planted in 2013 will yield apples already this fall. This orchard's main feature is that, thanks to a special species of seedlings and special planting and watering systems, it yields its first crop just a year after planting. Thus, in a couple of years, we will have an industrial crop yield that is 10 times higher than that grown in a typical garden," Kuralov said.

In order to turn their dreams into reality, the partnership invited agronomists from Turkey to work with them, closely monitoring the planting process and giving advice on caring for their plants. Arslan Birol has 15 years of experience with the Gulbudah company in the Turkish city of Sparta. The company has a well-developed production line that covers the entire production chain, from harvesting to storage to sale.

"You have excellent conditions for gardening, created by nature itself: there is a lot of sun, fertile land and water," said Birol. Amankeldi grows seedlings imported from Uzbekistan, Turkey, Serbia and Italy. They are not cheap, and sometimes the farmers have to pay \$10 for one nursery plant – and intensive gardening requires from 1,500 to 3,000 young trees per hectare. This led Kuralov to consider creating his own nursery. A trip to Italy in this respect was crucial. In negotiations with partners he suddenly said that he intends to lay out a garden and to grow one million trees.

Today there are already 500,000 trees in the orchard and his plan does not seem unrealistic, especially as he has now created a nursery with one million seedlings.

"We could not do this without state support; it is simply impossible. The help of KazAgro in introducing innovations in agriculture is indispensable. The farmers have no doubt that in a few years their products will be delivered directly to the consumer market without intermediaries and trade allowances and at affordable and reasonable prices," said Kuralov.



Nurlan Kuralov (l), director of Amankeldi LLP, plans to grow one million trees with the use of intensive technology.

TCC Works to Bring Domestic Science, Business Together

By Michelle Witte

ASTANA – At Kazakhstan's Technology Commercialisation Centre (TCC), Lead Expert Erik Azulay and a team of managers, scientists and other experts are working to marry those old, uneasy bedfellows, science and business. Through focused training sessions, a nationwide technology audit to assess the current state of applied science, a thorough review of existing intellectual property legislation and a grant programme, the team is "trying to, little by little, change the culture of innovation and commercialisation," he said.

Kazakhstan has other science commercialisation programmes, and Azulay's team has actually joined a project funded by Kazakhstan and the World Bank that was initiated in 2008. This three-year programme is different, he says. The programme, operated by CRDF Global, focuses narrowly on applied science with a specific commercial point.

"Many of the programmes we've seen before – not only in Kazakhstan, but many places around the

world – they fund the science, they get the grant, they work for two years, they have something interesting – but it's not ready for market use and nobody's ready to fund that last gap to get it from the prototype to actual industrial use," Azulay told The Astana Times in an interview at the TCC's offices in Astana. "So all those technologies, all those innovations sit somewhere on a shelf, like orphan technologies – they're never actually brought into the market."

The grant programme is intended to nudge viable technologies toward the market. The TCC will disperse some 32 grants over two years in two categories: proof of concept, a smaller grant up to \$150,000 for early stage work; and industrial prototype, a grant of \$500,000 for a longer period of time that supports bringing innovation to the real-world field testing stage.

The grants are open to projects in the energy, raw materials processing, life sciences, information and communications technology and intellectual potential fields. So far, Azulay says, the most interesting Kazakh innovation seems to be hap-

pening in the fields of energy and life sciences.

But these innovations must have real world applications, and the key subtlety of the TCC's work is in getting scientists to innovate in the direction of business. In Kazakhstan and around the world, there is a gulf between academia – the home of much innovation – and business, he says. "For us – the TCC, the managers, the people that work with innovation – a lot of it is kind of working as an interpreter between those two worlds, knowing what business wants, knowing what the scientists want and trying to get them together and to [learn to] talk to each other."

Training sessions address some of these communication gaps. Scientists and innovators are trained in how to present their work from a business point of view, focusing on results rather than specifications. The programme also holds training on intellectual property laws and processes, hoping that as fears of having ideas stolen ease, institutions will be more willing to share innovations and better protected when they do.

Continued on Page B5

Long-Planned Pavlodar Road Projects Move Forward

By Sergei Gorbunov

PAVLODAR – Major, national-scale projects in transport logistics are being implemented in Pavlodar. Plans that have been long in the making to build a bridge over the Irtysh River connecting Pavlodar and Aksu and to continue road construction in the direction of Astana, Karaganda, Semipalatinsk, Ust-Kamenogorsk, and to the Russian cities of Omsk, Novosibirsk and Barnaul are coming to fruition.

Road construction is already underway from Astana to Pavlodar and further on to Ust-Kamenogorsk. The 1,000-kilometre road is being con-

structed in parts. An 11-kilometre, four-lane section is being laid in Pavlodar, and, concurrently, a four-lane, 12-kilometre bridge (the longest in Kazakhstan) is under construction to directly connect Pavlodar with Aksu and further along with Semey.

The \$10-billion Astana-Pavlodar autobahn will meet the highest standards and is expected to be completed by the end of 2016. Additional road construction from Pavlodar to Ust-Kamenogorsk will continue from 2016 to 2018.

The developer of the bridge over the Irtysh River is KazAvtoZhol NC and the project is on schedule.



Construction of the bridge over the Irtysh River connecting Pavlodar and Aksu.

EDITORIAL & OPINIONS

WEDNESDAY, JUNE 25, 2014

Working to Attract More Investors and Stay Competitive

At the June 12 meeting of the Foreign Investors Council under the President of Kazakhstan in Borovoye, the picturesque resort in northern Kazakhstan, the head of state, Nursultan Nazarbayev, did something that he rarely does: He publicly signed a new law on the enhancement of the country's investment climate, introducing sweeping reforms and major incentives.

In particular, Kazakhstan has now introduced a set of measures to attract investors, including the exemptions from corporate income taxes for 10 years (to enter into force on January 1, 2015); exemptions from land taxes for 10 years (to enter into force on January 1, 2015); exemptions from property taxes for eight years (to enter into force on January 1, 2015); and the compensation of up to 30 percent of capital costs by the state after a newly-built facility is launched into operation (a so-called investment subsidy).

The new law also introduces the "stability" of tax rates, charges and fees (excluding value-added tax and excise taxes), environmental fees and charges (for the use of surface water resources, wildlife, forests or protected areas and for emissions into the environment) for 10 years after the conclusion of contracts with investors. This provision will also enter into force on January 1, 2015.

The law also grants investors the right to attract foreign labour during the construction period and one year after commissioning their newly-built facilities, without quotas for foreign labour.

The law further states that there will be limits on tariffs for all services of natural monopoly entities in the long term (five years or more).

Kazakhstan has already attracted more than \$190 billion in foreign direct investment since gaining independence in 1991, more than all other countries in Central Asia combined. The new package is expected to make this figure grow further.

It also introduces the "one window" principle; namely, a portal to the Investment Committee of the Ministry of Industry and New Technologies (MINT) that will be responsible for the coordination of issuing permits for investors and providing information. The Investment Committee of the MINT will now have the competence to assist investors in providing guaranteed procurement orders from interested legal entities to investors in case there are investment contracts signed with them.

The above-mentioned package of incentives will be provided for new investment projects worth at least \$20 million in the priority sectors of the economy. According to the MINT, the list of priority sectors will be approved by the government in July 2014.

Along with this, the government has developed a comprehensive plan to attract direct foreign and domestic investment (approved by governmental decree #570 on June 5, 2014). The plan consists of five major directions: adopting a new package of incentives to attract foreign and domestic investment; improving activities of special economic zones (improving tax legislation, creating a single SEZ operator); simplifying the visa regime (visa-free regimes with 10 priority countries); enhancing the "investment ombudsman" institution (legislative consolidation of its status); and creating a concrete plan to attract foreign and domestic investment to Kazakhstan in 2014-2015 (compiling a list of interested investors, appointing responsible people, conducting informational-branding work in host countries).

The amendments described above mean Kazakhstan is obviously consistently working toward its goal of becoming one of the top 30 most developed countries. It has a consistent policy on improving its investment climate and it follows through on it, including through measures such as waiving visa requirements for short visits by citizens of 10 countries.

These efforts gain additional significance as Kazakhstan pursues them just as it has signed a treaty on the creation of a Eurasian Economic Union (EEU) along with Belarus and Russia. These new investment attraction measures mean Kazakhstan wants to retain its competitive edge in the new union.

The adoption of the new law will improve the investment climate, as well as create the conditions to attract foreign and domestic investment to the priority sectors of Kazakhstan's economy. Foreign companies, both large and medium, will surely stand to benefit from the new measures and the opportunities to set up businesses in Kazakhstan with a view of expanding their sales and services into the EEU countries.

Kazakhstan has already attracted more than \$190 billion in foreign direct investment since gaining independence in 1991, more than all other countries in Central Asia combined. The new package is expected to make this figure grow further.

Astana Is a Bright Page in Kazakhstan's Modern History

By Zarema Shaukenova

Just a decade and a half ago, we witnessed the official presentation of the capital of Kazakhstan and the appearance of a new name on the world map. Today, we are watching the embodiment of Nursultan Nazarbayev's vision of the construction of the main city in the heart of the country.

Sixteen years for a man is just the beginning of adulthood, the time when he receives the document certifying his identity, his passport. For the state, living in conditions of severe scarcity of historical time, as President Nazarbayev put it, it is a whole layer of history, an epoch.

Since the transfer of the capital to Astana, more than 4.7 trillion tenge (US\$25.6 billion) in both public and foreign investment has been put in its construction. From 2015, Astana plans to become a donor to the national budget, along with the oil regions and the city of Almaty. This is a very important result and achievement.

In order to understand the progress made in these years, we should consider the basic statistical indicators and sociological development of the new capital in three periods: 1997, when the decision to move the capital was made; 2008, the year of its 10th anniversary; and finally, the data for 2013-2014.

First of all, it's worth noting that Astana's gross regional product has increased by 105 times since 1997 and more than doubled since 2008. By the end of 2013, the gross regional product of the capital amounted to 2.7 trillion tenge (US\$14.8 billion). Astana's share of the total gross regional product of the country has reached 9.4 percent. In 1997, it was 1.7 percent; in 2008, 3.0 percent.

An important advantage of the new capital is its status as the country's



political centre. No less important is the development of industry and production. There is already one industrial zone in the capital and a second industrial zone is being created. Industrial production has increased from 15.7 billion tenge (US\$85.5 million) in 1997 to 263.2 billion tenge (US\$1.4 billion) today, by almost 17 times. Astana has become attractive for investors. The total housing area here has almost quadrupled compared to 1997 and grown by 1.6 times since 2008. In 2013, the total housing area approached 16 million square metres. In 2013, investments in fixed assets reached 545.7 billion (US\$2.97 billion). This is one third higher than in 2008 and 13 times more than in 1997.

The population of the capital continues to grow steadily. In 1997, about 287,200 people lived in Astana; in 2013, this number grew to 825,400, an increase by a factor of four.

The unemployment rate in the city decreased from 13 percent in 1997 to 5.3 percent in 2014. (In 2008, unemployment in the capital was at 6.6 percent.) Average wages rose from 12,886 tenge (US\$70.20) to 153,109

tenge (US\$834.13), increasing by almost 12 times. Wages almost doubled between 2008 and now.

A very positive social attitude and high expectations of further material growth has been observed in the population of Astana. Three quarters of the capital's residents are satisfied with their living conditions, compared to 42.5 percent in 1997.

Kazakhstan's capital is a venue of important international forums. It has hosted four Congresses of Leaders of World and Traditional Religions and summits of the Organisation for Security and Cooperation in Europe (OSCE), the Shanghai Cooperation Organisation (SCO), the Organisation of Islamic Cooperation (OIC) and, most recently, the seventh "Asian Davos" – the authoritative and meaningful Astana Economic Forum (AEF).

Astana is a bold and dynamic city that has already achieved unprecedented heights but is still striving to conquer new peaks and make a name for itself worldwide. A unique opportunity to do this will be the international specialised exhibition, EXPO 2017. The expo marks a new stage in the development of Astana. The basic message is that Kazakhstan, aiming to be among the 30 most developed countries of the world, must do everything possible to bring its central city to join the 10 most powerful capitals of the world. These challenges are set by the head of state.

In this way, Astana is facing new challenges and at the same time encountering new opportunities, because the city must become an important centre of science and technology, with advanced education, media, transport and communications, as well as smart homes and a green economy. All this is being done today in Astana.

The capital has achieved great results, and the whole country must be

connected to them. The expression, "Astana's prosperity is Kazakhstan's prosperity," is relevant as never before. In general, the consistency of the capital is the consistency of the entire regional policy. And here, we have to do much in terms of developing agglomerations and improving policies in rural areas.

In other words, the meaning of Astana and its value is actually the representation of the President's deep-rooted idea of a strong regional policy.

The transfer of the capital created a centre to attract human resources to a promising but labour-deficient region. Today, the state's role in balanced regional development continues to grow. The northern regions have significant agricultural advantages, but they need human resources, good governance and new population centres.

The experience of Astana also shows the importance of creating new industries and productions, and not only in traditional industrial centres. Therefore, the establishment of the main city and its success should inspire us and give us an understanding of future actions.

Astana is a bright page in our modern history. This choice and the transfer of the capital was the political and personal mission of the First President of Kazakhstan, Leader of the Nation Nursultan Nazarbayev.

Astana is not only our success today; it is our great hope for the future.

The author is director of the Institute of Philosophy, Political Science and Religion of the Committee of Science under the Ministry of Education and Science of Kazakhstan and a correspondent of the National Academy of Sciences of Kazakhstan. She is a doctor of social sciences.

SMEs, the Key to Kazakhstan's Economic Future

By Arancha González

When many of the world's business and political elite gathered recently in Kazakhstan at the Astana Economic Forum, the country's achievements and potential were plain for all to see: good transport infrastructure, a growing service industry and a government focused on working closer with the private sector.

For many of the country's exporters, particularly small and medium-size enterprises (SMEs), the reality, however, can be vastly different: an overused railway system, long waiting times at border crossings, complex and costly paperwork requirements that slow down exports and undermine international competitiveness. This is the Achilles' heel of Kazakhstan's impressive climb in the ranking of the World Bank's Doing Business Report over the last few years: while overall, Kazakhstan is ranked 50th for ease of doing business, its ranking for trading across borders has remained unchanged at 186.

A recent survey carried out by the International Trade Centre, the United Nations Economic Commission for Europe and local partners found that over a third of exporters in Kazakhstan face trade barriers when exporting, and some of these barriers are related to procedures imposed by the authorities in Kazakhstan itself.

Entrepreneurship and SMEs: towards a more competitive economy

Supporting the private sector to become incubators of growth, pov-



erty reduction and innovation must be a policy directive and not a policy choice. SMEs, many in the hands of vibrant women entrepreneurs, are the largest source of future growth and employment – they represent the untapped potential of the country. This is why they must be at the heart of any economic policy aimed at stimulating growth.

The Government of Kazakhstan has made the competitiveness of SMEs and support to entrepreneurship a cornerstone of its Kazakhstan 2050 strategy. These businesses represent the country's future. They are key to lowering Kazakhstan's dependence on fluctuating commodity prices and ensuring that its rapid economic growth benefits a wider segment of the population.

Economic development requires a conducive business environment coupled with a trade support infrastructure that stimulates international and regional competitiveness of SMEs.

While continuing to support extractive industries, government policies should actively promote the development of other sectors where value addition and retention at source are greatest. For landlocked countries such as Kazakhstan, improving trade facilitation is of particular importance, as goods need to transit neighbouring countries to reach wider markets. Lowering transaction costs and waiting times at border crossing is key to the competitiveness of Kazakhstan's exporters.

The accession of Kazakhstan to the WTO is an important element to help SMEs thrive in global markets: it will ensure transparent, fairer and more predictable rules for SMEs trading with other nations.

To trade, however, it is not enough to remove barriers, cut paperwork and modernize customs systems. Firms must produce products and services for which there is demand in world markets. Investing in productive capacity, developing skills and establishing links to new markets are crucial if Kazakhstan's SMEs are to take advantage of emerging trade opportunities. SMEs need to acquire technical skills to scale up their business. They need to be compliant with international quality standards, rules and regulations in target markets. They need to develop capabilities to continuously innovate and differentiate and position themselves through marketing and branding.

Supporting export-led growth

Supporting exporting firms makes economic sense: they tend to be more productive and pay higher wages than

their counterparts who focus solely on the domestic market. Export markets are often tough for SMEs and they can learn how to integrate into value chains by first becoming suppliers to local subsidiaries of global corporations. Once they have been able to scale up their productive capacities to supply such firms at home, it will be easier for these SMEs to expand regionally and globally.

To support the integration of SMEs into value chains requires coherence between trade and investment policies, improvements in infrastructure and investment in vocational training. It is only through raising the skills and productivity of its enterprises that Kazakhstan will be able to successfully compete against countries which may have a comparative advantage in the cost of labour or which may have direct access to sea routes.

The International Trade Centre, the joint agency of the United Nations and the World Trade Organization, works to internationalize SMEs in developing countries and transition economies. We collaborate with governments to improve the business environment for SMEs; we strengthen institutions to provide support to exporters; we also work directly with the private sector, helping them to find new markets, connect to value chains and meet quality requirements.

For landlocked developing countries such as Kazakhstan, ITC also offers a comprehensive trade facilitation programme. This programme focuses both on policy reform to simplify customs processes and on equipping exporters to comply with regulations. During my recent visit to Astana I offered the government and the private sector ITC's full support and commitment to assist in ensuring SMEs play their potential in the new Kazakhstan in the making.

The author is Executive Director of the Geneva-based International Trade Centre.

THE ASTANA TIMES

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Publisher: Svezhaya Pressa LLP
News and Editorial: +7 701 575 1055
Advertising: +7 727 252 08 82
E-mail: info@astanatimes.com
KazPost Subscription index: 64572

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The Astana Times is printed at "Media Holding "ERNUR" LLP, 30 Sileti Street, Astana.

The Astana Times is published since November 2010. The Astana Times is re-registered by the Ministry of Communications and Information of the Republic of Kazakhstan under the registration No. 14037-G of 20 December 2013.
The newspaper is typed and made into pages at the computer centre of "Kazakhstanskaya Pravda". Published biweekly, the size of 8 pages.

ORDER: 558

PRINT RUN: 6,000

OPINIONS

WEDNESDAY, JUNE 25, 2014

A Plan of Ambitious But Achievable Goals

By Yerbolat Dossayev

The task of Kazakhstan's joining the 30 most developed countries in the world by 2050 seems very ambitious, but achievable.

In hindsight, we must pay attention to the three countries that implemented such strategies and successfully accomplished similar tasks in the 20th century – Singapore, South Korea and Norway. That is why Kazakhstan is interested in the experience of economic development in these states.

The Singapore Economic Development Strategy, which was implemented by the Council of Economic Development, allowed the country to become a financial and commercial centre of Southeast Asia and to achieve rapid economic growth and improved welfare of the population (from 1967 to 2002, per capita income increased from \$2,200 to \$25,400, or by more than 11 times). As a result of these steps, this tiny island nation received the title of “East Asian Tiger.”

The base of economic growth in South Korea was founded in the 1960s and 1970s, when the government, under strict state planning, identified priority industrial development, particularly in in-



dustries that could compete at a global level due to the low cost and convenient geographic location of the state. Following a long-term industrial development strategy divided into five-year stages, South Korea was already among the 30 most developed countries by the 1990s due to investment by the leadership in developing new technologies, microelectronics, biotechnology and optics.

In Norway, success was achieved through the establishment of oil-industry clusters, promoting partnerships with leading companies, the rapid transfer of modern technologies and supporting competitive manufacturers and service providers.

From this it follows that every successful country has its own unique way of development. But the foundation of growth in each

case is the implementation of long-term development strategies.

Kazakhstan is constantly working to improve the welfare of the country. Thus, the goal set by President Nursultan Nazarbayev of Kazakhstan on joining the 50 leading countries by 2030 has already been achieved. In 2013, we were ranked 50th in the Global Competitiveness Index of the World Economic Forum (WEF GCI), as well as in the World Bank's ease of doing business ranking.

According to some indicators, Kazakhstan is already among the 30 most developed countries in the world. For example, the WEF GCI ranked Kazakhstan 14th in terms of public debt in 2013, a positive signal to foreign investors. Another example is our country's provision of secondary education for children, where we take 29th place.

The President's state-of-the-nation address, the Kazakhstan 2050 Strategy, lays the foundation for gradually improving the social, economic and institutional environment and for achieving this goal by 2050 in five strategic areas: developing human capital; improving the institutional environment; developing knowledge economy sectors; accelerating the formation of the infrastructure of a

knowledge-based economy and integrating into global and regional economies.

World experience shows that the success of a country depends not only on its economic well-being, but also on its level of human development, environmental security and efficiency of public administration. In this regard, the concept identified key indicators for further evaluation of our progress toward the goal.

Thus, it is necessary to increase gross domestic product (GDP) per capita from \$12,000 to \$60,000. This is possible given we maintain a 4.3 percent per year annual economic growth to mid-century. We also need to raise labour productivity, to decrease the dependence of the domestic economy on oil price fluctuations and to ensure macroeconomic stability through increasing the share of non-oil exports in GDP from 32 to 70 percent. Also, we must boost activity in the field of innovations and increase funding for research and development 15-fold, from the current 0.2 percent to 3 percent of GDP, in order to reach the level of developed countries with knowledge-based economies. Small and medium enterprises (SMEs) are a key driver of economic development. By 2050, their share in GDP should grow to

50 percent due to the creation of favourable conditions for doing business, the renewal of infrastructure and investment in human capital.

In addition, Kazakhstan's economy should become attractive for investors. The share of investment in fixed assets will be maintained at the level of 30 percent of GDP. This will provide a high level of savings to ensure macroeconomic stability. Rising prosperity will significantly improve the living conditions of the population. Thus, life expectancy in the country will increase from 69 to 80 years.

A priority in this regard is the improvement of quality of life through effective healthcare and education systems, efficiency and transparency in institutions and the prevalence of information technologies. Human capital will become a key driver of the economy, and healthy demographics providing a high natural growth of population will become one of Kazakhstan's competitive advantages. Population growth will bring high academic and creative potential and professional manpower.

International experts have recently given their assessment of Kazakhstan's opportunities to join the 30 most developed countries of the world. At the meeting of the Asian

Development Bank's (ADB's) board of governors in Astana this spring, ADB President Takehiko Nakao noted that Kazakhstan can achieve this goal by promoting economic diversification, using resource revenues prudently, ensuring good governance and strengthening institutions in order to promote the efficiency of the private sector.

Other experts believe that in some ways, Kazakhstan is already among the top 30. Member of the European Parliament Elisabeth Jeggle, welcoming Kazakhstan's ambitious goal of joining the 30 most developed countries, believes that building a strong, innovative and diversified economy, competitive in global markets, is the basis of any economic success. She stressed that the President and Government of Kazakhstan will take all necessary measures to implement the objectives of the Kazakhstan 2050 Strategy.

Taking into account the current development of Kazakhstan, we can say that the goal of joining the 30 most developed countries in the world by 2050 is achievable. The state is taking all necessary measures for its implementation. However, it should also become the goal of every citizen, which in turn will create the conditions to achieve this goal.

The author is Minister of Economy and Budget Planning of Kazakhstan.

Partnership between Astana and Seoul Will Expand

By Alibek Nurpeissov

Ahead of the state visit to Astana by President Park Geun-hye of the Republic of Korea on June 18-19, we interviewed Kazakhstan's Ambassador to Seoul Dulat Bakishev about what makes the relations between the two countries strong and what to expect in the future.

Most Kazakh people consider South Korea a highly technologically developed state. How do you see current cooperation between the two countries?

First of all, I would like to underline that today Kazakhstan and South Korea are strategic partners and they are actively moving towards deepening this partnership.

Kazakhstan and Korea have much in common. There are no political disagreements between Astana and Seoul. Korean leaders highly evaluate Kazakhstan's achievements in political, social and economic spheres, support Kazakh initiatives in CICA, at the Congress of Leaders of World and Traditional Religions and actively participate in their development. The economies of both nations do not compete with each other but have complementary features. The mentalities of our nations, their customs, beliefs and even Kazakh and Korean languages are quite similar.

Annual summits show the highest level of friendship and strength of relationships between our countries. The state visit of President Park Geun-hye to Kazakhstan on June 18-19 is evidence of it. Agreements between our leaders identify high dynamics of our cooperation and its impressive achievements.

Kazakhstan and the Republic of Korea have joint long-term inter-



Dulat Bakishev

ests and mutual understanding of responsibility for international security and stability in Asia. In this context, strategic partnership with Seoul is considered as a necessary condition for the creation of really democratic and fair world order.

Our countries actively interact on the international arena; on many vital global issues Astana and Seoul have similar positions, including nuclear security and non-proliferation regime. South Korea entirely supports the peaceful initiatives of Kazakhstan and its leader. It is proved by the speech President Park Geun-hye delivered to the members of the National Assembly of Korea, which appealed to North Korea to follow Kazakhstan's example, “which has renounced one of the world's largest nuclear arsenal and taken a path towards successful economic development.”

What do you think attracts South Korea in Kazakhstan, and how “the Country of the Morning Calm” can interest our state?

The geopolitical location of Kazakhstan, its stable political system, dynamic economic development, rich natural resources, integrational processes (Eurasian

Economic Union, Customs Union, Shanghai Cooperation Organisation, Collective Security Treaty Organisation, Conference on Interaction and Confidence Building Measures in Asia, etc.), transportation transit potential of our country as well as large Korean ethnic diaspora determine a higher interest of the Republic of Korea in closer cooperation with Kazakhstan as a key partner in Central Asia and the world in general.

Kazakhstan in turn has its own interests in the Asian-Pacific region and in Asia generally and finds it important to develop a strong partnership with Korea, one of the leading countries in the region. The rise of the global role of Seoul in the 21st century, its geopolitical location and involvement in one of the main issues of international agenda (North Korean problem) makes this country one of the key players in East Asia.

Certainly trade and economic interaction between Kazakhstan and Korea is very intensive. What do you think businessmen of both countries should expect in the nearest future?

During the recovery of the economy after the world crisis it is very important for our states to intensively promote joint projects. Fortunately Kazakhstan and Korea have all the necessary elements for that.

Today, both parties are already developing a range of multibillion projects like construction of the Balkhash thermal power plant and of a chemical complex in the Atyrau region, the development of the Zhambyl field and others. All these are vivid examples of our close cooperation with South Korean partners. The investments

came to Kazakhstan along with new technologies and modern production management.

Today, there are more than 700 Kazakhstan-Korean joint ventures and I believe this number will increase further, taking into consideration new opportunities for business opened up with the treaty on the creation of the Eurasian Economic Union signed this May by the presidents of Belarus, Kazakhstan and Russia.

Economic integration always had a positive impact on the development of entrepreneurship and Korean companies clearly understand that. They are now making business in Kazakhstan, which has a very beneficial tax system and comfortable conditions for running business, and will open them to a far bigger market of the world's sixth GDP and 172 million consumers.

Moreover, within the implementation of the principles of the Kazakhstan 2050 strategy on stimulating exports of domestic products to foreign markets, our government is taking a range of effective actions. At this point, the signing of the memorandum on cooperation between KazNexInvest JSC and the Korean Importers Association during President Park's upcoming visit is very symbolic.

In the future, besides joint projects in Kazakhstan and Korea, it seems like private sectors of both countries will actively develop other markets. Today, there are all prerequisites and opportunities for that.

What kind of practical support is given by the governments of Kazakhstan and South Korea for the development of business contacts between private sectors?

First of all, it is necessary to underline that today, particularly in Kazakhstan, all possible favourable conditions have been created for running business and foreign investors. These are simplification of tax legislation, optimisation of licensing procedures, specialised programmes for separate sectors which have been adopted and many others.

In South Korea as well, everything is being made for the convenience of entrepreneurship, including foreign business. Governmental programmes directed to promote global-leading Korea also widely assist it.

Currently, there are a range of regular interaction mechanisms between Kazakhstan and Korea which help both parties develop certain direction of our cooperation. First is the intergovernmental commission on trade and investment and scientific and technological cooperation, which recently held its seventh session. Participants discussed a wide range of bilateral cooperation issues.

As it is well known, the concept of foreign policy of our country particularly emphasises interaction with the Republic of Korea in attraction of new technologies. Here it is necessary to point out the activity of the Kazakh-Korean centre for technological cooperation, which has its Korean branch located in Astana, and the Kazakh branch located in Taejeon, the technological capital of Korea.

Moreover, there are similar successfully-functioning mechanisms of cooperation in energy and culture: the committee on cooperation in energy and natural resources and the commission on cultural cooperation. I would like to underline the activity of the business coun-

cil, which holds several sessions per year. Also there are separate actions on different levels being held constantly. One of them is the business forum during President Park's visit on June 18-20. Besides this, parties quite often exchange mutual visits of sectoral delegations from different authorities and organisations.

In general, all these mechanisms are urged to support development of cooperation between our countries in all directions. It is notable that this list is not complete; today we are talking about five and tomorrow this number could increase twice. This means that our cooperation is at a very close level.

What would you wish for the people of two countries?

One of the distinctive features of the relationship between our countries is the presence of strong cultural and human ties. Our relations in this sphere have reached the higher scale. The significance of Korean diaspora, which plays the role of an original bridge between our nations especially in cultural and humanitarian spheres, is very important.

I would like to emphasise that cultural ties, communication of both nations and mutual experience of customs and traditions are the features that provide genuine close cooperation of the states. Highest officials, governmental structures, diplomats and state bodies make their best endeavours for a closer approach of our countries. However, without the support of the population and ordinary people these efforts can lose their meaning, preventing the creation of a decent life and welfare of our nations.

In a modern and speedily-globalising world it is extremely important to move forward along with friends, together with reliable partners, one of which for Kazakhstan is South Korea.

Saryarka Holds Special Place in Kazakh, Regional History

By Bakhtiar Kozhakhmetov

Rich in cultural-ethnographic monuments of different periods, the Saryarka region takes a special place in the history of Kazakhstan and neighbouring countries.

The history and culture of any nation, including Kazakhstan, is inextricably linked with the history of neighbouring peoples and develops in mutual influence. Written sources, archaeological excavations and finds confirm the interconnectedness of the historical roots of peoples of Central and Southwest Asia, Eastern and Central Europe, the Altai, Ural and Volga regions and numerous contacts of nomadic and sedentary cultures of Eurasia.

A high cultural level in central Kazakhstan was achieved in the Bronze Age, the second millen-

nium B.C. Rich deposits of copper ore and ancient metallurgy, which stretched from the Minusinsk hollow to the Volga Basin, allowed the Saryarka tribes to take a special place in the historical and cultural community of the period. Similar design of burial mounds and dwellings, the same type of labour tools and characteristic shapes and patterns of ceramic tableware speak to the close contacts of the tribes living on this vast territory. Thus, Kurgan and the fence of Myrzhik, Aksu Ayuly, Terisakkan and the settlements of metallurgists in Atasu, Milykuduk and Talysai in the Karaganda region are much bigger in size than similar monuments in the adjacent territories.

At the end of the Bronze Age, the local tribes had a new form of business entity. Nomadic husbandry had

an impact on the social order, life and culture of later ages and greatly contributed to active interaction of cultures. The nomads occupied a huge steppe space from Manchuria to the blue Danube, rightly called the Great Steppe belt, where they erected impressive mausoleums to tribal nobility, such as Begazy, Sangru and Aibas-Darasy.

The Begazy-Dandybay culture formed the next era of Tasmoly culture, which ran from the 7th to the 3rd centuries B.C. The monuments of Tasmoly culture have much in common with its sister cultures of the Scythian-Saka type from the Altai to the Black Sea; the similarity of mounds, household items and weapons also speak to their close contacts. The Scythian animal style, with its main theme of images of animals and mythological zoomor-

phic creatures found in the excavations in Kargash, Ulytau, Karkaraly, is thought to have originated in this period. The people built majestic burial structures and monuments, among which are 37 burial mounds of warriors and as well as Aibas.

In the 3rd to 1st centuries B.C., the movement of Hun tribes, which began in the steppes of Central Asia, spread to many nations of Eurasia, causing a big movement of tribes and peoples known as the Great Migration. The Huns' culture, one of the layers of which formed the Kazakh people, had a great influence on the peoples of Eurasia and the formation of a number of Turkic-speaking peoples of the Volga, the Caucasus and Central Asia.

In the middle of the 6th century B.C., a new community of nomads

related to the history of the Turkic khanates emerged. Vast areas of land from Mongolia to the North Caucasus became the scene of the formation of the Turkic peoples of Eurasia. Numerous stone sculptures of this age were found in the Altai, Tuva, Kazakhstan and Central Asian regions.

Late in the first millennium A.D., new nomadic states appeared on the ruins of the Turkic khanates. The rise of the Oguz, Pecheneg, Kipchak and Cuman peoples is inextricably linked with the political centre of the medieval age. Ulytau and powerful citadels of the settlements of Baskamy, Khanaral and Khanshaty speak to the formation of mighty hordes.

These hordes later became the base for the emergence of new peoples in Asia and Europe. For example, the Kipchak joined the Ka-

zakhs, Uzbeks, Bashkirs and other Turkic peoples. The most powerful union of nomads, as well as the strengthening of mutual influence of peoples, began in the 12th century under Genghis Khan. His empire played a prominent role in the history of the Turkic-Mongolian peoples.

The Golden Horde was the cradle of the final formation of the Turkic peoples in the Eurasian steppe. Its state and social system was the base of the Kazakh-Nogai, Crimean, Kazan and Uzbek khanates.

The history of the Kazakh people and archaeological data of the steppe strongly confirm that the interaction of cultures is a natural phenomenon of the development of human civilisation.

The author is Director of the National Museum-Reserve Ulytau.

EURASIA&WORLD

WEDNESDAY, JUNE 25, 2014

Energy, Industrial Cooperation Agreements Signed During Visit of Italian Prime Minister

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"I deeply believe in the strengthening of relations between Kazakhstan and Italy. I am grateful to Kazakhstan for the support you provide to our companies here," he said.

The prime minister thanked Nazarbayev for the meeting and noted that he accepted the invitation for an official visit with gratitude.

He also expressed appreciation for Kazakhstan's upcoming participation in WORLD EXPO 2015 in Milan and congratulated the country on winning the international specialised EXPO 2017 for Astana.

Eni S.p.A. is important to the Kazakh economy, Renzi said, and he expressed hope for the development of cooperation between other Kazakh and Italian companies, including Fiat, Italcementi Group and Finmeccanica S.p.A.

"I would also like to say that our country is in need of partners such as Kazakhstan, where there is always stability and prosperity," the visiting prime minister concluded.



Prime Minister of Italy Matteo Renzi (l) and Kazakh President Nursultan Nazarbayev oversaw the signing of two cooperation agreements and discussed prospects for expanding cooperation in energy, agriculture and transportation.

Kazakhstan, South Korea Expand Economic, Political Ties

Continued from Page A1

"Since the early days of our independence we have been studying reforms that were carried out in your country. I have met with all the presidents of South Korea, starting with Mr. Roh Tae-woo. Our relationships, which we began to build in those years, are at a very good level now. I hope your visit will create conditions for even closer cooperation. We want to have close political and economic relations with your country," Nazarbayev said.

"Indeed, we have a broad scope for cooperation and great potential of economic interaction. Today I saw first-hand the rapidly developing Astana, which demonstrates a high level of economic growth," Park noted.

She also expressed hope that the long-term Kazakhstan 2050 Strategy will be successfully implemented.

At the expanded meeting of delegations, Nazarbayev noted that Park's first state visit opens a new milestone in the history of the Kazakhstan-South Korean strategic partnership. He also expressed condolences on behalf of the people of Kazakhstan in connection with the crash of the ferry Sewol.

The Kazakh president stressed that, in a short term by historical standards, South Korea has created an economic miracle, transforming from an agrarian country to a member state of the twenty leading economies in the world.

"Interaction between our two countries in the field of energy, automotives, engineering, construction, mining, healthcare, education and science is dynamically developing and the total trade volume has reached \$1.5 billion. I am confident that as a result of this visit, we will be able to raise a whole new level of our cooperation in

the economy and in politics," Nazarbayev said.

He noted that Kazakhstan supports the policy of the Republic of Korea on the denuclearisation of the Korean Peninsula. In turn, the South Korea president expressed appreciation for the invitation to visit Kazakhstan.

"I attach special importance to the meeting where we discussed the issues of cooperation in all fields. Strong and friendly relations have developed between our two countries. I welcome the fact that we have discussed issues related to the international situation, including the North Korean nuclear problem," Park said.

Park stressed that Kazakhstan is a key partner for the Republic of Korea. She also expressed her gratitude for the support of major international initiatives, including those related to the strengthening of trust within the CICA (Conference on Interaction and Confi-

dence Building Measures in Asia) and the establishment of trust and peace on the Korean peninsula, as well as the Eurasian initiative.

During Park's visit, the two countries pledged continued support for their ongoing joint projects worth a total of \$10 billion, including the construction of a coal-fired power plant near Lake Balkhash and a petrochemical complex in the Atyrau region.

Kazakhstan is the largest destination of South Korean investment in the region, with more than 250 South Korean companies operating here. Park especially noted Kazakhstan's policy to diversify its industries by developing the information technology, cutting-edge traffic technology and renewable energy sectors, saying these areas offer large potential for bilateral cooperation.

The meeting of the two presidents took place 10 months after they met on the sidelines of the

G20 Summit of major economies in St. Petersburg, Russia, which indicated the two nations' close and friendly ties.

During Park's visit, the two sides also signed a memorandum of understanding (MOU) on rail cooperation.

The MOU calls for South Korean participation in the modernisation of Kazakhstan's railways, which is expected to provide a basis for Park's vision for a Silk Road Express that connects South Korea to Europe via North Korea, Russia and China.

The two countries also plan to sign a mutual agreement on a 30-day visa free regime.

The visit of the South Korean president also served to highlight the economic success Kazakhstan achieved after abandoning its nuclear weapons programmes. Kazakhstan's per capita income exceeds \$13,000, the highest among Central Asian nations, setting an

example for North Korea to follow.

"North Korea is still unable to give up its nuclear weapons and nuclear development, so this is a big obstacle to improving inter-Korean relations. But I think the precedent set by Kazakhstan is a big lesson," Park said in an interview with Kazakhstan's Khabar TV channel.

Kazakhstan, which in the past had more than 1,000 nuclear warheads, achieved economic growth by voluntarily choosing to abandon its nuclear programme and in return receiving large-scale economic aid and security guarantees from the United States, Russia and Britain, Park said.

"North Korea should carefully watch Kazakhstan's abandonment of nuclear (weapons) and its development, choose the right kind of change as soon as possible and come forward as a responsible member of the international community," Park noted.



The expanded meeting of delegations, where Nazarbayev noted that Park's first state visit opens a new milestone in the history of the Kazakhstan-South Korean strategic partnership.

Kazakhstan Establishes Visa-Free Regime for 10 Industrialised Countries

By Malika Rustem

ASTANA – Kazakh President Nursultan Nazarbayev announced on June 12 that Kazakhstan is about to establish a visa-free regime for citizens of 10 countries.

The announcement came during his speech to the Foreign Investors' Council at the Borovoye Lake resort.

The visa-free regime will be in force between July 15, 2014 and July 15, 2015 and apply to citizens of the United States, the United Kingdom of Great Britain and Northern Ireland, the Federal Republic of Germany, France, Italy, Malaysia, the Kingdom of the Netherlands, the United Arab Emirates, the Republic of Korea and Japan. These are the countries

that have either invested the most in Kazakhstan or have the potential investment planned that is the most considerable.

During this one-year period, citizens of these 10 countries holding valid diplomatic, official and national passports can enter, exit and transit through the territory of Kazakhstan on multiple occasions without a visa for up to 15 calendar days at a time from the moment of crossing the state border.

If there is a demonstrable reason that citizens from one of these 10 countries need to stay in Kazakhstan longer than 15 days, they will have to obtain a business visa from the Ministry of Internal Affairs or an investor visa from the Ministry of Foreign Affairs, depending on the amount of time they need to

spend in Kazakhstan and the type of activities they are engaged in.

Officials will decide after the initial one-year period if they want to continue the visa-free regime which is now introduced in a pilot mode. This initiative aims to strengthen Kazakhstan's bilateral partnerships as well as create favourable conditions for foreign investors and tourists during their stay in Kazakhstan. The move will allow visitors of the 10 countries to come to Kazakhstan without a visa and visit the country's historic, natural and tourism attractions as well as learn about Kazakh culture and establish business contacts.

"This is a special step by our country that aims to facilitate cooperation with other countries, attract investment and create

favourable conditions for international travel on the eve of the

2017 Rapol Zhoshybayev at a

The visa-free regime will be in force between July 15, 2014 and July 15, 2015 and apply to citizens of the United States, the United Kingdom of Great Britain and Northern Ireland, the Federal Republic of Germany, France, Italy, Malaysia, the Kingdom of the Netherlands, the United Arab Emirates, the Republic of Korea and Japan.

international specialised exhibition EXPO 2017 in Astana," said First Deputy Minister of Foreign Affairs of Kazakhstan and Na-

specially arranged meeting with ambassadors and consuls of the countries accredited in Kazakhstan on June 13.

Though Kazakhstan unilaterally eased visa restrictions for these countries, Kazakhstan will continue to negotiate with those and other countries to ease visa requirements for citizens of Kazakhstan.

"In the future, Kazakhstan will pay special attention to the procedure and the level of difficulty in obtaining visas to every single country while expanding the list of visa-free countries and of visa exemption, especially for those countries that create favourable conditions for entry for citizens of Kazakhstan," stressed Zhoshybayev.

Already, Kazakhstan has a simplified visa regime for short-term visits by citizens of 48 countries, including the 34 countries of the Organisation for Economic Cooperation and Development (OECD).

It is expected that detailed new rules and procedures for travel to Kazakhstan by the citizens of the ten countries for whom visa-travel regimes will be introduced will be made public within a few weeks.

Nation&Capital

WEDNESDAY, JUNE 25, 2014

CULTURE

Young Pavlodar Accordionist Astounds Moscow Public With Vivaldi's Winter Sayakhat. Sports." ITFA 2014 also showcased folk handicrafts.

B3

COUNTRY

Armenian Ethnocultural Centre Preserves Culture, Encourages Unity

B4

SPORTS

Kazakh Alpinist Shares Adventures with New York Audience

B7

Aktobe Showcases Potential at International Travel Fair

By Zhubanysh Baigurinov

AKTOBE – The 11th International Travel Fair of Aktobe (ITFA) was held earlier this month, this time under the theme "Tourism. Sayakhat. Sports." ITFA 2014 also showcased folk handicrafts.

The Aktobe region is a major cultural and industrial centre that also includes the Torgai national park, a refuge for many of Kazakhstan's rarer animals. The region's tourism potential was presented in 64 stands at the exhibition by tourist companies, representatives of local hotels and restaurants, transport and insurance companies, recreation centres, tourism and sports equipment sellers, universities and local history museums. The official opening ceremony was attended by First Deputy Akim (governor) of the region Nurmukhambet Abdibekov and Chairman of the Committee of Industry and Tourism under the Ministry of Industry and New Technologies Marat Igaliev.

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Exposition of the 11th International Travel Fair of Aktobe

Integration, Protection, Possibilities, Barriers Discussed at CAMCA Regional Forum

By Michelle Witte

ASTANA – Rumsfeld programme fellows – graduates of a six-week fellowship programme organised by the Washington, DC's Rumsfeld Foundation and the Central Asia-Caucasus Institute (CACI) of Johns Hopkins University – and invited guests, including Kazakh vice ministers, key financial figures and Central Asia expert S. Frederick Starr gathered in Astana on June 20-22 for their third annual reunion: the two-day Central Asia-Mongolia-Caucasus-Afghanistan (CAMCA) Forum, a collection of presentations and often frank discussions of their region's potential and the remaining barriers to realising it.

The forum's panels covered topics ranging from foreign direct investment, the region's transit potential, models of economic cooperation and the connections between economic development and national security. Discussions expanded further, with participants questioning Kazakhstan's currency devaluation, offering critiques of economic integration, debating how to deal with the international powerhouses in the region and often returning to the question of why a region of such potential riches remains so disconnected.

"There are no taboos in our conversation among friends," Starr said in his opening remarks, and suggesting that any fellow

with an interest in writing about the region should contact the programme.

"None of the countries that are represented in this room – not one of them has a real voice in the world that is audible through journalism. The only people we hear from ... are the presidents, but we don't hear from people involved in normal life."

"We all share the same vision of a more connected and integrated region," said Erlan Ashikbayev, deputy foreign minister of Kazakhstan, in his opening remarks. "Unfortunately, it's true for Central Asia that despite all the countries being landlocked, we still are ... among the most disintegrated regions in the world." This forum and the ties within it are of vital importance for the future of the region, he said, as no single organisation unites only the countries stretching from Mongolia in the east to the south Caucasus in the west.

"Here in Kazakhstan we have the concept of transforming our landlockedness into landlinkedness. This is the idea that is behind so many projects that our government is invested in," Ashikbayev said, citing transport initiatives like the Western Europe-Western China road corridor. "The more integrated ... the more interconnected Central Asia, South Caucasus, Mongolia, will deserve a better place in our current global world."

Continued on Page B8

Tazy Dog Breed to be Recovered

By Yulia Polonskaya

Tazy a breed of Kazakh dog that has been a true friend of man for several millennia, needs to be saved. State support is required in the effort.

A hundred years ago, one tazy, also known as Kazakh hound or

Central Asian hound, was equal to 47 horses for a bride's required dowry. That explains the value of these agile creatures to a nomad. It was the only animal allowed to sleep inside the yurt close to the hearth and to approach the kids.

Continued on Page B4

Young Graphic Designer Brings Kazakh Culture to England

By Rufiya Ospanova

ALMATY – Almost every fashionista has a renowned Leather Satchel in her closet, as the popularity of the bags is really high. Stylish and comfortable satchels are equally chosen by both men and women, because books, documents and even laptops can easily fit in them, and their appearance allows picking up a variety of looks that are topical now.

Leather Satchel Co. is located in the U.K. and has been producing leather bags since 1966. Each of its briefcases is produced manually. If one wants to have a unique case, one can easily contact the factory and provide the idea, because this feature provides an opportunity to manufacture satchels for individual orders. When ordering purses, one can choose

not only the size but also add a desirable complement. The company provides a guarantee of the product for five years.

A combination of English and Kazakh styles was embodied by Leather Satchel Co. representative Yelena Yang, who wanted to attract young designers to release a capsule collection dedicated to the cultural heritage of Kazakhstan.

Aigerim Idrissova, a local young artist, was interested because she is inspired by the nation's culture and traditions. Thus, a capsule collection of satchels was created as a result of collaboration between the factory and the designer. This collection reflects a combination of the two cultures – the Old World characteristics of quality, handmade, 100 percent leather and Kazakh prints.

Continued on Page B2



Not afraid of wolves, the agile and enduring dog hunts with man in the open and forest-steppe space.

Production of Toyota Off-Road Vehicles to Begin in Kostanai

By Julia Rutz

The first Toyota car factory in Kazakhstan – and the first Toyota assembly platform in Central Asia – will soon begin producing Fortuners, one of Toyota's off-road vehicles, in a full-cycle assembly plant in Kostanai.

The factory was launched with a gala party on June 11 attended by Minister of Regional Development Bolat Zhamishev, Kazakh First Vice Minister of Industry and New Technologies Albert Rau, Akim (governor) of the Kostanai region Nuruly Saduakassov, Allur Group President Andrey Lavrentyev, Saryarka Avtoprom Joint Stock Company stockholder Yuri Tshai and Toyota representatives. Members of the press were taken on a tour of the factory's facilities.

The factory is only the second Toyota factory in the Commonwealth of Independent states (CIS). According to the Saryarka Avtoprom representatives, unlike other car factories in Kazakhstan, the new Kostanai complex will also burn batteries together, assemble aggregates and



paint cars. They also noted that full-cycle car production creates more new jobs for Kostanai locals. As of now, the staff includes more than 100 people.

The new factory is expected to produce 3,000 cars a year, due to the complex process of full-cycle

car assembly. The factory's assembly line can produce eight car bodies per hour. The 1,600 patterns needed for the assembly will be imported from Japan and Thailand. Japanese colleagues have already expressed their willingness to control the standards maintenance on

the Kostanai car factory while production process.

The factory will produce cars in five colours in demand among local customers: black, white, grey, dark blue and silver. Prices for the domestically produced vehicles will range from \$39,200 to \$44,500.

THINGS TO WATCH JUNE - JULY

ASTANA OPERA

- June 30 at 19:00 Don Quixote
- July 6 at 20:00 Classical Music Concert
- July 7 at 19:00 Swan Lake

PALACE OF PEACE AND ACCORD

- July 5-6 at 17:00 "Magic Astana" first international festival of magicians

KAZAKHSTAN CENTRAL CONCERT HALL

- July 7 at 20:00 A'STUDIO concert

CONGRESS HALL

- June 30 at 18:30 Big evening of Bulat Ayukhanov ballet: "Swan Lake," "Romeo and Juliet," "Carmen Suite," "Bolero"
- July 4 at 10:00 Festival of Astana Confectioners
- July 5 at 19:00 "An Zhuregim – Astana" Gala Concert
- July 7 at 17:00 Summer Jazz Astana Concert

CARNEGIE HALL NEW YORK CITY

- June 30 at 20:00 Magic Songs of the Eternal Steppe

THE KENNEDY CENTRE WASHINGTON, DC

- July 3 at 20:00 Magic Songs of the Eternal Steppe

SALTANAT SARAIY SQUARE

- June 29 at 08:00 Bike race

KHAN SHATYR SQUARE

- July 4-7 at 11:00 "Millenia around Astana" Nomads civilisation festival
- July 7 at 13:00 Wedding Parade of Astana

WEDNESDAY, JUNE 25, 2014

Young Graphic Designer Brings Kazakh Culture to England

Continued from Page B1

"We wanted to convey the Kazakh flavour, not with the traditional approach, but by using pattern and a modern style. To create prints we used images of the animals and mountains of Kazakhstan, which are symbols of our country," Yang said.

Idrissova worked for several years as a freelance graphic designer and illustrator. In addition to her basic work, she actively participates in various cultural and charitable events and competitions held annually in the city, such as Art of You 2013/14, Almaty Design Charity Week and the Goethe Institute\Art_Gorod, charity project "Bird. Inspired by Hope," Zhoktau, 1937.

"Yelena Yang offered me to work on the creation of the capsule collection dedicated to Kazakhstan. For the creation of prints, I decided to use symbols of our country," Idrissova said.

"In my childhood I got interested in design thanks to my mother, who decided to introduce me to a wonderful art teacher. It was she who taught me to love the culture. She taught me to see and under-

stand all the beauty of fine art, architecture and music and that was the impetus for choosing a specialty. I went to Central Saint Martins College in London, known for its alumni who have become famous throughout the world. When I was at school, I dreamed of enrolling there, however, I wanted to work on textile and fashion. But on arriving in England, I discovered a new profession called graphic design after my internship and training at the BBC Department of New Media," Idrissova went on.

Idrissova wanted to present her homeland as she studied at the university. Her thesis was devoted to food culture in England and Kazakhstan in an effort to emphasise a different approach to the culture of food. "I created the plates, cutlery and tablecloth with a Kazakh motive, not with pretty flowers and patterns, but colourful kazy, rams' heads and carcasses. It looked grotesque, bright and graphic, especially for the British," she said.

While creating her Leather Satchel Co. collection she pursued the goal of showing the identity and colours of the Kazakh culture, linking past and present. As her prints she took the symbols of Ka-



Aigerim Idrissova

zakhstan – the majestic snow leopard and loyal companions of nomadic people, the graceful horses and camels.

"I think girls who prefer the originality and innovative approach will be pleased with this purchase. But the collection is limited and it is possible to buy satchels at the store Fab&Glam and at the Almaty popup store held in June," Idrissova said.

Her collection is created for a modern girl or a young woman who is studying or working, is often abroad and watches fashion trends. She should be self-confident, speak foreign languages, regard her Kazakh roots with reverence and appreciate and love her own country.

"Recently, the collection was presented at the Kazakhstan designers' fair 'Almaty popup store, which attracted a lot of attention," she concluded.



Talgar Couple Cares for Hundreds of Orphaned Children

Continued from Page A1

It takes enormous strength, warmth of heart and boundless patience to raise more than a hundred children of different ages and characters.

Thinking back on the financial, personal and psychological challenges they were first facing, the retired couple say the most difficult thing was to break the children's bad habits and ragamuffin ways picked up in the street. The children came to them mostly unkempt, sick, unable to read and write and far behind their peers in physical and cultural development. Some had no documents or birth certificates, which sent the adopting parents on long red tape runs to obtain them. On hearing of such a home, many people brought and are still bringing money, clothes and foods, which helped sustain the family.

The kids go to a regular school, taken in a special bus donated by local authorities. Responsibilities are equally distributed in the large family – older children look after younger ones, girls learn to cook, sew and whitewash and boys learn to work with appliances and building skills. The father of the family made special workshops on the homestead territory, where they practice DIY and various crafts and have an opportunity to earn. Their craft articles are sold at various charity events.

The older children finished school and went to universities and colleges, such as the Almaty Technological University,



Spouses Tuyak Yeskozina and Anuarbek Baissarin raised more than 340 orphaned children left without parental care.

Women's Pedagogical Institute (ZhenPI), Talgar College of Agribusiness Management and Zhas Ulan School and Medical College in Astana. Some started their own families and are helping their parents, too. Yeskozina says proudly that she has 25 grandchildren that she lovingly attends to as well. "We should not forget how important a simple human care and attention is to a child and we want to change public opinion and bring out compassion and charity in people to make the world a better place," she notes.

The spouses believe every child must live in the family. They take care of every stranded child, but their hearts are also open to these kids' next-of-kin if they turn up. A few years ago, the home's website was created to help find biological parents, through which a fa-

ther was found in Germany who did not know of the existence of a daughter from his first marriage.

The foster family subsists on the parents' retirement payments and the state child benefits are saved for the children's later educations.

At present 110 children are living in the home and the foster parents are thinking of building an apartment block to accommodate their adult fosterlings and their families.

This project is moving ahead. The local administration gave them a hectare of land to build the house on, where their children can settle in their independent lives after graduation from universities and colleges or when they get a job.

The parents hold state awards, including Altyn Zurek (Heart of Gold), a kind of Kazakh Oscar for charity.



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WEDNESDAY, JUNE 25, 2014

Holiday of Modern Ethnic Music Held in Almaty

By Marina Mikhailova

ALMATY – The Spirit of Tengri, an international festival of contemporary ethnic music held June 7 with a live sound and light show, has become a real gift to the citizens of the city.

Established by the national radio Tengri FM, the multi-cultural project is aimed at demonstrating the ethnic traditions of the world's cultures.

For the second time it gathered ethno musicians from many countries, including countries from the Eurasian continent, Ecuador, Japan and Austria. This year the festival was dedicated to "Almaty – the cultural capital of CIS" and held in the open air in the square before the Palace of the Republic. The event also significantly expanded



The Spirit of Tengri international festival of contemporary ethnic music.

its geography, as 13 creative teams from ten countries performed their famous songs as well as the songs from their new albums.

Several thousand people gathered to hear masters of throat singing and virtuosos playing ethnic musical instruments. The holiday

opened with three Kazakh groups: Roksonaki, who have successfully synthesised Turkic shamanistic tradition with Kazakh musical and poetic heritage; Aldaspan, the only ethnic rock band in the world playing the electric dombra, and the Sharapat team, which for the first time demonstrated playing the electric zhetegen, a Kazakh musical instrument.

The team from Gornaya Shoria, in the Kemerovo region of Russia, impressed the audience with the sound of their national instruments, kai-komus, kobrak and tambourine. Its soloist Chyltys Tannagasheva demonstrated the traditional style of throat singing of the Shor people.

The Kyrgyz team Gulzada artistically conveyed the ethnic originality of their musical culture. "We are participating in this wonderful

festival for the second time," said its soloist Gulzada Ryskulova. "It shows that the interest in ethnic music is increasing. This is not surprising. After all, in this music we hear the voice of our ancestors, the identity of a people, their history and culture. Ryskulova said she writes the stylised music and lyrics herself and tries to unite younger and older generations with her songs.

No less enthusiastically the audience welcomed the other participants of the festival: the Turkish group Baba Zula, instrumentalists from Georgia The-Shin, the Ecuadorian team Yaric-Ecuador, Argymak group from Bashkortostan, Buryat duet Namgar, singer Sainkho Namtchylak (Tuva) and artist Bolot Bairyshev, the group Belukha Jam from the Altai region and a famous master of Tu-

van throat singing Radik Tyulyush.

As the organisers of the festival noted, there was a time when ethnic music and ethnic musical instruments of different peoples had completely disappeared from the music scene. Until recently it seemed that the time of original music and musical instruments had passed. But the cultural significance of ethnic music and instruments is undeniable. That's why their adherents sought a compromise and began to promote ethnomusic and musical instruments, combining them with the attributes of modern life. The ethnic trend in music is gaining in popularity among listeners. For musicians, it's a great opportunity not only to revive the forgotten tradition, but also to make a name abroad.

Kazakh Youth Display Artwork at State Kasteyev Museum of Arts

By Natalia Valuisikaya

ALMATY – An exhibition of more than 130 artworks by Kazakh youth titled, "The Country of Drawing," opened recently at the State Kasteyev Museum of Arts.

The artworks focus on themes of wildlife, space, fairy tales, cartoons, books, hobbies and travel. They included such fantastical depictions as flying elephants, talking flowers and mischievous bunny rabbits. The works were created in a wide variety of mediums including, watercolours, gouache, acrylic,

batik, stained glass, applique and gramage. Decorative ornaments, sequins and clay were also used.

"The exhibition presents completely new works. 'The Country of Drawing' shows how talented our children are. Each [set of artwork is based on a particular topic] and each is the result of the hard work of the teacher," says art critic Tatiana Martysheva.

The works were created by youth who are members of the Tomiris creative club, which was created more than 10 years ago by graphic artist Tomiris Dzhilkibayeva.

Dzhilkibayeva, whose works were also shown at the exhibition, organised the club to teach art to children ages 4 to 15. She has taught them the fundamentals of classical and modern art techniques to help the children express themselves.

Many of the club's students are now permanent members of the club and participate in its annual exhibitions. Those members include Olga Yegorova, Rania Nugumanova, sisters Agila, Aibibi and Sophia Kuan, Iligai and Kairat Turakulov, Valeria Devism, Lena Tolkachenko, Dima Ann and Darina Kurbanova.



More than 130 artworks by Kazakh youth are showcased at the State Kasteyev Museum of Arts.

Young Pavlodar Accordionist Astounds Moscow Public With Vivaldi's Winter

By Julia Rutz

Fourteen-year-old accordionist from Pavlodar Olzhas Nurlanov participated in the 11th Moscow Meets Friends international festival for young musicians in the Russian capital from May 26 to June 5. Nurlanov, a recent graduate of Pavlodar's music school for talented children, performed Vivaldi's violin concerto "Winter," from his "Four Seasons," for the Moscow audience. Festival organisers say the young Kazakh musician astounded not only the sophisticated public, but also music critics and mature musicians.

"Olzhas was invited as one of the youngest accordionists. During the final concert, he played a score composed for violin, which is a challenging task, as the violin is a much more expressive musical instrument than the accordion. But he performed very well," said the musician's mother, Elena Porsheva.

The Pavlodar regional office for education noted the performance and called it one of the brightest events of the festival. After the show, representatives from the Vladimir Spivakov Fund, which arranges the festival, suggested that Nurlanov join the orchestra of the Russian maestro. He was invited to perform the full "Four Seasons" set with the famous orchestra. This concert programme is scheduled to tour Russia and also travel abroad.

This year's Moscow Meets Friends festival was held as part of the Vladimir Spivakov Fund's 20th anniversary celebrations. Around 1,500 young musicians from Russia and neighbouring countries performed at the festival. Concerts were held on different stages around the capital, as well as at the Michael Glinka Music Culture



Accordionist from Pavlodar Olzhas Nurlanov

Museum, the House of Academics and the Feodor Chaliapin Memorial Homestead. On the first day, festival participants performed with the renowned Moscow Virtuosos State Chamber Orchestra, with Spivakov conducting.

Nurlanov started to play the accordion at age six. Despite his tender years, he has already won some recognition in the music world of Kazakhstan. He has performed at 20 different music competitions and

international festivals, and his repertoire includes more than 100 classic, folk and modern compositions.

During a Kazakh accordion festival in 2012, Nurlanov was called "the future of the accordion music." In the same year, he took first place at the fourth International Competition of Accordionists in China. According to his parents, the boy also composes his own music and is very interested in conducting.

KAZAKHSTAN
UNITED FOR GLOBAL SECURITY

The Republic of Kazakhstan is seeking a seat on the United Nations Security Council as a non-permanent member for 2017-2018. Our priorities within the United Nations reflect four primary issues facing the world today: Food Security, Water Security, Energy Security and Nuclear Security.

In the 22 years since our independence, Kazakhstan has worked tirelessly to address these issues in our own country and beyond. Among many other initiatives and achievements, Kazakhstan is currently:

- ▶ ONE OF THE WORLD'S LARGEST GRAIN PRODUCERS AND WHEAT EXPORTERS. WE HAVE DISTRIBUTED WHEAT AND FOOD TO NATIONS IN NEED.
- ▶ A CONSTRUCTIVE INNOVATOR IN WATER SECURITY COOPERATION AND TECHNOLOGIES. WE HAVE MADE GREAT STRIDES IN THE RESTORATION OF THE ARAL SEA.
- ▶ AN ACTIVE SUPPORTER OF DEVELOPING A GREEN ECONOMY AND ALTERNATIVE ENERGY SOURCES THROUGH OUR GREEN BRIDGE INITIATIVE AND AS HOSTS OF EXPO 2017, THEME OF WHICH IS "FUTURE ENERGY".
- ▶ A GLOBAL LEADER IN NUCLEAR NONPROLIFERATION, DISARMAMENT AND SECURITY. AN INITIATOR OF ADOPTING A UNITED NATIONS DECLARATION ON A NUCLEAR-WEAPON-FREE WORLD, AND A SPONSOR OF THE ATOM PROJECT, A WORLDWIDE PETITION CAMPAIGN TO PERMANENTLY END NUCLEAR WEAPONS TESTING.

These issues are complex and interdependent. They require global cooperation and relationship building. Kazakhstan has come a long way in a short time because we know that cooperation is the key to success. We are dedicated to knowledge and resource sharing in order to help make the world a better, more secure place for its citizens.

The achievement and maintenance of international peace and global security are paramount to the success of the planet and its people. In Kazakhstan, we are ready to do our part to ensure that success as a non-permanent member of the United Nations Security Council.

NATION&CAPITAL

COUNTRY

WEDNESDAY, JUNE 25, 2014

Armenian Ethnocultural Centre Preserves Culture, Encourages Unity

By Dmitry Lee

ASTANA – Hard work, dedication and entrepreneurial spirit, these are the qualities represented by the three colours of the Armenian flag. Red stands for the Armenian highland, its people's continued struggle for survival and their maintenance of Christianity, independence and freedom. Blue symbolises the will of the Armenian people to live beneath peaceful skies. Orange marks Armenians' creativity and hard-working nature.

Today, Armenians live in small communities in over 70 countries, with the largest populations living in the U.S., Russia, France and Lebanon. The Armenian diaspora totals about eight million people. More than 25,000 Armenians live in Kazakhstan.

"In Yerevan [the capital of Armenia], there is an Institute of Ancient Manuscripts that archives ancient manuscripts from all over the world. Among these manuscripts there are scripts in the Kazakh language but using Armenian words," Chairman of Astana's Van Armenian Ethnocultural Centre Gagik Martirosyan told The Astana Times in an exclusive interview. "This proves that Kazakhs and Armenians had ties thousands of years ago," he said.

Historical records show that Armenian warriors and traders once roamed freely in many parts of Central Asia, often fighting alongside local warlords in return for trading privileges. In more recent history, Armenians arrived in Kazakhstan in the 1860s, when the Russian Empire, which at the time controlled Armenian-populated ar-



Chairman of Astana's Van Armenian Ethnocultural Centre Gagik Martirosyan

reas in the North Caucasus, moved to explore the Kazakh steppes. Armenians accompanied them, acting as interpreters for the Russians as well as consultants and businessmen for the emerging oil industry.

Today, Armenians at the Van Centre are engaged in various industries in their adopted nation, Martirosyan said, mostly in construction and building.

"We have about 50 members in our ethnocultural centre who come from different working backgrounds. Our deputy is a doctor, there are retirees, some are businessmen, and whoever can help financially contributes to our centre, where our goals are to maintain fluency in our language. We teach the language to children ... teach them to dance national dances, pay our dues to our ancestors and try to keep our traditions and history alive, and to proudly represent our nation," Martirosyan explained.

The community all chips in to maintain the centre, the chairman says. The office is provided by a local ethnic Armenian businessman, for example. In addition, Martirosyan said, "the city akimat (local government) also allots funds to preserve our language and culture." With so many local businesspeople involved in the centre, it has also become a site for networking.

According to Martirosyan, Kazakhstan's favourable tax policy attracts many Armenians.

"In Kazakhstan, you pay your taxes and sleep in peace; you don't have to worry about other things. The taxing policy also helped create the middle class and it grows stronger. The government relies on the middle class, as opposed to Armenia, for instance, [where] there is almost no middle class."

Today, the Armenian economy, with a population of about three million, relies on the investment

and support of Armenians abroad. In the Soviet era, the country's economy was based largely on chemicals, electronics, machinery, processed food, synthetic rubber and textiles, but with the dissolution of the Armenian Soviet Republic, the economy collapsed.

Armenia's economy has grown since 1995 and inflation has been negligible for the past several years. New sectors such as precious-stone processing and jewellery making, information and communication technology and even tourism are beginning to supplement more traditional sectors of the economy, like agriculture. The 1994 cease-fire in the Nagorno-Karabakh conflict has also helped boost the economy.

Armenians, like the country's many other ethnic groups, are represented in the Assembly of the People of Kazakhstan (APK). The APK was established by President Nursultan Nazarbayev in 1995; in 2007, the President signed a decree giving the APK the right to contribute nine of its members to the Mazhilis (lower house of Parliament), a unique privilege for such an assembly.

"I would like to wish the [government] of Kazakhstan to continue the flexible and righteous policy towards all peoples. As our President says, our strength lies in the unity of all nations. All these nations that live in Kazakhstan contribute something to the development of the country. Today in Kazakhstan we can grow, build, continue developing, work, live – we have peaceful skies over our heads," Martirosyan concluded.

Tazy Dog Breed to be Recovered

Continued from Page B1

Not afraid of wolves, the agile and enduring dog hunted with man in the open and forest-steppe space. Even nowadays breeders and hunters would give a fortune for it. But the trouble is that there's no proving the pureness and authenticity of this canine breed. As a matter of fact, this breed, national treasure of nomads, is not entered on any official register and consequently it cannot be accepted by international canine organisations.

"Standard for the Central Asian greyhound breed, the Kazakh tazy needs be confirmed at the state level. There is a standard adopted by the USSR Agriculture Ministry on December 23, 1979, which is still valid. But we have been living 23 years in a sovereign state," said Nina Makerova, president of the cynological centre.

"All the cynological organi-

sations working in the country should pool efforts to formalise the tazy breed – it's our cultural heritage after all," she added.

Formal documents must be made for the viewing of the breed to be carried out, which the Kansonar hunting public association is handling. The viewing is scheduled this September and the Kansonar requests breeders take part in it. The more dogs of this breed that are brought for viewing, the more objective and accurate it will be.

"It has offered to use the 1979 standard as the basis that defines the regional characteristics of the breed. In the southern regions of Kazakhstan, for one, tazy dogs are smaller, whereas northern tazys are bigger and have an undercoat, are thin, flexible and well-muscled," Makerova said.

The project on the modern standard for the breed is under consideration by the agriculture ministry.



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WEDNESDAY, JUNE 25, 2014

South African Embassy Premieres Autobiographical Film About Mandela

By Dmitry Lee

ASTANA – The South African Embassy in Kazakhstan hosted a premiere of “Mandela: Long Walk to Freedom,” directed by Justin Chadwick (The Other Boleyn Girl) at Sary Arka Mall on June 19.

The film is based on the autobiography of Nelson Mandela, which tells the story of his early life, his fight against apartheid and the 27 years he spent in prison before becoming the first democratically elected president of South Africa. The script was written by William Nicholson. British actor Idris Elba portrayed Nelson Mandela while his fellow compatriot Naomie Harris played his wife Winnie Mandela.

“In 1994, the people of South Africa chose Nelson Mandela as their first democratically elected president,” Ambassador of South Africa to Kazakhstan Shirish Soni told The Astana Times before the premiere of the 141-minute film. “So today, above all, we are celebrating 20 years of freedom and democracy; it’s a big milestone for us. We are a young country with a young democracy, but we have quite a story to tell. Consequently, this is the first year we are celebrating freedom and democracy without our iconic leader; Mandela passed away in December 2013. It is a pity he is not with us,” Soni noted.

The world premiere took place at the Toronto International Film Festival in September 2013. Earlier this year, the film was awarded a Golden Globe in the category “Best Original Song for a Motion Picture.”

“An interesting fact about this film is that it is based on a book that was written by Mandela while he was in prison,” Soni explained. “He had to hide the paper in tins in the prison’s garden,” Soni said. “So while imprisoned in a high-security prison, his fellow inmate Mac Maharaj, who had a knack for writing in tiny handwriting, buried the writings underground while working in the garden.”

When Maharaj was released, he managed to smuggle out the pieces of paper according to the ambassador. He wrote a book based on them that was later published in 1995.

“I must thank the people of Kazakhstan for their interest in our celebrations of Mandela, which we launched in 2012. For example, Fryday Astana hosted parties to celebrate Mandela’s life, Internations hosted parties in Almaty, the Akim (governor) of Eastern Kazakhstan Berdybek Saparbayev, jointly with deputy akims and a museum curator, hosted an exhibition of Mandela’s life,” Soni said.

Soni encourages Kazakhstan’s citizens to commemorate the values Mandela left behind by doing 67 minutes of community service. “These 67 minutes represent the years that Mandela contributed to the freedom and democracy South Africans and people around the world enjoy today,” Soni stressed.

The film was shown for the first time in a Commonwealth of Independent States country. The movie screening started with a video message from the producer of the film Anant Singh, who addressed the audience.

“Today, in this hall, let us honour Nelson Mandela with this film and



The Premiere of “Mandela: Long Walk to Freedom” organised by the South African Embassy in Astana.

allow his legacy to live in our continuing struggle against injustice and the destruction of the human spirit by setting an example for our future generation,” Executive Secretary of the Kazakh Foreign Ministry Askar Mussinov said.

“We will never see the likes of Nelson Mandela again. But let me say to the young people of my country and South Africa: you can make his life’s work your own. We learned of Mandela and the struggles in his land. We should learn from them. It generates our responsibility to others. He was the personification of what is best about mankind. As we lead our daily lives, let us search then for his strength and for the depth of his spirit somewhere inside ourselves,” he added a few minutes before the premiere.

“Being a strong freedom-fighter for human rights, independence, equality, friendship and the ideals of a democratic and free society, Nelson Mandela has become the best example and mentor for our future generation. Education, he

used to say, is ‘the most powerful weapon which you can use to change the world.’ Today in Kazakhstan, we are doing our best to improve this ‘weapon’ as much as we can. Today, on this beautiful evening, we have the unique opportunity to get one step closer to his spirit,” Talgat Narikbayev, rector of Kazakh State Juridical University (KazGYU), noted in opening remarks.

“This movie is very important and very interesting because it’s a story about [Nelson Mandela] who was an inspirational figure for democracy. He [established] democracy in South Africa and was an example for every country that wants to [obtain] democracy. He was a leader that brought different nationalities together to live in harmony,” Ambassador Dr. Charn Jullamon of Thailand said about the feature.

The show was attended by distinguished guests and dignitaries as well as members of the diplomatic corps, governmental officials, representatives of universities and others.

TCC Works to Bring Domestic Science, Business Together

Continued from Page A5

The organisation is engaged in a massive review of existing intellectual property law, which will result in a packet of suggestions for the government. The basic laws exist, Azulay said, but they are often misunderstood and often lack crucial details.

While teaching scientists how to think about their work from a commercial point of view, the organisation is also working to create networks to connect these two sceptical partners. The TCC works with foreign and domestic businesses in Kazakhstan to get them to connect with technological partners here.

“There’s not a large amount of trust between the local Kazakh business community or the foreign business community in science and innovation in Kazakhstan,” Azulay said. “You see that a lot in developing countries – people think, ‘Why should I bother with this? I’ll just go and buy my equipment from Germany, because it works, I know it, there’s guarantees, there’s no questions.’”

So the TCC is trying to make it as easy as possible for businesses to try new domestic technology and offer feedback. “We’ll fund it, we’ll attach the management, we’ll make sure the intellectual property is secure, we’ll get it ready for field trial,” Azulay said. “All we want from you [businesses] is your input. And if it gets to a certain stage ... then you’ll consider it for putting in your factory for field trials. And then if it works in field trials, you know, in actual, real-world conditions, then you consider licensing. So for businesses, it’s a no-lose situation.”

These are the small steps in motivating businesses to work with domestic applied science. For technology transfer and commercialisa-

tion to work, “we have to build those bridges,” Azulay said.

The TCC is also hoping to build bridges internationally, bringing in venture capitalists to review projects that could have international potential. In the end of June, a group will be coming to visit projects in Astana and Almaty, looking not for production-ready technology, but “diamonds in the rough,” Azulay said.

He uses the old analogy of teaching a man to fish versus giving him a fish to describe their work. They’re trying to do both, he says. The grants, the business connections – these are the fish, the relatively immediate gratification. But advising on laws, providing training for researchers hoping to woo financiers, creating pathways between government, science and business, is what is hoped will lay the ground for a thriving applied science sector after the programme wraps up.

That programmes like this one exist at all is a good sign for Kazakhstan, Azulay says. “I’ve been pleasantly surprised that the government is actually making the effort ... to make this diversification in their economy happen. That’s a good thing.” Extraction may still be king, he says, but recognising the long-term need for a balanced economy puts Kazakhstan ahead of some other resource-rich nations, he said.

“We’ve seen other countries where [diversification] is still not a priority, where they figure, ‘Oh, well, whether it’s coal, gas or oil, we’re getting all that money’ – and it’s being siphoned off for corruption and to other areas, and the sciences and innovation, supporting that scientific education base, is a very low priority. And here we see that’s changing. ... We’re seeing funding increasing for science and for education and to me that’s very promising.”

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TOURISM

WEDNESDAY, JUNE 25, 2014

New Measures, Activities Aim to Overcome Underdevelopment in Tourism Sector

By Samat Mustakhimov

Tourism is among the priorities of Kazakhstan's State Programme of Accelerated Industrial and Innovative Development. The government's new concept for the development of the tourism industry through 2020, plus ongoing work to promote and improve Kazakhstan's image and tourist infrastructure, is intended to give a big boost to this important but underdeveloped sector.

The new concept, adopted a month ago, envisions large-scale transformations, including the creation of five tourism clusters and a range of measures aimed at strengthening the investment attractiveness of the industry. It contains specific measures to create a favourable investment climate in Kazakhstan and creates five special tourist zones around Astana, Almaty, East Kazakhstan, South Kazakhstan and West Kazakhstan.

The concept of tourism development also implies the abolition of visa regimes for citizens of economically and politically stable countries, as well as changes in the legal framework of tourism, the introduction of tourist certificates for domestic tourism, the development of an internal market of transportation and subsidies for internal air routes. It is expected that in the near future, these measures will help remove the main administrative, financial, tax and other barriers to the development of inbound and domestic tourism, and will strengthen the position of small and medium-sized business involved in infrastructure development.

Some improvements have been already made and their impact has been noted: on the Competitiveness Index for Tourism, Kazakhstan moved five positions between 2011 and 2013, to 88th place.



The concept of tourism development implies the abolition of visa regimes for citizens of economically and politically stable countries, changes in the legal framework of tourism, the introduction of tourist certificates for domestic tourism, the development of an internal market of transportation and subsidies for internal air routes.

According to the Kazakhstan Industry Development Institute (KIDI), in 2012, extensive studies of the tourist industry were carried out at the national and regional levels. The work of the Tourism Council under the government was intensified and tourist departments were established in Almaty City and the Almaty, Akmola, Mangistau and South Kazakhstan regions.

In addition, the Tourism Industry Committee is also working to promote the development of the industry through national contests like last year's Myths and Legends contest and the recent Best Regional Tourism Startups contest.

Domestic tourism, however, is facing difficulties due to poor infrastructure

"The lack of consistency in services, poor quality of transport infrastructure, noncompliance of statistics with international standards, insufficient funding of tourism in the regions, lack of a scientific research base, weak marketing and noncompliance of prices with quality of services are the main things hindering the development of domestic tourism," said Director of

the Kazakhstan Tourist Association Rashid Shaikenov.

About 60 percent of travel agencies operating in the country (of which there are more than 1,000), are focused exclusively on outbound tourism, and the remaining alternate outbound and inbound tourism, offering places like the Alakol Lake resort area, the infrastructure of which is still in an "embryonic state."

The situation is slightly better in some other places: the famous Charyn Canyon, also called the Valley of Castles, is just a dozen kilometres from the main road, but because its access road isn't paved, there are clouds of dust in the summer and impassable mud in the off-season.

The Mangistau region, the leadership of which for several years has been developing its tourist opportunities, is one bright spot of positive change. In February this year, they held a large-scale meeting on the development of domestic tourism in the region. Following that event, Vice Minister of Industry and New Technologies Nurlan Sauranbayev and Deputy Akim (governor) of the

region Rakhymbek Amirzhanov signed a memorandum of cooperation in tourism between the ministries and the regional administration.

The Mangistau region has 11,000 historical monuments under state protection. According to statistics, tourism revenues last year reached 4.7 billion tenge (\$25.6 million) and 4,615 people, 2.9 percent of all employed people in the region, are employed in the industry.

The Kenderli international recreation area now under construction is expected to take a leading role in the sector, with year-round attractions and activities planned. The Swiss-Spanish company THR, part of the World Tourism Organisation (UNWTO), recently joined the project. The resort area needs an additional \$3.2 billion to develop all its intended projects, said THR President Eulogio Bodas, and the company is ready to try to attract another 5-10 big investors.

The ecological situation and environment will also improve because traffic by vehicles with internal combustion engines will be forbidden at the new resort and overall traffic will be limited. Visitors are

expected to come mainly from Russia and eastern countries, with about 15 percent from Asia. The Ministry of Industry and New Technologies and the Mangistau oblast administration will closely cooperate in the development of domestic tourism, including in activities aimed at improving the country's image and the quality of tourist products and services, as well as in investments and training of employees in the tourism sector, noted Chairman of the Tourism Industry Committee Marat Igaliev. In addition, special tourist products will be developed as part of preparations for the international exhibition EXPO 2017.

Promotion and presentation activities are another important area of work, and this year Kazakhstan is promoting its tourist opportunities at a number of international exhibitions. This May, the Tourism Industry Committee presented a Kazakh stand at the international tourist exhibition Arabian Travel Market 2014 in Dubai, which resulted in signed agreements on cooperation in tourism. More than 20,000 people from more than 135 countries took part in the exhibition.

Business is also growing in the regions of the country. Not long ago, the Akmola regional tourism department, with the support of the regional administration and the Tourism Industry Committee, held the tourist fair Tourism. Recovery. Travel 2014 in Burabay village.

The East Kazakhstan region will implement the Golden Altai – Wealth for Regional Development project proposed by the Slovak association Swallowtail International and supported by the East Kazakhstan regional administration. The project will be implemented between 2014-2016 and the EU will provide 350,000 euros in financing for the three pilot districts – Katonkaragai, Ridder and Kurchuem.

Some 550 companies from more than 40 countries took part in the recent 14th Kazakhstan International Tourism Fair (KITF) 2014, in Almaty.

The main obstacle to the full development of tourism in Kazakhstan, said the vast majority of

respondents to a survey conducted during the event, is the lack of adequate infrastructure, low quality of services, high prices in hotels, limited choice of airlines, complicated visa procedures and corruption. Nevertheless, in light of recent positive changes, only 15 percent of respondents were pessimistic about tourism. Others think the prospects for the development of Kazakhstan's tourism are good, given the tasks set out in the new concept.

The total budget of 16 regional administrations in 2014 allocated to promote tourism is more than 553 million tenge (\$3 million). According to the Ministry of Industry and New Technologies, the income of organisations that provide services in tourist activity over the past five years has increased by 95 percent and amounted to 151.6 billion tenge (\$826 million). As a consequence, the number of tourist firms grew by 767 to 1,994 companies last year.

Chairman of the Board of KIDI Azamat Akhmerov says they have already developed system plans for the Shchuchinsk-Borovoye resort area and a package of clear rules covering ownership and responsibility issues for investors. The Burabay resort area will be transformed over the next few years into a modern, all-seasons resort of international class, capable of handling much larger amounts of tourists. Annually more than 3 billion tenge (\$16.3 million) is allocated from the state budget for this purpose.

"Tourism should be a priority sector of the economy," said Deputy Prime Minister Asset Issekeshiev at the government meeting in May this year. "It's time to withdraw the industry from the social sphere and the category of non-core assets. The tourist branch can develop and grow faster than the GDP and one job in this industry costs 10 times less than in the manufacturing industry. Tourism in the global economy is one of the leading creators of jobs; it creates over 75 million vacancies in the world. Every 11th or 12th employee works in this sector and international tourism provides employment, first of all for youth and women."

Aktobe Showcases Potential at International Travel Fair

Continued from Page B1

Aktobe's crafts industry is one of the hallmarks of the region. At the ITFA folk crafts festival, craftsmen from across Kazakhstan offered handmade souvenirs of wood, ceramics, felt and other materials, as well as paintings and snapshots of country's unique natural sites.

Craftsman from Aktobe Yerlan Baiganov, who makes traditional felt souvenirs – yurts, baskets, dolls and animal figures – is thinking of opening his own shop. His souvenirs sell well with tourists and the style of his work is related to the history of the Silk Road. Another craftsman, Tasbulat Sembayev from Turkestan,

makes customised souvenirs of Kazakh elm.

Given the ongoing Silk Road revival and Silk Road integration processes, the development of tourism adjacent to the ancient route has gained new attention. "The exhibition is bigger than the previous ones, with about 100 exhibitors," said Deputy Head of the Regional Department of Business and Industrial-Innovative Development Askar Kukeyev.

The new Western Europe-Western China international transit corridor runs through Aktobe, boosting the development of roadside services and small and medium enterprises in rural districts. Kukeyev says that construction of about

60 new infrastructure facilities is blueprinted, as well as tourist routes to historical sites and nature reserves. Press tours and trainings with tour operators are scheduled regularly, and the local budget has contributed sizeable funds to the development of the industry this year. This year's tourism exhibition is a kind of accounting of what has been achieved in the industry so far and a road map for further steps.

Within the festival were organised a representative roundtable to talk over the outlook for tourism development and contests with prizes for best stand design, best handicraft and best presentation of local tourism products.

Kazakh Tourism Underdeveloped, Parliament Says

By Laura Tussupbekova

ASTANA – Despite the huge potential, tourism in Kazakhstan is not developing properly. That was the inference of the governmental hour on June 16 in the Mazhilis, the lower chamber of the Kazakh Parliament, chaired by its vice-speaker, Dariga Nazarbayeva.

In his performance report, Deputy Prime Minister and Minister of Industry and New Technologies Asset Issekeshiev reminded that in the concept frames for tourism development until 2020, the share of tourism in the GDP is to be brought up to more than 4 percent. Private investment in the industry is to be up to \$4 billion with the creation of up to 300,000 jobs.

In general, the concept provides for the development of tourism clusters in Astana, Almaty and East, South and West Kazakhstan. Astana and Almaty are positioned as business tourism centres, with Almaty also a centre of international mountaineering. A centre of ecotourism is planned within the east cluster, cultural tourism is to be developed in the south and cultural and beach tourism in the west. National projects are also slated within these clusters, such as the ski resorts South Kaskelen and Kok Zhailau in Almaty, Bukhtarma and Katon-Karagai within the east, Kenderli in the west and Borovoye near Astana.

Development of the Borovoye resort zone was a special focus. Parliament member Aldan Smaiylov resented the over-polluted Borovoye Lake, adding not without sarcasm, that if Kazakh officials chose to take a holiday at home, rather than along the French or Spanish coasts, the nation's tourism might be more developed and popular.

"If they were vacationing in the Borovoye resort, the same-name lake would have been cleaned long before. We go to Okzhetpes (resort), but swimming in the lake is impossible there," he complained.

In response, Vice-Minister of Environment and Water Resources Yerlan Nyssanbayev said that more than \$1 trillion tenge (US\$5.5 billion) is to be shortly budgeted for cleaning up 18 lakes, including Borovoye Lake.

"Not only dirty lakes discourage the people in Kazakhstan

touted the need to bring down Kazakh airline fares to make domestic tourism more attractive and to develop small aircraft.

Another problem spot in domestic tourism that the members of parliament have pointed to is the insufficiently-developed service industry, its shortage of professionals, poor condition of the buildings and facilities and difficulty of accessing resort areas and historical sites.

Taking into account these shortcomings, Deputy Seitsultan Aimbetov cited issues like the lack of

Deputy Prime Minister and Minister of Industry and New Technologies Asset Issekeshiev reminded that in the concept frames for tourism development until 2020, the share of tourism in the GDP is to be brought up to more than 4 percent. Private investment in the industry is to be up to \$4 billion with the creation of up to 300,000 jobs.

from vacationing at home, but also overpriced sanatoria and hotel rooms," said another member of the Mazhilis, Mukhtar Tinikeyev. As a result, it is more profitable to vacation in Turkey on the all-inclusive system.

Issekeshiev also reported on the plans to make Borovoye a venue for festivals and rallies throughout the year. Fifty tourist products have been developed under the plan, such as winter and autumn sports, family sports and health programmes. This format of tourism development is to be applied in other regions as well. Vacationing at a 50 percent corporate expense will also be practiced.

Members of parliament have

proper control, consistent and coordinated actions between the government and local executive bodies, which greatly damage the economy, and the society at large. To it, member of parliament Tursunbek Omurzakov added that despite the natural opportunities of Kazakhstan, tourism is developing very slowly. There is no mechanism to monitor the quality of tourist services, no qualification requirements in this sphere, no classification of hotels and no tax incentives for the tourism industry.

Nazarbayeva inferred that, despite the allocated funds, the tourism industry in Kazakhstan remains underdeveloped and this is largely attributed to poor administration of the tourist industry.

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WEDNESDAY, JUNE 25, 2014

Kazakh Alpinist Shares Adventures with New York Audience

By Ruziyeva Ospanova

Kazakh alpinist Maksut Zhumayev, who climbed Mount McKinley, the highest point in North America, shared his impressions with his compatriots June 14 at a meeting at the Kazakh Consulate General in New York City.

Zhumayev discussed what inspires climbers to conquer new heights, despite the difficulties of hiking as well as methods of preparation for new climbing. He also confirmed his affiliation with the romantics, whose inner world is vividly expressed in the songs of Vladimir Vysotsky, who wrote "only mountains can be better than mountains." According to him, every ascent requires careful preparation.

"Kazakhs making such achievements in the U.S. and conquering new heights are a great symbol for the successful development of our country and Kazakh-American cooperation. In particular, the ascent precedes a number of projects in the U.S., including performances

of large musical groups from Kazakhstan. The first performance will take place June 30 in prominent Carnegie Hall. So, we look forward to new successes and new meetings," said Kazakh Consul General Raushan Yesbulatova.

Zhumayev flew to the U.S. May 22 to make his solo ascent, a climb alone and without companions, of Mount McKinley, or Denali, as it is called. Despite bad weather, he was able to climb 6,200 metres, June 8, and conquer the peak.

"We will fly to New York and from there to Anchorage, a city in Alaska, to purchase products there. Afterwards we will go to the town of Talkeetna. From there we will fly to the glacier on small planes. We will land on the glacier, disembark and begin a long transition to an advanced base and assault camp. Climbing will be very interesting. I haven't done anything like this before. This will be a very long skis passage on the glacier," Zhumayev said before climbing.

Zhumayev's expedition was postponed for several days due to bad weather. On June 1, despite the

bad weather he flew to the glacier.

"On the small plane we flew together with the pilot. Of course, I was afraid. Due to bad weather we flew above the clouds, then descended down, circling over the airport trying to find a hole in the clouds to slip through the passes of the glacier. I'm glad I arrived safely, but a couple of gray hairs appeared on my head, and in general everything is fine," he said. After landing Zhumayev immediately hit the road and for four hours rose to a trans-shipment point at a height of 2,400 metres.

Zhumayev safely overcame all subsequent segments. He said that the movement was complicated by bad weather and he had to drag a lot of his personal things behind him. During the ascent he began to collaborate with other climbers, who along with him rose to the top of Mount McKinley.

According to him, on average it should have taken from six to 10 hours to climb. There are places on the mountain where even the two experienced climbers could not depart, so time should be very care-



Kazakh alpinist Maksut Zhumayev (l) and Kazakh Consul General Raushan Yesbulatova (r) during the meeting with the alpinist in New York.

fully chosen and it is necessary to climb only in good weather.

Zhumayev is famous for becoming

the first Kazakh to conquer all of the world's 14 highest peaks above 8,000 metres, including

Mount Everest and K2, and only the 12th alpinist in the world to do so without the use of oxygen.

Almaty to Host Stage of Volleyball World Grand Prix

By Dmitry Lee

For the second year in a row, one of the stages of the prestigious World Grand Prix in women's volleyball will be held in Almaty July 21-27.

This year's event will also be held under a new format.

"This year, 20 teams were divided into three divisions according to the world rankings, and we got the third division," said Secretary General of the Volleyball Federation of Kazakhstan Yermek Syrlybaev. "Winners of divisions will advance. The first, the strongest division, will be comprised of the eight strongest teams in the world.

Six teams will play in the second and third divisions. The first round will be held in Almaty. [Our national team] will face off against the Czech Republic, Croatia and Australia. The second week will be played out in Prague. If our team will make it to the 'Final Four,' we will continue to play in Bulgaria, where the division champion will be determined. Only the winner gets the right to move to the next division," he added.

Additionally, Kazakhstan will square off against the Czech Republic, Mexico and Algeria in Prague. Last year, when the tournament was held under different regulations, Kazakhstan had the opportunity to play against the

strongest teams in the world. National teams from Brazil, Cuba and the Netherlands traveled to Almaty. Last year, Kazakhstan was ranked 17th in the FIVB, the Fédération Internationale de Volleyball, World Grand Prix ratings.

In Soviet times, Kazakh volleyball players were part of the women's national team of the USSR and became world champions and Olympic champions.

In 2005, the team for the first time travelled to Japan to play in the World Cup and won the silver medal of the 13th Asian Championship.

Currently, the Kazakh national women's team is ranked 30th in FIVB standings.

Asian Games Greco-Roman Wrestling Bids Determined at Karaganda Championship

By Dmitry Lee

Seventy-one Greco-Roman wrestlers in four weight categories were whittled down to four national champions and 12 podium winners during the June 21-22 Greco-Roman wrestling Championship in Karaganda.

In the 66-kilogramme weight category, Ashat Zhanbyrov of South Kazakhstan region won the title. Astana wrestler Almat Kepisbaev took silver and Almaty region representative Nurtas Utepbergen shared third place on the podium.

In the 75-kilogramme category, Astana resident Doszhan Kartikov won gold, Rashid Kochiyev finished second and Marat Kozhapas from Almaty along with Askhat Dilmukhamedov of the Almaty region shared third place.

Karaganda native Andrei Samokhin became the only champion from the Karaganda region of Kazakhstan. In the 85-kilogramme weight category, he won the final match against Almaty resident Alkhazur Ozdiev. Yerbol Raimbekov of Astana and Almaty wrestler Sayat Sarmanbekov were awarded bronze medals.

In the heavyweight category up to 130-kilogrammes, international class master of sports Abdumalik Sartibayev from the Mangistau region took gold. Silver went to Esengeldy Zhalgasbayev of the Kyzylorda region. Representatives from the Kostanai region and Almaty Talgat Zhiientaev and Damir Kuzembaev won bronze.

The championship was a qualifying tournament. The event's gold medalists will now participate in the XVII Summer Asian Games in South Korea and the silver medalists will participate in the upcoming World Championships in Tashkent, Uzbekistan.



The June 21-22 Greco-Roman wrestling Championship in Karaganda gathered wrestlers in four weight categories.

Rafting Race Opens Summer Season at Kapshagai Water Reservoir

By Asset Kalymov

ALMATY REGION – The closing ceremony of the 14th Ili-Balkhash Regatta, a competition of extreme multi-day rafting, was held recently at Kapshagai recreation base fishing village.

Tired but satisfied rowers were met on the coast of Kapshagai Lake by Mels Yeleussizov, the captain of the regatta and head of the Tabigat Ecological Union, representatives of the Tourism Industry Committee of the Ministry of Industry and New Technologies, the Ministry of Education and Science and the Almaty Regional Administration.

As Yeleussizov noted, the main goal of the water rally was to draw public attention to the environmental problems of the region. Of par-

ticular concern was the shallowing of Lake Balkhash and polluting of the River Ili, causing the death of fish and considerable damage to local flora and fauna. The issue of preservation of the unique lake, according to the environmentalist, should be raised at the world level.

The water super marathon was divided into several stages: sprint races, rafting on the reed delta of the river and the competition of sailboats. The famous rock Finger Stone, ancient crossing of Genghis Khan in Kapshagai Gorge and giant Singing Dunes in the Altyn-Emel National Park made an indelible impression on the participants of the regatta.

In just a month, rowers on rafts, kayaks, inflatable boats and catamarans navigated more than 800 kilometres. Throughout the route,

experts from Kazhydromet on one of the teams conducted clearance of the river's banks and monitored the Ili River and Lake Balkhash.

In addition to Kazakh enthusiasts and lovers of water and extreme tourism, representatives from Belarus, Hungary, Russia and the Czech Republic took part in the regatta, confirming the growing popularity of sport-tourist competition. Moreover, the Hungarian team was led by Ferenc Blaumann, consul general of that country in Almaty, and the highest number of awards was won by students of St. Petersburg University of the Russian Ministry of Emergency Situations.

As part of the regatta, a number of activities were held in the picturesque gorge Tamgaly Tas, including an international festival of ecotourism, tourist tournaments, competitions on togyzkumalak, Kazakh kuresi, mini football and beach volleyball. The guests watched national games and the competition of climbers, gliders and bikers, as well as a culinary dueling on cooking kebab and pilaf with great interest.

Regional craftsmen demonstrated folk crafts in the tent city near the scripture rocks. Directly in front of the guests, masters skillfully manufactured handicrafts and jewelry from wood, leather and wool. For three days, bard songs were performed on the main stage of the festival.

The completion of the aqua rally coincided with the Day of Neptune holiday and the opening of the summer swimming season on the Kapshagai water reservoir.



The 14th Ili-Balkhash Regatta at the Kapshagai recreation base fishing village.

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CAPITAL

WEDNESDAY, JUNE 25, 2014

Capital Celebration to Include Sweet Taste of Success

By Ruziyeva Ospanova

ASTANA – The capital birthday's sweetest event, the Festival of Astana Confectioners, will take place July 4, at 10 a.m. in Congress Hall and is expected to attract more than 20 candy companies,

according to organisers preparing the celebration to note Astana's 16th anniversary.

The Confectioners Festival is held to promote confectionery skills and increase the level of confectionary arts in Astana. The festival provides an opportunity for confectioners and creators of

exquisite sweets and pastries to demonstrate their masterpieces to a wide audience and for candy lovers to sample and purchase the delicious treats. Entrance to the festival will be free.

The centerpiece of the Festival is expected to be a cake called "Astana is my favourite city!"



The Confectioners Festival will be held to promote confectionery skills and increase the level of confectionary arts in Astana.

Integration, Protection, Possibilities, Barriers Discussed at CAMCA Regional Forum

Continued from Page B1

In the panel, "Macro-economic stability and foreign direct investment along the new transportation corridors," European Bank for Reconstruction and Development (EBRD) Kazakhstan Country Director Janet Heckman reviewed the recent agreement between the EBRD and Kazakhstan to see \$2.7 billion administered by international financial institutions to reactivate investment and reform, calling it "unique in the world."

There is a need to search beyond the obvious sources of investment and profit, noted participants. "How can we as a region look into the world beyond China, beyond Russia. India – why are we not thinking about India, their market, about access to that market? We could go on and discuss about China, but how about we discuss what we can do to go to other parts of the world?" asked Uluk Kydyrbaev, founder of Biz Expert of Kyrgyzstan.

The Silk Road Initiative is working on opening borders in terms of border control and simplifying trade, Heckman said. Reforming the banking sector, a huge part of the EBRD's work in Kazakhstan, will be a major factor in this. "If you don't have banks that trust each other in the countries, how do you do trade?" she asked.

"Frankly, the problem is in us," said Bahridin Najmudinov, member of the board of Tajikistan's Bokhtar Operating Company. The countries of Central Asia lose some \$200 billion a year by not cooperating more, he said, but that can change over the long term. "It can happen as soon as we cooperate with each other in Central Asia."

How to integrate and cooperate proved a thorny question, however. The benefits and risks of economic integration – and to what extent that becomes political integration – generated significant discussion during the panel, "Models of economic cooperation: From European Union to Eurasian Union and Beyond."

Marat Djanbaev, CEO of Kyrgyzstan's TAZA Biosystems, said,

"I totally believe that Kyrgyzstan is not ready for, Kyrgyzstan doesn't have the proper structure of economy, to be part of not only the Customs Union but also the Eurasian Union and Eurasian integration. It's a question of different values." Kyrgyzstan's bottom-up approach had created a service-based economy incompatible with a Eurasian Economic Union potentially dominated by the Kremlin, he said. But other models, like the EU's Generalised System of Preferences, might work better, though his government, he said, ignored them.

The governments of the new EEU failed to effectively inform the populations about the union, said Sayasat Nurbek, director of the Institute of Public Policy of Kazakhstan's Nur Otan party, but the EEU will help Kazakhstan's business develop. It's a technical, economic agreement 20 years in the making, he noted, that doesn't infringe on other economic agreements and contains equal vetoes for the three powers and exit mechanisms as safeguards.

As for fears about Russia's potential to be overbearing, he said, "Start the integration. Make the economies intertwine. Boost the trade." That's how to avoid conflict, Nurbek said, citing the example of 20th and 21st century Europe. "If you have an unruly neighbour, you can't escape him – you have to open up to him," he said. "You have to use the rules of the game."

The "Bridging Asia and Europe: Transportation and Transit Potential of CAMCA" panel highlighted the great transit potential of the former Silk Road as well as its many current roadblocks. Trade between Europe and Southeast Asia reaches nearly \$1 trillion per year, said presenters Hikmat Abdurahmanov and Umid Aripdjanov, but only 1-2 percent of that passes through Kazakhstan. Transit possibilities through the region are limited and expensive and cumbersome where they do exist. There must be the political will to create integrated transit infrastructure and provide access, concluded presenter Ravshan Sobirzoda, an economist at the

World Bank's Tajikistan country office.

"Unfortunately, we ... don't see our political leaders meeting apart from the organisation of collective security," noted Emil Umetsaliyev, president of Kyrgyz Concept Ltd. "Honestly, I've been to many meetings before," said Azamat Akelev, director of Kyrgyzstan's Promo Tank research and promotion company, "and these problems come up again and again, the problem of barriers. I think the main problem here is the outdated thinking of the ruling elites of our countries, which may be characterised as mercantilist or 18th and 19th century thinking." Holding business forums, particularly in important Fergana Valley, can at least raise awareness and try to change the minds of ruling elites, he suggested.

Closing the first day, Starr noted that up to now, "these kinds of discussions have been dominated by two organisations: national governments and international financial organisations. ... That is not the whole picture. There has not ever been the kind of business engagement in these discussions that we're having here today," he said. No organisation is actually dedicated to bringing business people together to discuss these issues, making CAMCA's role significant.

Economic development and national security was the focus of the last day of the official forum, addressing complicated questions of protectionism, labour migration and the security impact of economic openness. Kuban Ashirkulov, general director of Kyrgyzstan's Andash Mining Company Ltd. outlined the complicated pattern of Russian investment into his country's strategic energy and other enterprises, while Aziza Umarova, head of the UNDP's governance team in Uzbekistan noted that protectionism in her country had led to less movement of ideas, but a high level of consumption of domestically produced goods and diversification.

These are complicated questions, noted Starr and panel moderator Mamuka Tsereteli, director of research at CACI. The forum may not have led to conclusions, but in a disintegrated region, discussion is a start.

Astana to Host Evolution Summer FEST 2014 Dance Festival

By Dmitry Lee

The Evolution Summer FEST-2014 dance festival will be held in front of the Astana Opera theatre throughout the summer. The festival opened on June 21 for the first time with try outs. It celebrates Latin American dances and is expected to stir interest among the capital's residents.

"The idea did not emerge spontaneously. For quite some time, there has been a need to combine metropolitan schools and dance studios of different styles," Indira Koshkarbayeva, director of the social-educational fund Foresight told The Astana Times.

"The main objective of the event is to facilitate mutual exchange and the enrichment of various dances. When a dancer discovers something new and surprising in another style of dance, it improves their own individual style," she said.

The first event last weekend gathered over 50 dance lovers and even got some media attention with local television stations. The event re-



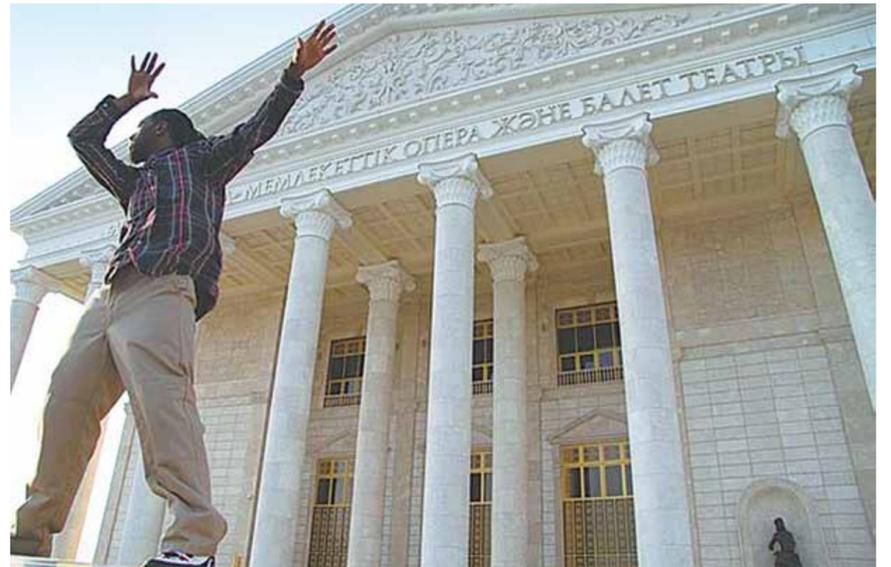
involved around the main idea of letting people have fun and enjoy the long Astana sunny summer days.

"Last Saturday, Latino Fest, Punta Cana, a school for social dances, held free salsa classes as well as Cuban style salsa, cha-cha-cha, afrohaus and Kizomba classes," Koshkarbayeva said.

Latin American dances are very popular in the Central Asian country. Every year, a number of various festivals take place in different cit-

ies around the country. This spring, a Brazilian dance festival took place in Almaty where the public enjoyed colorful performances.

The festival's aim is to gather the best dancing troupes in Astana and also to spread dance in the capital, according to the organisers. It will be held every other weekend with the support of The Astana Opera theatre. More information can be received from Zhanna Shaykhetova at +7(701)524 69 77.



The Evolution Summer FEST-2014 dance festival is showcased in front of the Astana Opera theatre and will be held throughout the summer.

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