

INDIA AND KAZAKHSTAN: DYNAMICS AND PROSPECTS OF COOPERATION

Ulbolsyn Malikovna Orakbayeva*, Zhanar Muratbekovna Medeubayeva*,
Gulnar Kusaevna Bukeshova* and Panu Kalynbayevna Kilybayeva*

Focusing on the Central Asian region developments, this paper initially concentrates on the directions of Kazakh-Indian cooperation. Secondly, it deals with India's stage involvement to the regional processes, which have taken more significance recently. These states have common interests in energy issues, expanding markets, trade, and building infrastructure. Central Asia with its huge energy resources is a promising direction for India. We argue that India could be considered as a potential direction in the diversification of regional energy and security enforcement. Our claim rests upon rich literature, and opinion surveys of Kazakh, Indian, Uzbek, Kyrgyz scholars and officials, conducted by us during 2013-2015. Beyond its policy dimension, this research utilizes primary and secondary sources to provide an analytical discussion of the nature, role, and scope of Kazakh-Indian cooperation. Also, we have used systematic and comparative analysis of Indian presence in the region alongside with other states of the same scale. This paper consists of three parts. First, we present the evidence for the growing cooperation. Second, we analyze the challenges for India's presence in the Central Asian region. Finally, we provide some possible scenarios for consideration.

Key words: India, Caspian Sea Region (CSR), Central Asia Region (CAR), Shanghai Cooperation Organization (SCO)

1. INTRODUCTION

The subject of the research is specified due to the relevance of the Kazakh-Indian relations in the light of the diversification of foreign relations of the Republic of Kazakhstan. The goal of strengthening the Asian direction of multi-vector course is set in The Foreign Policy Concept of the Republic of Kazakhstan for 2014-2020. It is said that "efforts will be focused on enhancing cooperation in trade, investment, economic and technology with the countries of East, South, Southeast Asia, the Asia-Pacific region and their regional associations... Cooperation with the Republic of India and the Islamic Republic of Pakistan will be aimed to promote political, economic and trade relations and cooperation within international organizations" (Ministry of Foreign Affairs of Kazakhstan, 2014).

There is a question on the agenda about the possibilities and limits of a multi-vector policy of Kazakhstan in the context of a new round of geopolitical tensions in the world. Kazakhstan should pay attention to other areas than deepening of Kazakh - Russian relations in the framework of the Eurasian Economic Union and the expansion of China's presence in the country and in the region, to maintain a balance in the international relations. In this vein, India as rapidly developing

* L. N. Gumilyov Eurasian National University, Kazakhstan, 010008, Astana, Satpayev Street, 2

country is one of the most influential actors of the global politics and has an undeniable importance for Kazakhstan.

Cooperation with India in the oil and gas industry is important for Kazakhstan in terms of diversification of mining and transportation of hydrocarbons. The monopoly position of several foreign operators (especially the increasing presence of Chinese companies) in Kazakhstan's oil and gas sector do not meet the national interests and the principles of economic development. The greater number of operators from different countries would create a competitive environment in the oil and gas sector and would weaken the monopoly position.

During the last decades, India has made substantial economic progress. It is the fourth economy with purchasing power, one of the largest food manufacturers and it possesses diversified and extensive industrial base capable to compete with any other country in the world. India is also a leader country in IT and fourth largest pharmaceutical industry in the world.

Due to its rapid economic development, India is expected to become the third largest economy in the world in 2025. To sustain a high economic growth rate, India will need to increase its hydrocarbon energy import. Many research institutes and scholars have predicted that India's demand for oil and gas will increase within the coming decades. India has shown great interest in pipelines and natural gas imports by focusing on importing oil and gas from the following regions (Koolae and Imani-Kalesar, 2010):

- Southeast Asia: Bangladeshi or Myanmar's natural gas either through the territory of Bangladesh or via deep-sea pipelines through the Bay of Bengal, which would bypass Bangladesh;
- Latin America and Africa;
- Middle East/Persian Gulf oil and gas reserves: either by tankers or from Iran via Iran-Pakistan-India (IPI) gas pipeline through Pakistan territory;
- Caspian Sea Region (CSR): (1) Turkmen natural gas through Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline via Afghanistan and Pakistan, (2) Azeri-Kazakh oil via the Baku-Tbilisi-Ceyhan (BTC) pipeline, Turkey and via the Red Sea by tankers, (3) the Caspian Sea region's oil and gas, on-land via Iran and Pakistan territory, or, (4) Caspian Sea region's oil and gas, via Iran's Persian Gulf ports and by tankers.

Koolae and Imani-Kalesar (2010) reported that among Caspian littoral states and in terms of oil reserves, Azerbaijan with proven 7 bbl of oil and Kazakhstan with proven 9-40 bbl oil are the richest. Till recent gas discovery in Azerbaijan's Shah Deniz field, Turkmenistan with proven 2.0 and possible 4.49 Tcm gas reserves was considered a leading gas country, a status which it still keeps. Uzbekistan's oil deposit is not considerable but as a gas-rich state, its importance

lies in its gas export potential and its geographical position for transit of energy exported either toward China or South East Asia. While multinational oil companies have initiated numerous large scale projects in Kazakhstan and Azerbaijan, Turkmenistan has achieved only smaller-scale deals. Oil and gas development in the Russian sector has been similarly less important and in the Iranian part of the Caspian Sea almost inexistent. Yet, despite the high cost of energy exploitation and transportation, legal and environmental problems, and uncertainties of the surrounding governments, oil and gas companies are competing in the CSR to sign contracts, especially in Kazakhstan and Azerbaijan (Crandall, 2006).

One of the important issues for India is religious extremism and terrorism. India shares the same view as China and other big global and regional powers on the security of the CSR, especially Afghanistan. A calm, democratic and secular CSR is conducive to Indian interests. New Delhi's worries on Islamic extremist elements in Pakistan and Afghanistan have shaped its security concerns vis-à-vis the region. In fact, the elimination of such elements has been a factor for cooperation between India and other powers since Taliban rule. India as an Asian power could contribute to the stability and peace of the region.

Compared with China's steady and growing participation in CSR's politics, energy and pipeline deals, India's involvement is relatively limited. The slowly escalating Indo-China competition for leadership in Asia, Indo-Pakistan hostility, instability in Afghanistan and competition for secure energy will leave a negative impact on large-scale involvement of South Asian states in the CSR's politics and energy. Nonetheless, "if Chinese expansion coincides with declining Russian influence, India will have no choice but to expand its political, economic and military capabilities in Central Asia" (Sachdeva, 2006).

Since the beginning of the new century, India has started to establish a special relationship with Central Asian countries. India has becoming China's rival for the resources in the region. Also, there is an opinion that India's activity in Central Asia is dictated by the desire to avoid Pakistan's presence in Central Asia, its traditional rival in the region (Mubeen, Bushra, 2015).

Despite several wars, the three nuclear states of China, Pakistan and India have common grounds for cooperation in CSR. In 2015, India and Pakistan became participants of Shanghai Cooperation Organization (SCO). Regional organizations such as SCO could provide a foundation for substantial cooperation. It has brought the three states together, though with different interests (Weitz, 2006).

2. METHODOLOGY

The research on the subject was based on neo-liberalism, which focuses on the idea that cooperating brings benefits to both sides and global institutions can be set up that make it easier for states to cooperate with one another. Also, emphasis

is placed on some elements of neo-realism related to the term “Interested States” in international relations due to their “Interest”, which is often called national.

A systematic analysis was the most effective to visualize the problem when analyzing India’s relations with Kazakhstan. Three levels of cooperation (regional, sub-regional, national) were determined during the study and comparison of materials. From the beginning India has started to build a relationship with Kazakhstan under the scheme “Caspian Region - Central Asian Region (sub-region) – Kazakhstan”. (But we didn’t set a goal to determine what is the ultimate goal for India whether the presence in a particular country or in the region). Regional format is also important for Kazakhstan. India as the representative of South Asia could diversify international relations of Kazakhstan.

The key aspects of the problem were determined in response to the traditional comparative analysis. Opportunities and prospects of bilateral relations, risks and threats to their further development were identified on the basis of SWOT-analysis.

3. RESULTS AND DISCUSSION

3.1. India’s involvement in Central Asian Region

The contemporary international significance of Central Asian Region (CAR) reflects its economic and demographic potential, geographic location, the character of relations with other states, primarily with neighbouring ones. As open market is a precondition for entering the modern global economy, Central Asian states are in search of a market oriented or market driven economic reforms, which would positively affect prospects of foreign economic participation in their economies. During the post-1971 era of close Indo-Soviet relations, cultural exchanges flourished between India and CAR. The dissolution of the Soviet Union forced India to devise new policies to deal with the political situation in post-Soviet Central Asia, its “extended” and “strategic neighbourhood”. According to Stobdan (2015), Indian PM Modi’s activism is welcomed in Central Asian countries, though they know that India has already missed the bus and it has a lot of catching up to do. India’s policy objectives in this sensitive region endeavor to make India an integral part of the expanded trade network and establish mutually beneficial economic ties apart from maintaining peace and tranquility in the region by eliminating terrorism.

Indian presence in CAR market is insignificant compared, to that the region offers. However, India’s economic relations with countries of Central Asia are taking it to a new level. As shown in Table 1, India’s trade with Central Asian countries increased to US \$1,380.31 million by 2015 from an insignificant US \$495.84 million in 2010-2011. India’s biggest trade partner in CAR is Kazakhstan with US \$952.35 in 2014-2015. The second place in the region shares Uzbekistan with total trade US \$226.31 in 2014-2015. The lowest trade turnover India shares

with Kyrgyzstan with some insignificant US \$38.53 in 2014-2015 (Department of commerce of the Ministry of commerce and industry of India, 2016).

TABLE 1: INDIAN TRADE WITH CAR, DATED: 08/04/2016
(US \$ MILLION)

<i>Country</i>		<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>	<i>2014-2015</i>
Kazakhstan	export	172.16	244.39	286.23	261.51	250.68
	import	138.42	191.86	139.99	656.33	701.67
	total trade	310.59	436.25	426.22	917.84	952.35
Uzbekistan	export	60.42	89.39	124.90	114.07	170.44
	import	20.63	37.04	31.85	31.50	55.86
	total trade	81.05	126.43	156.75	145.56	226.31
Tajikistan	export	18.31	21.28	35.16	54.27	53.71
	import	23.02	8.86	12.86	0.86	4.39
	total trade	41.33	30.13	48.01	55.13	58.09
Turkmenistan	export	26.16	43.95	69.92	73.62	91.98
	import	9.73	19.46	8.33	14.10	13.05
	total trade	35.89	63.41	78.25	87.73	105.03
Kyrgyzstan	export	25.79	30.55	34.99	34.54	37.76
	import	1.20	0.89	2.09	0.64	0.77
	total trade	26.98	31.44	37.07	35.18	38.53

Source: Compiled from data obtained from Department of commerce of the Ministry of commerce and industry of India URL: <http://www.commerce.nic.in>

However, taking into account the whole picture of India's world trade (Table 2) it is obvious that CAR market is just a developing direction. China and the USA are the biggest Indian business partners with total trade turnover US \$72,347.42 and US \$64,263.26 respectively.

TABLE 2: INDIAN TRADE WITH TOP-5, DATED: 08/04/2016
(US \$ MILLION)

<i>Rank</i>	<i>Country</i>	<i>Export</i>	<i>Import</i>	<i>Total Trade</i>
1.	China	11,934.25	60,413.17	72,347.42
2.	USA	42,448.66	21,814.60	64,263.26
3.	United Arab Emirates	33,028.08	26,139.91	59,167.99
4.	Saudi Arabia	11,161.43	28,107.56	39,268.98
5.	Switzerland	1,068.58	22,133.16	23,201.74

Source: Compiled from data obtained from Department of commerce of the Ministry of commerce and industry of India URL: <http://www.commerce.nic.in>

The authors made detailed analysis of India's trade statistics, region-wise and commodity-wise, on the basis of data obtained from Department of commerce of the Ministry of commerce and industry of India. India's share of exports to CAR was only 0.17% in 2013-2014 and 0.19% in 2014-2015. The main export

commodities from India in 2014-2015 were: articles of apparel and clothing accessories (US \$160.74 million); pharmaceutical products (US \$ 149.88 million); meat and edible meat offal (US \$ 68.95 million); coffee, tea, mate and spices (US \$ 56.95 million); nuclear reactors, boilers, machinery and mechanical appliances (US \$44.12 million), etc. At the same time, India's share of exports to China was 4.70% in 2013-2014 and 3.80% in 2014-2015, to the USA – 12.40% in 2013-2014 and 13.70% in 2014-2015.

As shown in Figure 1, India's share of imports from CAR was 0.16% in 2013-2014 and 13.50% in 2014-2015. The main import commodities to India in 2014-2015 were: mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes (US \$ 556.63 million); salt; sulphur; earths and stone; plastering materials, lime and cement (US \$ 48.29 million); ores, slag and ash (US \$ 38.97 million); zinc and articles thereof (US \$ 33.19 million), etc. At the same time, India's share of imports to China was 11.30 % in 2013-2014 and 13.50% in 2014-2015, to the USA – 4.90% in 2013-2014 and 4.90% in 2014-2015 (Figure 1).

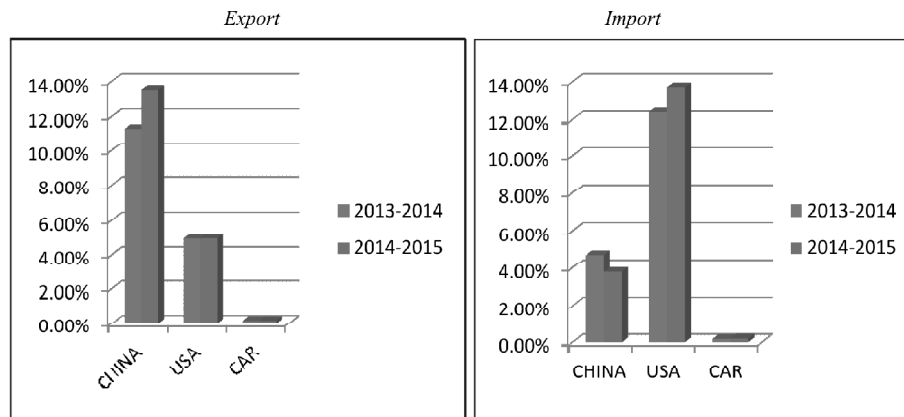


Figure 1: Comparison of export and import in 2013-2014 and in 2014-2015.
Dated: 19/4/2016

Source: Compiled from data obtained from Department of commerce of the Ministry of commerce and industry of India URL: <http://www.commerce.nic.in>

Central Asians had high expectations from New Delhi from the beginning, but India lacked sufficient efforts and skill to understand the importance of Silk Route dynamics as compared to the focused attention paid by China and others. China's trade with the region is over USD 50 billion. China is transporting energy from the region (Stobdan, 2015). Many Indian analysts viewed PM Modi's visit in 2015 to CAR as an important opportunity to counterbalance China. India's policies toward Central Asia dispose all the instruments of power: economics, diplomacy,

and military power. The military instrument is used directly in the form of the projection of Indian military power and in the form of arms sales and security assistance to key states there. Likewise, Indian diplomacy has cemented a series of regional partnerships, if not to say alliances, with key actors, often actors whose own interests are at wild variance with each other except in Central Asia: Israel, Iran, and the United States. There is no doubt that India is continuing to expand its “investment” in Central Asia and that it will deepen its connections to the area in terms of economics, diplomacy, and defense cooperation (Blank, 2003).

PM Narendra Modi’s visit to the five Central Asian countries in 2015 was not only symbolic but was also significant in terms of re-energizing Indian diplomacy in a strategically important region lying in the Indian backyard. India’s PM has become a factor in Central Asia and this is important. In fact, it has been decades since any popular Indian leader visited these countries and they felt nice about it. The visit was also important for widening the strategic perimeter and imagination among Indians towards the region beyond Pakistan and China. In all, the 21 bilateral agreements signed with the five countries were desirable, although they have already been in practice for the last two decades with little or no success. The visit entailed a strong joint socio-cultural rhetoric - references to Yoga, Hindi, Sufism, IT, among others, added substance to India’s soft power (Stobdan, 2015).

3.2. India-Kazakhstan Partnership

India-Kazakhstan contacts go back to the days of the Great Silk Route which passed from China to the Western world through the Central Asian region touching Southern Kazakhstan especially Shymkent and Zambul regions. The Silk Route played a seminal role in this cooperation, transporting not only commodities for trade, but more importantly knowledge and ideas. The flow of Buddhism from India through Central Asia to China and the flow of the ideas of Sufism from Central Asia to India are but two major examples of this phenomenon. Indian scholar Warikoo (1995) notes that in spite of physical barriers like Himalayan Mountains and mountainous steppes of Hindu Kush, there exist close socio-economic and cultural ties between the people of India and Central Asia.

After India got independence Jawaharlal Nehru, the first Prime Minister of India, considered Kazakhstan (then part of the Soviet Union) to be of great significance for India. He welcomed the former Soviet Central Asian delegation at the first Asian Relations Conference held in New Delhi in 1947 and also visited Kazakhstan during his trip to the Soviet Union in 1955 (Mavlonov, 2006). After the disintegration of the Soviet Union and the re-emergence of Kazakhstan, India-Kazakhstan relations have been re-established on the new geopolitical situation.

Diplomatic ties between India and Kazakhstan were established on February 22, 1992. India was the first country outside the CIS region, visited by President Nursultan Nazarbayev after independence of Kazakhstan. The declaration on

Principles of Mutual Relations between Kazakhstan and India was the basic document in which both parties confirmed their aspiration to establish relations based on respect for sovereignty, territorial integrity and non-interference in the internal affairs of each country. This visit in 1992 followed by the visit of then Prime Minister of India Narshimha Rao in 1993 gave impetus to India- Kazakhstan relations. President Nazarbayev also visited India in December 1996, February 2002 and January 2009.

In recent years, India has sought to increase its commerce and strategic ties with Kazakhstan, which is the largest nation of the former Soviet republics and occupies a major expanse of territory in Central Asia with extensive oil, natural gas and mineral reserves. Both nations have also sought to establish extensive cooperation and business in information technology, space research, banking and increasing volume of bilateral trade. Kazakhstan also sought to negotiate a multilateral agreement with Iran and Turkmenistan to create a transport corridor to India to ensure a reliable trade route and provide Kazakhstan commercial and shipping access to the warm water ports of India.

India's foreign policy is closely integrated with the country's fundamental security and developmental priorities. Central to Indian policy objectives is ensuring a peaceful and secure neighbourhood, cordial and balanced relations with the major powers and mutually beneficial partnerships with developing countries. India is strengthening its relations with Central Asian countries on the basis of historical and cultural linkages.

From an Indian perspective, Kazakhstan is significant for its policy for three main reasons – its strategic location, its vast energy and mineral resources, and its secular and composite social structure (Roy, 2009).

Our countries adhere to similar positions on the most actual international questions, such as sharing ideas of the multipolar world, creation of reliable structures of the international and regional security for struggle against new challenges and threats. There are bilateral cooperation mechanisms pushing forward India-Kazakhstan ties in various fields like inter-Government Commission, Foreign Office consultations, Joint Groups on IT, oil and gas, textile, transport, military and technical cooperation, combating terrorism.

India and Kazakhstan actively cooperate under the aegis of multilateral forums including the Conference on Interaction and Confidence-Building Measures in Asia (CICA), Shanghai Cooperation Organization (SCO) and the UN organizations. India continued to press for reform of the UN to make it more representative and democratic to enhance its credibility and effectiveness. Kazakhstan backs India's candidacy for the UN Security Council Permanent membership. India has been a consistent supporter of CICA and is actively participating in the process. Kazakhstan from the beginning facilitated India's entry into SCO. India supports Kazakh foreign policy's initiative – Congress of Leaders of World and Traditional Religions.

Kazakhstan also cooperates with India in field of counter-terrorism and condemned the Mumbai attacks in 2008 (Business Central Asia, 2010). Kazakhstan's analysts note, that one of the purpose of participation of India in SCO is not only maintenance of its own security of new threats connected with terrorism and separatism, but also an opportunity to play a more active role in internal affairs of Central Asia.

3.2.1. Economic relations

India has from the beginning emphasized on the development of economic relations with Kazakhstan. In the economic sphere, Kazakhstan has a two-fold significance for India. Firstly, the region represents a sizeable consumer market. Secondly, it also has vast deposits of natural resources such as abundant water for electricity generation, gold, silver, chromium and uranium besides hydrocarbons that need to be tapped, exploited and converted into value added products (Mavlonov, 2004).

All preconditions for strengthening economic cooperation have been created. Agreements on avoidance of double taxation and protection of mutual investment in each other's country have been signed in Kazakhstan and India. Kazakhstan has a council of foreign investors headed by country's President. The India-Kazakhstan Inter-Governmental Commission, established in 1992, has been instrumental in developing bilateral trade, economic, scientific, technological, industrial and cultural cooperation. There are many Indian companies operating in Kazakh market: Punj Lloyd, OVL, Punjab National Bank, Mittal Steel, etc. On their part, Kazakh companies are also establishing presence in India. There are Kazakh firms such as KazStroyService (infrastructure), Caspian Shelf (oil exploration), TVL (retail equipment), STL (transportation and logistics).

According to data obtained from Department of commerce of the Ministry of commerce and industry of India, India's export to Kazakhstan was US \$ 261.59 million in 2013-2014, US \$250.68 million in 2014-2015. The main export commodities from India in 2014-2015 were: pharmaceutical products (US \$ 57.63 million), articles of apparel and clothing accessories (US \$81.82 million), coffee, tea, mate and spices (US \$54.38 million), etc. India's import from Kazakhstan was US \$ 656.33 million in 2013-2014, US \$ 701.67 million in 2014-2015. The main import commodities to India in 2014-2015 were: mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes (US \$ 536,66 million), salt; sulphur; earths and stone; plastering materials, lime and cement (US \$ 48.78 million), iron and steel (US \$ 10.91 million), inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals (US \$ 10.72 million), etc. Prospects for cooperation in spheres of oil and gas, civil nuclear energy, uranium, agriculture, public health, information technology, education, culture and defense are promising.

A lack of direct access is a hindrance that has been pointed out time and again. The situation in Afghanistan and Pakistan makes it nearly impossible to implement

any route passing through these two countries. As of now, the International North-South Corridor if implemented would help to ameliorate the situation. Kazakhstan has taken initiative to speed up the work on its part of the Corridor.

3.2.2. Energy sector

The main factors which influence to the growth of energy resources consumption are the growth of population and economic dynamic. In India population is growing fast. According to International Energy Agency (IEA), the population in India grew from 839 million people in 1990 to 1.1 billion in 2011 and in spite of trends of decreasing birth rate to 1.1% may reach to 1.48 billion in 2030. Economic growth in India is faster than population. IEA predicts Indian economy rates to be growing to 6.8% in 2010-2030 (World Energy Outlook, 2007).

India's naturally complementary relationship with Central Asian Republics is conditioned by its increasing demand for energy sources (Wimbush, 2001). Kazakhstan occupies a leading position in the energy sector in this region. Its emergence has added a new strategic dimension to the world geopolitics and particularly for Asian countries, such as India and China (Mavlonov, 2006: 431). Major global powers as well as some regional powers are currently engaged in a new Great Game for enhancing their influence in this particular region. They also seek to influence the location of oil and gas pipelines routes to their own advantage. Like other countries India too has sought to expand economic cooperation and improve access to energy resources (Bhatia, 2009).

Currently, India imports 70% of its crude oil and gas from the Persian Gulf states (Dadwal, 2006). The increased price of crude oil also forced the Indian Government to search for alternative sustainable sources of raw materials and Kazakhstan is seen as a likely place. India is looking towards Kazakhstan as a reliable source of hydrocarbons.

Kazakhstan has the second largest deposits of uranium of 1.5 million tons, constituting approximately 17% of the world total. Astana is planning to add uranium output capacity from the current 6,673 metric tons Uranium (MTU) to 30,000 tons MTU by the end of 2018. The nuclear agreement signed with Kazakhstan makes it the fourth country besides the US, France, and Russia that would supply uranium to India for civilian energy purposes. Under the proposed agreement the NPCIL (Nuclear Power Corporation of India) will begin to import at least 120 tons of Kazakhstan's uranium annually.

Civil nuclear cooperation presents good prospects for further diversifying bilateral economic and commercial contacts. Kazakhstan actively supported India for an unconditional waiver for international commerce in civil nuclear energy during the recent negotiations at the International Atomic Energy Agency and Nuclear Suppliers Group. Minister Krishna said that Kazakhstan counts on India's support in creating an international nuclear fuel bank in Kazakhstan's territory. He

said that both countries were currently engaged in talks on cooperation in the field of peaceful nuclear energy. The technical discussions were taking place between Kazakh and Indian sides on civilian nuclear cooperation agreement and both countries finalized a final umbrella agreement on the subject. As a part of deepening cooperation, India will look for supply of natural uranium, investments by Indian companies in mining and construction and supply of small nuclear reactors with Indian technology (Kazakh-Indian business, 2010).

Kazakhstan experts believe that India's energy diplomacy is directed not so much towards funding new channels of energy supply but towards creation of new energy structure on the basis of which "Pan-Asian solidarity" lies, the essence of which is building Pan-Asian gas system which will pass through Asia, supplying energy from production centers to consumption centers in order to stimulate growth. The project of North-South transport Corridor from Astana on the Caspian Sea through Iran to the Arabian Sea has good prospective for both countries as well as for central Asia and South Asia. North-South Corridor stipulates presence of railway link from Europe to India and countries of South -East Asia.

During the visit of President Nazarbayev to India in January 2009 an agreement between the ONGC Videsh Limited and KazMunaiGaz on the Satpayev oil block and a MoU between NPCIL and Kazatomprom envisaging cooperation, including supply of uranium to India, among others, were signed. This document reflects interests of two companies in cooperation between them to supply natural uranium to India. Kazakhstan is obliged to supply 2-2.5 thousand tons of uranium to India per year. During prime minister Manmohan Singh's visit to Kazakhstan, Kazatomprom and NPCIL reached to conclude agreement in civil nuclear power cooperation. Both parties discuss prospects of India's supply to Kazakhstan of PHWR type 220 MW heavy-water reactors (Joint Declaration on Strategic Partnership between Kazakhstan and India, 2009).

According to analyst Stobdan, Modi's visit in 2015 to Kazakhstan had three path-breaking developments. First, Nazarbayev's daring decision to sign a major contract for a renewed long-term supply of 5,000 metric tons (MT) of uranium to India during the next five years is the most significant takeaway of prime minister's visit. This is in fact proving more promising than achievements on the hydrocarbons side. Second, India's ONGC-Videsh Ltd (OVL) has finally made its first breakthrough when Modi launched the drilling operations for oil exploration in the Satpayev block on July 7, 2015. Third, the Ufa Summit and Modi's visit to Turkmenistan may also have possibly shown the way finally even for the TAPI pipeline to see the light of day. In Ashgabat, prime minister called the TAPI project a "key pillar" and pushed for its realization "quickly" (Stobdan, 2015). Also, CamKazInd fund was launched with the aims to combine Kazakhstan's rare-earth elements and mineral wealth with India's human capital and the experience of Cambridge scientists to develop various technologies (Satubaldina, 2015).

3.2.3. Security

Interest of Kazakhstan and India in the development of bilateral cooperation in the sphere of security has been reflected in the Memorandum of Military and Technical Cooperation between the Governments of the two countries, in the Protocol between Committee of Defense Ministry and Ministry of Economy and Trade of Kazakhstan and Ministry of Defense of India, agreeing on creation of joint working group to combat international terrorism. It is necessary to note that conclusion of these documents in the field of military and technical cooperation between Kazakhstan and India has positive dynamics of development. The first session of joint working group, 2002, stipulated arrangements on scientific and technical cooperation in military area, modernization of available technical equipment and arms at Naval Forces of India, rendering assistance in development of Naval Forces of Kazakhstan, mutual visits of experts and interactions between law enforcement bodies of the two countries in the field of counterterrorism, struggle with extremism and illegal trafficking of arms. India has two of the finest defense training institutions in the world - namely, the National Defense Academy in Khadakvasla (Pune) and the Indian Military Academy in Dehradun (Tibb, 2009). Many cadets come from Kazakhstan to these Academies for training courses. These young officers will someday occupy the highest position in Kazakhstan's defense services and will view future India-Kazakhstan defense cooperation initiatives in a very positive light.

In this connection, President of Kazakhstan N. Nazarbayev in annual message addressed to the nation "Strategy of Kazakhstan's entry into the ranks of the 50 most competitive countries of the world", focused that tasks in strengthening and expansion of international cooperation in struggle against new threats and challenges are especially in priority and they serve as a mechanism for strengthening mutually advantageous cooperation between Kazakhstan and India.

Besides, Kazakhstan and India confirm their adherence to integration and multilateral cooperation at the regional level in the frameworks of SCO, which has two priority directions: security and economy. It is necessary to take into account that behind aspiration to receive the status of member in SCO, India has own interests. Those are expansion of export of Indian military goods and services to the markets of Central Asian countries, establishment of military presence at regional level with member countries of SCO, construction of oil pipeline involving Russia-China-India.

Both India and Kazakhstan are actively engaged in Afghan reconstruction process. Indian prime minister Manmohan Singh met Kazakhstan President N. Nazarbayev on the sidelines of the Nuclear Summit in Washington on April 11, 2010 (Review trade ties, 2010). During this meeting, the two leaders discussed regional issues of interest including the situation in Kyrgyzstan and Afghanistan. They agreed on the need for stability, security and economic development of

Afghanistan and also evinced concern at production and trafficking of narcotics. President Nazarbayev was very appreciative of India's role of reconstruction and economic development in Afghanistan, and he remarked that stabilization of the situation in Afghanistan would pave the way for direct surface link between India and Kazakhstan. President Nursultan Nazarbayev strongly condemned the terrorist attacks in Mumbai and reiterated the need for intensifying global cooperation in combating international terrorism. He also conveyed assurance that Kazakhstan stood firmly with India in dealing with the scourge of global terrorism.

Combating terrorism especially the threat posed by the Islamic State gained prominence, suggesting that it is a "threat without borders". But Central Asia, despite being located in the proximity of the main source of terrorism, is not a hotbed of terrorism. Terror threats are often used by the regimes in the region as a ploy to tighten domestic control and gain external legitimacy. The threat from the Islamic State is a new tool to garner global support. The West has raised eyebrows over crackdowns and curbing of rights of even children in the name of countering the Islamic State threat (Stobdan, 2015).

4. CONCLUSION

Contemporary geopolitical reality puts new tasks between Kazakhstan and India. Several external players interested in the energy rich and strategically located region of Central Asia. India has to take into account the influential players like Russia, China, US and the region's immediate neighbours. But India has no political ambition for dominance in the region, a factor that acts strongly in favour of India. The political relations between India and Central Asian states have been cordial with no major irritants. Absence of problems like border conflicts, historical animosity in Indo-Kazakh relations makes it easier for both to trust each other.

Economic and commercial relations between India and Kazakhstan are dynamic and expanding. Among the Central Asian countries, Kazakhstan is India's largest trading partner. However, our interaction does not fully reflect the existing potential and is not commensurate with strong and close relations. The biggest problem in enhancing bilateral commercial exchanges is the lack of a direct access route between countries. Kazakhstan is India's neighborhood but we are not able to take advantage of our geographical proximity because we cannot use the land route through Pakistan and Afghanistan due to unstable security situation in these countries. Most of the present day trade goes through third countries.

If India is unable to secure its share of the Caspian oil and gas reserves, it will likely face a logjam in the near future. India is showing increasing interest but not increasing action, unlike its Asian rival China. Direct access to the region will take time but that does not mean both countries should not explore possibilities to engage in constructive partnership. Kazakhstan should be positioned not just the source of supplier for raw materials. More Indian investments in various projects like IT,

pharmaceuticals, education, etc. in Kazakhstan will strengthen the bilateral engagements.

There is an information gap between our two countries which keeps us from realizing the full potential of our relationship. Both countries need to know each other better and have to come closer.

Speaking on future of the bilateral relationships, we believe that strategic partnership between our countries will strengthen. There are perspective tendencies of cooperation between Kazakhstan and India:

- Information Technology sphere
- Gas and oil sector
- Development of North-South Corridor from Aktau to the Caspian Sea via Iran to the Arab Sea
- Space exploration
- Military technical cooperation
- Biotechnologies, pharmaceutical, agriculture
- Development of bilateral cooperation in small and medium business.
- Cooperation in the sphere of education, sport and tourism.

There is a need to take the bilateral relations to a strategic level. A wider perspective on the region will help India to improve its present links with the region. India's experience in economic and political transformation is relevant for Central Asia. Central Asia's relations with India in general and particularly with Kazakhstan are very important to further Central-South Asian cooperation, which allow for close partnership in the wider Asian context and beyond. India and Kazakhstan together with other countries should lead South and Central Asia to a future of multilateral cooperation.

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