

INSIDE THE CHINESE COMMUNIST PARTY

JANUARY/FEBRUARY 2021

FOREIGN AFFAIRS



**Can
America
Recover?**

FOREIGN AFFAIRS LIVE

“Kazakhstan In A Changing Eurasia”

Investment Forum:

The Council on Foreign Relations, New York City, October 4th 2021



From left to right: Stuart Reid, Managing Editor, Foreign Affairs; Kairat Kelimbetov, Governor of Astana International Financial Centre; Susan M. Elliott, President & CEO, National Committee on American Foreign Policy; Todd Levy, President of Europe, Eurasia and Middle East Exploration and Production, Chevron



From right to left: Gideon Rose, Editor of Foreign Affairs and Askar Zhumagaliyev, Deputy Prime Minister of Kazakhstan

On January 2018, the White House welcomed H.E President of Kazakhstan, Nursultan Nazarbayev, for a meeting with U.S President Donald Trump. In a joint statement titled “enhanced strategic partnership for the 21st Century” both leaders reaffirmed bilateral business ties, deepening trade, innovation and ever-growing cooperation.

As a follow up, Foreign Affairs magazine organized the “Kazakhstan in a Changing Eurasia” investment conference on October 4th in New York City

at the Council on Foreign Relations. Presided by Gideon Rose, editor of Foreign Affairs, this timely initiative examined how the country is planning to future proof its economy, attract investment and strengthen its institutions. Topics covered issues ranging from the privatization of government

assets, investment in non-oil sectors of the economy to the revival of the Great Silk Road initiative, as well as innovation as a driving force across Kazakhstan’s economy.

Opening the event, Thomas Firestone, Partner, Baker & McKenzie maintained a Q&A fire chat with Kazakhstan’s

Deputy Prime Minister, H.E. Askar Zhumagaliyev who mentioned, "My mission is to ensure the implementation of the agreements reached by the leaders of our countries in the White House. Now is the time to build on the positive trends currently emerging for both countries and move towards innovation and knowledge projects. Over the past few years, Kazakhstan has completed a large-scale reform program, which has improved the business and investment climate, as well as integrate our country into regional and global trading."

Economic reforms enacted under the Complex Privatization Plan for 2016-2020 are aimed at improving the country's business and investment climate through measures that eliminate red tape and improve intellectual property protections. The idea behind the changes is to use common law principals in commercial law to foster best practices in corporate finance. Governor of the AIFC, Kairat Kelimbetov, called it the "Dubai model."



Todd Levy, President of Europe, Eurasia and Middle East Exploration and Production, Chevron

According to Susan M. Elliott, President & CEO at the National Committee on American Foreign Policy, Kazakhstan has "maintained low business risk," sustained healthy diplomatic relations with the United States, and recognizes the importance

of investing in human capital. Further easing worries of Western investors is the sentiment expressed by Todd Levy, President of Europe, Eurasia and Middle East Exploration and Production at Chevron, that tensions between the U.S., E.U. and

Welcome to today's
FOREIGN AFFAIRS LIVE

Event Partner
THINKLINK

Sponsors:









Kazakhstan in a Changing Eurasia

8:30-9:00am Registration and Networking Breakfast

9:00-9:15am Welcome Remarks

9:15-10:15am Foreign Affairs Briefing

10:25-11:25am Kazakhstan and the new Silk Road

11:40-12:40pm Simultaneous Breakout Sessions

Breakout 1: Innovation and Digital Transformation

Breakout 2: Kazakhstan's Privatization Program:
Tapping International Capital Markets

12:45-1:45pm Networking Lunch

1:30-3:30pm B2B Meetings



The Council on Foreign Relations



Russia have not impacted business practices of foreign entities in Kazakhstan.

The Innovation panel gave an overview of the key challenges and opportunities arising as traditional industries such as agriculture, energy, mining, manufacturing and transport are disrupted. Hushke Diekmann, General Manager of Transportation Digital for Europe, CIS-Russia, North Africa & Middle East for General

Electric and Hans Timmer, Chief Economist for Europe and Central Asia, World Bank, discussed how digital optimization and the generation of massive amounts of new data is changing the way in which value and profit is created.

In addition, Nurlan Rakhmetov, Managing Director of Samruk-Kazyna JSC, encouraged prospective investors to participate in the "Privatization Program" of

state assets and consider possibilities for establishing joint ventures at the three special economic zones in Kazakhstan. "The Samruk-Kazyna Fund has the largest portfolio of high-quality assets of Kazakhstan worth 74 billion US dollars and covering several companies across various sectors of economy. In the present year, we plan to finish the privatization of 50 assets that include large, medium and small companies," said Nurlan Rakhmetov, responsible for overseeing all the privatization for Samruk-Kazyna. The leadership of the Fund pointed out that all assets were properly prepared before entering the market. In particular, it was facilitated by the Transformation Program of groups of companies of Samruk-Kazyna. Following the panel session, several B2B meetings with American and international investors and other strategic partners were held as part of the forum.

From left to right: Roland Nash, Senior Partner, Verno Capital and David A. Merkel, Managing Director, Summit International Advisors; Eurasia Center, Atlantic Council



Bilateral B2B meetings



H.E. Erzhan Kazykhanov,
Ambassador of
Kazakhstan to the
United States of America

An Interview With **Erzhan Kazykhanov,** *Ambassador of Kazakhstan to the United States of America*

The future of trade in Asia could depend heavily on what becomes of China's expansive One Belt, One Road initiative, which calls for massive investment in and development of trade routes in the region. How can Kazakhstan capitalize on such initiatives? What policy innovations and private-sector initiatives are needed if Kazakhstan's manufacturers are to compete globally and fully integrate global value chains?

Strategically located between East and West, Kazakhstan was historically interlinked with major communication routes and paths of trade that are known today as the ancient Silk Road. Experts argue that the route along Kazakhstan's vast land carried more than just merchandise and precious commodities. Connecting eastern and western markets, spurring immense wealth, and fostering innovation, intellectual and cultural exchange, made Kazakhstan one of the epicenters of the first waves of globalization. It is therefore not a coincidence

that the vision for engaging the world in re-creating the ancient Silk Road was presented by President Xi Jinping in Kazakhstan in September 2013. This initiative was supported by President Nursultan Nazarbayev who has been a strong champion of Eurasian integration and increased economic connectivity since the very early days of the country's independence. Five years since the launch, Belt and Road Initiative set the stage for a sprawling network of railroads, highways, gas and oil pipelines, cities and investments in modern infrastructure to re-

vive the hugely successful ancient Silk Road with a 21st century strategy and outlook.

In the past several years, the country's foreign policy has proven effective in balancing international interests as Kazakhstan continues to forge its path in international and regional organizations. What have been the most significant foreign policy successes during your tenure and how do you see Kazakhstan's role on the global stage in the coming years?

Indeed, Kazakhstan is a textbook example of how a multi-ethnic nation – the ninth largest country in the world – can live in peace and stability as well as secure a major standing on the international arena, thanks to its balanced and multi-vector foreign policy.

As the Soviet Union collapsed in 1991, the newly independent Kazakhstan emerged overnight as the fourth-largest nuclear power in the world that could, in theory, pose a serious threat to humankind. But Kazakhstan did not pursue this destructive path. Instead, as a firm believer in confidence-building measures, dialogue and partnership, President Nursultan Nazarbayev laid down a comprehensive long-term strategy aimed at the complete dismantlement and removal of one of the world's largest nuclear arsenals, establishing his nation as a reliable global partner. Years on, this decision is still highly praised by the members of the international community. Addressing the UN General Assembly last year, the 69th US Secretary of State Rex Tillerson noted positively that Kazakhstan is a particularly illustrative example of the wisdom of relinquishing nuclear weapons and of a modern nation making a substantial contribution to regional and international peace and prosperity.

As a member of the UN Security Council for 2017-2018, we have continued our pioneering model to address issues with worldwide implications. Chairing the high-level briefing of the UN Security Council in January 2018, President Nazarbayev noted that as the first country from Central Asia ever elected to the council, we became the voice of our people in this high office and laid down a comprehensive conflict prevention strategy. In addition to early warning, preventive deployment, mediation, peace-keeping, post-conflict peacebuilding, and accountability measures, for the first time this

strategy included the issue of non-proliferation of weapons of mass destruction. This is what makes the adopted document unique.

Furthermore, in line with its commitments to promote global peace and prosperity, Kazakhstan continues to play a major role in stabilizing Afghanistan. Acknowledging that only an Afghan-led and Afghan-owned process will bring stability and security, Kazakhstan remains at the forefront when it comes to consolidating international efforts.

Last month, the nation's capital of Astana hosted the Regional Conference on Empowering Women in Afghanistan, which produced a powerful and inclusive effort aimed at elevating voices and perspectives from across all sectors and levels to stress the importance of full engagement of women in the reconciliation process, as well as in the social and economic life of Afghanistan. The US firmly supported this initiative by sending top State Department officials, while the special address was made by the Assistant to the President Mrs. Ivanka Trump, who acknowledged the efforts of Kazakhstan's government for championing this important cause.

Kazakhstan has been widely praised for these efforts and its exemplary role in building a safe and secure world during its presidency of some of the most respected international organizations and institutions, including the OSCE, OIC and now the UNSC. Kazakhstan will not cease to work closely with the international community and all actors involved in putting forward these important initiatives.

The United States was the first country to establish diplomatic relations with Kazakhstan after its independence 25 years ago. This relationship has grown in large part because American and Kazakhstani officials and companies have continued to work well together in a cooperative partnership. Can you please provide an overview of US-Kazakhstan bilateral relations?

The US was indeed the first country to recognize our independence and open its Embassy in Kazakhstan. Throughout the past twenty-six years, relations between our countries have grown profoundly both in substance and significance.

Recognizing this positive trend in Kazakh-American relations and upon the formal invitation from the White House, President Nursultan Nazarbayev made an official visit to Washington, DC early this year to meet President Donald Trump, Vice President Mike Pence and a large number of America's top business executives.

Distinctively, these meetings cemented our country's commitment to foster our cooperation in many areas of mutual interest, such as global politics and regional integration, defense and security, trade and investment, strategic energy dialogue, cultural and humanitarian links, and people-to-people relations. Most importantly, this high-level commitment was reflected through the adoption of the milestone document entitled, "United States and Kazakhstan: An Enhanced Strategic Partnership for the 21st Century," which not only outlines the goals and priorities of our bilateral agenda but also sets a long-term vision to build a common future.

In terms of future plans, the visit reinforced close commercial and trade ties between Kazakhstan and the United States as an important way to create jobs and accelerate economic growth in both countries. For example, we signed numerous deals with far-reaching implications for both economies worth more than 7 billion US dollars.

Almost a year on since this high-level visit, I am delighted to see that both countries are continuing to unlock the immense potential for mutually beneficial cooperation with great enthusiasm. We have established the High Level Working Group on the Enhanced Strategic Partnership between Kazakhstan and the United States to ensure successful implementation of all agreements.

In just the past 9 months, both countries have exchanged an unprecedented number of highly successful bilateral visits and B2B communication in healthcare, agriculture, education, trade, culture and sciences. Later this month, US Secretary of Commerce Wilbur Ross will lead one of the largest certified trade missions to Kazakhstan. We are also expanding our presence in the United States by opening Kazakhstan's Consulate General in San Francisco to boost cooperation in technology, startups, innovation and tech policy.

As we look forward to continue working together for shared growth and prosperity, I am positive that the spirit of enhanced partnership and cooperation that exists between our nations will continue to thrive.