



# Kazakhstan News Bulletin

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## **Kazakhstan Will Pursue Large Scale Diverse Investments in Georgia**

Presidents Nursultan Nazarbayev and Mikheil Saakashvili held talks in Astana March 6 during the President of Georgia's visit, confirming growing economic ties between the two countries and unveiling plans for rapid expansion in the near future.

Speaking at a joint news conference, President Nazarbayev noted the booming bilateral trade which last year almost doubled, growing by 90 percent. "Such a growth has never been seen before," he said, adding Kazakh companies invested close to 300 million dollars in Georgia last year alone.

"We are grateful to Kazakhstan because the first investment to Georgia in the most difficult time for us came from Kazakhstan. When we started, Kazakhstan was the first to believe in Georgia, and today we are seeing investments from this country ranging in billions," President Saakashvili stated. "We expect our bilateral trade to double yet again this year since there are prospects for growth."

Energy, oil and gas industry and transportation are key areas of cooperation, but it doesn't stop there. "Today, all sectors, including energy, are open for business. There are also a number of projects for small and medium sized companies... This year, major hotel construction is going on in Georgia with the participation of Kazakh capital," the Georgian President said.

Oil and gas still remain the two main industries with the largest prospects.

Earlier, KazTransGas, Kazakhstan's main operator of gas pipelines, acquired gas distribution in Tbilisi, the Georgian capital. This year, KazMunaiGaz, Kazakhstan's National oil and gas company, seeks to buy a majority stake in the Georgian Black Sea port of Batumi. President Nazarbayev, announcing this opportunity, added that once this happens, the company will look at building a new oil terminal and oil refinery there.

"Constructing an oil refinery in Batumi is a huge one billion dollar project. It is very important not only for the economy of Georgia but of the entire region," President Saakashvili said, expressing great satisfaction.



**Presidents Nursultan Nazarbayev (right) and Mikheil Saakashvili found many promising avenues for Kazakhstan-Georgia cooperation during their talks in Astana on March 6.**

“The Caucasus corridor to Europe and the Mediterranean is becoming very important for us, and Georgia is our very active partner,” President Nazarbayev said.

In a joint communiqué issued after the meeting in Astana, the two presidents noted the “timeliness of diversifying routes for exporting energy resources from Central Asia to Europe” and expressed their “commitment to strengthening the stability and security, and ensuring a climate of confidence and mutual understanding in South Caucasus and Central Asia.”

## **First Modern Highway to Connect Astana and Borovoe**

Government officials and business people in Astana, as well as many visitors to Kazakhstan’s new capital, will soon be able to get a break from their grueling routine and sneak away to a nearby tourist destination of Borovoe after driving two hours on a modern highway.

Kazakhstan’s Ministry of Transport and Communications (MTC) announced plans to launch a new six lane highway connecting Astana with Borovoe in 2008.

The Borovoe region, located 225 kilometers to the north of Astana, is usually called “Kazakhstan’s Switzerland” for the beauty of its lakes and hills covered with sweet smelling pine trees. Today it is currently connected to Astana by a two lane road which can no longer handle the traffic in both winter and summer seasons. With the planned relocation of all of Kazakhstan’s casinos to Borovoe, and another location in the south of the country, and its ensuing transformation into an even larger tourist destination for visitors from Kazakhstan, Russia, China and beyond, having a new and faster road makes a lot of sense.

The MTC said the new six lane highway which will incorporate the old two lane road is one of the most costly projects in the country’s history with 3.7 million dollars spent per one kilometer. The highway will be equipped with modern means of traffic control, including video surveillance and frequent land connections for emergency calls. It will be maintained by five stations of technical support. Three modern rest areas with camping facilities, restaurants, parking as well as a service and a gas station will also be built.

In a familiar sign for Americans but a novelty for Kazakhstan, the entire highway will be fenced to ensure safety while connecting roads will be linked to the highway through traffic interchanges, not traffic lights, which will add to speed and safety.

The Ministry expects the basic highway will be operational next year, while all support facilities will be finished by 2009. The new road will handle up to 40,000 cars daily.

## **Kazakhstan Is Kyrgyzstan’s Largest Investor, Plans More Provided Political Stability Is There**

Kazakh companies have invested more than 100 million dollars in Kyrgyzstan in the past 18 months making Kazakhstan the largest foreign investor in the neighboring country, Kazakhstan’s Ambassador in Bishkek said on March 7.

Speaking at a press briefing in the Kyrgyz capital, Ambassador Umirzak Uzbekov said companies from Kazakhstan are looking at investing much more provided political stability can be ensured in Kyrgyzstan which has been going through a lot of political changes started with a change of government in 2005 after the ouster of former President Askar Akaev.

Uzbekov said Kazakh investments amounted to 40 million dollars in 2005 and more than 60 million dollars in 2006 with positive trends continuing. In 2006 alone, Kazakh investors commissioned a cement plant in Kurmenty (Issyk Kul Region) as well as the Aksu corn processing sugar plant in the Chu Region of Kyrgyzstan. Among other notable Kazakh investments helping to revive the Kyrgyz economy are the launch of a second production line at the Kant plant of local knitting materials and restoration of the Kadamzhai antimony factory in the Batken region in the south of Kyrgyzstan. A Kazakh-Kyrgyz joint venture Altynken is also actively investing in developing a gold mine, “Taldy Bulak Levoberezhnyi”.

Uzbekov explained that, provided political stability is ensured in Kyrgyzstan, Kazakh investments may grow significantly. Of particular interest for Kazakhstan are areas such as expanding cooperation in common use of water and energy resources in Central Asia and building a more direct road from Almaty, a bustling Kazakh city of 1.5 million people, to Lake Issyk Kul, Kyrgyzstan's main tourist attraction. Right now, Kazakhs traveling to Issyk Kul have to cover 300 miles in a circuitous way while direct distance between Almaty and the lake, separated by the Tien Shan Mountains, is only 50 miles.

## Things to Watch:

- President Nursultan Nazarbayev will visit Egypt March 11 through 13 for talks with President Hosni Mubarak on promoting ties between the two countries and discussions of ways to help move forward the Middle East peace process. Several bilateral agreements are expected to be signed.
- Kazakhstan's Senate will hold an international conference, *The Republic of Kazakhstan's International Cooperation: Realities, Goals and Perspectives*, in Astana on March 14. Kassym-Zhomart Tokayev, the Speaker of the Senate, is to deliver the keynote address at the conference to an audience of speakers and leading members of foreign parliaments, members of the diplomatic corps and political scientists.
- We still have a few copies available of *Kazakhstan: Reaching for the Future*, a 9-minute video documentary prepared by our Embassy. It tells the story of what Kazakhstan has become in the 15 years of its independence and of the importance of strategic partnership between Kazakhstan and the U.S. The video is available at Youtube [here](#). Those in the United States and Canada who would like to receive a copy on DVD, please contact Roman Vassilenko at numbers below.

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News Bulletin of the Embassy of the Republic of Kazakhstan to the USA and Canada  
Contact person: Roman Vassilenko  
1401 16<sup>th</sup> Street NW, Washington, DC 20036  
Tel: 202 232 5488, ext. 104, Fax: 202 232 5845