



**THE BEGIN-SADAT CENTER FOR STRATEGIC STUDIES**

# **Israel and Kazakhstan**

## **Assessing the State of Bilateral Relations**

**Gil Feiler and Kevjn Lim**



**Mideast Security and Policy Studies No. 107**

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**THE BEGIN-SADAT CENTER FOR STRATEGIC STUDIES  
BAR-ILAN UNIVERSITY**

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# Israel and Kazakhstan

## Assessing the State of Bilateral Relations

### Table of Contents

EXECUTIVE SUMMARY.....	7
INTRODUCTION.....	9
KAZAKHSTAN: An Overview .....	10
Forming Bilateral Ties .....	17
POLITICAL AND SOCIO-CULTURAL RELATIONS .....	22
ECONOMIC RELATIONS .....	24
MILITARY AND SECURITY RELATIONS .....	31
STRATEGIC IMPLICATIONS: ENERGY, ISLAM, AND IRAN .....	33
CONCLUSION.....	38



# Israel and Kazakhstan

## Assessing the State of Bilateral Relations

*Gil Feiler and Keyjn Lim*

### EXECUTIVE SUMMARY

The relationship between the State of Israel and the Republic of Kazakhstan, a Muslim nation of 18 million, offers a fascinating case study in international relations. On the surface, one finds little common ground. Yet over the past two decades, mutual relations have acquired significance. Israel's experience, innovation, and qualitative edge continue to provide solutions to Kazakhstan's development imperatives. Diplomatic relations have evolved overtly and against the general grain of Islamic politics, and in some ways dovetail with Kazakhstan's wider foreign policy outlook. Both countries report ongoing bilateral trade across a wide sweep of economic sectors. Likewise, there is evidence that suggests more extensive defense and security cooperation than meets the eye.

While high-tech and first-rate human capital stream towards the Kazakh steppe, raw energy and wheat flow toward the Mediterranean, the precise volumes of which are rarely ever presented to public scrutiny. Kazakh foreign policy draws strength from balance as well as the ability to parley with diametrically opposed actors. Relations with Kazakhstan allow Israel to circumvent its hostile near abroad, but also provide a bridge for Israel to re-engage with the wider Islamic world, particularly through the more neutral terrain of inclusive, interfaith dialogue that Astana has prominently championed. In all these ways, historical and material conditions have converged to facilitate cooperation. However, all this notwithstanding, much still surprisingly remains in potentia, and Israel's decision-makers would do well by not losing sight of a key partner in the Islamic world.



# Israel and Kazakhstan

## Assessing the State of Bilateral Relations

*Gil Feiler and Kevjn Lim*

### INTRODUCTION

Once the “big blank space in the middle of Asia” and the embarrassingly portrayed subject of Sacha Baron Cohen’s 2006 parody Borat, Kazakhstan has bucked the odds to become the most stable and most prosperous country in Central Asia. Kazakhstan represents a moderate Muslim nation, is situated in a strategically pivotal swathe of land straddling Europe and Asia, and possesses one of the planet’s single largest reserves of natural resources in a territory larger than Western Europe. From Israel’s perspective, these elements make Kazakhstan an attractive foreign policy objective.<sup>1</sup>

Since Israel’s independence, the threat emanating from its Arab neighbors has necessitated the optimization of ties along its periphery and beyond. Furthermore, Israel’s dependence on oil and gas imports, the production and trade of which are still heavily dominated by the Muslim Middle East, has rendered it vulnerable. Thus, when the Soviet Union dissolved in December 1991, Israel hastened to reach out to the emerging republics in Central Asia and the Caucasus, Kazakhstan and Azerbaijan chief among them. In the following two decades, the form and substance of bilateral relations have evolved significantly and have extended to sensitive security cooperation.

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Over recent years, a number of developments, including the uprisings that have shaken the Arab world, have increasingly challenged Israel's strategic positioning. Jerusalem finds itself reckoning with the growing saliency of political Islam, the proliferation of increasingly virulent armed jihadist movements, and the uncertainties looming over its own relations with key partners in the Muslim world, such as Egypt and Turkey. Likewise, it continues to face the prospect of a potentially nuclear Iran and the threat posed by its support for a "resistance axis" composed mainly of non-state actors which Israel views as terrorist organizations. The longer term implications of stalled Israel-Palestinian peace negotiations may likewise weigh in to force a reassessment of Jerusalem's priorities and response. Given these circumstances, it may be useful to re-examine Israel's relations with Kazakhstan, a country whose influence is increasingly felt on the world stage and notably within the Islamic world.

This study aims to capture the current state of interaction between Israel and Kazakhstan across various dimensions. It begins with a survey of Kazakhstan's domestic political landscape and foreign relations. The second chapter examines Israel's stakes in Central Asia, before briefly examining Kazakhstan's rationale for cultivating relations with Israel. Chapters 3-5 review the countries' mutual relations in the political, sociocultural, economic, and military and defense spheres. The final chapter examines the strategic implications of this relationship with regards to Israel and the potential challenges and opportunities involved, focusing on three specific aspects: energy security, the Muslim world, and Iran. While the Israel-Kazakhstan relationship has grown stronger, Jerusalem has not yet fully exploited its strategic potential. Israel should further develop this critical source of leverage, particularly with regards to the wider Muslim world, in order to shore up its strategic standing.

## **KAZAKHSTAN: AN OVERVIEW**

### *Domestic Politics*

The Kazakhs are believed to have first emerged as a distinct, nomadic Turkic-Mongol people in the mid-fifteenth century after breaking away

from the Uzbeks. They organized into tribal-military units, divided by territory, known as the Great (ulu), Middle (orta), and Small (kishi) Hordes (zhuzes), and a semblance of a political Kazakh collective, or Khanate, began to amalgamate.<sup>2</sup> Regional tensions and domestic maneuvering brought the neighboring Russians into the picture as “protectors” towards the mid-1700s. This gave rise to a process which eventually culminated in heavy-handed Russification and annexation within the emerging Russian political sphere for the next two centuries. Later, Kazakh territory, and subsequently the Kazakh Soviet Socialist Republic, became the key locus for Russian resettlement policy and nuclear weapons tests in the 1950s and 1960s.

After the USSR collapsed in 1991, Kazakhstan was the last Central Asian Republic (CARs) to declare independence on December 16, 1991, owing to its particular political and economic relationship with Russia. Then president and former first secretary of the Kazakh Communist Party Nursultan Abishevich Nazarbayev was elected president of the new republic – after running unopposed – with a reported 98.8 percent of the votes. In 1995, a new constitution was approved by public referendum which further increased the powers of the presidency, to the detriment of Parliament. Since then, Nazarbayev has been reelected three more times.<sup>3</sup> A 2007 reform initiative claiming to strengthen democracy and the rule of law included a constitutional amendment that removed all presidential term limits. In 2010, Parliament named him “Leader of the Nation” (Elbassy) and granted him lifelong immunity from prosecution, among other privileges extending to his family and property.<sup>4</sup>

Under Nazarbayev, Kazakh politics have been dominated by one party, which over the years has undergone various transmutations and strategic mergers. Its latest guise is Nur Otan (Light of the Fatherland) – a 2006 merger of Nazarbayev’s Otan party, his daughter Dariga’s Asar party, and two other parties – that secured 90 percent of the parliament in August 2007 and was responsible for the aforementioned amendment.<sup>5</sup> Whenever a coalition has emerged in Kazakhstan, the component parties have always been facilitators of Nazarbayev’s grip on power. Such was the case in January 2012, when both the pro-government Ak Zhol and the People’s Communist Party joined Nur Otan after barely scraping over the 7 percent electoral threshold, conveniently facilitating the illusion of

a multiparty system.<sup>6</sup>

The Nazarbayev clan overwhelmingly dominates the intersection of political power and big business. Nazarbayev has three daughters and eight grandchildren, but no direct male heir other than a religiously-inclined nephew. His eldest daughter Dariga is as much of a political animal as her father, whereas Dinara and Aliya run extensive private business empires. Dariga's ambitious ex-husband, Rakhat Aliyev, fell out of favor with the regime in May 2007 and went into exile after being accused of treason, whereas Dinara's current husband, the tycoon, Timur Kulibayev, appears to eschew politics for business.<sup>7</sup> A sister-in-law, Svetlana, controls much of the state-run media. Nazarbayev's wife Sara has engaged in charity work rather than politics. The president has become something of an ultimate arbiter among elite patronage networks competing for access to resources and key appointments in a watered-down continuation of the Soviet nomenklatura. At 73, Nazarbayev has already ruled independent Kazakhstan for 22 years. Other than Dariga, no clear successor seems to be in the offing, nor has Nazarbayev publicly hinted at a succession strategy. Still, it is expected that he will seek to place someone from within his inner circle, if not his family.

### ***Economy***

Kazakhstan's economy, which grew by an average of 10.3 percent from 2000 until the 2008 financial crisis, has so far ensured domestic stability comparable to a number of Asian models.<sup>8</sup> Kazakhstan is defined by the World Bank as an "upper middle income" country, and was the first from the Former Soviet Union (FSU) to both receive an investment grade credit rating in 2002 and repay its IMF debt ahead of schedule. In 2012, after a two-year recovery spurt, growth again slowed down to 5 percent of GDP. Still, according to the World Bank, nominal GDP per capita reached \$11,935, eclipsing all of Central Asia and Trans-Caucasia, even Turkey, and putting it roughly on par with Brazil and Poland.<sup>9</sup> Nazarbayev's "Kazakhstan 2050 Strategy," presented in 2012, envisages Kazakhstan as one of the world's 30 most developed countries by that year, a notch up from the previous focus on domestic economic improvements. That being said, much of the country's wealth remains concentrated in the

largely Russian-speaking cities of Astana and Almaty, leaving wide gaps between the rich and poor, particularly in rural areas and even the oil-rich western regions. Furthermore, Kazakhstan is disproportionately reliant on its oil and extractive industries – up to a third of its GDP – and half of its export revenues derive from hydrocarbons alone, rendering it vulnerable to fluctuations in oil and commodity prices.

### ***Foreign Relations: Russia, China, and the West***

Kazakhstan's foreign policy thinking is often described as “multi-vector”<sup>10</sup> and is shaped by at least three determinants.<sup>11</sup> Beyond its geographical pivot between east and west, Kazakhstan borders two world powers. The first, Russia, shares 7,000 km of common border with Kazakhstan, ruled it for nearly two centuries, and continues to influence it via the use of Russian as the language of learned discourse and news consumption, and a residual, albeit sizeable, ethnic Russian population. Furthermore, Moscow still maintains strategic military assets deep inside Kazakh territory.<sup>12</sup> While Nazarbayev has been careful to avoid unnecessarily antagonizing his northern neighbor, he has endeavored to gently erode Moscow's influence on the new republic. One way was to strongly advocate maintaining multilateral regional arrangements at the outset with the aim of spreading Moscow thin; five days following Kazakh independence, the Commonwealth of Independent States (CIS) came into being. In 1997, Nazarbayev took the drastic step of transferring the capital from Almaty to Astana (formerly Akmola) in a move interpreted less to close ranks with Moscow than to prevent ethnic secession by consolidating Kazakh control of the predominantly ethnic-Russian northern oblasts. Nonetheless, good relations with Kazakhstan's third-largest trade partner, evidenced in various substantive bilateral resolutions – most prominently the 1998 Declaration of Eternal Friendship and Cooperation for the Twenty-First Century – will remain a foreign policy priority for the foreseeable future.<sup>13</sup>

To its east, Kazakhstan shares a 1,460 km border with China, the world's second-largest economy and an increasingly assertive power on the world stage. Bilateral relations are positive if complex, with a clear Chinese interest in Kazakhstan restraining politically provocative elements of its

300,000-strong Uighur population, whose ethnic kin across the border in China's remote, energy-rich Xinjiang Autonomous Region chafe at Beijing's heavy-handed rule.<sup>14</sup> China's recent Great Silk Road initiative signals strategic accommodation in its relations with Central Asia, and derives from the growing need to revitalize its western overland route to offset supply disruption risks associated with its eastern maritime trade.<sup>15</sup> China was Kazakhstan's second-largest trade partner in 2012 at \$24 billion,<sup>16</sup> nearly three times China's \$9 billion bilateral turnover with Turkmenistan, its next largest Central Asian trade partner.<sup>17</sup>

But China's economic momentum and voracious thirst for energy resources mean that oil and gas cut to the very heart of bilateral relations. China currently imports 235,000 barrels of crude per day from Kazakhstan alone – almost a quarter of its total crude imports from the FSU – and aims to raise this figure to 1.5 million barrels/day in the foreseeable future.<sup>18</sup> Two pipelines spanning the Caspian region and western China have been completed to date: one transporting oil from Atyrau, Kazakhstan, to Alashankou, China, and the other carrying natural gas from Saman-Depe, Turkmenistan to Huocheng, China via Uzbekistan and Kazakhstan. Both countries also recently inaugurated the Beyneu-Bozoy-Shymkent pipeline, expected to transport 6 billion cubic meters of Caspian gas to Xinjiang.<sup>19</sup> Beijing has also acquired significant stakes in Kazakhstan's energy sector.<sup>20</sup> If nothing else, China matters to Astana for the simple fact that it counterbalances Russia.

After geopolitics, the imperatives of economic modernization comprise the second element of Kazakhstan's foreign policy. Kazakhstan's stated desire to transition from command to market economy, powered by its abundant natural resources, demanded that it also turn outwards, particularly to the US and the EU. The leading companies involved in Kazakhstan's energy sector are American, and the US was the recipient of over a third of the country's foreign investment from 1993-2012, to the tune of \$16.5 billion.<sup>21</sup> In 2012, the EU was Kazakhstan's largest trade partner, and by then had underwritten another third of all of Kazakhstan's foreign investments.<sup>22</sup> Pipeline economics also have a modulating effect on territorial sovereignty. With most of its energy pathways still subject to Russian transit,<sup>23</sup> landlocked Kazakhstan has vigorously sought out alternative routings to the EU in addition to China. In October 2008 a

portion of its oil exports was rerouted onto the BTC (Baku-Tbilisi-Ceyhan) pipeline to lessen dependency on Russia. Moscow's refusal, in 2006, to increase pumping capacity along the CPC (Caspian Pipeline Consortium) route, demands for higher transit fees, and insistence that Novorossiysk remain the primary trans-shipment terminal also contributed to this policy. As it happened, the Russian refusal coincided with Kazakhstan's protest against unilateral Russian recognition of South Ossetia following the Russia-Georgia war in August 2008. Understandably, Russia continues to object to greater diversion of Kazakh energy exports via proposed non-Russian pathways such as the Trans-Caspian and Nabucco pipelines. Other than geopolitical considerations, one reason for Russia's objections is that Kazakh oil is lighter and sweeter, and therefore of higher value, which Russia is thought to be blending with its own Western Siberian crude to improve profits.<sup>24</sup>

The political and security dimensions of relations with Western powers also serve to balance Kazakhstan's immediate neighbors. When Kazakhstan decommissioned its Soviet-era nuclear arsenal and had it repatriated to Russia, it turned to Washington for political and technical assistance.<sup>25</sup> Astana has been an important partner in the "War on Terror" by supporting coalition efforts in Iraq and Afghanistan. When Islamabad severed the NATO-led International Security Assistance Force (ISAF) supply route following the killing of Pakistani border patrol soldiers, the Northern Distribution Network (NDN) linking Europe to Afghanistan via Central Asia came to the forefront, with Kazakhstan playing an even more important role in overland, aerial, and transpolar transit than has been acknowledged. In 2012, the country was the first CAR to approve use of its territory towards ISAF's impending military drawdown and reverse transit. Since 2006, Kazakhstan has hosted and participated in Steppe Eagle, an annual counterterrorism military exercise held together with NATO allies.<sup>26</sup>

### ***Involvement in Regional and International Organizations***

Astana's involvement in regional and international organizations is an extension of its diplomatic balancing act and quest for economic empowerment. Kazakhstan is a founding member of several Eurasian

forums – other than the somewhat-symbolic CIS – including the CIS version of NATO known as the Collective Security Treaty Organization (CSTO), as well as the Shanghai Cooperation Organization (SCO). Kazakhstan's membership in the SCO in its current composition – with Russia and China as co-leaders, and most of the CARs members – grants it a particularly privileged, somewhat senior position, given the mutual balancing this imposes on Russian-Chinese relations. Astana is also a member in the Eurasian Economic Community (EurAsEC),<sup>27</sup> the Economic Cooperation Organization (ECO),<sup>28</sup> the Organization of the Islamic Conference (OIC), as well as an observer in the Non-Aligned Movement. While NATO's Partnership for Peace Program includes several FSU countries, Kazakhstan's involvement goes a step ahead by way of the Individual Partnership Action Plan. Most tellingly, in 2010, Kazakhstan was the first FSU and Muslim-majority country to assume the chair of the Organization for Security and Cooperation in Europe (OSCE), hosting its seventh summit in Astana. Kazakhstan chaired the OIC from 2011-2012, and was elected to the UN Human Rights Council in November 2012, despite allegations of civil and political repression. Kazakhstan also formally applied for membership to the World Trade Organization in 1996,<sup>29</sup> and is bidding for a non-permanent seat at the UN Security Council for 2017-2018.

Kazakhstan is a prime mover in several initiatives bringing together, in varying combinations, the six independent Turkic states and other ethnic Turkic autonomous or de facto state entities.<sup>30</sup> The most prominent of these is the Cooperation Council of Turkic Speaking States (or Turkic Council),<sup>31</sup> which has since become the umbrella organization for other pan-Turkic initiatives.<sup>32</sup> Starting from the basis of shared history, culture, and linguistic heritage, the group's collective scope runs the gamut from social, educational, and scientific cooperation to economic and political integration, including matters relating to foreign policy and regional security. While the net significance of the wider project remains open to debate at this stage, what is clear is Kazakhstan's intent and ability to leverage on yet another regional framework for international engagement.

Kazakhstan's growing confidence in its global role has translated into assertiveness in several areas. Having set the ante with voluntary

denuclearization, Astana has pursued and promoted key non-proliferation initiatives, as well as a Central Asian Nuclear Weapons-Free Zone.<sup>33</sup> It has twice hosted talks between the P5+1 and Iran over the latter's alleged nuclear program, and has offered to host the world's first international nuclear fuel bank under the auspices of the International Atomic Energy Agency (IAEA), a clear signal intended for Iran's leaders.<sup>34</sup>

A particularly noteworthy Kazakh initiative is the Conference on Interaction and Confidence-Building Measures in Asia (CICA), which brings together a number of regional members in conflict with each other such as Pakistan and India. This forum, founded in 1992 for the purpose of "enhancing co-operation through elaborating multilateral approaches towards promoting peace, security, and stability in Asia," is unique in being only one of two that includes both Israel and Iran as members (the other being the UN).<sup>35</sup> Operating in a similar spirit is the Congress of Leaders of World and Traditional Religions, which attempts to enlist the various spiritual traditions to reinforce mutual understanding, and by extension international security. In this context, Kazakhstan has initiated and presided over four sessions of what is also known as the "dialogue of cultures and religions," an institutionalized forum of the kind rarely observed in international relations.<sup>36</sup> Initiatives like these, along with Kazakhstan's independence from Arab oil, geo-economic leverage, and political geography, pave the way for Astana's simultaneous relations with the Muslim world and Israel.

## **FORMING BILATERAL TIES**

### ***Israel and the Post-Soviet Central Asian Republics***

Broadly speaking, Israel's quest for recognition in the post-Soviet space, and particularly in Central Asia, followed an overarching strategy. As one observer stated:

This was a unique opportunity to shift the center of gravity of the Muslim world northward and thus change the balance of power in Israel's favor by marginalizing the importance of the Arab region of the Middle East.<sup>37</sup>

The pursuit of diplomacy with CARs such as Kazakhstan and Turkmenistan, and Azerbaijan in the Caucasus – which were not only Muslim but offered more stable alternatives to volatile Middle Eastern energy – was effectively a recast of Ben-Gurion’s “periphery doctrine.” This previous strategy was the basis of Israel’s attempts to sidestep the hostile Arab world by reaching out to states and non-state actors in the non-Arab periphery such as Iran, Turkey, and the Kurds.<sup>38</sup> The early 1990s was also a period in which Israel under the Labor government was slowly reorienting its post-Revolutionary Iran policy from one of official rivalry but tacit cooperation, to one of increasingly overt hostility. Iran, like a host of regional and global powers, including Turkey, Saudi Arabia, and Pakistan, sought to assert its influence in the region. Yet, owing to Tehran’s ideological vehemence, overtly anti-Zionist rhetoric, and support for anti-Israel extremist groups, Jerusalem viewed this aspiration in zero-sum terms. Moreover, the new republics came complete with new consumer market opportunities, with an aggregate population roughly the size of Italy’s (approximately 60 million), and urgent developmental needs which Israel could concretely and immediately respond to.<sup>39</sup>

There was also the need to ensure the well-being of the local Jewish communities –those that had not yet decided to make aliyah (immigration to Israel) –and to counteract the spread of Iranian Shiite and Sunni fundamentalist influence in the political-ideological vacuum that followed the USSR’s collapse.<sup>40</sup> That these new republics possessed Soviet-era residual nuclear material – Kazakhstan was unusual in possessing an actual nuclear arsenal of 1,410 warheads, making it the world’s fourth-largest nuclear power at that time, in addition to one of the world’s leading reserves of uranium – made preventing it from slipping into the hands of Israel’s adversaries a security imperative.<sup>41</sup>

Israel adopted different approaches towards the individual CARs. Those with the largest Jewish communities in 1991, namely Uzbekistan and Kazakhstan, the region’s two potentates, were priorities insofar as the safety and eventual aliyah of their Jews were concerned. This was particularly the case with the ancient Jewish presence in the Silk Road cities of Bukhara and Samarkand, the preservation of which necessitated close ties with Uzbekistan, the country with nearly half the region’s population and thus its virtual center of gravity. Fortunately

for Israel, Uzbekistan's President Islam Karimov signaled his pro-Western leanings early on by veering rather sharply away from Russia, compared to his regional counterparts. Although not as resource-rich as Kazakhstan, Uzbekistan possesses a quarter of the FSU's gold reserves and is the epicenter of the region's cotton production.<sup>42</sup> Uzbekistan and Kazakhstan are the only CARs to maintain official embassies in Israel, where the region's dwindling Jewish communities are still mostly located. Conversely, these Jewish communities provide Israel more intimate access to their host states.

Dialogue with Tajikistan, however, proved more complicated at a time of civil war (1992-1997) and by dint of its cultural and political proximity to Iran. While Israel-Tajikistan diplomatic relations were formalized in April 1992, they go through Uzbekistan. Tajikistan offered little incentive given its negligible political, economic, and military weight. The same applied to Kyrgyzstan, which at independence inherited an abyss of debt with little resources to compensate. Nonetheless, with bilateral ties established in March 1992 and Bishkek hungry for Israeli know-how, Kyrgyzstan proved the most responsive to Israel's overtures. Then President, Askar Akayev, was at the time only the second president of a Muslim state, after Anwar Sadat, to visit Israel's capital Jerusalem. That Bishkek's interests are represented indirectly by the Kazakh embassy in Israel is also telling.

Turkmenistan, with its relatively small and homogenous population, was, along with Kazakhstan, the only other CAR to be established as a secular state. President Saparmurat Niyazov, the self-styled "Father of the Turkmens" (Türkmenbaşy), adopted a neutral foreign policy footing, but subordinated his people to ironfisted governance and a domestic personality cult. However, Turkmenistan at the time held the world's fourth-largest natural gas reserves after Russia, Iran, and Qatar (far before the discovery of Israel's own massive offshore gas reserves in 2009-2010), and like Azerbaijan and Iraqi Kurdistan, with which Jerusalem maintained ties, shares a strategic (1,000 km) border with Iran. Turkmenistan was the last CAR to establish relations with Israel on October 1993, and bilateral ties were focused on the transfer of technological know-how, but otherwise kept discrete due to Iranian sensitivities. In 2009, the idea of opening an Israeli embassy in

Ashgabat, 30 km from Iran, was broached by Israeli Foreign Minister Avigdor Lieberman and approved by Niyazov's successor, Gurbanguly Berdymukhamedov. While Ashgabat rejected the first two candidates on the grounds of their intelligence background – again due to the Iranian factor – it finally accepted the third nominee.<sup>43</sup> Nonetheless, as long as Israel continues to view Iran as a strategic threat, its relations with Turkmenistan are unlikely to remain limited to the energy sector.<sup>44</sup>

Against this backdrop, Kazakhstan stands a head above the rest. Its proven hydrocarbon reserves are estimated at over 30 billion barrels of oil and 85 trillion cubic feet (respectively ranked 11th and 14th globally) whereas production volume stands at around 1.6 million barrels of oil per day (ranked 16th globally) and 400 billion cubic feet of associated natural gas, all of which makes it the region's largest reserve holder and producer after Russia.<sup>45</sup> The supergiant Tengiz and Karachaganak fields alone, located in the country's west and northwest, account for roughly half of all output. As of this writing, production is also slowly gearing up at the massive Kashagan field off the Caspian coast, even as oil executives and engineers slowly overcome the project's stiff managerial, technical, geological, and climatic challenges.<sup>46</sup> Kazakhstan's leadership expects the country to be among the world's top ten producers and exporters by 2015.<sup>47</sup> Furthermore, at 33.6 billion tons, Kazakhstan also possesses the largest coal reserves in Central Asia. According to the Economist Intelligence Unit, coal accounts for half the country's gross energy consumption.<sup>48</sup>

Kazakhstan's subsoil wealth is hardly limited to fossil fuels, as it ranks sixth worldwide in terms of mineral deposits, estimated by the government to be worth some \$46 trillion. It possesses most of the Periodic Table's elements, in addition to world-class deposits of chromium, manganese, lead, zinc, copper, iron ore, tungsten, gold, and bauxite. The country also sits on nearly a quarter of the world's recoverable uranium deposits, second only to Australia, and has become the world's leading producer at a third of global output, under the auspices of the state-owned KazAtomProm, whose key clients include China, India, and France.<sup>49</sup> Indeed, the country's economy supersedes those of the other CARs combined, and attracts the highest foreign direct investments per capita within the entire CIS, estimated at about \$170 billion since independence,

largely in the hydrocarbons sector.<sup>50</sup> Indeed, the bulk of all trade between Central Asia and the EU consists of Kazakh oil exports.

On the whole, Muslim Central Asia is significant to Israel for economic, diplomatic, and security reasons. This also sheds light on why a relatively distant Israel, and not just global and regional powers, saw it a matter of strategic necessity to project its own influence into the region.

### ***Kazakhstan's Rationale for Relations with Israel***

From Kazakhstan's point of view, relations with Israel were driven by a number of factors. First, given that the US was the only remaining post-Cold War superpower, Israel's close ties with Washington and the EU were particularly valuable to the emerging republics which sought to gradually and carefully reduce Russia's overbearing predominance. Part of this same logic was to attract investments to monetize its vast natural resources, and the prominent Jewish business community's links in the US, Israel, and even the FSU, provided the means of furthering this aim. The Jewish and Israeli influence in Washington still remains an asset to an extent.

Second, Israel offered the newly independent but heavily underdeveloped CARs advanced scientific and technological expertise, most notably in agriculture – the core of their economic engines – and drip irrigation, but also public health, livestock husbandry, industry, and high tech, as well as highly qualified human capital in areas critical to Kazakhstan's transition from command to market economy.

Third, Islamic fundamentalism, created another arena for cooperation in view of Israel's counterterrorism experience. The phenomenon metastasized in the early 1990s around Kazakhstan's backyard – from war-torn Afghanistan to neighboring Tajikistan, followed by Uzbekistan and Kyrgyzstan – and threatened to spill over into Kazakhstan itself.<sup>51</sup> The Islamic Movement of Uzbekistan, its offshoot the Islamic Jihad Union, Hizb ut-Tahrir, the East Turkestan Islamic Movement, and Jund al-Khalifa only constitute some of the more prominent transnational insurgent groups based in the region.

The country's first suicide bombing took place on May 17, 2011 outside the headquarters of the National Security Committee (KNB, the KGB's successor in the republic) in the western oil-rich city of Aktobe, shattering Kazakhstan's illusion of immunity. In the interim, a slew of domestic terrorist attacks have been documented, with authorities only haltingly acknowledging that some may not be purely criminal in intent. Indeed, part of the unmistakably Salafi groundswell also conceivably spilled over into western Kazakhstan from another distinct direction, the neighboring North Caucasus republics, where an insurgency inspired by Chechen separatism has been brewing for years against the Russian government. Of the CARs, Kazakhstan's economic dynamism and favorable investment climate make it the most vulnerable to the "three evils" often bandied about in the region's politics: religious extremism, separatism, and terrorism.

## **POLITICAL AND SOCIO-CULTURAL RELATIONS**

Israel recognized Kazakhstan's independence as early as December 1991 and established full diplomatic relations with the Central Asian republic on April 10, 1992, following a spell of intensive bilateral consultations and a preceding period of lower-profile contact.<sup>52</sup> An Israeli embassy opened shortly after in the former capital, Alma-Ata, followed by a Kazakh embassy in Tel Aviv in May 1996, the first CAR embassy to open in Israel. A number of official visits right up to the highest levels have since followed, including Nazarbayev's trips to Israel in 1995, 2000, and 2013, the latter reportedly for medical treatment. Israel's top leadership has also visited Kazakhstan on multiple occasions, including President Chaim Hertzog in 1993, and Shimon Peres as foreign minister in 1995 and 2002, as deputy prime minister in 2006, and as president in 2009. When Kazakh Prime Minister Sergei Alexandrovich Tereshchenko visited Israel in September 1992, he was received not only by Israel's prime minister, but also by the president, foreign minister, and former prime minister Yitzhak Shamir, suggesting the importance of Israel's budding relations with Kazakhstan. Even away from the media glare, high-level delegations, including defense officials, continue to be exchanged frequently.<sup>53</sup>

Besides affirmations of mutual support and respect, the substance of discussions has revolved mainly around avenues for mutual cooperation, particularly Israeli assistance in agriculture, medicine, high-tech, biotech, industry, higher education, telecommunications, security systems, space research, environmental protection, and investments. Mutual initiatives are also primarily driven by individuals with cultural ties and vested commercial interests in both countries. In this regard, a handful of bilateral bodies have been established, including the Israel-Kazakhstan Parliamentary Friendship League, the Kazakh-Israeli Joint Governmental Commission on Trade and Economic Cooperation, the Club of the Israeli Friends of Kazakhstan, and the Israel-Kazakhstan Chamber of Commerce and Industry. In order to better appreciate the tenor of bilateral relations, consider an op-ed placed in *The Jerusalem Post* by Kazakhstan's then ambassador to Israel, Galym Izbasaruly Orazbakov, on the seventeenth anniversary of relations. Entitled "Kazakhstan and Israel: Good Friends and Reliable Partners," the article extols the breadth of mutual cooperation, commemorates the shared Jewish historical memory in both countries at length, and highlights common efforts at promoting peace with Kazakhstan representing a veritable "international platform for dialogue, where leaders who have different views can and do meet," before concluding with the substance of bilateral ties.<sup>54</sup> While this is scarcely unusual conduct between friendly states, it is exceptional in being addressed to Israel by a Muslim-majority nation. Furthermore, like most nations, Kazakh ambassadors accredited to Israel have all had high-profile track records serving in other diplomatic capacities, a hint of the importance ascribed to Astana's relations with the Jewish State.

Socio-cultural ties form another important component, situated within both the wider context of Kazakhstan's multiethnic and multireligious society and the status of Kazakhstan's own Jewish community. An officially secular state of 18 million with a moderate Muslim majority, Kazakhstan comprises some 130 ethnic groups and 45 religions, including Judaism.<sup>55</sup> Given the precarious diversity and the potential for conflict along ethnic or confessional lines, and in order to promote domestic cohesion, Nazarbayev founded the Assembly of Peoples of Kazakhstan (APK) in 1995, a para-parliament of ethnicities and faiths with consultative powers. In September 2004, Israel's Chief Ashkenazi Rabbi Yona Metzger presented President

Nazarbayev with the Maimonides Prize on behalf of leading Jewish organizations for his work in promoting interfaith tolerance.

Kazakhstan's core Jewish population currently numbers 3,300. While this is more than the Jewish populations of Tajikistan, Turkmenistan, and Kyrgyzstan, it is less than that of Uzbekistan (4,200) and well under half of Azerbaijan's 8,800-strong Jewish community.<sup>56</sup> Other sources differ on the figures; according to Israel's former two-time Ambassador to Kazakhstan, Israel Mey-Ami, himself born in Kazakhstan, some 10,000 Jews currently reside in the country.<sup>57</sup> The majority remains concentrated in the country's largest city, Almaty. Though a miniscule minority, their contributions to education and jurisprudence, among other areas, are viewed favorably by many Kazakhs.<sup>58</sup> To date, anti-Semitism has neither been a feature of Kazakh society, nor a matter of government policy.<sup>59</sup>

## ECONOMIC RELATIONS

### *Trade*

Little comprehensive data exists in open sources regarding the total volume of bilateral trade between Jerusalem and Astana, and figures published by official Israeli government sources only constitute a mere fraction of actual trade, since they exclude strategically sensitive energy imports and defense exports. According to the Israel Export trade and International Cooperation Institute (IEICI), total trade turnover for 2012 stood at \$78.4 million.<sup>60</sup> This figure, which mainly captures Israeli exports, was nearly 30 times more than when commercial and diplomatic relations began in 1992 (\$2.7 million). From 1999 onwards, the value of Israeli exports gradually increased until its peak in 2008 (\$159 million), when the global economic crisis impacted bilateral trade. Since then, with the exception of 2012, it has been on the rise again.

According to the same source, the 18.1 percent decrease in 2011-2012 is attributed to a drop in Israeli telecommunications exports, which comprise about a third of all commercial exports.<sup>61</sup> Other significant export sectors which recorded increases over the past year include; electronic components, food and beverage, chemicals, machinery and mechanical equipment, and metals. In contrast, exports in areas such as

industrial control equipment, optics, engines, and electrical equipment have decreased.<sup>62</sup> In return, Israeli commercial imports mainly include wheat— the Kazakh variety being particularly rich in gluten – and basic metals, followed by smaller volumes of cotton, machinery, mechanical equipment, plastics, and rubber. Israel’s other economic interests in the country also extend to mining, desalination, construction, and banking.

### *Oil*

The IEICI survey also stresses that even if the bulk of trade between Israel and Kazakhstan consists of Israeli exports, the actual scope is significantly higher than that published by the Central Statistics Bureau, due to Israel’s oil imports from Kazakhstan, which are excluded from official records.<sup>63</sup> According to Israel’s ambassador in Astana, Israel currently imports over \$1.4 billion worth of oil from Kazakhstan.<sup>64</sup> This would place the actual value of non-defense bilateral trade at about \$1.5 billion – a figure that has been mentioned elsewhere<sup>65</sup> – with Kazakh oil imports making up 95 percent of the total. This lopsided ratio has also repeatedly surfaced in statements by official sources. According to former Ambassador to Kazakhstan, Ran Ishay, Israeli exports in 2006 amounted to \$76.2 million, in contrast to \$622.4 million worth of Kazakh exports that year, putting the latter (most of which was oil and possibly wheat) at around 88 percent of trade. Likewise, a statement by the office of the Kazakh president indicated that bilateral trade in 2008 had jumped to \$2.4 billion, which, barring the export figure reported for Israel that peak year (\$159 million), still leaves \$2.2 billion – or over 90 percent of all trade – unaccounted for.<sup>67</sup>

Supposing an average 2012-2013 price of \$100 per barrel, this puts the amount of Kazakh oil that Israel imports annually at about 14 million barrels, or around 13-15 percent of its known consumption needs.<sup>68</sup> If we revise this calculation on the basis of the 2010 import figures presented in Table 1 (meaning the export figures to Israel as reported by Kazakhstan of \$1.27 billion),<sup>69</sup> and the average oil prices for that year (\$80), we arrive at 16 million barrels, which still falls within that percentile range. Official sources, including Kazakhstan’s ex-ambassador to Israel and the managing director of the Israeli National Infrastructures Ministry’s Fuel Authority, have pitched as high a figure as 25 percent.<sup>70</sup> Assuming

stable Israeli oil consumption and import levels, this percentage would have been more plausible around 2009, when crude prices hit a historical ten-year low and about half the current price. Indeed, these statements were reported in that same year. In any case, making allowance for price fluctuations, Kazakh oil exports almost certainly cover 15-25 percent of Israel's oil needs. In fact, oil imports dropped in 2013 compared to the previous year, according to the Tel Aviv-based Chairman of the Israel-Kazakhstan Chamber of Commerce and Industry.<sup>71</sup> Considering that a further 70 percent of Israel's oil comes from Azerbaijan and Russia, this makes the Caspian – which Kazakhstan is also a part of – a region of extraordinary strategic importance to Israel.

The following two tables illustrate Kazakhstan's exports and imports, respectively, vis-à-vis Middle Eastern countries:

**Table 1: Kazakhstan's Exports to the Middle East**

(Source: IMF, DOTS) (Figures in units of millions).<sup>72</sup>

	2010	2011	2012
Algeria	0.06	0.48	0.53
Kingdom of Bahrain	0.00	0.04	0.00
Djibouti	0.00	0.00	0.00
Egypt	91.61	52.48	45.55
Islamic Republic of Iran	1092.16	1077.03	626.91
Iraq	18.89	1.00	3.54
Israel	1279.60	1418.51	1535.74
Jordan	21.09	20.35	11.07
Kuwait	0.03	0.22	0.54
Lebanon	4.90	2.78	6.87
Libya	11.64	0.02	3.26
Mauritania	0.02	0.01	0.00
Morocco	15.36	88.89	77.20
Oman	0.10	2.36	0.25
Qatar	0.31	0.74	0.84
Saudi Arabia	10.92	3.36	3.63
Somalia	0.00	0.00	0.00
Sudan	5.93	0.00	82.95
Syrian Arab Republic	7.16	3.19	4.22

Tunisia	8.36	13.69	7.99
Turkey	1236.79	2574.35	3229.01
United Arab Emirates	13.76	34.02	122.30
Republic of Yemen	0.65	0.20	79.92
Middle East	1273.24	1197.79	908.91
Middle East and North Africa	1302.97	1300.86	1077.58
World	56972.79	80517.57	85447.82

**Table 2: Kazakhstan's Imports from the Middle East**

(Source: IMF, DOTS) (Figures in units of millions).<sup>73</sup>

	2010	2011	2012
Algeria	0.07	0.00	0.01
Kingdom of Bahrain	0.03	1.89	1.37
Djibouti	0.01	0.00	0.00
Egypt	21.98	38.36	45.31
Islamic Republic of Iran	26.53	34.90	51.18
Iraq	0.00	0.00	0.01
Israel	88.77	126.11	113.03
Jordan	0.69	1.44	1.01
Kuwait	0.16	0.00	0.00
Lebanon	1.16	0.95	0.92
Libya	0.00	0.01	0.00
Mauritania	0.20	0.64	0.61
Morocco	5.79	6.57	10.12
Oman	22.46	13.48	17.08
Qatar	0.41	0.49	0.84
Saudi Arabia	3.61	9.64	17.45
Somalia	0.00	0.01	0.06
Sudan	0.00	0.01	1.33
Syrian Arab Republic	1.72	2.58	2.26
Tunisia	2.91	3.92	5.07
Turkey	618.69	729.29	786.13
United Arab Emirates	110.70	76.69	64.66
Republic of Yemen	0.00	0.00	0.16
Middle East	189.55	180.53	202.32
Middle East and North Africa	198.54	191.67	219.53
World	23660.48	21181.43	26751.98

The IMF figures indicate that Israel's bilateral trade with Kazakhstan in 2012 totaled just under \$1.7 billion. In contrast, Kazakhstan's bloc trade with the entire Middle East and North Africa that year was valued at \$1.3 billion, or three-quarters of its trade with Israel. If we exclude Iran, this figure drops by half. If much of the regional transactions involve relatively unsophisticated energy products, there remains enormous potential for Israeli technology to be leveraged vis-à-vis the Kazakh market.

### ***Government Support and the Private Sector***

The Israeli government has championed bilateral ties in various areas, has led the way for businesses, and continues to lend its weight to private sector undertakings. The number of bilateral ministerial visits related to the major sectors of economic cooperation since 1992 is telling. In 1994, Israel's Knesset approved the extension of significant specific-purpose credit to Kazakhstan. The Israeli government guarantees 65 percent of the value of private credits advanced by companies for economic projects in Kazakhstan. In 2007, Israel's Bank Hapoalim agreed to extend a credit line to Kazakhstan's Bank Turan Alem to finance 85 percent of Israeli medium and long-term export contracts.<sup>74</sup>

According to one report, 52 Israeli companies were operating in Kazakhstan as of 2009.<sup>75</sup> Based on the Israel Export Institute survey, there were 176 companies in 2011 and 190 in 2012, each of whose minimal export value was \$10,000.<sup>76</sup> Between 1993 and September 2006, Israel invested some \$300 million across a broad sweep of the Kazakh economy, whereas Kazakh investments in Israel totaled \$50 million.<sup>77</sup> The largest non-energy sector, telecommunications, has seen the involvement of Israeli companies such as Alvarion, Gilat Satellite Networks, Verint Systems, Teledata Networks, and Tadiran Telecom.<sup>78</sup> A foreign source suggests that in 2012 alone, over \$150 million worth of investments were channeled into Kazakhstan, much of it by the Lev Leviev Group, Ormat, Bateman Engineering, Superior Cables, H.T. Cable, and Direct Capital Investments.<sup>79</sup> Lucrative business dealings with the CAR have in recent years expanded to include Israel's political class, such as former prime minister Ehud Olmert, who together with Yuval Rabin (the late Yitzhak Rabin's son), a third partner, and Kazakh businessman, Kenges

Rakishev, opened an investment fund focusing on start-ups.<sup>80</sup> However, in contrast to the early 1990s, bilateral commercial trade has adopted a lower profile for reasons reportedly linked to Kazakhstan's domestic dynamics, and many Israeli businesses today do not even publicize their activities in the country.<sup>81</sup>

In addition, the Israeli Ministry of Foreign Affairs' Agency for International Development Cooperation (MASHAV) has been closely involved in strengthening local capacities especially in agriculture and medicine. Israel's current Ambassador to Astana, Eliyahu Tasman, has spoken of expanding cooperation in agriculture, medicine, and water, perhaps even kick-starting cooperation in new areas such as pharmaceuticals, and added that discussions to revive direct flights between both countries – which existed briefly in the early 2000s – are proceeding.<sup>82</sup> According to Tasman, 40 percent of Kazakh citizens travelling to Israel do so for medical treatment or advanced medical training such as surgeries, and Israeli surgeons are also invited in droves to Kazakhstan for their operating expertise.<sup>83</sup> Indeed, members of Kazakhstan's political elite who have received treatment in Israel include President Nazarbayev and former Prime Minister Tereshchenko.<sup>84</sup>

Astana has likewise placed great stock in reciprocation. Conscious of its disproportionate dependence on extractive industries, the Kazakh government has extended strong support for small and medium enterprises, and development in sectors such as high-tech, higher education, medicine, and agriculture. However, a 2009 episode also suggests that economic relations are not entirely free of hurdles. During a discussion in Astana that year, Presidents Peres and Nazarbayev each pledged to invest \$10 million per year, via a joint fund, towards a common agricultural research project. Following that state visit, the Kazakhstan government promptly allocated its share and awaited the funds it had been promised. As it turned out, Peres had failed to coordinate with Israeli governmental bodies beforehand, and because the latter did not honor Peres' pledge, the joint plan failed to materialize. Israel's Volcani Institute, the agricultural research organization and supposed project partner, offered to pay its share in kind, but the Kazakh government ultimately refused.<sup>85</sup> Ironically, former Kazakh premier Tereshchenko continues to purchase wheat from the Volcani institute in a private capacity.<sup>86</sup>

### *Economic Challenges*

Israeli businesses still appear to face inhibitions, with relatively fewer companies actually rushing into the Kazakh market than the statistics suggest. In the early 1990s, as Kazakhstan underwent a period of massive internal transition, the difficulties were far more apparent on the Kazakh side. Few Kazakhs then spoke English, and few Israeli businessmen involved in the CAR spoke adequate Russian, let alone Kazakh. In addition, there was neither much regard for, nor sufficient enforcement of, contractual agreements, which put off Western-oriented Israeli businesses. A number of well-known Israeli entrepreneurs tried their hand in Kazakhstan – often in parallel with other CARs – from the early 1990s, but with mixed results. For instance, the late Shaul Eisenberg and his business group Israel Corp. dealt with multiple aspects of the cotton industry in both Kazakhstan and Uzbekistan from cultivation – in conjunction with Israeli-patented drip irrigation – to harvesting machines and the provision of technical expertise. Towards the end of 1992, an agreement worth \$160 million was inked for the irrigation of 200,000 dunams in the southern Kazakh city of Shymkent. In the period that followed, Eisenberg inked some \$2 billion worth of contracts with the Kazakh government.<sup>89</sup> However, he found himself up against unexpected problems, one of which was that the harvest machines were so effective they obviated the need for seasonal agricultural workers, thereby aggravating unemployment.<sup>88</sup> Yossef Maiman, head of the Merchav Group, a central figure in Turkmenistan’s gas sector and a close associate of Ashgabat’s political elite, too sought out a slice of Kazakh agriculture in the 1990s. But while the erstwhile Mossad officer blazed an early path in the country’s cotton industry, he realized that the Kazakhs would take longer than he expected to become accustomed to Israeli technology such as drip irrigation.<sup>89</sup> A third, Yehuda Bronicky, chairman of the Ormat group, attempted in the late 1990s to harness turbine technology for generating power. While the project recorded initial success, revenues quickly declined afterwards. The reason was that unlike privately paying Kazakh citizens, public and governmental consumers simply stopped paying their bills, and there was nothing the company could do about it.<sup>90</sup>

Other reasons may also be much closer to home than originally thought. But for misperceptions and lack of knowledge, many more Israeli companies would be doing business in the country and leveraging on local presence to enter other Central Asian markets, and possibly even the wider Islamic world. Instead, China and India's rising economies have become focal points for Israel.<sup>91</sup> The trouble with Israeli entrepreneurs is that many prefer quick profit models instead of investing the time, physical presence, and cultural understanding necessary to longer term commercial success. Business risks have diminished compared to the early years of independence, and a new English-speaking generation of Kazakhs has arisen. And yet, of the 120-person business delegation that accompanied President Peres during his 2009 trip, none have since returned to Kazakhstan.<sup>92</sup> Despite such hitches, bilateral economic relations are expected to continue in earnest. To balance out the pessimism, one veteran Israeli businessman opined that while Kazakhstan isn't an easy place to do business, being Israeli there is certainly no disadvantage.<sup>93</sup> What is clear is that as far as the Israeli government is concerned, this strategic potential has yet to be maximized and much can still be done.<sup>94</sup>

## **MILITARY AND SECURITY RELATIONS**

Less can be readily surmised regarding the extent of defense relations between Israel and Kazakhstan, although they clearly exist. The Soviet-era military industries that Kazakhstan inherited at independence failed to keep pace with evolving defense technologies. While Kazakhstan still possesses significant inventories of Soviet hardware,<sup>95</sup> and Russia remains the CAR's primary defense partner, Astana's strategic planners have evinced a preference, as in the country's other economic sectors, to prioritize joint ventures and indigenous "co-production" with foreign partners in order to secure technology transfers.<sup>96</sup>

According to one source, defense relations began in 2001 in the context of Astana's growing diversification of partnerships.<sup>97</sup> Kazakhstan was also identified by the Defense Export and Defense Cooperation Agency of the Israeli Ministry of Defense (SIBAT) as a potential trade partner,<sup>98</sup> and Israeli companies such as Elbit, Israel Aerospace Industries, Israel Military Industries, and Gilat Satellite Networks have participated in

the Kazakhstan Defense Expo (KADEX) trade fairs held in Astana in 2010 and 2012. Based on open sources, current cooperation appears to encompass armament modernization programs, artillery rockets, UAVs, simulators, command and control systems, advanced communications, and air defense radar systems.

Israel Military Industries Ltd. (IMI) reportedly cooperated with Kazakhstan's PZTM industry complex – the country's leading heavy industry and military-industrial entity. – in the city of Petropavlovsk to develop the Nayza multiple launch rocket system (MLRS), which is based on Israel's own LYNX multi-caliber system. In addition, IMI was reportedly to assist in the development of complementary rocket types such as the 160 mm LAR (Light Artillery Rocket, with a range of 45 km), the 160 mm ACCULAR (Accurate Light Artillery Rocket, 40-45km), and the 306 mm EXTRA (extended range artillery) rocket (150 km).<sup>99</sup> Kazakh companies have also established two joint ventures with Elbit for the development of communications and simulation equipment. In 2008, Soltam and Elbit, then still separate companies, signed a contract with the Kazakh government to co-develop artillery systems with integrated command and control (C2) platforms.<sup>100</sup> These included the Semser 122 mm self-propelled (truck-mounted) howitzer – of which caliber Kazakhstan maintains a large Soviet-era surplus ready for conversion – and the Aibat 120 mm self-propelled mortar.<sup>101</sup> In addition, all three systems would be fed with live battlefield reconnaissance and battle damage assessment via Orbiter mini-UAVs, provided by Aeronautics Defense Systems, another Israeli provider.<sup>102</sup> Furthermore, Kazakhstan has granted Israel access and user rights at Baikonur Cosmodrome as part of a joint space program, with Russia's consent, where a series of telecommunications satellites built by Israel Aerospace Industries has been launched. The most recent of these was the Amos-4, which took to space at the beginning of September 2013.<sup>103</sup>

Rare media references to bilateral defense relations unfortunately include an April 2009 affair in which Kazakhstan's then deputy defense minister Kazhimurat Mayermanov, as well as Israeli businessman and defense industry representative Boris Sheinkman were arrested for alleged corruption. According to the statement issued by Kazakhstan's KNB, a number of defense ministry officials were under suspicion for purchasing

incomplete or faulty artillery systems from Israeli companies amounting to \$82 million. Interestingly, Israeli sources had put the figure higher at \$300 million.<sup>104</sup> It was not until January 2014, during a visit to Tel Aviv by Kazakh Defense Minister Adilbek Dzhaksbekov, that both countries formalized their defense cooperation.<sup>105</sup>

The significance of Astana's highly varied foreign defense relations appears to be limited to the upgrading and updating of local aspects of Kazakhstan's military capabilities, towards the eventual creation of an indigenous defense export industry. Jerusalem's involvement extends to crucial counter-terrorism experience and training. However, despite the qualitative edge of its products, Israel continues to be eclipsed by players such as Russia, China, and NATO member states, who are not only more dominant in the Kazakh market, but possess greater political leverage in influencing Astana's decision-makers.<sup>106</sup>

## **STRATEGIC IMPLICATIONS: ENERGY, ISLAM, AND IRAN**

the scope of Israel-Kazakhstan relations has been described in preceding chapters. In terms of strategic significance, it bears recalling that Kazakhstan represents the keystone of Israel's relations with the energy-rich, ex-Soviet states characterized by officially secular governments but predominantly moderate Muslim publics, a glaring anomaly in a world where Muslim countries are by and large still at odds with Israel. These are states whose own national interests have so far coincided with those of Israel, whether in security and counter-terrorism, economic development, and investment, and are transitioning towards knowledge-based economies or energy export strategies. A number of aspects deserve closer examination.

### ***Energy Security***

Israel consumes approximately 300,000 barrels of oil daily (i.e. 109 million barrels annually), of which it imports 98 percent at an annual cost of \$10 billion.<sup>107</sup> Its daily production levels, on the other hand, remain confined to the four-digit bracket. As mentioned, Kazakhstan is

thought to supply between 15 percent to 25 percent of Israel's needs, while a reported 40 percent comes from Azerbaijan's Caspian fields and a further 30 percent from Russia, all of which are transported mostly through Turkey (either the BTC or the Black Sea-Bosphorus).<sup>108</sup> This partnership is expected to continue.

Indeed, significant sub-soil discoveries have been made over the past few years. As of January 2013, Israel's proven oil and gas reserves were estimated at just under 12 million barrels and 9.5 trillion cubic feet (tcf), respectively,<sup>109</sup> out of the 1.7 billion barrels of oil and 122 tcf of gas assessed by the US Geological Survey to be present in the Eastern Mediterranean's Levant Basin Province.<sup>110</sup> The figures may well rise further pending results of more extensive sub-soil prospecting, especially in the Leviathan offshore field, where there is believed to be as much as 1.5 billion barrels of oil over and beyond the gas finds.<sup>111</sup> In addition, the prospective shale oil in the Shfela Basin near Jerusalem could hold as much as 250 billion barrels, subject to successful fracking, which would place it third behind Saudi Arabia and Venezuela. In 2013 alone, this sector is expected to have added 1 percent to Israel's GDP.

While the Jewish State cautiously inches towards energy independence, preferably including a greater slice of green energy, it should still momentarily preserve, if not augment, its energy supply from countries such as Kazakhstan, even as it continues to diversify its oil supplies and to build up strategic reserves. One reason that Azerbaijan supplies nearly twice as much oil as Kazakhstan, despite yielding only a quarter of the latter's reserves and 60 percent of its production, is its relative geographical proximity; the further the oil supplier, the more complicated the logistics and the more Israel pays. In addition, a window of opportunity exists for Israel to export gas, mainly to Europe and Asia, in a way that ties in both Cyprus and Turkey, with an LNG plant either based in Cyprus or Israel. Kazakh energy could also be exported to the Asian economies by tankers via the Ashkelon-Eilat channel, an asset in a region blighted with a relatively poor transport network. It is interesting to note that approximately 85-95 percent of Israel's oil comes from two nominally Muslim states and a third, Russia, whose posture towards the Jewish State has oscillated between benign ambivalence and unveiled support for its adversaries. Considering the way the once watertight

relations between Israel and Turkey have deteriorated in recent years, the former would all the same do well to prepare for similar contingencies, especially where states whose foreign policies are a product of elite fiat, rather than mass consensus, are concerned.

### ***Bridge to the Muslim World***

Kazakhstan's standing as a member of the international community, specifically within the Muslim world, and its well-received momentum in various integrative initiatives, offer Israel a non-negligible reserve of diplomatic capital and a third-party conduit for dialogue with the wider Muslim world.<sup>112</sup> Lest one overstate this point, an ally like Kazakhstan isn't valuable only because it allows Israel to circumvent its immediate Muslim-majority environment, which was the view held in the 1990s, but is valuable precisely because it allows Israel to re-engage with it. This has proven the case with CICA and the Congress of Leaders of World and Traditional Religions, notwithstanding their ostensibly symbolic mien. Moreover, when Kazakhstan took over the chairmanship of the OIC, it broke precedent by inviting Israel's Astana representative to attend as observer an economic meeting in mid-2011.<sup>113</sup>

Furthermore, Nazarbayev has personally attempted to mediate for Israel, most prominently in 1999 on behalf of 13 Iranian Jews arrested for allegedly spying for Israel, at various junctures on behalf of missing Israeli pilot Ron Arad, and captured IDF soldier Gilad Shalit. While the government of Kazakhstan supports a two-state solution, it understands – and accepts – Israel's aspirations to live in security, free of terrorism.<sup>114</sup> Its position vis-à-vis Iran's nuclear program follows in a similarly balanced vein, namely support for a peaceful resolution yet opposition to enrichment for military objectives. Kazakhstan's relations with Israel are generally grounded in hard, bilateral diplomatic-economic benefits and are less susceptible to politicization. During the 1996 ECO summit in Tehran, Kazakhstan threatened to leave the organization after Iran pressured the CARs to downgrade their ties with Israel. When Iran sought to utilize its chairmanship of the OIC from 1997 to 2000 to censure Israel, the CARs kept their distance.

And in the wake of the Goldstone Report investigating Israel's role in Operation Cast Lead in Gaza, the CARs abstained from voicing a vote at the UN.

By the same token, the prospect that the CARs, the strongest among them Kazakhstan, may be collectively or individually prevailed upon to exert pressure on Islamic states in favor of Israel also appears remote.<sup>115</sup> This is all the more inconceivable as long as the Palestinian issue remains unresolved. Openly censuring or boycotting Iran in particular fails to serve any of their national interests.

### *Kazakhstan, Iran, and Israel*

Significant parts of Central Asia and the Caucasus lying along the ancient Silk Road have long absorbed Persian influences or were even a part of Greater Persia at one stage, until the loss of territory to Czarist Russia in the nineteenth century. When the Soviet Union collapsed in 1991, Iran saw every justification in re-establishing ties with Muslim Central Asia. Moreover, from an Iranian standpoint, and starting from its own northeastern provinces bordering Turkmenistan, the foray into Central Asia could serve not only to penetrate new markets but to revive the Silk Road, as well as secure access to Southeast Asia and the Far East, specifically China.<sup>116</sup> However, this outreach was somewhat attenuated by Iran's reluctance to antagonize Russia,<sup>117</sup> the challenges posed by Turkey and other second-tier regional powers vying to fill the influence vacuum, and fundamental differences in the type of statehood embodied by revolutionary Iran and the emerging, evolutionary CARs.<sup>118</sup> Conversely, what it did manage to achieve in the region in terms of economic trade and security arrangements divorced from Islamic ideology was heavily facilitated by aligning with Russian interests.<sup>119</sup>

Against this backdrop, Astana-Tehran relations have so far been cordial, unlike the turbulence Iran has experienced with its immediate neighbors Turkey and Azerbaijan, though still nowhere close to the relative warmth of Iran-Turkmenistan ties. "Although Tehran and Astana may not have longstanding [contemporary] ties," said former Iranian President Mahmoud Ahmadinejad, during his first official trip to Astana in 2009, "the depth of the relationship between both peoples goes far back in

history, encompassing a shared culture and common aspirations, and in the past 18 years bilateral ties have only grown stronger.”<sup>120</sup> In 2012, Kazakhstan-Iran bilateral trade was valued at \$678 million, of which 92 percent took the form of exports to Iran, mainly refined petroleum products and wheat grain. After Turkey – whose trade volume with Astana stands at over \$4 billion – Iran is Kazakhstan’s largest Middle Eastern trade partner, with several times the volume of trade of the next in line, the United Arab Emirates. While both states are energy-rich, Iran lacks sufficient refining capacity for domestic consumption and has thus turned Kazakhstan to partially fill this gap. Even as Iran imports oil, wheat grain, and metals, Kazakhstan imports foodstuffs, apparel, and has an interest in attracting Iranian investment into sectors such as telecommunications, transport, and infrastructure. In April 2007, Tehran and Astana agreed with Ashgabat to construct a 900 km-long North-South railway line linking Kazakhstan and Turkmenistan to Iran, a development aimed at increasing trade among the three countries. Although there have been delays, especially on the Iranian side, this railway corridor, if complete, would effectively grant both CARs far greater access to the Persian Gulf,<sup>121</sup> a maritime outlet not controlled by Russia.<sup>122</sup> From Kazakhstan’s point of view, Iran’s geostrategic value lies in its enabling such communications and transport networks through its territory.<sup>123</sup>

But relations have also been cooler than Tehran would like; this is possibly reflected in Astana’s unspoken tendency to deal with Tehran in multilateral settings such as the UN, the OIC, the ECO, and the SCO, where Iran holds observer status since July 2005. Iran’s request for full membership in that organization – likely with the intent to thwart US encroachment in the region – faces stiff intra-organizational resistance, including from Kazakhstan. International sanctions on Iran’s oil economy and financial institutions frustrate bilateral efforts at expanding trade ties without resorting to the constraints of barter trade. Shiite Iran’s perceived support of Islamic extremism and terrorism, whether in the form of non-state proxies or via activities directly attributed to the Revolutionary Guards’ extraterritorial Quds Force,<sup>124</sup> also touches a raw nerve in a historically moderate Sunni region increasingly bedeviled by its own extremism problem. Furthermore, Kazakhstan and Iran have yet to resolve a dispute over the delimitation of the Caspian coast.<sup>125</sup> Finally,

Iran's disputed nuclear program and the regional instability a potential armed conflict would beget, never mind Kazakhstan's pointed views on nuclear proliferation, have contributed to dampen Astana's pursuit of relations with Iran.

As far as Israel is concerned, Iran's nuclear program poses a first-order strategic – and to some, existential – threat. Kazakhstan hosted two rounds of talks between Iran and the P5+1 in Almaty in February and April 2013, and has offered to host a low-enriched uranium nuclear fuel bank on behalf of the IAEA as well as a nuclear security training center. After independence, concerns that Kazakhstan was selling uranium to Iran were quickly dispelled by Kazakh officials. During Peres' June 2009 visit to Astana, Nazarbayev reiterated his firm commitment against supplying Iran with any nuclear substances.<sup>126</sup> On November 24, 2013, the P5+1 broke new ground by reaching an interim six-month deal with Iran, during which time Tehran would retain low enrichment (3.5-5 percent) of uranium but curtail all other activities that could advance its suspected military program. This is expected to be the first step towards a comprehensive deal, but already talk is rife of a thaw in relations between Tehran and Washington.

## CONCLUSION

Now at the start of its third decade, the relationship between the State of Israel and the Republic of Kazakhstan has found firm grounding in mutually beneficial cooperation across a wide spectrum of economic, cultural, political, and military sectors. In addition, it is also evident that Kazakh oil exports, Astana's intermediary position between the Jewish State and the Muslim world as well as its potential influence on the Iranian arena, constitute three areas of strategic national interest to Israel. To be sure, these interests aren't one-sided, for Astana's longer-term relevance also conceivably depends on its ability to assimilate advanced technology and master the intricacies of a twenty-first century economy, two areas in which Israel unquestionably excels. Despite growing foreign policy priorities elsewhere, notably in Beijing and New Delhi, Jerusalem should nonetheless continue to enhance its relations with Astana.

Kazakhstan remains in essence a polity whose functional logic resides in a strong leader at the cost of weak domestic political institutions, a fact that has serious implications for political and foreign policy continuity. Of course, one way of ensuring stability in Kazakhstan at a time of impending power transition is ensuring that views across the political spectrum – even those critical of the government, and those professed to be Islamist – are adequately vented, articulated and addressed rather than repressed. Without “pushing the envelope,” the Israeli example could be useful there.

Since the events that have collectively and disingenuously come to be known as the “Arab Spring,” Israel’s strategic positioning has both improved and deteriorated at the same time. It has improved to the extent that entities with conventional military capabilities, such as Syria and Hizballah, no longer pose a serious threat. It has also deteriorated, however, owing to the propagation and intensification of jihadist movements, and because erstwhile allies such as Turkey are no longer reliable. Above all looms the prospect that the Islamic Republic of Iran, Israel’s arch-nemesis, may soon acquire nuclear weapons. This is all the more reason for Jerusalem to focus on further consolidating its relationships that already stand on firm ground.

## NOTES

<sup>1</sup> Herb Keinon, 'Kazakhstan : "A Super Important Diplomatic Objective" for Israel,' *Jerusalem Post*, May 28, 2010.

<sup>2</sup> Martha Brill Olcott, *Kazakhstan: Unfulfilled Promise* (revised version), Washington, D.C.: Carnegie Endowment for International Peace, 2010, p. 12; Zharmukhamed Zardykhon, 'Kazakhstan and Central Asia: regional perspectives,' *Central Asian Survey* 21.2 (2002), p. 167.

<sup>3</sup> These took place respectively in January 1999 with 81% turnout, December 2005 with 91.15% turnout, and April 2011 with 95.55% turnout. The latter was boycotted by the opposition, who perceived it to have been deliberately moved forward to deprive them of time to organize for the electoral campaign. 'About Turn: Suddenly, an Early Election,' *The Economist*, February 10, 2011, available on: <http://www.economist.com/node/18119217>.

<sup>4</sup> Text of the constitutional amendment available at: <http://adilet.zan.kz/rus/docs/Z100000289>.

<sup>5</sup> For a brief on the party, see 'Background on Nur Otan Party,' Carnegie Endowment for International Peace, available on: <http://carnegieendowment.org/2012/04/05/background-on-nur-otan-party/a60s>

<sup>6</sup> 'Kazakhstan: Waiting for Change,' Asia Report No. 250, *International Crisis Group*, September 30 2013.

<sup>7</sup> Until December 2011, Kulibayev officially controlled the massive Samruk-Kazyna sovereign wealth fund, the assets of which currently amount to over half of Kazakhstan's GDP. See Samruk-Kazyna's official website, available on <http://sk.kz/section/5133>; and 'Heavy hangs the head,' *The Economist*, 3 October 3, 2013, available on: <http://www.economist.com/blogs/banyan/2013/10/kazakhstans-political-stability>

<sup>8</sup> Indeed, in his autobiography, Nazarbayev mentions Singapore's founder Lee Kuan Yew as one of two primary role-models, the other being France's Charles de Gaulle. *Kazakhstan: HaMedina veHaDerech* (Hebrew, trans. Aharon Fredkin), Chazak Hotzaa La'or: Israel, 2007, pp. 12-13.

<sup>9</sup> Data available on: <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>; compare this with Israel's 2011 GDP per capita figure of \$33,250.

<sup>10</sup> See Nazarbayev's remarks on 'Strategiya stanovleniya I razvitiya Kazakhstana kak suverennoogo gosudarstva' [Strategy for the formation and development of Kazakhstan as a sovereign government], *Kazakhstanskaya Pravda*, May 16, 1992; for an idea of how consistent this has remained over time, see also two of Nazarbayev's speeches: 'Strategy Kazakhstan 2030' (1997), and one held during the expanded session of the Ministry of Foreign Affairs' collegium in Astana, June 7 2005; available at: <http://www.kazakhemb.com/?CategoryID=243&ArticleID=417&Page=4>); for an early characterization of Kazakhstan's new geopolitical course, see also Vladimir Ardaev, 'Bridging east and west,' *The Bulletin of the Atomic Scientists*, October 1993.

<sup>11</sup> For a concise but broader overview of Kazakhstan's foreign policy, see Reuel R. Hanks, "'Multi-vector politics" and Kazakhstan's Emerging Role as a Geo-strategic Player in Central Asia', *Journal of Balkan and Near East Studies* 11.3 (Sept 2009); for a Kazakh perspective, see Murat Laumulin & Farkhod Tolipov, 'Uzbekistan and Kazakhstan: a Race for Leadership?', *Security Index: A Russian Journal on International Security* 16.2 (2010), pp. 49-51.

<sup>12</sup> These include the Baikonur Cosmodrome (the world's largest and oldest space launch center), a transport aircraft regiment in Kustanai, an anti-ballistic missile test range at Sary-Shagan and the nearby Balkhash-9 radar station, and another air defense testing range at Emba. Note that Russia maintains actual combat troops in Tajikistan and Kyrgyzstan, Richard Weitz, 'Strategic Posture Review: Kazakhstan,' *World Politics Review*, July 2010.

<sup>13</sup> In 2012, bilateral trade reached over \$19 billion, see European Commission Trade Figures, available at: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113406.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113406.pdf) (accessed on 17 August 2013).

<sup>14</sup> See Andreas Borgeas, 'Security relations between Kazakhstan and China: assessments and recommendations on the transnational Uighur question,' *Journal of International Affairs* (Columbia University), 10 April, 2013, available on: <http://jia.sipa.columbia.edu/security-relations-between-kazakhstan-and-china>; the Qing Dynasty officially incorporated the region, also known as East Turkestan into China in 1884.

<sup>15</sup> 'China's ambitions in Xinjiang and Central Asia: Part 1,' *Stratfor*, September 30, 2013.

<sup>16</sup> China represented 23% of Kazakhstan's global trade volume, see International Monetary Fund, Direction of Trade Statistics (DOTS), various years (see chapter entitled 'Economic relations'); European Commission trade figures, available at: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113406.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113406.pdf) (accessed

on 17 August 2013).

<sup>17</sup> Or €7.5 billion, see European Commission Trade Figures, available at: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113366.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113366.pdf) (accessed on 17 August 2013); ‘China strengthens its hand in Kazakhstan after Xi Jinping’s Visit,’ *Eurasia Daily Monitor* (Jamestown Foundation), September 17, 2013.

<sup>18</sup> Put another way, 16% of all Kazakh oil goes to China alone, ‘China’s ambitions in Xinjiang and Central Asia: Part 3,’ *Stratfor*, October 1 2013.

<sup>19</sup> ‘China strengthens its hand in Kazakhstan after Xi Jinping’s visit,’ *Eurasia Daily Monitor* (Jamestown Foundation), September 17, 2013.

<sup>20</sup> *Ibid.* loc. cit; In 2005, the China National Petroleum Corporation (CNPC), which currently controls about a fifth of Kazakhstan’s oil production, bought PetroKazakhstan for over \$4 billion, hitherto its largest overseas acquisition. In 2009, a \$10 billion Chinese loan was partially offset by equity in Kazakhstan’s oil fields. On 7 September 2013, CNPC won a bid against India’s Oil and Natural Gas Corporation (ONGC) when it finally acquired an 8.33% equity stake in the Kashagan oilfield reportedly worth \$5 billion, and pledged to finance 50% of the overheads incurred by Kazakhstan’s exploitation of the field. The acquisition accompanied over 20 other agreements between both governments in various sectors (mainly energy and transportation) worth a total of \$30 billion, see ‘China Oil and Gas: China Becoming Central Asia’s Dominant Energy Partner,’ *Economist Intelligence Unit*, September 18, 2013.

<sup>21</sup> Jim Nichol, ‘Kazakhstan: Recent Developments and U.S. Interests,’ *Congressional Research Service*, July 22, 2013, available at: <http://www.fas.org/sgp/crs/row/97-1058.pdf>.

<sup>22</sup> Bilateral turnover stood at \$32 billion (or €27 billion), translating into 31.6% of Astana’s entire global trade volume, European Commission trade figures, available at: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113406.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113406.pdf) (accessed on 17 August 2013).

<sup>23</sup> The Uzen-Atyrau-Samara pipeline for instance is held under monopoly by state-owned Transneft, and the Caspian Pipeline Consortium terminates in the Russian Black Sea port of Novorossiysk even though it is a joint venture involving international oil companies alongside Moscow and Astana.

<sup>24</sup> Kimberly Marten, ‘Disrupting the Balance: Russian Efforts to Control Kazakhstan’s Oil,’ PONARS Eurasia Policy memo no. 428, available at: <http://www.ponarseurasia>.

org/sites/default/files/policy-memos-pdf/pm\_0428.pdf

<sup>25</sup> For details concerning ‘Project Sapphire’, see U.S. Department of State, available at: <http://www.state.gov/r/pa/ei/bgn/5487.htm>; Washington ended up spending some \$240 million in the process, eliminating various other components of Kazakhstan’s nuclear infrastructure including bombers, silos and delivery systems.

<sup>26</sup> The battalion that it contributes, KAZBAT (eventually to be expanded to brigade-level, KAZBRIG), is aimed at strengthening interoperability within the context of NATO peace support operations.

<sup>27</sup> EurAsEC was a product of a merger with the Central Asian Cooperation Organization, which was in turn originally established in 1994 as the Central Asian Union upon Kazakh initiative.

<sup>28</sup> ECO was founded in 1985 by Iran, Turkey and Pakistan but expanded more than three-fold in 1992 to include the five CARs, Azerbaijan and Afghanistan.

<sup>29</sup> However, serious issues remain with respect to foreign trade regulations, market access, state-owned enterprises and Kazakhstan’s membership in a trilateral Customs Union with Russia and Belarus. WTO membership requires the negotiated consent of individual states within customs unions, which has proven a stumbling block in this case; for a general analysis, see ‘The CIS Customs Union is Running out of Steam,’ *Economist Intelligence Unit*, November 28, 2012.

<sup>30</sup> i.e. Azerbaijan, Kazakhstan, Kyrgyzstan, Turkey, Turkmenistan and Uzbekistan; the second category includes the Russian Autonomous Republics of Altai, Bashkortostan, Khakassia, Sakha, Tatarstan, Tuva, the Moldavian Autonomous Republic of Gagauzia, and the Turkish Republic of Northern Cyprus.

<sup>31</sup> The Istanbul-based CCTS is an interstate organization which grew out of the Summits of the Heads of Turkic Speaking States that first convened in 1992. Signed into existence in 2009 upon Nazarbayev’s initiative, it is chaired on a rotational basis (currently Kazakhstan); For the official website, see: <http://www.turkkon.org/eng/index.php>; among the six independent Turkic states, Turkmenistan and Uzbekistan ostensibly owing to their stances on neutrality have yet to join as full-fledged members, although this may yet change at some stage.

<sup>32</sup> These include the International Organization of Turkic Culture (Türksoy) founded in 1993; the Parliamentary Assembly of Turkic Speaking Countries (TurkPA) established in 2008, again following Nazarbayev’s initiative; the Turkic Culture and

Heritage Foundation signed into existence in 2012; the Turkic Academy, set up in 2012; and the Business Council of Turkic Speaking States, founded in 2011.

<sup>33</sup> WMD proliferation features among the external security threats enumerated in its 2011 Military Doctrine, see Section 3.1, Presidential Decree No. 161, Military Doctrine of the Republic of Kazakhstan, 11 October 2011, available on: <http://mod.gov.kz/mod-en/index.php/2009-06-26-02-25-27>

<sup>34</sup> Nursultan Nazarbayev, 'What Iran Can Learn from Kazakhstan,' *The New York Times*, March 25, 2012.

<sup>35</sup> Baghdad Amreyev, 'Kazakhstan launches global initiative,' *Hurriyet*, June 6, 2010.

<sup>36</sup> Aibek Nurbekov, 'Far-sighted vision that inspires interaction among religions,' *Astana Times*, September 25, 2013.

<sup>37</sup> Jacob Abadi, *Israel's Quest for Recognition and Acceptance in Asia: Garrison State Diplomacy*, Frank Cass: London, 2004, p. 419; for a contrarian Arab-centric perspective, see Jasim Unis al-Hariri, 'Israeli Penetration of Central Asian Nations and Repercussions for Relations with the Arab world,' *Contemporary Arab Affairs* 4.3 (July-September 2011), pp. 322-340.

<sup>38</sup> Note that Central Asia plus Azerbaijan's oil and gas holdings respectively only still represent 2.33% and 6.63% of global reserves, as opposed to the Middle East's 49% and 41.5% – these calculations are based on figures taken from 'Worldwide Look at Reserves and Production,' *Oil and Gas Journal*, December 3, 2013, available at: <http://www.ogj.com/content/dam/ogj/print-articles/Volume%20110/December%203/worldwide-look-at-reserves-and-production.pdf>; Alex Kogan, 'Kazakhstan Could be Israel's Best Source for Oil and Gas,' *Jerusalem Post*, May 28, 2007.

<sup>39</sup> Clyde Haberman, 'Israel Builds Ties to ex-Soviet Muslim Lands,' *The New York Times*, May 2, 1993.

<sup>40</sup> Paul Starobin, 'The New Great Game,' *National Journal*, 13 March 1999.

<sup>41</sup> National Nuclear Security Administration Fact Sheet, available at: <http://nnsa.energy.gov/mediaroom/factsheets/uskazakhcooperation-0>

<sup>42</sup> Michael B. Bishku, 'The Relations of the Central Asian Republics of Kazakhstan and Uzbekistan with Israel,' *Middle Eastern Studies* 48.6 (November 2012), p. 927.

<sup>43</sup> Barak Ravid, ‘Turkmenistan rejects Israeli Ambassador, Says he is “Mossad Spy”’, *Haaretz*, July 7, 2011; For Tzur’s diplomatic accreditation, see <http://www.turkmenistan.ru/en/articles/17262.html>

<sup>44</sup> Herb Keinon, ‘Netanyahu to Meet Foreign Minister of Turkmenistan in Message to Iran,’ *Jerusalem Post*, September 30, 2013.

<sup>45</sup> See ‘Kazakhstan’, U.S. Energy Information Administration, available at: <http://www.eia.gov/countries/cab.cfm?fips=KZ>; for more on official country statistics, see: <http://www.eng.stat.kz/Pages/default.aspx>; ‘Worldwide look at reserves and production,’ *Oil and Gas Journal*, December 3 2013, available at: <http://www.ogj.com/content/dam/ogj/print-articles/Volume%20110/December%203/worldwide-look-at-reserves-and-production.pdf>; according to calculations based on the latter’s figures, Kazakhstan’s oil and gas reserves respectively constitute: 1.83% and 1.25% of the world total; 3.74% and 3% of the Middle East’s reserves; and 25.2% and 3.9% of the 15 Former Soviet Union republics; likewise, Kazakhstan’s oil production currently stands at 2.05% of the global total. Paltry though they may seem in comparison, these figures are significant in absolute terms, especially for Israel.

<sup>46</sup> With estimated total reserves of some 35-38 billion barrels (of which 9-11 billion recoverable), Kashagan is the largest oilfield to have been discovered outside of the Middle East, and the world’s fifth largest. Vladimir Socor, ‘Kazakhstan’s Kashagan Oil Project Set to Start Commercial Production,’ *Eurasia Daily Monitor* (Jamestown Foundation), September 19, 2013; Justin Scheck, ‘A \$30 billion hole in the Caspian Sea?’, *Wall Street Journal*, April 18, 2013.

<sup>47</sup> All of this notwithstanding, and even though gas production has attained self-sufficient levels, it bears noting that the country suffers from an inadequate domestic gas pipeline network to the extent that, while it exports from the energy-rich western regions, it depends on natural gas imports from Russia and Uzbekistan for its northern and southern regions respectively.

<sup>48</sup> ‘Kazakhstan Industry Report: Energy,’ *Economist Intelligence Unit*, January 2013.

<sup>49</sup> ‘Global uranium supply ensured for long term, new report shows,’ Nuclear Energy Agency (OECD), available at: <http://www.oecd-nea.org/press/2012/2012-05.html>

<sup>50</sup> Raushan Nurshayeva, ‘Kazakhstan Lifts Mineral Licence Ban, Invites Investors,’ *Reuters*, April 18, 2013.

<sup>51</sup> For a gauge of the gravity with which Astana views terrorism, see for example <http://www.counter-terror.kz/>

<sup>52</sup> Note that Israel had already established relations with Uzbekistan nearly two months earlier on 21 February 1992, and that just four days after the start of Israel-Kazakhstan diplomatic relations, Kazakhstan also established relations with the Palestinian Liberation Organization.

<sup>53</sup> Personal communication with Michael Roe, Chairman of the Israel-Kazakhstan Chamber of Commerce and Industry, December 12, 2013.

<sup>54</sup> Galym Orazbakov, 'Kazakhstan and Israel: Good Friends and Reliable Partners,' *Jerusalem Post*, May 19, 2009.

<sup>55</sup> Sunnis make up 50% and the Russian Orthodox, 30%. In terms of ethnicity, Kazakhs make up approximately 63% and the Russians 24%, while the rest consist of a patchwork of Uzbeks, Ukrainians, Uighurs, Tatars, Chechens, Belorussians, Poles, Lithuanians, Germans, Koreans and Jews.

<sup>56</sup> Sergio DellaPergola, 'World Jewish Population, 2012,' Berman Institute – North American Jewish Data Bank, University of Connecticut, p.55, available at: <http://www.bjpa.org/Publications/downloadPublication.cfm?PublicationID=16432>

<sup>57</sup> Personal interview with former Ambassador Israel Mey-Ami, Tel Aviv, December 26, 2013.

<sup>58</sup> Personal communication with Arman Baissuanov, analyst with the UK-based thinktank *Open Briefing* and until recently, an official of the Kazakhstan delegation to the OIC, December 20, 2013.

<sup>59</sup> Michael J. Jordan, 'A Shared Destiny Among Jews, Kazakhs,' *Jewish Telegraphic Agency*, December 19, 2008, available at: <http://www.jta.org/2008/12/19/news-opinion/world/a-shared-destiny-among-jews-kazakhs>

<sup>60</sup> 'Skirat yachasei ha-sachar beyn Israel le-Kazakhstan' [Israel-Kazakhstan trade relations survey], Economic Unit of the Israel Export and International Cooperation Institute, Internal Memo to the Israel Ministry of Foreign Affairs, 2013.

<sup>61</sup> 'Survey,' Israel Export Institute, 2013.

<sup>62</sup> *ibid.*

<sup>63</sup> Author's translation, 'Survey', Israel Export Institute, 2013.

<sup>64</sup> Personal Communication with Eliyahu Tasman, Israel's ambassador to Kazakhstan, December 3, 2013.

<sup>65</sup> See for instance, Herb Keinon, 'Israel Smiles as Kazakhstan Takes Presidency,' *Jerusalem Post*, June 17, 2011; according to the Direction of Trade Statistics of the IMF, the precise import figures for 2012 stood at \$1.535 billion. (see Table 1)

<sup>66</sup> Interview with Ran Ichay in 'Israel and Kazakhstan: on the way to innovative economies,' *Kazakhstan*, No. 2 (2007), available at: <http://investkz.com/en/journals/52/405.html>

<sup>67</sup> 'Israeli President Makes Landmark Kazakhstan Visit,' *European Jewish Press* (originally Agence France-Presse), June 30, 2009.

<sup>68</sup> This figure is based on Israel's reported consumption needs of approximately 300,000 barrels per day, or 109.5 million barrels annually. See US Energy Information Administration, 'Israel', available at: <http://www.eia.gov/countries/country-data.cfm?fips=IS#pet>

<sup>69</sup> This internal discrepancy concerning Israel's imports from Kazakhstan is explained by the fact that the IMF publishes different figures based on separate reporting by both countries.

<sup>70</sup> See for instance, Ksenia Svetlova and Sharon Wrobel, 'Kazakhstan seeks to increase oil exports to Israel,' *Jerusalem Post*, 17 November 2009; according to Israel Mey-Ami, Israel's former ambassador to Kazakhstan, 'every 1 in 4 litres of our country's oil comes from Kazakhstan, as does every fifth loaf of bread,' personal interview, Tel Aviv, 26 December 2013.

<sup>71</sup> Personal communication with Michael Roe, 12 December 2013.

<sup>72</sup> Please note that 2013 data has not yet been released by IMF.

<sup>73</sup> Please note that 2013 has not yet been released by IMF. Please also note that an additional discrepancy exists between the figures for Israeli exports presented by the IMF and those of the Israel Export Institute, at least for the years 2010-2012. In those three years, the latter's figures consistently amount to 70-75% of the former's. One possible explanation might be the IMF's inclusion of defense trade.

<sup>74</sup> Eran Peer, 'Hapoalim Extends Credit to Kazakh Bank,' *Globes*, August 21, 2007.

<sup>75</sup> Ariel Cohen, 'Kazakhstan: Israel's Partner in Eurasia,' *Jerusalem Viewpoints* No.

573 (September-October 2009), *Jerusalem Center for Public Affairs*, available at: <http://jcpa.org/article/kazakhstan-israels-partner-in-eurasia/>

<sup>76</sup> 'Survey', Israel Export Institute, 2013.

<sup>77</sup> Embassy of Kazakhstan in Israel, available at: <http://www.kazakhemb.org.il/?CategoryID=165&ArticleID=163>

<sup>78</sup> Yael Gross-Englander, 'Communications Exports to Kazakhstan Rise 25%,' *Globes*, 27 November 2007.

<sup>79</sup> Aynur Jafarova, 'Israel, Kazakhstan May Cooperate in Energy Projects – Envoy,' *Azernews*, May 1, 2013.

<sup>80</sup> Golan Chazani and Michal Popovski, 'Ma meshutaf le-Ehud Olmert, Yuval Rabin ule-milioneer miKazakhstan? [What do Ehud Olmert, Yuval Rabin and a Kazakh millionaire have in common?],' *Calcalist*, April 22, 2013, available at: <http://www.calcalist.co.il/local/articles/0,7340,L-3600502,00.html>

<sup>81</sup> Personal communication with Michael Roe, 12 December 2013.

<sup>82</sup> Michelle Witte, 'Israel, Kazakhstan Continue Flurry of Cooperative Activities,' *Astana Times*, October 18, 2013.

<sup>83</sup> Aynur Jafarova, 'Israel, Kazakhstan May Cooperate in Energy Projects – Envoy,' *Azernews*, May 1, 2013.

<sup>84</sup> Personal interview with former Ambassador Israel Mey-Ami, Tel Aviv, 26 December 2013.

<sup>85</sup> Personal interview with representative at the Volcani Institute, 19 November 2013; 'Nechtam mizkar havanot Israel-Kazakhstan le-shituf peula bitchum ha-mechkar ha-chakla'I,' Israel Ministry of Agriculture and Rural Development, July 29, 2009.

<sup>86</sup> Personal interview with former Ambassador Israel Mey-Ami, Tel Aviv, 26 December 2013.

<sup>87</sup> Hugh Carnegie, 'Israeli Matchmaker Sees Kazakhstan as Next Frontier,' *Financial Times*, January 28, 1993.

<sup>88</sup> This was hardly all. Eisenberg also bought over a steel factory in the central Kazakh mining city of Karagandy, but later discovered that the acquisition came attached with a massive debt. Incensed, he decided to take the Government of Kazakhstan to court in a case which was eventually decided in his favor, but he had by then passed away, personal

interview with former Ambassador Israel Mey-Ami, Tel Aviv, 26 December 2013.

<sup>89</sup> Personal interview with former Ambassador Israel Mey-Ami, Tel Aviv, 26 December 2013; the ambassador provided this anecdote to illustrate his point: ‘when the Kazakhs saw the drip irrigation systems that the Israelis had brought with them, they thought to themselves: why not make even more holes [on the pipes]?’.

<sup>90</sup> Personal interview with former Ambassador Israel Mey-Ami, Tel Aviv, 26 December 2013.

<sup>91</sup> Personal communication with Michael Roe, 12 December 2013.

<sup>92</sup> Personal interview with former Ambassador Israel Mey-Ami, Tel Aviv, 26 December 2013.

<sup>93</sup> Personal communication with Barry Swersky, 8 December 2013.

<sup>94</sup> Personal communication with Ambassador Eliyahu Tasman, 3 December 2013; personal communication with Michael Roe, 12 December 2013.

<sup>95</sup> Such as T-72 MBTs; Su-27, MiG-27, MiG-23UB combat aircraft; Mil Mi-24 Hind helicopter gunships; S-330 Surface-to-Air missiles; and BM-27 Uragan multiple launch rocket systems.

<sup>96</sup> Roger N. McDermott, ‘Kazakhstan-Russia: Enduring Eurasian Defence Partners,’ Report No.15, *Danish Institute for International Studies*, 2012, p. 33, available at: [http://en.diis.dk/files/publications/Reports2012/RP2012-15-Kazakhstan-Russia\\_web.pdf](http://en.diis.dk/files/publications/Reports2012/RP2012-15-Kazakhstan-Russia_web.pdf)

<sup>97</sup> Roger N. McDermott, ‘Kazakhstan-Russia: Enduring Eurasian Defence Partners,’ p. 36.

<sup>98</sup> Ran Dagoni, ‘Israel arms exports topped \$7.3b in 2010,’ *Globes*, 4 April 2011.

<sup>99</sup> Joshua Kucera, ‘KADEX: Kazakhstan Eyes Foreign Partnerships,’ *Janes Defence Weekly*, Vol. 47 (23), June 9, 2010.

<sup>100</sup> Marlène Laruelle, ‘Israel and Central Asia: Opportunities and Limits for Partnership in a Post-Arab Spring World,’ *The German Marshall Fund of the United States*, July 2012, available at: [http://www.gmfus.org/wp-content/blogs.dir/1/files/mf/1342636966Laruelle\\_IsraelCentralAsia\\_Jul12.pdf](http://www.gmfus.org/wp-content/blogs.dir/1/files/mf/1342636966Laruelle_IsraelCentralAsia_Jul12.pdf)

<sup>101</sup> Grzegorz Holdanowicz, ‘Kazakhstan Improves Artillery with Israeli Support,’ *Jane’s*, July 7, 2008.

<sup>102</sup> John C. K. Daly, 'Israeli-Kazakh Cooperation Grows,' *Eurasia Daily Monitor* Vol. 5, Issue. 142 (Jamestown Foundation), July 25, 2008, available at: [http://www.jamestown.org/programs/edm/single/?tx\\_ttnews%5Btt\\_news%5D=33834&tx\\_ttnews%5BbackPid%5D=166&no\\_cache=1#.UqRliMQW2So](http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=33834&tx_ttnews%5BbackPid%5D=166&no_cache=1#.UqRliMQW2So)

<sup>103</sup> Kobi Yeshayahu, 'Heseg le'Ta'a: ha-lavyan 'Amos 4' shugar behatzlacha la-chalal,' *Globes*, September 1 2013, available at: <http://www.globes.co.il/news/article.aspx?did=1000876415#FromSearchPage>

<sup>104</sup> Yossi Melman, 'Kazakh Minister Arrested in Israeli Arms Sales Bribe Case,' *Haaretz*, 14 April 2009.

<sup>105</sup> Barbara Opall-Rome, 'Israel-Kazakhstan Ink Cooperation Accord,' *Defense News*, January 20 2014, available at: <http://www.defensenews.com/article/20140120/DEFREG04/301200028/Israel-Khazakhstan-Ink-Cooperation-Accord>

<sup>106</sup> Personal communication with Arman Baissuanov, analyst with the UK-based think-tank *Open Briefing* and until recently, an official of the Kazakhstan delegation to the OIC, 20 December 2013.

<sup>107</sup> US Energy Information Administration, 'Israel', available at: <http://www.eia.gov/countries/country-data.cfm?fips=IS#pet>; Sandy Rashty, 'Roll out Israel's Oil Barrels,' *The Jewish Chronicle*, August 4, 2013.

<sup>108</sup> Ksenia Svetlova and Sharon Wrobel, 'Kazakhstan seeks to increase oil exports to Israel,' *Jerusalem Post*, 17 November 2009; Ashish Kumar Sen, 'Azerbaijan: an American ally in a sea of threats,' *The Washington Times*, October 7, 2013.

<sup>109</sup> 'Worldwide Look at Reserves and Production,' *Oil and Gas Journal*, December 3, 2013, available at: <http://www.ogj.com/content/dam/ogj/print-articles/Volume%20110/December%203/worldwide-look-at-reserves-and-production.pdf>

<sup>110</sup> U.S. Geological Survey, Fact Sheet 3014 (March 2010), available at: <http://pubs.usgs.gov/fs/2010/3014/pdf/FS10-3014.pdf>; Ken Silverstein, 'Israel's Natural Gas Finds Win the World's Notice,' *Forbes Business*, November 4, 2013.

<sup>111</sup> Shoshanna Solomon, 'Israel's Deepest Well Targets 1.5 Billion Barrels of Oil,' *Bloomberg*, July 18, 2013.

<sup>112</sup> Michael J. Jordan, 'Kazakhstan Seen as Bridge to Muslim World,' *Jewish Telegraph Agency*, December 18, 2008.

<sup>113</sup> The OIC's Israel stance, intimately shaped by the Palestinian struggle, has evolved over the years in line with attitudinal changes on the Arab street: what was once rigid opposition (consider Egypt's suspension following the Camp David accords) is now largely confined to situations of perceived egregious violation of the Palestinians' rights. Still, even such cases rarely, if ever, 'prejudice the right of Kazakhstan to maintain bilateral ties with Israel', according to Arman Baissuanov, a former official of the Kazakhstan delegation to the OIC, personal communication, 22 December 2013.

<sup>114</sup> 'Kazakhstan's stands on Middle East Peace Process,' Republic of Kazakhstan Ministry of Foreign Affairs, available at: [http://mfa.gov.kz/en/#!/foreign\\_policy/global\\_and\\_regional\\_security/kazakhstan's\\_position\\_of\\_middle\\_east\\_settlement/](http://mfa.gov.kz/en/#!/foreign_policy/global_and_regional_security/kazakhstan's_position_of_middle_east_settlement/)

<sup>115</sup> In the view of a former Kazakh government official, his country's ties with Israel may well serve to balance its relations with Iran and the Arab states, but 'it is difficult to predict any closer political cooperation as Israel has been rather defensive in its regional attitude' and its 'regional isolation does not offer much to Kazakhstan'. Moreover, the importance of Astana's relations with Turkey and Iran, he adds, militates against closer relations with Jerusalem, as does Astana's prioritization of the flow of foreign investments, for which it finds greater traction in the Gulf Monarchies; personal communication with Arman Baissuanov, analyst with the UK-based think-tank *Open Briefing* and until recently, an official of the Kazakhstan delegation to the OIC, 20 December 2013.

<sup>116</sup> Hadi Aazami & Ali Akbar Dabiri, 'Arzyabi-ye forsath-ha va chalesh-haye zheopolitik-e Iran dar Asia-ye Markazi' [Assessing Iran's geopolitical opportunities and challenges in Central Asia], *Faslname-ye Elmi-Pezhuheshi Faza-ye Zheografiayi* 12.40 (Winter 1391), pp. 29-30; Vladimir Mesamed, 'Iran: Ten Years in Post-Soviet Central Asia,' *Central Asia and the Caucasus*, 2002; R.K. Ramazani, 'Iran's Foreign Policy: Both North and South,' *The Middle East Journal* 46.3 (Summer 1992), pp. 404-407.

<sup>117</sup> At a time when Iran was facing growing isolation, Russia was becoming a strategic ally of Tehran's by providing stability on Iran's northern border, as well as trade and technological transfers, particularly in the nuclear domain.

<sup>118</sup> Anoushiravan Ehteshami and Emma C. Murphy, 'The Non-Arab Middle East States and the Caucasian/Central Asian Republics: Iran and Israel,' *International Relations* 12.81 (1994), p. 85. The authors also note that during a June 1992 address, Nazarbayev singled Turkey out as an exemplar of an Islamic but secular state, while

he failed to even mention Iran, p. 89; M.E. Ahrari, *The new Great Game in Muslim Central Asia*, McNair Paper 47, Institute for National Strategic Studies: Washington, D.C., January 1996, pp. 47-49, 62-66; Mohiaddin Mesbahi, 'Iran and Central Asia: Paradigm and Policy,' *Central Asian Survey* 23.2 (2004), pp. 109-139; for Iran's Relations with Persian Afghanistan and Tajikistan, see Kevjn Lim, 'Iran's outreach to Afghanistan, Tajikistan Faces Obstacles,' *World Politics Review*, 5 June 2013.

<sup>119</sup> Adam Tarock, 'Iran's Policy in Central Asia,' *Central Asian Survey*, 16. 2 (1997), p. 198.

<sup>120</sup> Author's translation, 'Rais-e jomhour: Ayande ravabet-e jomhouri-ye eslami-ye iran va ghazaghestan derakhshan va moasser khahad bud', Website of the Presidency of Iran, available at: <http://www.president.ir/fa/15593> ('Agar che doure-ye erteibat-e Tehran va Astane tulani nist amma omgh-e ravabet-e ma be omgh- taarikh va farhang va ala'egh ghalbi-ye do mellat bar migardad va dar tul-e hejdah sal-e gozashte hamvare ravabet-e Tehran va Astane dar hal-e gostaresh bude ast').

<sup>121</sup> Aynur Jafarova, 'Transit Traffic Increases After Launch of Turkmen-Kazakh Railway Section,' *Azernews*, August 23, 2013; D. Mukhtarov, 'Kazakhstan-Turkmenistan-Iran Railway to Open by this Summer – Ambassador,' *Trend News Agency*, February 12, 2013, available at: <http://en.trend.az/capital/business/2118388.html>

<sup>122</sup> Viewed from Iran's perspective, overland access to the Persian Gulf, Europe and elsewhere, particularly for energy exports without having to transit Russian territory, represents a major factor for the CARs to draw closer to Tehran, see Hadi Aazami & Ali Akbar Dabiri, 'Arzyabi-ye forsath-ha va chalesh-haye zheopolitik-e Iran dar Asia-ye Markazi', p. 28.

<sup>123</sup> In an interview with the Iran and Eurasia Studies Institute (IRAS), Central Asian expert Nurlan Alniyazov opined that 'the expanding of relations between [Iran and Kazakhstan] guarantees stability.... [T]he main motive for bilateral convergence could be a communications and transport corridor running through Russia, Kazakhstan and Iran [gostaresh-e ravabet miyan-e do keshvar zamanat-e sabat ham baraye iran va ham baraye ghazaghestan ast. Faktor-e asli-ye hamgerayi-e do keshvar mitavanad koridor-e ertebati-haml o naghli bashad ke az rusiye, ghazaghestan va iran khahad gozasht], see 'Akharin tahavvolat-e ravabet-e Iran va Ghazaghestan' [Latest developments in Iran-Kazakhstan relations], available at: <http://www.iras.ir/vdcci0qi.2bq0s8laa2.html>

<sup>124</sup> See Kevjn Lim, 'Iran's Secret Weapon,' *The National Interest*, August 9, 2012.

<sup>125</sup> In 1921, then Persia, and again in 1935 and 1940 Pahlavi Iran, signed a treaty with the Soviet Union regulating split ownership of the Caspian Sea. The collapse of the USSR immediately produced three newly independent littoral states – Kazakhstan, Turkmenistan and Azerbaijan – who jostled for a share of the coastline and consequently, its subsoil resources. Iran currently controls about 14% of the total Caspian shoreline yet has demanded to replace the median-line (or equidistance) principle with the condominium approach, according to which each Caspian littoral state would equally receive 20% of the shoreline. Only Turkmenistan agrees with Iran, whereas Kazakhstan (which claims the largest share of the Caspian coastline), Russia and Azerbaijan have among themselves agreed otherwise. By rejecting the status quo, Iran, with Russia's implicit collusion, also hopes to forestall a pipeline project leading from Kazakhstan and Turkmenistan through to Azerbaijan and the EU while bypassing Iranian (and Russian) territory. Nonetheless, all five Caspian littoral states pledged in 2007 never to allow their territories to be used by others for military aggression against any of the five, a subtle message intended to mollify Tehran.

<sup>126</sup> Roe Nahmias, 'Kazakh President to Peres: We Won't Help Iran Obtain Nukes,' *Ynet News*, June 30, 2009.



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