

BELT AND ROAD: BENEFITS AND PROSPECTS FOR KAZAKHSTAN

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ABSTRACT

The novelty of this article is determined, first, by the very topic of research, because the object of study is cooperation between Kazakhstan and China under the Chinese Belt and Road Initiative (BRI), while the initiative itself is a new research topic for the scientific community as its implementation began only five or six years ago. Second, we consider the Chinese Belt and Road Initiative from the perspective of the interests of Kazakhstan, with a comprehensive analysis of the implementation, problems, and prospects of integration of China's Silk Road Economic Belt and Kazakhstan's Nurly Zhol (Bright Path) projects. And third, an assessment is made of the successes achieved in the implementation of this integration project in the Central Asian region, as well as its political risks and potential threats to Kazakhstan's reindustrialization plans.

KEYWORDS: *China-Kazakhstan relations, sinology, Belt and Road Initiative (BRI), Silk Road Economic Belt (SREB).*

Introduction

Diplomatic relations between the People's Republic of China and the Republic of Kazakhstan were first established in 1992. For more than a quarter-century, China-Kazakhstan relations have stood the test of time and international turbulence. From good neighborliness and friendship, followed by all-round strategic partnership, our bilateral relations have developed rapidly, reaching the highest level in their entire history. In an article entitled "China-Kazakhstan Relations Soar on the Wings of a Dream," Chinese President Xi Jinping noted: "During my first visit to Kazakhstan in 2013, I launched an initiative to build a Silk Road Economic Belt, and that was the starting point of cooperation under the Belt and Road Initiative. In the last four years, the construction of the Belt and Road has already moved from initiative to action, from idea to practice. It has become a platform for open and inclusive cooperation, a global social product enjoying wide support in the international community... It is necessary to promote cooperation in the joint construction of the Belt and Road, accelerate the integration of development strategies, and jointly implement the results of the Belt and Road Forum for International Cooperation."¹

Methods and Methodology

The methodological framework of this article is a set of classical approaches to studying international relations. The method used in the research process was that of comparative analysis. In the context of the research topic, a comparison was made of conflicting opinions and assessments of international experts and public figures regarding the implementation of the Belt and Road Initiative (BRI). Another method used was that of content analysis, particularly an analysis of state regulatory acts of the People's Republic of China and the Republic of Kazakhstan, articles about the Belt and

¹ Xi Jinping, "Vzletaiut na kryliakh mechty kitaisko-kazakhstanskiye otnosheniia," *Kazakhstanskaia pravda*, 2017, pp. 1-2.

Road project, and interviews with Kazakhstan's political leaders and public figures on the revival of the Silk Road and implementation of the initiative.

Results

On 15 May, 2017, Nursultan Nazarbayev took part in the first Belt and Road Forum for International Cooperation in Beijing, where he spoke, among other things, about the strengths of the new model of regional cooperation under the Belt and Road Initiative. In particular, he noted that “the proclaimed approach ‘stability through joint development’ is currently an attractive form of international cooperation reflecting the economic interests of dozens of countries. At present, when certain contours of the Silk Road are already evident, there is a need for joint strategic coordination of this macroregional cooperation. The implementation of the Silk Road initiative also makes it possible to reposition entire regions, including Central Asia, in a global context. Central Asia has regained strategic importance, becoming the main bridge between the world's largest markets.”²

At the Forum, Nursultan Nazarbayev suggested a number of concrete steps to implement the Belt and Road Initiative:

1. In order to effectively develop the growing transit potential of the Silk Road Economic Belt, it is necessary to facilitate commodity flows in a consistent way by improving service levels and removing administrative barriers. This requires expertise and appropriate funding, which is why the Asian Infrastructure Investment Bank (AIIB) should finance such programs more actively.
2. It is necessary to develop agricultural cooperation with a view to ensuring the food security of countries located along the new Silk Road.
3. To develop cooperation in the field of innovation, science, and technology.
4. To consider issues of co-financing of projects and establishment of R&D and technology transfer centers, innovative companies, and venture funds.
5. To address the whole set of environmental problems, including those of rational management of the water resources of transboundary continental rivers, which can serve as traffic arteries.
6. To build mutual trust between the countries involved and foster their willingness to engage in equal and comprehensive cooperation for the successful development of the Belt and Road idea.³

During a visit to the Chinese pavilion at the EXPO 2017 international exhibition in Astana on 8 June, 2017, Nursultan Nazarbayev and Xi Jinping took part in a teleconference entitled “Kazakhstan and China: Transit Bridge of Eurasia.” Nazarbayev noted the importance of launching the new Khorgos-Lianyungang transport route and called this project a graphic example of effective cooperation between the two countries in “docking” the Silk Road Economic Belt and Nurly Zhol (Bright Path) programs. During that event, the first trains carrying sea containers set off from Lianyungang Port for Central Asia and Turkey. Another project launched by the two leaders was a container service from the Khorgos Gateway dry port to the Chinese city of Chengdu. Let us recall that the above-mentioned

² N. Nazarbayev, *Speech at the 2017 Belt and Road Forum for International Cooperation*, 2017, Official website of the President of the Republic of Kazakhstan, available in Russian at [http://www.akorda.kz/ru/events/international_communitu/foreign_visits/uchastie-v-forume-mezhdunarodnogo-sotrudnichestva-odin-poyas-odin-put?q].

³ See: *Ibidem*.

joint logistics project in Lianyungang was not the only one. At the Belt and Road Forum in Beijing on 15 May, 2017, Kazakhstan’s national company NC KTZ JSC, China’s COSCO Shipping and Lianyungang Port signed a trilateral agreement on the joint development of the KTZE-Khorgos Gateway dry port located in the Khorgos Eastern Gate Special Economic Zone (SEZ).⁴

In our research, we conducted a content analysis of official media and compiled a chronology of cooperation between China and Kazakhstan under the Belt and Road Initiative, which clearly shows that the proclaimed strategic cooperation between the two countries has been developing dynamically (see Table 1).

Table 1

Timeline of Kazakhstan-China Summit and High-Level Meetings on the Issue of BRI Cooperation

	Date	Event	Results
1	06.09-07.09.2013	Chinese President Xi Jinping paid an official visit to the Republic of Kazakhstan.	Xi Jinping first announced the initiative to create a Silk Road Economic Belt in a speech at Nazarbayev University. The two presidents signed a joint declaration on further deepening the comprehensive strategic partnership between China and Kazakhstan.
2	19.03.2014	Kazakhstan Foreign Minister Erlan Idrissov paid an official visit to China.	The minister spoke at the China Institute of International Studies and took part in the unveiling of a monument to Abai Kunanbayev, Kazakh poet and thinker, in Beijing.
3	24.03.2014	Chinese President Xi Jinping met with Kazakhstan President Nursultan Nazarbayev at the Nuclear Security Summit in the Netherlands.	The two leaders considered the main areas of bilateral cooperation and the progress made in implementing the agreements reached as a result of Xi Jinping’s state visit to Kazakhstan.
4	19.05.2014	President Nursultan Nazarbayev paid a state visit to China.	Nursultan Nazarbayev was awarded the Silk Road peace prize and took part in the opening of the Lianyungang logistics terminal.
5	14.12.2014	Chinese Premier Li Keqiang and Kazakhstan Prime Minister Karim Massimov held the second regular meeting of prime ministers of China and Kazakhstan.	The parties signed a memorandum of understanding between Kazakhstan’s Ministry of National Economy and China’s National Development and Reform Commission (NDRC) for the joint development of the Silk Road Economic Belt.
6	26.12.2014	Talks were held between Kazakhstan’s Investment and Development Minister Asset Issekeshev and the head of China’s National Development and Reform Commission Xu Shaoshi.	The two ministers discussed 50 economic projects worth a total of \$60 billion.
7	07.05.2015	Chinese President Xi Jinping’s state visit to Kazakhstan.	Further development of the strategic partnership.

⁴ See: E. Kagazbayeva, Problemy i perspektivy sopryazheniya “Odin poyas—odin put” s kazakhstanskim proektom “Nurly zhol,” *Materialy 1-oi Mezhdunarodnoi nauchno-prakticheskoi konferentsii “Kitayevedeniy v Kazakhstane i za rubezhom*, 2018, pp. 195-203.

Table 1 (continued)

	Date	Event	Results
8	30.08-03.09.2015	President Nursultan Nazarbayev's state visit to China.	A total of 33 documents were signed during the visit, including 28 documents in the sphere of industrialization and investment worth \$23.4 billion.
9	13.12.-14.12.2015	Kazakhstan Prime Minister Karim Massimov visited China and had an official meeting with Chinese Premier Li Keqiang.	The parties adopted a Program of Cross-Border Cooperation between Kazakhstan and China for 2015-2020.
10	12.07.2016	First Deputy Prime Minister of Kazakhstan, Bakhytzhan Sagintayev, met in Beijing with Zhang Gaoli, member of the Politburo Standing Committee of the Communist Party of China and Vice Premier of the PRC.	The parties discussed the implementation of projects under the Nuryly Zhol new economic policy, announced by Kazakhstan President Nursultan Nazarbayev, and Chinese President Xi Jinping's Belt and Road Initiative.
11	02.09.2016	Kazakhstan President Nursultan Nazarbayev's working visit to China (city of Hangzhou).	A Cooperation Plan for integrating the Nuryly Zhol program with the construction of the Silk Road Economic Belt was signed between the governments of Kazakhstan and China. An agreement was reached on 51 projects worth a total of more than \$20 billion.
12	03.11.2016	Kazakhstan President Nursultan Nazarbayev held a meeting with Chinese Premier Li Keqiang.	As a result of the meeting, a number of documents were signed in the sphere of trade, investment, and economic cooperation.
13	29.11.2016	First Deputy Prime Minister of Kazakhstan, Askar Mamin, held talks with Chinese Vice Premier Zhang Gaoli.	The parties discussed the implementation of 51 large-scale joint projects in industry, innovation, transport, and logistics.
14	24.04.2017	Bilateral talks were held between Kazakhstan's Foreign Minister Kairat Abdrakhmanov and China's Foreign Minister Wang Yi.	The ministers signed a Memorandum of Cooperation between the Foreign Ministries of Kazakhstan and China for 2017-2019. The document provides for regular meetings and consultations on relevant issues of bilateral partnership and international affairs.
15	14.05.-15.05.2017	Nursultan Nazarbayev took part in the first Belt and Road Forum for International Cooperation in Beijing.	A trilateral agreement was signed between Kazakhstan's national company NC KTZ JSC, China's COSCO Shipping and Lianyungang Port on the joint development of the KTZE-Khorgos Gateway dry port in the Khorgos Eastern Gate SEZ.
16	08.06.2017	Chinese President Xi Jinping paid a state visit to Kazakhstan.	President Xi Jinping visited the Chinese pavilion at EXPO 2017 and took part in a teleconference entitled "Kazakhstan and China: Transit Bridge of Eurasia." The parties launched a new transport route between Khorgos and Lianyungang.

Source: Compiled by the author.

Thus, the peaceful, friendly relations between our countries are confirmed by frequent mutual summit and high-level meetings, which have brought bilateral relations to a new stage of strategic partnership. Since China's President Xi Jinping announced the Silk Road Economic Belt initiative in Astana in September 2013, state-level meetings have become more dynamic. This is confirmed, among other things, by our research. Since September 2013, as Table 1 shows, there have been more than 15 summit and high-level meetings where the parties have discussed issues of integrating China's Belt and Road Initiative with Kazakhstan's Nurlı Zhol program. The Kazakhstan-China Business Council has held four meetings. Since taking office as head of state, President Xi Jinping has made three state visits to Kazakhstan: in 2013, 2015, and 2017. President Nursultan Nazarbayev of Kazakhstan has visited China four times: in 2014, 2015, 2016, and 2017.

In fact, such intensive contacts between the two heads of state have become not so much habitual as not very surprising. Given the comprehensive strategic partnership between Kazakhstan and China, it is quite natural that the leaders of the two countries have closely monitored the implementation of previously reached agreements and have been working to further deepen and strengthen cooperation for the mutual benefit of both parties. Thus, Kazakhstan not only supports China's BRI at the official level, but also takes an active part in it.

Sinologist Ruslan Izimov notes that China's offer of significant financial resources to its BRI partners is one of the strengths of the project. Today, China is indeed the largest creditor and investor for the Central Asian economies. Graphic evidence of this is provided by Xi Jinping's tour of Central Asian countries in September 2013, during which 22 contracts worth a total of \$30 billion were signed in Kazakhstan; 9 documents totaling \$3 billion in Kyrgyzstan, with bilateral cooperation raised to the level of "strategic partnership"; 13 documents in Turkmenistan, where Xi Jinping took part in the ceremony to launch the Galkynysh Gas Field; and 31 agreements in Uzbekistan totaling \$15 billion (new agreements worth another \$6 billion were signed during a visit to Beijing by Uzbekistan President Islam Karimov).⁵

According to Ruslan Izimov, "convenient geographical location is another strength of the project."⁶ China borders on three Central Asian countries. Moreover, the Chinese integration project assumes the inclusion of the countries of Transcaucasia, that is, Azerbaijan, Armenia, and Georgia, as well as Abkhazia and South Ossetia.

China's SREB project also provides certain opportunities for Kazakhstan. First, this means cooperation in transport and logistics. Kazakhstan is a transit area. From the perspective of the economy and opportunities to develop transport and logistics cooperation, the Chinese initiative is of great interest to this country. Second, there are opportunities to develop cooperation in the non-primary sector, the power industry, agribusiness, knowledge-based industries, and the cultural and humanitarian sphere. And third, involvement in the project helps to increase interest in Kazakhstan among the world powers.

Like any other project, the Chinese initiative has its advantages, as well as certain risks and challenges for Kazakhstan. In the view of sinologist Konstantin Syroyezhkin, one of these challenges is that Kazakhstan could turn into a raw materials appendage and a market for Chinese goods, since raw materials (oil and metals) predominate in its exports to China, while Chinese exports to the republic consist of industrial goods and equipment. Another challenge for Kazakhstan is the construction of Chinese industrial enterprises in the republic. The Chinese technologies that come with these enterprises will have to be adopted, and this requires engineering personnel. International cooperation under the SREB project often implies the use of Chinese equipment and other capital goods in the

⁵ See: R. Izimov, "Kitaiski Sholkoviyi put i rol Kazakhstana," 2014, available at [https://www.kursiv.kz/news/vlast/kitayskiy_shelkovyy_put_i_rol_kazakhstana/].

⁶ *Ibidem*.

implementation of various projects abroad rather than integration of local producers into the value chains of Chinese companies.⁷ The idea is that exports of excess capacity will be followed by exports of Chinese standards, technologies, and brands.

In order to acquaint the general public in Kazakhstan with the BRI, various centers and expert clubs are being set up in the country. In 2016, for example, the first professional think tank for systemic study of China and its development prospects was established in Kazakhstan. The mission of the China Studies Center is to provide comprehensive expert, information, and analytical support for political, trade, economic, and cultural cooperation of Kazakhstan and other Central Asian countries with the People's Republic of China, as well as practical intellectual assistance in implementing the Silk Road Economic Belt initiative. The Center is a research structure of the Kazakhstan Strategy and Development Society. On 28 November, 2017, the Institute for International and Regional Cooperation of the Kazakh-German University (Deutsch-Kasachische Universität) hosted the founding meeting of the Belt and Road Expert Club. Its establishment was initiated by Kazakhstan's prominent scholars and experts, including well-known sinologists K.L. Syroyezhkin, N.A. Aldabek, A.S. Kaukenov, K.Sh. Khafizova, and others. The Club's Regulations approved at the meeting formulate its main goals and objectives: to promote deeper cooperation between Kazakhstan and China, successful implementation of the Belt and Road Initiative, and integration of Kazakhstan's Nuryl Zhol program with the SREB concept, as well as to acquaint the public in Kazakhstan with the main areas of China's foreign and domestic policy.

One should note that Kazakhstan's expert community and business circles see the BRI as an opportunity to develop trade and investment and improve bilateral cooperation needed by both countries. Although the SREB project is driven by China's national interests, the Belt has the potential to provide the lacking infrastructure in Central Asia, improve the transport network, and spur economic growth.

Field of Application

During Nursultan Nazarbayev's visit to China in September 2015, Kazakhstan's national management holding company Baiterek NMH JSC and China's CITIC Group signed an agreement on joint participation in the Kazakhstan Infrastructure Fund. In addition, Kazakhstan's National Export and Investment Agency Kaznex Invest JSC and China's Silk Road Fund (SRF) signed a memorandum of understanding and cooperation in creating a special investment fund for industrial and innovation projects. The Bank of China pledged to provide \$5 billion through Baiterek NMH JSC for the purposes of Kazakhstan's industrial development. Kazakhstan also concluded a partnership agreement with the Silk Road Fund in the field of industrial and innovation development, information technologies, and other sectors of primary importance to the republic. The Fund considered the possibility of concluding an agreement to finance industrial projects in Kazakhstan worth a total of \$2-3 billion. In a speech at the Central Party School of the Communist Party of China, Nursultan Nazarbayev made special mention of the BRI, noting the steps that had already been taken to implement this initiative, such as the opening of the logistics terminal in Lianyungang Port, the construction of the Western China-Western Europe Highway, and the operation of the Khorgos international center.⁸ Thus, a concrete result of the visit was the signing of a large package of documents (over 30), includ-

⁷ K. Syroyezhkin, "Kazakhstan i geopoliticheskiye proekty SShA i Kitaia v Tsentralnoi Azii," 2016, available at [<https://365info.kz/2016/04/kazakhstan-i-geopoliticheskiye-proekty-ssha-i-kitaya-v-tsentralnoj-azii/>].

⁸ See: Yu. Mager, "Materialy o vizite Prezidenta RK v Kitaiskuiu Narodnuiu Respubliku (g. Pekin, 31 avgusta-3 sentiabria 2015), *Kazakhstanskaia pravda*, 4 September, 2015, pp. 1-2.

ing the Joint Declaration of the two heads of state on a new stage in the development of the comprehensive strategic partnership and a number of agreements between the governments of the two countries in the field of industrialization, investment, and cultural and humanitarian cooperation. Most of the agreements reached are of a commercial nature.

There is no denying the fact that Kazakhstan has been actively implementing its reindustrialization program precisely with China's assistance. The Intergovernmental Framework Agreement on Cooperation in the Field of Production Capacity and Investment, signed in August 2015, is already being implemented in practice. In fact, it is quite clear to Kazakhstan's leaders and its expert community that China today has significant competitive advantages. This is due to a number of factors:

- China's strategy designed to develop mutually beneficial investment projects avoids any debates on the domestic policies of the partner states, and this is what makes China a more attractive international partner;
- China firmly adheres to the principle of non-interference in internal affairs; in contrast to Russia, it does not seek to control the political decision-making process or to impose political integration; in contrast to the United States, it does not pressure the leaders of the Central Asian countries over political modernization or domestic reform schedules;
- China has a common border not with one, but with three Central Asian countries, which gives it a decided advantage in the development of transport and logistics projects;
- given the increasing number of transport, infrastructure, and other regionally significant facilities in which China is the largest shareholder, as well as the growing dependence of states in the region on Chinese loans, their choice in favor of China has virtually no alternative;
- it is very significant that the countries along the Silk Road Economic Belt are also interested in the implementation of these projects: this means not only increased revenue from transit fees and injection of funds into the regional economies, but also an improvement in transport connectivity between countries in the region;
- China is willing to compromise not only with Russia, but also with other countries of the Silk Road Economic Belt;
- funding for the SREB project has already been secured.

In the opinion of Kazakh researcher Elmira Kagazbayeva, "economic cooperation between Kazakhstan and China is mutually beneficial. For China, Kazakhstan becomes the 'main transportation gateway' to the Central Asian region and is seen by the Chinese leadership as the key element of the future Eurasian transcontinental transit artery. For Kazakhstan, China is a 'window of opportunity' in the process of the republic's further economic modernization. Kazakhstan will have new opportunities to develop its transit potential in the context of the revival of the Great Silk Road in the new conditions of the 21st century, as this unique megaproject is in the interests of many Eurasian countries. For Kazakhstan, this project means a new level of relations with many countries in economics, trade, and culture."⁹

But despite significant benefits for the implementation of the Nurlı Zhol State Program accruing from its integration with China's Silk Road Economic Belt program, this integration could also encounter various threats and challenges. The pairing of the two programs must and can take into account existing uncertainty factors and potential threats and challenges.

In assessing cooperation between Kazakhstan and China under the Belt and Road Initiative, one of Kazakhstan's leading sinologists, Konstantin Syroyezhkin, is more cautious: his advice is to act in

⁹ E. Kagazbayeva, *op. cit.*

strict accordance with national interests and explore the threats and challenges of the practical implementation of the Silk Road Economic Belt in Kazakhstan.¹⁰

The first and main uncertainty factor is that up to now the goals of the SREB have not been clearly defined by the Chinese side. This leaves unanswered quite a few questions posed by experts.

- First, it is unclear whether the SREB is a geopolitical concept of China's "fifth-generation" leaders or a project of economic integration under the auspices of and funded by China. Judging by the latest highlights in the speeches of Chinese leaders and recent assessments made by Chinese experts, the SREB is more of a geopolitical concept (which naturally does not exclude its economic component). The declared goal of the project is to strengthen regional economic interaction in Eurasia and create a "new model of international cooperation and global management." Hence the main problem for Kazakhstan and other states in the region: the need to choose their foreign policy priority.
- Second, could the practical implementation of the SREB project turn China into the region's dominant player not only in the economy, but also in politics?
- Third, who will be in charge of this super project and contacts with foreign partners on the Chinese side: a government agency or non-governmental structures, such as the Silk Road Fund?

Another important point that remains unclear is how the SREB concept will be combined with the project of the Eurasian Economic Union (EAEU). One should bear in mind that each of the two concepts pursues its own goals. The EAEU seeks to reindustrialize the member countries, primarily Kazakhstan, which is virtually impossible without limiting the import of Chinese goods. The SREB, on the contrary, implies the promotion of Chinese goods in the markets of Central Asian countries and Russia and through them in Europe and the Middle East, with the prospect of creating a free trade area in Central Asia, which is totally in conflict with the EAEU's main goal at the present stage of its development.

This is precisely why the main task today is to step up the search for real points of contact between the SREB and the EAEU, identify the possible integration areas, and develop appropriate mechanisms to integrate the two projects. A number of documents have been signed, but so far no real progress has been made. Unless this problem is resolved in the near future, the Central Asian states will be faced with quite a difficult choice between Russia and China, while Russian-Chinese relations could be strained. In these conditions, effective implementation of the SREB project in Central Asia will hardly be possible. Quite obviously, the practical implementation of the project will be blocked by Russia.

The second factor is that the Central Asian region is a very complex geopolitical arena. It is not only that Russia, the United States, Europe, China, India, Iran, and Turkey have intertwined and conflicting interests in the region, but also that relations between the Central Asian countries themselves leave much to be desired.

This is why China, as the initiator of the new project, should act as a skillful moderator of these relations and contradictions.

The third factor is the need to find an answer to the question of how to interpret China's proclaimed principle of "common benefit" with regard to trade and economic relations, which are imbued with the spirit of intense competition. The SREB is not based on concern for industrial development in the countries through which it will pass, but primarily on the intensive development of China's western regions so as to turn them into a transport, logistics, foreign economic, and eventually financial hub of "Greater Central Asia." This means that the Xinjiang Uighur Autonomous Region

¹⁰ See: K. Syroyezhkin, *op. cit.*

(XUAR), which already successfully functions as the “workshop” of the Central Asian countries, giving them no chance to develop a more or less significant manufacturing sector, will play an increasing role in China’s economic contacts with the Central Asian countries, while the situation in these countries (from the perspective of their reindustrialization) will worsen. But the main element of uncertainty relates not so much to the Central Asian countries’ willingness to develop the real sector of the economy jointly with China as to the dilemma facing China: whether to invest in the reindustrialization of the region and thus to provide a competitor for Chinese industrial exports.

Conclusions

To summarize this article, we can draw the following conclusions.

- First, Kazakhstan’s Nurdy Zhol (Bright Path) project and China’s Belt and Road Initiative have much in common; both projects are consistent with the strategic development goals of states. This includes the development of infrastructure to promote economic growth; cooperation with neighboring countries and regions to improve the economic environment; improvement in people’s quality of life as the main goal of both projects; and mutually beneficial cooperation to achieve general progress and prosperity.
- Second, the parties have defined four priority areas for the strategic docking of the Silk Road Economic Belt and Nurdy Zhol: development of bilateral trade; accelerated expansion and modernization of infrastructure; development of cooperation in production; and deeper cooperation in the financial sphere. These areas have not only been named, but have actually taken shape in the form of concrete projects and, most importantly, have already secured the necessary funding.
- Third, China’s creation of corridors via the existing connection with the Central Asian rail network (in which Kazakhstan plays a special role) allows China to diversify the directions of continental transit rail flows.
- And fourth, despite significant benefits for the implementation of Kazakhstan’s Nurdy Zhol State Program accruing from its integration with China’s Silk Road Economic Belt program, there are also threats and challenges that could arise in the process of integration. Among these threats, Kazakhstan’s expert community includes mass labor migration in connection with the transfer and construction of Chinese enterprises in Kazakhstan. In addition, a possible economic decline in China or Kazakhstan could lead to the stagnation of the Belt and Road Initiative. The threats and challenges of the integration process are also associated with the low competitiveness of Kazakhstan’s enterprises, which could result in the replacement of local companies by Chinese ones. Another possibility is an increase in anti-Chinese sentiment in Kazakhstan caused by the relocation of China’s excess production capacity to the republic and transfer of agricultural land to Chinese companies. Even rumors about the possible lease of agricultural land to foreigners (Chinese) has already caused a wave of protest in Kazakhstan and has required a special warning from the Prosecutor General’s Office and a statement by the President of the Republic of Kazakhstan. Finally, the potential threats and challenges of integration between the SREB and the EAEU include the prospect of competition between the two projects.

Thus, we can conclude that economic cooperation between Kazakhstan and China is mutually beneficial. For China, Kazakhstan becomes the “main transportation gateway” to the Central Asian region and is seen by the Chinese leadership as the key element of the future Eurasian transconti-

mental transit artery. For Kazakhstan, China offers a window of opportunity for economic modernization.