

## **Bilateral relations with China as a part of Kazakhstan's multi-vector foreign policy**

Cooperation with China remains a priority aspect of Kazakhstan's foreign policy and its long-term aim is to preserve the peaceful international situation, needed for the successful implementation of internal modernization in the country.

Sovereign Kazakhstan had to build its policy towards China from scratch. President Nazarbayev, analyzing the situation in those years, said: "Both sides had been forming an image of an enemy and [their] military doctrines declared one another as potential foe... General policy and general propaganda had tuned us to a belief that China is enemy No 1... Kazakhstan, after obtaining independence, had to define its relations with the People's Republic of China from scratch. We had to get rid of the legacy we inherited from party ideologists".

The Chinese leadership also showed readiness to start a large-scale dialogue with Kazakhstan on all aspects of bilateral relations. The former president of China, Jiang Zemin, said that China would always be a reliable friend and good neighbour despite any changes taking place in the world.

Kazakh-Chinese economic cooperation is currently developing well. In China's foreign trade with CIS countries, Kazakhstan occupies second place, behind Russia. In 2007, bilateral trade reached \$9.1bn (against \$3.7bn in 2005).

China shows interest in, above all else, the energy sector. The West Kazakhstan-West China oil pipeline with a design capacity of 20 million tons of oil a year is expected to be completed by 2011. Two gas pipelines – one from Uzbekistan and the other from Turkmenistan – are being built through Kazakhstan to China. The development of oil pipelines from Kazakhstan and Russia occupies a prominent place in China's diversification plans, not only because these two countries are located outside of the Persian Gulf region, but also because their exports travel to China overland. China has actively sought to improve the integration of the country's domestic oil pipeline network as well as to establish international oil pipeline connections with neighboring countries to diversify oil import routes.

When the proposal for the Kazakhstan-China oil pipeline first emerged in 1997, it was dismissed by international industry analysts as a "pipe dream" because of doubts about the project economics. But it has now become a reality. China inaugurated its first transnational oil pipeline in May 2006 when it began receiving Kazakh and Russian oil from a pipeline originating in Kazakhstan. The new 200,000 bbl/d pipeline spans 1000 kilometres, connecting Atasu in northern Kazakhstan with Alashankou on the Chinese border in Xinjiang. The pipeline was developed by the Sino-Kazakh Pipeline Company, a joint venture between CNPC and KazMunaiGaz. The pipeline's third leg from Kenkiyak to Atasu and an expansion of the entire pipeline, doubling capacity to 400,000 bbl/d, are to be completed in 2011 by CNPC.