PM Modi’s Visit Reinvigorates Ties with Central Asia

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Indian Council of World Affairs
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PM Modi’s Visit Reinvigorates Ties with Central Asia

Introduction
Prime Minister of India Narendra Modi paid a visit in July 2015 to five Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. This was the first visit by any Indian Prime Minister to all five republics in a single visit since their independence in early 1990s. Though six decades back in June 1955, Prime Minister Jawaharlal Nehru visited the five republics, however, at that time these republics were part of the Union of Soviet Socialist Republic (USSR).

Over the last 25 years, there have been visits by Prime Ministers, including by Narasimha Rao, Atal Bihari Vajpayee and Manmohan Singh, and Presidents of India – apart from other leaders and officials – to the Central Asian republics and frequent visits by the heads of government and leaders from the region to New Delhi.

In this background, the visit by Prime Minister Modi becomes significant and a number of documents covering different fields,
including energy, defence and military, science and technology, tourism, railways, culture and sports were also signed. In the middle of the visit, PM Modi also attended two important regional and economic summit meetings held at the Eurasian city of Ufa in Russia – the Brazil, Russia, India, China, and South Africa (BRICS) and the Shanghai Cooperation Organization (SCO). In the SCO meeting, the PM and leaders of Central Asian countries again had the opportunity to interact with each other and discuss issues from regional and global perspectives. The visit has also been significant as it was undertaken on the eve of a quarter century of India’s diplomatic relations with the republics of the region. Both the sides were eagerly looking forward to the visit, which has been helpful in exploring, deepening and expanding their engagements in existing as well as new areas, including economic, security, energy, culture and fight against the common threat of terrorism and extremism in their respective neighbourhoods.

The visit of Indian Prime Minister has re-generated enthusiasm among cross sections of society from both the sides, including the academia, diplomats, business leaders and the common masses. New Delhi’s policy towards the region has not only energised the bilateral understanding, but also gave signals to speed up economic and cultural integration.

The two regions have the resource potential to complement and accelerate each other’s growth, but are hampered by limited interactions on the economic front and direct transport linkages. The Central Asian republics have natural resources to fulfil the demands of the growing Indian economy; on the other hand, India also offers a billion plus market as well as different
tools of economic and social development, such as low-cost technologies, skill and entrepreneurship development, cheaper telecommunications, efficient tele-medicine, tele-education and pharmaceuticals, to accelerate the growth and development of these republics, which are also facing the threat of violence and extremism in the region, both from outside and from within.

After the drawdown of international forces from Afghanistan and taking over of the security by the Afghan national forces, peace and security still remains elusive in the country. The Taliban has launched many attacks, including in capital city Kabul. The news of its leader, Mullah Omar’s death and leadership issues in Taliban has further complicated the peace process launched by the coalition government of President Ashraf Ghani, who had made peace the ‘highest priority’ of his government. Along with the Government of Afghanistan, India, Central Asian countries and regional organizations, such as the SCO, which has established a Contact Group on Afghanistan that conducts its activity by consultations, are making efforts through the bilateral as well as multilateral platforms to bring peace to the war-torn country and deal with terrorism affecting the regional security and economy. India has been accorded full membership of the SCO, bringing new energy to the organization. At the bilateral level, the SCO member countries are already engaged with Afghanistan, and in the post-drawdown scenario, these countries can play a greater role from the SCO platform, where Afghanistan is an observer. For development and economic synergy between South Asia and Central Asia, peace and stability in Afghanistan, a common neighbourhood of both India and Central Asia, needs to be restored.
Another possible threat to the stability of the region has been the rise of Islamic State in Iraq and Syria (ISIS) group and its capability to appeal to the people, especially the youth in the region. It has been reported that a number of youth from Central Asian countries have gone to Syria and Iraq to fight for the ISIS group. Besides common youth, some higher level officers, holding key posts and young girls from the region, have also reportedly left their countries for the ISIS group. The famous ‘defection’ to the group from the region has been that of the special Tajikistan Police Chief, Colonel Gulmurod Khalimov, who was trained by both the US and Russian special forces. The International Crisis Group estimates that 2,000-4,000 people from Central Asian countries have joined the group. The appeal to join radical/extremist forces seems linked with the current socio-political, economic conditions and spiritual psyche of a section of the new generation. The regional leaders are concerned about the possible fallout on the security and social situation in their countries when these people return to their homeland. Also, the regional security condition can become more complex if the local terrorist groups establish connections with the ISIS group’s elements based in Syria and Iraq. The Islamic Movement of Uzbekistan (IMU), East Turkistan Islamic Movement (ETIM) and Jund al-Khalifah (JK) are regional militant organizations and they have ties with al Qaeda and Taliban. Recently, a senior IMU leader, Saidullah Urgenji has expressed allegiance to the ISIS group.

In this evolving security scenario, PM Modi’s visit to the region should be seen that India stands with its friends in facing the challenges and they can count on India for strong support. In
this backdrop, the current paper analyzes India’s engagement with the Central Asian countries and its growth in the future. A region, whose significance, in terms of resources, geopolitical location and emerging market has grown in recent time, besides the increased security interests of regional countries.

**Significance of Central Asia**

The Central Asian countries, since their independence, have made significant economic and social development. These republics are endowed with huge hydrocarbon resources, large amount of mineral deposits, extensive hydel power potential and vast stretches of arable lands. Kazakhstan, the largest country in size among the five republics and with the biggest regional economy of US$ 217 billion (WB, 2014), has become the largest producer of uranium in the world. It has 12 per cent of world’s uranium resources and has produced about 22,550 tonnes in 2013, world’s 38 per cent of total production. Kazakhsthan also has substantial oil and gas reserves and is a major exporter.

Uzbekistan is the world’s fifth largest cotton exporter and sixth largest producer, and it is the most populous regional country. Uzbekistan is doubly landlocked, where the country and its immediate neighbours are also landlocked; however, it is the only regional country to have borders with all Central Asian republics and Afghanistan. It was ‘a key node’ in the Northern Distribution Network (NDN), a network of road, rail and air routes that supplied materials to forces in Afghanistan from Europe and the US and accounted for about 98 per cent of total NDN traffic. The country also has uranium deposits and hydrocarbon resources along with significant gold deposits.
Uzbekistan’s eastern neighbour, Tajikistan, has huge hydropower potential, sufficient to meet the current energy requirements of the whole region. The country’s general potential reserves are 527 billion kWh per year, three times higher than the current electricity consumption of whole Central Asia.\textsuperscript{10} Besides, the country also has oil deposits and precious stones in the Gorno-Badakhshan region.

Tajikistan’s northern neighbour, Kyrgyzstan, is also rich in hydropower potential as well as gold deposits. The country’s gold mines in Tian Shan Mountains are among the largest gold mines in the region and the export of gold accounted for about 40 per cent of total Kyrgyz export in 2014.\textsuperscript{11} The country also has immense tourism potential. It may be mentioned that despite being a small country of 5.5 million people, Kyrgyzstan hosted 3 million tourists in 2013. Kyrgyzstan is also more receptive to change, being the first country in Central Asia to introduce a national currency, initiate privatization of land, become a member of the WTO and experiment with the parliamentary form of democracy.

Turkmenistan, a country that follows the policy of ‘permanent neutrality’, which has been also endorsed by the UN, has the world’s fourth largest proven natural gas reserves.\textsuperscript{12} It is called an ‘island of stability’ in Central Asia.\textsuperscript{13}

Apart from the mineral wealth and energy resources, Central Asia is also emerging as an important market with growing middle class and relatively younger population. Regional countries, including India, China, Russia, Turkey and Iran, especially after the signing of the nuclear deal, are attracted towards the region
along with many Western multi-national corporations (MNCs). The investments coming to the region, exploitation of natural resources that are in demand by growing regional economies and remittances sent from abroad, particularly for Tajikistan and Kyrgyzstan, are bringing economic dividends for Central Asia’s 65 million people. However, Tajikistan and Kyrgyzstan, despite remittances, have, so far, not been able to effectively harness their natural resource potential to address the economic problems of their population. Central Asia’s political stability and growing economies make the region an attractive destination for investment, trade, communication and business.

To further boost investments in their countries, the Central Asian leaders are looking towards international investments, which can come if the rules of business are clear with long-term prospects.

![Graph of Per capita income of Indian and Central Asian nationals, current US$](image_url)

*Per capita income of Indian and Central Asian nationals, current US$ Source: World Bank*¹⁴
The Central Asian countries are trying to bring suitable changes in their rules and regulations and standardizing them as per the international standards to facilitate long-term business and trade relations with foreign partners. Kyrgyz Republic was the first country from the region to join the WTO in 1998, followed by Tajikistan in 2013; and after long negotiations, Kazakhstan joined the organization in July 2015. Turkmenistan and Uzbekistan, the other two republics, are in negotiation with the WTO for their accession to the world trade body.

In order to better harness the region’s demographic, economic and geographic potential, big economic powers in the region have launched different initiatives. Russia has inaugurated the Eurasian Economic Union (EEU) from January 2015, in which Kazakhstan and Kyrgyzstan are members from Central Asia, while Armenia and Belarus are other members of the new initiative. Similarly, China has launched major infrastructure investment and economic integration plans of Silk Road Economic Belt for the region as part of its One Belt One Road (OBOR) or the Road and Belt initiative to use its additional capacity for investments in Central Asia and access the markets to its west through that region. Though the Central Asian countries themselves are landlocked, the region has emerged as a bridge connecting different regions of Asia and become a link between Asia and Europe. In December 2014, a train from Yiwu, China, covering a distance of more than 13,000 kilometres, travelled to Madrid, Spain.¹⁵ Besides reducing transportation time from six to two weeks, the route also has lower carbon footprints. A regular train service is already in operation connecting the south-western Chinese city of Chongqing to Dusiburg in Germany, cutting the five-week shipping time to about two weeks, and costing 80 per
cent less than air transportation.\textsuperscript{16} Passing through Kazakhstan and Turkmenistan, Tehran received the first ‘Silk Road’ cargo train from China in February 2016. It reduced the transportation time between Iran and China from 30 days through sea to about two weeks.

To fully realize their economic capabilities and geographical advantage, the regional countries are developing infrastructure, reforming their economies and integrating with the global trade regimes and forming regional initiatives. The trade traffic between China and Europe was about US$ 615 billion in 2014 and Kazakhstan is trying to get a 10th of this traffic from maritime shipments by emerging as a major trading hub and help from major cargo handler Dubai Ports World.\textsuperscript{17} The country has developed a dry port for this purpose near the Khorgos border crossing point with China, which is 300 km from the biggest city and commercial hub Almaty.

The republics, especially those, which are economically dependent on hydrocarbons, such as Kazakhstan, are diversifying their economies and looking for economic and trade partners. India, which has emerged as an economic power in recent years, with its US$ 2 trillion economy and growing middle class and increasing appetite for different energy resources, has shown willingness to play greater role and share its experiences with the Central Asian countries in the course of their development.

**India-Central Asia Relations**

India and the region of Central Asia enjoy deep historical, cultural and economic linkages; the famed Silk Route and spice route not only facilitated trade and commerce, but also allowed
ideas and thoughts to flow free across the region and beyond, sustaining people-to-people relations for centuries. In the past, Buddhism, which originated and grew in India, was welcomed by the people in Central Asia and, similarly, many popular Sufi orders in India have roots in that region. Sakas and Kushanas, originating from the region brought the two regions of Central Asia and South Asia under common political control. The linguistic intermingling during the medieval period created a new and unique school called Sabak-e-Hindi or Indian School in Persian literature. Even during the period of colonial powers rivalry in the region, cultural interaction between India and Central Asia continued. Nevertheless, if cultural, linguistic and historical connections bound the two sides in the past; in the contemporary times, economy, energy security and connectivity for commerce are the prime vectors bringing them closer to each other.

The relationship between India and the region of Central Asia is getting stronger and deeper since these republics became independent countries in 1991 and adopted multi-vector policy to engage the world. There have frequent visits between the two sides not only at the political levels but people to people contact has been strengthened over the years. Many students from India go to Central Asian republics to pursue their medical courses and students from the region come to study in Indian institutions. Three of the five republics are now India’s strategic partners. On the occasion of two decades of India’s relations with Central Asia and to renew and deepen the engagement with the region, New Delhi announced the ‘Connect Central Asia’ policy during the first India-Central Asia Dialogue at Track II level in Bishkek,
Kyrgyzstan in 2012. The annual Dialogue brings the academia, practitioners, officials and business leaders from five republics and India to discuss, in one of the republics, the potential for cooperation between the two sides.

The new government in India has renewed emphasis on the country’s foreign policy to engage the neighbourhood for enhanced economic growth. It is also highlighted by the fact that during his inauguration, the Prime Minister, for the first time, invited government leaders of neighbouring countries. In a globalized and economically inter-connected world, Prime Minister Modi keenly pursues the country’s foreign policy to achieve economic objectives and national interests. In order to provide uninterrupted supply for the country’s growing needs of energy, including hydrocarbons and uranium, his Central Asian visit was focused on resource diplomacy, increasing trade and deepening cultural ties with the region. Despite cordial political relations, trade has been much below its potential; in 2014, it was US$ 1.6 billion only. A renewed effort was needed to reinvigorate the relationship with focus on resource diplomacy.

### India’s Trade with Central Asia, 2014-15 (million US $)

<table>
<thead>
<tr>
<th></th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>Tajikistan</th>
<th>Turkmenistan</th>
<th>Uzbekistan</th>
</tr>
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<tbody>
<tr>
<td>Export</td>
<td>250.68</td>
<td>37.76</td>
<td>53.71</td>
<td>91.98</td>
<td>170.44</td>
</tr>
<tr>
<td>Import</td>
<td>701.67</td>
<td>0.77</td>
<td>4.39</td>
<td>13.05</td>
<td>55.86</td>
</tr>
<tr>
<td>Growth %</td>
<td>3.76</td>
<td>9.52</td>
<td>5.38</td>
<td>19.72</td>
<td>55.47</td>
</tr>
<tr>
<td>Total trade</td>
<td>952.35</td>
<td>38.53</td>
<td>58.09</td>
<td>105.03</td>
<td>226.31</td>
</tr>
</tbody>
</table>

Source: Ministry of Commerce & Industry, Government of India
Trade bottlenecks

Trade and economic engagement between India and Central Asia have been affected due to lack of direct road and rail linkages, resulting in increased cost and consumption of time and making the goods less competitive. The containers shipped from India, transit through other countries to the region, get delayed either due to congestion in the transit country or due to the preference given to the export of goods originating from the transit country. The restricted visa regime in some countries of the region and limited air connectivity also affect the business visits to the region. Less number of visas means less number of air travellers, making the commercial flights unviable. Though the region is rich in resources, but due to the lack of direct rail link to seaports, their extraction and export become non-feasible. However, the inauguration of Kazakhstan-Turkmenistan-Iran railway line and

![India’s Trade Share Distribution with Central Asia](image)

*Source: Ministry of Commerce & Industry, Government of India*
removal of sanctions on Iran following the nuclear deal have opened the prospects for cheaper and faster movement of natural resources and goods on a large scale from Central Asia to India through the regional rail and sea links in Iran.

Greater presence of Indian banks in Central Asian countries will boost the country’s trade with the region. Indian businessmen doing businesses in Central Asian countries said in interactions with the author that non-presence of Indian banks in the republics has been affecting the bilateral trade due to delay in financial transactions. In Kazakhstan a subsidiary of India’s Punjab National Bank is present. Indian bank branches in regional capital cities will smoothen transactions. Alternatively, by mutual agreement and using e-connectivity, a terminal in a bank branch can operate as Indian bank outlet in the respective country.

Finding Development Complementarities

India and Central Asian countries share many economic complementarities and can forge stronger partnership for mutual progress. To sustain the growth momentum of India’s economy; provide food security to the large population; and achieve sustainable growth with employment generation, the country needs uninterrupted and economically feasible supply of energy and mineral resources, including hydrocarbons and fissile materials, vast tracts of lands and agriculture production at sustainable level. The resources required by the country are available in nearby Central Asia and the republics of the region are willing to become active partners for shared economic growth and prosperity. Besides, India has developed expertise in information technology and ITES sectors, pharmaceuticals,
research and development, services sector and agriculture and animal husbandry. These are the areas that the Central Asian countries also aim to develop in their economies. New Delhi is poised to play a significant role in the economic and social development of Central Asian countries, which are keen to diversify their economies and bring social development to their people. These republics are rich in energy resources and are looking for potential markets for their energy resources. Russia and China are two major directions of their energy export; these republics want to diversify the destinations and include South Asia, which is energy deficient and a prospective big market. India, with its impressive growth rate, is seen by the Central Asian countries as a potential partner and investor for stronger economic development.

Energy deficient India has been trying to increase the share of nuclear power in its energy basket, but it does not have sufficient supply of uranium. Kazakhstan has emerged as the leader in uranium production in the world. During the PM’s visit, a long term deal to supply natural uranium was signed between India and Kazakhstan. According to the deal, Kazakhstan will deliver 5,000 tonnes of natural uranium to India by 2019, making it an important source of uranium for the country, following Canada and Australia. This is the second such agreement between Astana and Delhi since 2009. According to the previous such agreement, which ended in 2014, Kazakhstan supplied 600 MT of uranium ore in 2010-11, 350 MT in 2011-12, 402.5 MT in 2012-13 and 460 MT in 2013-14.

Kazakhstan also has significant hydrocarbon reserves in the Caspian region, which are about four to five per cent of the
world’s total reserves of oil and gas, and it is among the top 15 countries in oil reserves.\textsuperscript{21} India has registered its presence in this important sector. The ONGC Videsh Limited (OVL) acquired 25 per cent stake in 2011 in the Satpayev Offshore block in the basin.\textsuperscript{22} The block covers an area of about 1,500 square kilometres and is located in the shallow waters of the northern part of Caspian Sea. The exploratory drilling was inaugurated by the Prime Minister during his visit to the country in July 2015.

Another significant energy project coming under renewed focus of resource diplomacy is the Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline from Central Asia to South Asia. The project has been proposed for a long time; however, the visit of Prime Minister Modi to Turkmenistan during his Central Asia tour has given the estimated US$ 10 billion natural gas pipeline from Turkmenistan to India a much needed boost. The Joint Statement terms the pipeline project a ‘key pillar of economic engagement between the two countries’.\textsuperscript{23}

The pipeline has been facing delays for many years and the selection of a consortium leader for the project was an issue. The interested foreign oil giants, such as Chevron and Exxon, wanted a stake in Turkmenistan’s gas field to lead the consortium, to which the Turkmen government did not agree.\textsuperscript{24} This issue has now been resolved and the selection of a consortium leader is seen as an important development in the implementation of the project envisaged to be operational in 2018. Taking cues from the PM’s focus on the project and following the Iranian nuclear deal with world powers, when the energy sources from Iran are expected to join the international market and Russia’s reduced
purchase of its gas, Turkmenistan has shown its interest to implement the project and lead the consortium. The country has the world’s fourth largest proven gas reserves and it does not want to lose the opportunity to diversify its export and secure markets for its gas in South Asia. All TAPI partners have also agreed to allow the TurkmenGaz, the Turkmenistan government company, to become the consortium leader to construct, finance, own and operate the pipeline connecting Central Asia’s energy reserves to energy markets in South Asia.

Prime Minister of Pakistan, Nawaz Sharif, who visited Turkmenistan in May 2015, also ‘pressed’ President Gurbanguly Berdymuhamedov to ‘fast track the implementation’ of TAPI. Besides, during the visit to the region, Prime Minister Modi also attended the SCO meeting in Ufa, Russia, and held meetings with Pakistan PM and Iranian President Hassan Rouhani on the sidelines. These developments highlight that the regional countries are willing to increase economic cooperation between South Asia and Central Asia and the Iranian nuclear deal can accelerate the engagements.

In October 2014, international oil and gas engineering group, Penspen, was assigned by the Asian Development Bank (ADB) to carry out a technical feasibility study for the 1,820 km, 56 inch diameter pipeline from Turkmenistan’s giant Galkynysh gas field to the energy markets in Afghanistan, Pakistan and India. The major portion of the supplied gas will help in meeting increasing energy requirements in India and Pakistan, which are expected to double by 2030. Following the completion of feasibility studies, Turkmenistan has started the pipeline construction from December 2015. Vice President of India Hamid Ansari, President
of Turkmenistan Gurbanguly Berdimuhamedov, Afghanistan President Ashraf Ghani and Pakistan Prime Minister Nawaz Sharif participated in the ‘ground breaking’ ceremony for the pipeline in December 2015.\(^\text{31}\)

Nevertheless, the inter-regional economic engagement, supply of energy resources to South Asia from Central Asia and trade and commerce can commence and flourish when their common neighbourhood, i.e., Afghanistan becomes a stable and enabling connector. Though the international forces are withdrawing from the country and the command of security is with the Afghan National Security Forces, the security situation in the country is yet to improve; rather, there are frequent attacks even in Kabul.

The talks with the Taliban or the reconciliation process, which the Ashraf Ghani government has termed its priority, has so far not yielded conclusive outcome. The reports of Mullah Omar’s death and the course to be adopted by the new leadership of Taliban have further added to the atmosphere of uncertainty.

The security situation and civil war in Afghanistan hamper New Delhi’s relations with Kabul and further with Central Asian countries. India has been making efforts to stabilize Afghanistan with its commitment of US $ 2 billion assistance to the country, the largest among regional countries. The Indian assistance is focused on capacity building, skill enhancement, infrastructure development, agriculture, education, women empowerment and healthcare, etc. India is also seen as a positive player among the common Afghan people. Some examples of India’s engagement in Afghanistan are the Zaranj-Delaram road, Salma dam power project, Pul-e-Khumri transmission line, schools and hospitals in Kabul, Jalalabad, Kandahar, Herat and Mazar-e-Sharif and
the Afghan National Agricultural Sciences and Technology University (ANSTU) in Kandahar.

India has made large investments in Afghanistan and wants the country to stabilize, so is the desire of the Central Asian countries as well as Iran, western neighbour of Afghanistan. India, Central Asia and regional countries have the common agenda to increase their inter-regional security and economic cooperation to help stabilize Afghanistan.

**India-Central Asia Security Cooperation**

Three of the five Central Asian republics – Tajikistan, Uzbekistan and Turkmenistan – share borders as well as ethnicities with Afghanistan and the country is a link between Central Asia and South Asia. All major energy supply projects, including TAPI and CASA-1000\(^1\) electricity transmission line cross Afghanistan. Instability and disturbances are hurdles in the way of materialising the energy projects and connecting the Central Asian republics with the South Asian economic system through Afghanistan. Besides, insecurity in Afghanistan-Pakistan affects security in South Asia and Central Asia. Many extremists and terrorists have found refuge in these two countries and have carried out violent attacks in Central Asia, Afghanistan and Pakistan. The Islamic militant groups of Central Asia, such as the Islamic Movement of Uzbekistan (IMU), want to overthrow the governments in the region and establish caliphate. Analysts fear that an emboldened and politically legitimised Taliban

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1. The Central Asia South Asia or the CASA-1000 transmission lines project will move electricity at high voltages between the Kyrgyz Republic and Tajikistan (the first 477 kilometres) and from Tajikistan to Afghanistan and Pakistan (the next 750 kilometres) http://www.casa-1000.org.
would encourage many of them to return to their countries, creating instability and insecurity in the region. On the other hand, the Taliban has registered its presence across the region bordering Central Asia; this border is 2,387 kilometres long, and only Uzbekistan is able to effectively monitor its border with Afghanistan.

The rise of Islamic State in Iraq and Syria group has emerged as another threat to security and stability in Afghanistan and neighbouring Central Asia. According to the International Crisis Group estimates, 2,000 to 4,000 people from Central Asia have joined the group in Syria. The Tajik people had hardly overcome the surprise over the ‘defection’ to the Islamic State by the Chief of the Special Police of Tajikistan, Colonel Gulmurod Khalimov, the country faced another security challenge in the form of ‘rebellion’ by the former Deputy Defence Minister Abdukhalim Nazarzoda. In September 2015, more than 20 people were killed in a clash with police near capital Dushanbe. The Tajikistan government sacked and accused the Deputy Defence Minister Nazarzoda of helping the ‘militants’ in clashes with the police and creating an extremist group. President Imamoli Rahmon accused his group of having ideological ties to the Islamic State. The former Deputy Defence Minister was killed along with his associates on 16 September during an operation launched by the government forces. Abdukhalim Nazarzoda was a fighter with the United Tajik Opposition during the five-year civil war (1992-97), which ended in 1997 with an agreement that allowed the rebels to join the government.

Tension between government and opposition Islamists has been growing in recent months. The government has banned the
Islamic Renaissance Party of Tajikistan (IRPT) and arrested its members, creating further anxiety in the society that the party may go underground or a hard-line leadership can emerge to control the organization. The IRPT leader, Muhiddin Kabiri is in Turkey and has warned that pressure by the government on his party risks increasing Islamist extremism.

Many of the young Central Asian people go to Russia to do unskilled works and they send remittances to sustain their families back home. More than one million Kyrgyz people and over a million Tajiks, which constitute about half of each country’s workforce, are working in Russia. The sanctions on Russia over Ukrainian issues have affected the workers from these countries too, rendering thousands without any job and money, and becoming easy targets of recruiters of the Islamic State in Iraq and Syria group. Unemployment, poverty, religious motivation, curb on religious practices in their home countries are the reasons causing the youth from the region to join the ISIS terror group, unlike other regions where ideology may be the driving force. In September 2015, the Uzbekistan government banned people below 18 years from attending Friday prayers or Eid at mosques across the country. The order says that the parents of the children, if found inside a mosque during prayers, will be fined about US$ 750, which is equal to 15 months’ salary at the minimum wages.

The ISIS group wants to increase its presence in South Asia and an unstable Afghanistan can become a suitable recruitment ground. Amid reports about Taliban facing leadership crisis following the news of Mullah Omar’s death, certain Taliban commanders have declared allegiance to the Islamic State.
and carried out killings, drawing condemnation from Taliban, terming them ‘irresponsible ignorant individuals’.\textsuperscript{43} In view of the security condition in Afghanistan and the region, the PM’s visit to the region was a kind of solidarity from a friendly country to the Central Asian republics that India is standing with them to deal with the challenges faced by the two regions. After his meeting with Uzbekistan President, Islam Karimov, the Prime Minister stated: “We also discussed regional and international issues, including the situation in Afghanistan. We also have shared concerns on the rising threat of extremism and terrorism in our extended neighbourhood.”\textsuperscript{44}

Security, counter-terrorism measures and defence cooperation were important issues of discussion during the PM’s visit to the countries of Central Asia, as these issues are common themes of the joint statements issued with host countries. India has been providing training to the Central Asian security personnel in its defence and security institutions and regional countries expressed the desire to enhance cooperation in this field. Military training for the armed forces from the region is primarily provided through the Indian Technical & Economic Cooperation (ITEC) programme and officers from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan regularly attend courses at the National Defence College (NDC), Indian Military Academy (IMA) and Naitonal Defence Academy (NDA).\textsuperscript{45} Tajikistan is an important player in India’s security cooperation with the region. During his visit to Tajikistan, PM Modi visited the India-Tajikistan Field Hospital (ITFH), about 100 kilometres south of capital Dushanbe and close to the Afghanistan borders, which has been built by India and is operational since late 2014.\textsuperscript{46} The ITFH has been funded by the Ministry of External Affairs of India and currently a team of
about 70 persons from India are working at the hospital providing facilities in the fields of Medicine, Surgery, Anaesthesiology, Gynaecology and Dental Surgery etc. to the patients.\textsuperscript{47}

India and Central Asia security cooperation may increase with New Delhi’s full membership to the SCO. The SCO’s anti-terror wing conducts anti-terror military exercises regularly at different locations. India could benefit from SCO’s anti-terror set up\textsuperscript{48} and also share its own experience in fighting this threat. Apart from dealing with terrorism, the SCO, which has also formed a contact group on Afghanistan, could play a greater role in bringing stability in Afghanistan, which provides vital connectivity linkages between India or South Asia and Central Asia. India sees role of the SCO in the reconstruction and development of Afghanistan.\textsuperscript{49}

\textbf{India-Central Asia Connectivity}

Though India and Central Asian countries enjoy cordial relationship, the economic engagement between the two sides, despite reciprocities, has been much below its potential. Tajikistan’s Gorno-Badakhshan region is only a few kilometres away from Jammu and Kashmir State, but India has no direct land access to Central Asia and trade and commerce take a long detour through the Indian Ocean. The Central Asian republics are landlocked and lack of direct connectivity and dependence on a third country has been hampering bilateral trade. India, along with regional countries, had launched the International North South Transport Corridor (INSTC)\textsuperscript{2} in 2000, which

\textsuperscript{2} The Member Countries signatory to the INSTC convention are: India, Iran, Russia, Belarus, Kazakhstan, Kyrgyzstan, Armenia, Azerbaijan, Bulgaria, Oman, Tajikistan, Turkey and Ukraine.
envisages connecting South Asia to Eastern Europe through Iran and Central Asia.

The 218 kilometre long Zaranj-Delaram road in Afghanistan is another effort from India to increase connectivity with Afghanistan as well as Central Asia. It was constructed by the Indian Border Roads Organization at the cost of 150 million US dollars.\(^50\) The road in southwestern Afghanistan links with Iranian road network to Chabahar and the Afghan garland road network, which in turn is linked to the road network of Central Asian countries. It was completed in 2009 and handed over to the Afghan authorities.

The removal of sanctions on Iran, a party of the INSTC, following the nuclear deal has seen important progress in recent weeks. In a recent meeting in New Delhi, India, Iran, Russia (the three founder members)\(^51\) and ten other countries approved the draft transit and customs agreements, providing a legal framework for moving freight on ship-rail-road route.\(^52\) During the meeting, India’s Foreign Secretary, S Jaishankar, also proposed to create an inter-country agency for making the corridor operational.\(^53\) In February 2016, Russian and Azerbaijani railways finalized the tariffs for cargo transportation between India and Russia through the India-Iran-Azerbaijan-Russia line of the INSTC network.\(^54\) The first trains through this link are expected to start soon. Currently, it takes about 40 days from India’s Mumbai port to Moscow and European areas of Russia through the sea route; however, the new INSTC link will reduce the transportation time to about 20 days initially and subsequently to 14 days.\(^55\)

In order to break their isolation, the Central Asian countries have also undertaken different multilateral initiatives to get connected
with the outside world through land and sea routes and enhance their transport and commercial linkages. The regional countries launched the Ashgabat Trade and Transit Agreement in 2011. Turkmenistan and Uzbekistan, along with Iran and Oman launched the Ashgabat agreement, which creates an east-west corridor between Central Asia and West Asia. Kazakhstan joined the agreement in February 2015. In order to increase connectivity between Central Asia and South Asia, the Prime Minister, during his visit to the region, called for the expansion of the INSTC and the Ashgabat agreement and sought the inclusion of Turkmenistan in the former and India in the latter. The President of Turkmenistan, Mr. Gurbanguly Berdymuhamedov welcomed India’s intention to join the Ashgabat Agreement.

Nevertheless, with the recent inauguration of 925 kilometres Iran-Turkmenistan-Kazakhstan rail line, connectivity to Central Asia through Iran has been eased. Apart from linking West Asia to Central Asia through rail, this railway line along the north-south axis, in operation since December 2014, also connects the Caspian Sea with the Indian Ocean. This link has increased economic activities and boosted regional trade, which is expected to reach 15 million tonnes by 2020. During his visit to Turkmenistan in December 2014, Kazakhstan President Nazarbayev termed the railway “a gate to the Middle East” and said: “With the railway link towards the Persian Gulf in place, Kazakhstan’s trade turnover in the current year has grown by 38 per cent.” Using this link, goods from Indian ports can be sent to Central Asia and further to Afghanistan via Iranian ports of Chabahar and Bandar Abbas. India is making investments in Iran’s Chabahar port and it will increase access to Iran, Central Asia and Afghanistan. The port will be used to ship crude oil
and urea and will save India the cost of transportation and
time, and the country seeks to lease two berths at Chabahar for
10 years.\textsuperscript{62}

The successful conclusion of the Iran-5+1 nuclear agreement in
Vienna in July 2015 has further increased the hope for Central
Asia’s better connectivity with the world. These republics saw
sanctions on Iran as a hurdle in utilising transport potential
through the country as it provides a feasible, shorter and more
secure access to the open seas. The Central Asian republics
favoured early resolution of the nuclear dossier through
diplomacy and Kazakhstan took the initiative to host two rounds
of nuclear negotiations between Iran and six powers in 2013.\textsuperscript{63}

The availability of Iranian route allows the transportation of
goods and minerals between India and Central Asia with faster
speed and lesser costs. Besides economic potential, Iran also
provides Central Asian countries an alternative route to sell their
hydrocarbon energy resources. During the visit to Central Asia,
PM Modi suggested to explore the possibility of another route for
Turkmenistan gas reaching India via Iran by a land-sea route,\textsuperscript{64}
bypassing the disturbed regions of Afghanistan and Pakistan.

Sensing the failure in keeping India away from reaching to
Central Asia and Afghanistan by denying access through its
territory, Pakistan has now started giving signals to ease South
Asia’s connectivity with Central Asia. The Afghanistan-Pakistan
Transit Trade Agreement (APTTA) 2010 allows the passage of
Afghan goods through the territory of Pakistan. The agreement
also allows Afghan trucks to carry Afghan transit export cargo to
the Wagah border where the cargo is transferred to Indian trucks.
However, Pakistan does not allow Indian exports to Afghanistan
via Wagah border and says that it “could be discussed at an
appropriate time in the future.” In recent times, Pakistan and Afghanistan have also agreed to widen the scope of their transit trade agreement to include Tajikistan. India’s inclusion into such an agreement would give access to Central Asian countries. Prime Minister Modi, in his meeting in New Delhi with the visiting Afghan President Ghani in April 2015, said that India wants ‘a trade agreement with Afghanistan that would include India in the APTTA’. Tajikistan Foreign Minister, Sirojiddin Aslov, during his recent visit to India, welcomed New Delhi’s interest in joining as the fourth partner in the Pakistan-Afghanistan-Tajikistan trade and transit agreement. Meanwhile, Pakistan has indicated that it will consider India becoming a party to a bilateral trade and transit agreement with landlocked Afghanistan.

Another multilateral process having the potential to facilitate and increase trade and connectivity between the two regions is the ‘International Transports of Goods’ (TIR) Convention. It is an international customs transit system and is the ‘only universal transit system allowing the goods to transit from a country of origin to a country of destination in sealed load compartments with Customs control recognition along the supply chain. This minimizes administrative and financial burdens, and Customs duties and taxes that may become due are covered by an international guarantee.’ Afghanistan is a Contracting Party to the convention and the TIR is operational in Central Asian countries. Recently, Pakistan has become the sixty-ninth Contracting Party to the Convention, coming into force from January 2016 for the country. India is also interested to join the convention. As Iran is also an operational party to the convention, post-nuclear deal scenario may usher more prospects for economic engagement. Entering into such a
trade facilitation agreement can help to desire closer economic linkages and integration.\textsuperscript{74}

Though Indian businesses and freight forwarders may be facing surface connectivity issues with Central Asia, an area where India has an edge and faces no problem in connecting with the people from that region is cyber connectivity. The country has developed advanced communication systems and equipment and it is the world’s largest sourcing destination for the IT industry.\textsuperscript{75} It can offer tele-services to the region in diverse fields. During the PM’s visit to the Kyrgyz Republic, a medical facility was inaugurated, which connects the medical facilities in different parts of Kyrgyzstan with highly specialized hospitals in India. This is the first tele-medical link between India and Central Asia.\textsuperscript{76} The Kyrgyz experience can be replicated in other fields with other Central Asian republics. For example, in education, skill development and capacity-building; there is a little time difference between the standard times of India and Central Asian countries. This is an advantage for India, which is not available to other leading regional economies. Tele-connectivity provides opportunity to link the two regions with lesser investments and does not require large infrastructure creation and big investments. India enjoys immense goodwill among the people of all Central Asian countries and the services provided through tele-connectivity, being directly available and benefiting the common people, further strengthens it.

**Regional Integration in Central Asia**

The process of regional integration has been underway in Central Asia as well as in South Asia. The EEU established by
Russia, Kazakhstan and Belarus came into force on 1 January 2015. The union covers about 15 per cent of the world’s land and now includes Armenia and Kyrgyz Republics as members. The idea of common Eurasian economic space was mooted by Kazakhstan President, Nursultan Nazarbayev in 1994. However, due to the Ukrainian crisis and sanctions, it has gained traction as Russia once again tries to strengthen its presence in Central Asia. The Central Asian countries view the initiative with different approaches. Kazakhstan and Kyrgyz Republic are members. Tajikistan is still evaluating the economic advantages and challenges of becoming a member. However, it will need to decide quickly if Moscow urges Dushanbe strongly to join the EEU, in view of the large number of Tajik migrants staying in Russian cities and the presence of Russian military bases in the country. Uzbekistan has no inclination to join the initiative, seemingly for the reason that it will not be able to economically compete with Kazakhstan. Turkmenistan is a neutral country and its oil and gas income and small population of Russian minority do not allow Russia to exert much pressure on the country.

India is negotiating a Free Trade Area agreement with the EEU and has formed a Joint Study Group with Kazakhstan on the feasibility of an FTA. During the Prime Minister’s visit to the region, President of Kyrgyzstan called for ‘early conclusion’ of FTA talks with India and Kazakhstan President welcomed the establishment of Joint Study Group and said the FTA can create an ‘enabling environment’ for expanding economic linkages between India and Kazakhstan.

China, on the other hand, has launched its Silk Road Economic Belt as part of the Belt and Road programme to integrate Central
Asian economies with its transport network for export to Europe. Central Asian countries as well as Russia are willing to be a part of China’s project for mutual interests. India has, so far, not expressed its desire to be a part of this Chinese project in the region; however, New Delhi sought full membership of another Chinese initiative in Eurasia – the SCO. This organization has been evolving as an important forum to discuss and address the common security challenges of terrorism and extremism faced by the region.

During the visit to Eurasia, the PM attended the SCO summit at Ufa. It was for the first time that an Indian Prime Minister attended the SCO meeting. India has been an observer member of the group for a decade and it will become a full member by 2016. Pakistan is also joining the organization as a full member. SCO members from Central Asia favoured India’s inclusion and increased role in the SCO. Kazakhstan President Nazarbayev said in his speech at Ufa: “We fully support the decision to launch the accession process for India and Pakistan to acquire the status of member states of the SCO. International authority, experience and economic potential of India and Pakistan provide a huge support for the future of our organization.” However, Uzbekistan’s approach is different. Uzbekistan President Islam Karimov said that the addition of India and Pakistan “would not only change the political map, but would change the balance of power. This is not a simple issue, and it needs to be discussed.” Uzbekistan President is of the view that the focus from Central Asia can shift to South Asia.

India’s inclusion and full membership with the SCO can increase the country’s engagement and energy interests in the region. The
SCO aims to improve connectivity, fight terrorism, increase energy cooperation and take measures to check drug trafficking, the objectives shared by India in Eurasia. The SCO also brings big energy producers, like Russia and Kazakhstan, and big energy consumers, like India and China, on one platform. In December 2013, the SCO members signed an MoU on the creation of SCO Energy Club. The idea of forming an Energy Club was first proposed in 2004, although SCO members had different views on it. Some experts note that the Energy Club could be the forerunner of a ‘common energy space’. The common energy space of the SCO may liberalize and standardize energy resources’ tariffs for transportation and lead to coordination of actions on the part of energy producing countries in order to avoid unnecessary competition between them. Some analysts are of the view that India’s inclusion in the SCO makes it more balanced regional organization as the Central Asian republics perceive India as a ‘soft balancer’.

**India-Central Asia Cultural Synergy**

India already has a useful cultural presence in Central Asia and New Delhi is trying to further engage soft power tools to increase cultural synergy with the neighbouring region. The social, literary and cultural connections between India and Central Asia are old and deep; the largest ‘Sleeping Buddha’ of the world has been found in Tajikistan and there are different Buddhism sites across the region. Cultural linkages and trade ties through the Silk Route connected the two regions in the historical past. From Buddhism to caravan trade and two-way literary influence during the medieval period, to food habits, India and Central Asia share many strands of cultural commonalities.
The relationship between India and Central Asia was affected due to the partition of India in the middle of the 20th century as India’s direct connection with Central Asia was severed. The visit of Prime Minister Modi to Central Asia has reinforced the cultural bonding and people-to-people relations between the two regions. Focus on cultural connectivity has been an important part of Prime Minister’s visits abroad, especially in the neighbourhood. The same was also evident in his visit to Central Asia, where he gifted specially commissioned reproduction of Khamsa-i-Khusrau by the great 13th century Sufi poet, Amir Khusrau, who was born in Uttar Pradesh, and a set of books relating to religions born in India to the President of Kazakhstan, Nursultan Nazarbayev. He also held interactions with Indologists and students of Hindi in Uzbekistan.

Highlighting the syncretic culture of India and Central Asia, the PM said in Kazakhstan: “The confluence of Indian and Islamic civilisation took place in Central Asia.” As India and Central Asian countries are facing the scourge of terrorism and extremism and making efforts to deal with the challenge through various means, the PM suggested that the common heritage has rejected extremism: “The Islamic heritage of both India and Central Asia is defined by the highest ideals of Islam – knowledge, piety, compassion and welfare. This is a heritage founded on the principle of love and devotion. And, it has always rejected the forces of extremism” and... “Today, this is an important source of strength that brings India and Central Asia together.”

India has Cultural Exchange Programmes with Central Asian countries through which different activities in the field of culture are organized. Indian Cultural Centres in Kazakhstan, Tajikistan
and Uzbekistan are engaged in promoting India’s culture in the region by organizing dance performances and yoga programmes and they also conduct regular classes on yoga and dance for the Central Asian people.

In 1997, New Delhi opened the Centre for India Studies in Osh University in Kyrgyzstan’s southern part in the Ferghana Valley region. It had Indian scholars visiting the centre and teaching students of the university, many of whom were from other neighbouring Central Asian countries, about Indian history and culture. However, due to violence and security situation it was closed in 2010. As the situation in the country has been stable the centre may be re-opened to impart knowledge about India among the new generation in Central Asia.

Other strands of Indian culture are also popular in Central Asian countries, particularly, Bollywood cinema. Indian films, particularly Hindi, are playing a role in the promotion of Hindi and Indian culture in the region. Most Hindi films from India are dubbed in Russian language and then in the regional languages, which are widely available for the people at stores across the region. In fact, scenic beauty in the region offers Indian film industry affordable and close-by locales to shoot Indian films and TV serials. This will help in lowering the cost of production in India and expanding Indian cinema market in the region. Before the PM’s visit to the region, the Central Asian countries also celebrated International Yoga day on June 21. Turkmenistan has established a Centre of Yoga and Traditional Medicine in Ashgabat, which was inaugurated by Prime Minister Modi during his regional visit.95
During the visit of the PM agreement on culture was also signed between India and Kyrgyzstan to ‘deepen cultural cooperation between India and Kyrgyzstan in areas such as preservation of cultural heritage, organisation of folk arts, theatre, youth festivals.’\textsuperscript{96} The India-Turkmenistan Joint Statement called for ‘finalizing of the Programme of Cooperation on Culture between the two countries.’\textsuperscript{97} India and Tajikistan also signed a Programme of Cooperation envisaging cooperation in the field of culture ‘through exchange of expertise in protection, preservation and promotion of cultural heritage in both countries.’\textsuperscript{98} While an MoU was signed in the field of ‘physical culture and sports’ between India and Kazakhstan,\textsuperscript{99} New Delhi signed Intergovernmental Programme of Cultural Cooperation for 2015-17 with Tashkent.\textsuperscript{100}

With diversified cultural interactions, people to people engagement and goodwill between India and Central Asia will be cemented further and lead to greater cooperation in political and economic engagements.

**Potential for Cooperation**

The Prime Minister’s visit to the region has rekindled excitement about India among the Central Asian business community and the common people, who respect the country and its vibrant culture and traditions. Increasing economic growth in Central Asia has led to activities in construction, engineering, consultancy, management services, software development and outbound tourism. India has developed expertise in these areas. There is a great demand for Indian pharmaceutical products in the region. During the visit of Prime Minister, India established a Joint
Business Council with Kazakhstan, the largest trading partner of the country in the region. Now, the Indian private sector needs to play a more active role in Central Asia and establish joint ventures in the region to cover pan-Eurasian market. Agriculture and food processing is another promising area of cooperation between India and Central Asia. The countries of the region have large tracts of arable land with abundance of water and low population pressure. There is scope for organic farming and organic products, which are in demand in the nearby health-conscious European markets. Besides, agricultural cooperation can also contribute to India’s own food security.

The visit of Prime Minister Modi to the region was long awaited and occurred at an important time of regional and global developments. Russia, China and Iran are increasing their footprints in Central Asia through investments and multilateral organizations and the regional countries want the presence of more international players for their economic growth and political balance, so that no one power is able to held sway in the region. Realizing the importance, stability, experience and economic capabilities of India, Eurasian countries have favoured greater interaction and engagement with New Delhi in the form of membership of the SCO and proposed FTA with the EEU and likely membership in the Ashgabat Transit Agreement.

It is observed that there is little coverage of developments in Central Asia in India’s print and electronic media in Hindi, English or other languages. There is a need to increase awareness through popular media of the two sides and inform the small and medium enterprises about the opportunities in the neighbouring regions. India has made significant progress in satellite and space
technology. New Delhi can work with Central Asian countries to have a dedicated satellite for the region’s electronic media networks. Greater information about each other would also help in boosting tourism between India and Central Asia.

With the visit to Central Asia, the political leadership of India has prepared the ground for increased and intensified economic, energy, political, cultural, academic and people to people engagements with the region. There is a need to increase research on the region in Indian educational institutions, besides giving training of regional languages to the students and researchers. It is now incumbent on the business leaders, practitioners, academia, entertainment industry and media sources from India to play an active role to build on and widen the relationship for mutual development of South Asia and Central Asia.

Endnotes


4 Shanghai Cooperation Organization, “Protocol on Establishment of the SCO-Afghanistan Contact Group between the Shanghai Cooperation Organisation and the Islamic Republic of Afghanistan,”


31 Address by Shri M. Hamid Ansari, Hon’ble Vice President of India at the Groundbreaking ceremony of the TAPI Gas Pipeline Project at Mary, Turkmenistan, 13 December 2015, http://vicepresidentofindia.nic.in/contents.asp?id=557 (Accessed 10 February 2016)


Ibid.


Ibid.


81 Ministry of External Affairs, Government of India, ‘Joint Statement between the Kyrgyz Republic and the Republic of India,” 12 July


Ibid.


