



Joint Press Conference with Nursultan Nazarbayev, President of the Republic of Kazakhstan

Secretary Colin L. Powell
Presidential Administration Building
Astana, Kazakhstan
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PRESIDENT NAZARBAYEV: Dear ladies and gentlemen, I welcome the first visit of the Secretary of State of the United States to Kazakhstan in our new capital, Astana, on the eve of our 10th anniversary celebration of independence. I also welcome members of his delegation.

During the years since independence, we have observed a good dynamic of bilateral cooperation with the United States based on the Charter of Democratic Partnership between our countries. Major American companies work in Kazakhstan today and make large investments. During 10 years of independence, out of the \$40 billion that has been invested in the CIS, \$13 billion has been invested in Kazakhstan. And one third of this money is from investments by American companies. So our economic cooperation has a very solid basis. The huge oil and gas resources of Kazakhstan and diversification of supply routes to world markets, in which we have actively cooperated with the Government of the United States of America, have yielded positive results. One happy event is the completion of the North Caspian oil pipeline (CPC).

The horrible events that occurred in the United States on September 11 were a tragedy for the American people. I think a common understanding of the shared danger of terrorism -- especially for a Kazakhstan closely located to this region -- brings our countries closer together. The day after tomorrow will be three months after that act, and these three months have changed the world in terms of international relations and political alignments. It has become clear that it is impossible to be safe from terrorism. It is necessary to struggle together, and from the first few days, Kazakhstan announced that it would be in a coalition with those who struggle against it by all means at its disposal. We have kept our word. We are following our obligations as determined by UN resolutions as well as our agreement with the United States. Kazakhstan has a common position with America on the post-war rehabilitation of Afghanistan so that it can become a friendly and peaceful state.

We held very detailed negotiations with U.S. Secretary of State Colin Powell on all questions of our relations between our states in terms of economic, political, military, and technical cooperation -- and of course, in the struggle against terrorism.

SECRETARY POWELL: Thank you very much, Mr. President, for your warm welcome. It is a great pleasure for me to be here as you begin to celebrate the tenth anniversary of your independence. I bring you greetings from President Bush and the American people on this occasion, and I have also extended to the President an invitation for him to visit President Bush on the 21st of this month.

As the President indicated, we had a thorough discussion of all the issues that define and structure our strategic partnership and relationship. We did focus on the campaign against terrorism, and especially the campaign in Afghanistan. I thanked the President for all the support that we have been provided -- political, diplomatic, and military in the form of overflight clearances and the offering for our use of Kazakhstan bases. We focused on the importance of the next phases of this campaign in Afghanistan -- the humanitarian and reconstruction phase -- and I was pleased that the President indicated a willingness to participate fully in humanitarian efforts, as well as in the reconstruction phase with the use of Kazakhstan's facilities, infrastructure, bases, and especially technical people from Kazakhstan who could help the Afghans build their new country.

I just want to thank the President again for his hospitality. Thank you, Mr. President.

AMBASSADOR BOUCHER: We can start the questions in the back there. If anybody has one.

QUESTION: Mr. Secretary, you have talked about the strategic opportunities from the anti-terror campaign in Afghanistan. And there is nothing more strategic to Kazakhstan than whether it will become a major exporter of oil and natural gas in the future. Is there anything about this campaign and the prospective pacification of Afghanistan and the prospective rapprochement between the West and Iran that would cause you to rethink -- as the Kazaks would apparently like the United States and the American oil companies to do -- the preferred routing of its hydrocarbon products out of the country, perhaps through Iran, perhaps through Afghanistan?

And for President Nazarbayev -- the United States is now trying to draw Russia into a profound partnership with NATO. Would you give us your assessment of the prospect of NATO becoming an organization called "at 20" with Russia sitting as an equal partner?

SECRETARY POWELL: Based on the discussions we have had this morning and also the discussions I had with the American Chamber of Commerce earlier this morning, I come away even more persuaded of the critical importance that Kazakhstan will play in satisfying the energy needs of West in future years. The two pipeline projects that are in completion and underway seem to me to indicate that there will be stability with respect to supply of fuel and stability with respect to these two projects going forward. And I see nothing in the post-September 11 period that would suggest that we should rethink that.

PRESIDENT NAZARBAYEV: First, with your permission, I will answer the question addressed to the Secretary of State. Kazakhstan's export opportunities are of vital importance. The Northern Caspian oil pipeline that we launched gives Kazakhstan the opportunity to export up to 48 billion tons. For this purpose, the Tengiz oil field will be used. It has a reserve of a billion tons. By the end of 2005, the exploitation of Kashagan -- the world's biggest oil field -- will begin, and in 2015, we forecast that Kazakhstan will export 150 million tons. The domestic demand will be 20 million tons of crude. Along with this oil, up to 80 billion cubic meters of gas will be extracted. This is why multiple pipeline routes are extremely important for us. That is why we politically supported the Baku-Ceyhan oil pipeline.

There is an opportunity to transport up to 20 million tons of oil via the Caspian Sea without the construction of a pipeline from Kazakhstan to Baku, but frankly speaking, the investors who work in the oil field consider the Iran-Persian Gulf route to be the best. I think that the Secretary of State deliberately skirted the question in order not to raise any additional questions. This is not only my point of view, but also the opinion of several companies, including American ones. We have a contract to build a pipeline to Western China. We are interested in many options.

As for Russia's desire to be a partner of NATO, recently in Moscow we discussed in detail with Putin all the topics related to his visit to the United States and consulted each other as our countries usually do. As you remember, the Soviet Union in 1954 applied to become a NATO member. But there was a problem at that time, as far as I remember, with the occupation of a part of Austria. There was also something else of which the Soviet Union was accused, and it didn't work. Now, when there is no Cold War, no confrontation between the West and the East, Russia's membership in NATO will have a calming effect. I consider that the policy of excluding Russia from deliberation of global problems is not beneficial, not correct for the West and the world as a whole. It's a big country, a big power. It must be involved in all of these processes. Everyone will gain from that, including Kazakhstan. We are following the Oriental proverb that says: "It's impossible to stop an elephant by grabbing him by his leg."

QUESTION: This is for Secretary Powell. As we know, in two days the U.S. Congress will consider granting former Soviet Republics "market economy" status and in terms of economic development, Kazakhstan is ahead of many CIS countries. A year and a half ago, the EU recognized Kazakhstan as having a market economy. Will

the U.S. Administration be in favor of Congress granting this status?

SECRETARY POWELL: I honestly do not know whether Congress is prepared to act on this Tuesday or not. My view is that Kazakhstan has made great progress. It may not have met all the standards that have been put out there yet, but I think that if it continues to move in the direction it has moved in recent years, we should see all these things fall in place in due course.

Thank you.

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