

Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING VOL. 13 NO. 10 25 MAY 2011

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*Central Asia- Caucasus Institute
Silk Road Studies Program*

Central Asia-Caucasus Analyst

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THE CENTRAL ASIA-CAUCASUS ANALYST

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BACKGROUND: 300-450 words of analysis about what has led up to the event or issue and why this issue is critical to the region. Include background information about the views and experiences of the local population.

IMPLICATIONS: 300-450 words of analysis of the ramifications of this event or issue, including where applicable, implications for the local people's future.

CONCLUSIONS: 100-200 words that strongly state your conclusions about the impact of the event or issue.

Field Reports focus on a particular news event and what local people think about the event. Field Reports address the implications the event or activity analyzed for peoples' lives and their communities. Field Reports do not have the rigid structure of Analytical Articles, and are shorter in length, averaging ca. 700-800 words.

Those interested in joining *The Analyst's* pool of authors to contribute articles, field reports, or contacts of potential writers, please send your CV to: <scornell@jhu.edu> and suggest some topics on which you would like to write.

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MILITARY EXERCISES UNDERSCORE THE SCO'S CHARACTER

Richard Weitz

Since 2003, the Shanghai Cooperation Organization (SCO) has organized a number of "anti-terrorist exercises" that have involved their armed forces and law enforcement personnel. These drills serve multiple purposes, including improving the proficiency of the members' security forces, demonstrating new skills, learning about other SCO forces and their capabilities, reassuring the organization's Central Asian members about their security requirements, providing opportunities to cultivate bilateral contacts with other SCO members, and signaling to outside powers, especially the U.S., that Central Asia is a zone of special security concern for Moscow and Beijing.

BACKGROUND: On May 6, China, Kyrgyzstan and Tajikistan held their "Tianshan 2" counter-terrorist exercises in China's ethnically tense Xinjiang Uygur Autonomous Region. The three countries' security forces conducted joint operations against supposed anti-PRC terrorists based in the border region. In late August 2006, the governments of China and Kazakhstan conducted similar counter-terrorism maneuvers called "Tianshan 1."

Most SCO exercises, like most of the organization's other projects, typically involve only two or three member countries even when they are described as occurring within the SCO. In October 2002, China and Kyrgyzstan conducted the first bilateral anti-terror exercise within the SCO framework, involving joint border operations by hundreds of troops. In August 2010, the law enforcement and internal security forces of Russia, Kazakhstan and Kyrgyzstan held a week-long exercise in Russia's Saratov Region that they labeled as "SCO antiterrorism drills" despite the absence of representation from the other four members.

Some of these SCO exercises do involve more members. In August 2003, all the SCO

militaries, with the exception of Uzbekistan's armed forces, participated in "Cooperation 2003", which included more than 1,000 troops who engaged in several counterterrorism scenarios in eastern Kazakhstan and China's Xinjiang region. In early March 2006, Uzbekistan affirmed its elevated commitment to the SCO by hosting a multilateral exercise, "East-Antiterror-2006", under the organization's auspices.

The most prominent SCO exercises have been those that have occurred since 2005 under the "Peace Mission" moniker. The first of these "Peace Mission" exercises occurred on August 18-25, 2005. Although SCO members sent observers, this maneuver was primarily a Russian-Chinese event. The two armed forces conducted a three-phased operation that began in Vladivostok in the Russian Far East and then moved to China's Shandong Peninsula, where the participants conducted land maneuvers followed by amphibious ones. Whereas China supplied most of the troops (8,000 versus 2,000), Russia provided the most sophisticated equipment, including Russian Tu-160 and Tu-95 strategic bombers as well as some 140 warships.



Peace Mission 2007, which occurred from August 9-17 of that year, transpired more clearly within the SCO framework. Unlike in 2005, the armed forces of all six full SCO members participated on this occasion, with almost 6,500 troops and 80 aircraft engaged in the two phases, including 2,000 troops from Russia and 1,600 from China. Peace Mission 2007 began on August 9 in Urumqi, the capital of China's Xinjiang-Uighur Autonomous Area, and ended on August 17, with a live-fire exercise at the Russian military training range near Chelyabinsk, in Russia's Volga-Urals Military District. Unlike Peace Mission 2005, but like Peace Mission 2010, this 2007 exercise was better oriented toward suppressing a major Islamist insurgency (such as occurred in Chechnya) or popular rebellion (such as occurred at Tiananmen Square in 1989 or Andijan in 2005), presumably in one of the landlocked Central Asian countries.

Peace Mission 2009 took place from July 22-27 of that year. Unlike in 2007, only Russian and Chinese troops participated on this occasion. However, as in 2005, the other SCO members received invitations to send military observers to Peace Mission 2009. The drills began with a

single day of political-military consultations among senior Russian and Chinese defense personnel in the Russian Far East's major city of Khabarovsk. The operational phases of the exercise took place in northeast China, at the Taonan training base in China's Shenyang Military Area Command. They then spent three days jointly planning and organizing for a combined anti-terrorist

campaign. About 1,300 military personnel from each country participated in some phase of the exercise, much less than in previous years.

The most recent major SCO exercise, "Peace Mission 2010," occurred from September 9-25. All the full member states of the SCO contributed at least one military unit to the exercise except Uzbekistan, which pulled out at that last minute. The exercise included 5,000 troops, 300 major combat pieces, and over 50 combat planes and helicopters.

IMPLICATIONS: These SCO exercises have multiple purposes. They enhance the ability of the members' armed forces to deter and suppress regional terrorism as well as another popular rebellion (which the SCO governments would invariably characterize as due to foreign terrorist movement), such as the ones that occurred in Tiananmen Square in 1989 and Andijan in 2005. The drills are designed to improve the operational and tactical proficiency of the participating militaries and increase their interoperability. SCO defense and security representatives have cited advantages in exercising with foreign countries to learn new tactics, techniques, and procedures.

The maneuvers also aim to reassure Central Asian leaders that China and Russia will help them manage their security challenges. Eurasia's precarious regional security situation, combined with the SCO's failure to intervene in Kyrgyzstan to suppress the June 2010 riots, alarmed many Central Asians about whether they can confidently rely on the SCO to protect them against external and domestic security threats. The drills provide an opportunity for the SCO militaries to show off their capabilities, including to each other. Demonstrating military prowess is a time-honored tactic for reassuring friends and deterring adversaries. By persuading the Central Asian governments that they can depend on Beijing and Moscow to protect them, the exercises also weaken Western influence in the region by helping persuade their SCO allies that they need not turn to Washington or Brussels for major security assistance.

Furthermore, the exercises help the SCO militaries learn more about each other's evolving capabilities and continue the original mission of the Shanghai process, which was to promote arms control and confidence-building measures between China and its newly independent neighbors that had been part of the USSR. Collaboration through multinational exercises is a form of confidence building among governments. The SCO countries have adopted a series of arms control measures along their joint borders, including advanced notification of large military exercises in their vicinity. More generally, Russia's backing for the SCO demonstrates to Chinese policy makers that Moscow recognizes China's legitimate security role in Central Asia.

Moreover, in terms of political signals to third parties the maneuvers affirm to the U.S. and other extra-regional countries that Russia and

China consider Central Asia as lying within their overlapping zones of security responsibility. Central Asian governments also generally appear to prefer working within the SCO, which is not dominated by a single country like the CSTO or the Commonwealth of Independent States, Eurasian institutions in which Russia is the primary player. Despite the possible emergence of a Sino-Russian condominium, China's balancing presence presumably reduces fears of external subordination and gives them more room for maneuver. For example, with low-key Chinese support, Uzbek officials have been leading the effort to resist expanding the SCO's military functions. Conversely, it is easier for the Central Asian governments to deal with the Chinese colossus through the SCO rather than directly.

CONCLUSIONS: Many accords adopted under SCO auspices consist primarily of bilateral deals, with the organization merely providing a convenient venue for negotiations. China and Russia currently devote more attention to their relations with individual Central Asian states than to their SCO-mediated multilateral ties, though they strive to give their bilateral activities a multilateral gloss. Another impediment to the SCO's development has been the serious rivalries and disputes among member governments. For example, Uzbekistan has repeatedly opposed Russian efforts to expand the SCO's military functions, a dispute which also weakens the CSTO.

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KAZAKHSTAN'S OFFSHORE KASHAGAN DEPOSIT SET FOR FIRST OIL IN 2012

Robert M. Cutler

During a meeting last weekend in Astana, the head of Kazakhstan's KazMunaiGaz (KMG) K.M. Kabyldin confirmed to the executive council of the EBRD that the first oil from the offshore Kashagan deposit will be produced in late 2012 or early 2013. Oil for export will be produced in 2014, and it will be exported through the Caspian Pipeline Corporation (CPC) pipeline that was originally built to serve the Tengiz field, which it will also continue to do. Construction of the once-touted Kazakhstan-Caspian Transport System (KCTS) for export of Kashagan oil across the Caspian Sea to Baku has been postponed until Kashagan's second stage comes on line at the end of the present decade.

BACKGROUND: Kazakhstan's offshore Kashagan oilfield in the north of the Caspian Sea, discovered in 2000, is the largest worldwide since the discovery of Prudhoe Bay in Alaska more than forty years ago. It is routinely ranked as the fifth or sixth largest in the world and has the largest reserves of any oilfield outside the Middle East. These reserves are currently estimated at 38 billion barrels, of which 11-13 billion are judged recoverable. Originally scheduled to enter into production in 2005, this date has continually been pushed back because of technical challenges in the field's physical and engineering development and because of quarrels over the nature of KMG's participation.

In 2008, Kazakhstan had decided to construct the KCTS, a 590-mile pipeline provisionally estimated to cost US\$ 3 billion, from Eskene where Kashagan's onshore processing facility will be located once full-field development gets under way, to its Caspian Sea port of Kuryk near Aqtau. It was projected that the volume of this pipeline would start at 500,000 barrels per day (bpd), later increasing to 750,000 bpd. Another 400,000 bpd could have been added by doubling the capacity of the Aqtau port itself. The KCTS was planned to operate in tandem

with the Trans-Caspian Oil Pipeline (TCOP), a projected 435-mile pipeline from Kuryk under the Caspian Sea to Baku. As recently as last year, KMG and the State Oil Company of the Azerbaijani Republic (SOCAR) signed a joint agreement on TCOP's core principles.

The KCTS and the TCOP together would constitute one variant of the Trans-Caspian Oil Transport System (TCOTS). A second variant would use a system of shuttle tankers between Kuryk and Baku rather than an undersea pipeline. A third variant would have been an oil pipeline from the Kashagan offshore region underneath the Caspian Sea directly to Azerbaijan. France and Kazakhstan signed an agreement to explore this possibility in late 2009, giving a French energy consortium a one-year exclusive right to negotiate for the project. However, when Kazakhstan's president Nursultan Nazarbaev visited Paris a year later to sign a number of high-profile industrial cooperation agreements, this undersea pipeline directly to Baku was not even mentioned. This third version of the TCOTS has thus apparently disappeared even from the drawing-boards.

IMPLICATIONS: Any decision for the KCTS pipeline, which would be constructed entirely within Kazakhstan's borders, is connected with the development of the Kashagan field. First-phase production from Kashagan will amount to between 370,000 and 450,000 barrels per day (bpd) from 2014 to at least 2016. The date of 2014 has frequently been cited for Kashagan's first production, but this is based on a misunderstanding or, at least, a lack of precision. The required nuance, usually omitted, is that this is the date of the end of "experimental" production (defined as up to 370,000-450,000 bpd). What is scheduled to begin at the end of 2012 is defined as "industrial" production.

Until recently, the disappearance of the French project for a trans-Caspian pipeline from Kashagan to Azerbaijan made the KCTS (Eskene-Kuryk onshore pipeline) a necessary component of any scheme for exporting Kashagan oil westward. With the KCTS's delay until nearly the end of the present decade, the question arises how to transport Kashagan oil onto world markets. The answer is given by the Tengiz field in northwest Kazakhstan, perhaps the country's best-known oilfield. Estimated to have between six and nine billion barrels of reserves, its production is exported to world markets from Russia's Black Sea port of Novorossiysk, which it reaches through the CPC pipeline, which entered into service in 2001.

About 80 percent of Kazakhstan's oil has nowhere to go today, other than through Russia's pipeline system. Half the remainder is exported through the Georgian Black Sea port of Batumi, the seaside capital of the Georgian autonomous province of Ajara; the rest goes to China. In 2009, the CPC transported almost 750,000 bpd of crude oil, of which 80 percent

came from the onshore Tengiz and Karachaganak fields, with most of the remainder being oil produced in Russia along the length of the pipeline. Late last year, after years of discussion and promises, the CPC took a Final Investment Decision to nearly double its current capacity, to 1.34 million bpd. The fully expanded capacity should enter into service in mid-2014, just in time for Kashagan's transition from "experimental" production to export-capacity production. If necessary, smaller quantities from Kashagan can transit the Kazakhstan-China pipeline or be transported to Baku by trans-Caspian barge, and from there to Georgia's port in Batumi on the Black Sea.

CONCLUSIONS: One question remaining to be resolved is how the Kashagan oil that makes it through the expanded CPC pipeline will find its way to world markets. The overused Turkish Straits are not an option, despite the fact that apparently knowledgeable observers say they think otherwise. Transshipment across the Black Sea can involve only strategically insignificant quantities. What is left is the Samsun-Ceyhan (also "Trans-Anatolian") pipeline project, from the Turkish Black Sea coast to its existing energy terminal on the Mediterranean Sea. Planned in 2005 as a joint venture under Turkish law between the Italian firm Eni and Çalık Enerji, it has since foundered as first Indian then West European energy companies originally expressing an interest desisted from pursuing it.

In 2009, two Russian firms expressed an interest in the Samsun-Ceyhan project following a meeting in Sochi between Turkey's Prime Minister Recep Tayyip Erdogan and his Russian counterpart Vladimir Putin. According to some reports, Ankara agreed to support Moscow's "South Stream" gas pipeline in

return for a Russian commitment to the Samsun-Ceyhan pipeline. However, it was never clear what that Russian support was actually supposed to entail, or even if it was to include significant capital investment. As of late, not even informal press leaks or hearsay reports have been in evidence. The seeming reticence of the declared Russian partners is puzzling; because there is now no doubt that the

CPC pipeline will be expanded, in three phases over the next four years according to KMG's chief Kabyldin.

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THE ROLE OF PUBLIC RELATIONS IN THE ECONOMIC DEVELOPMENT OF THE NORTH CAUCASUS

Gregory Zalasky

Russian Prime Minister Vladimir Putin recently held a press conference to announce funding for 30 new development projects in the North Caucasus. The announcement was the latest in a string of high profile, high-cost investment plans that aim to pull the troubled region out of a cycle of violence and instability. While the goals of the Russian government should be lauded, the most notable development efforts by the federal and provincial governments focus more on public relations ventures, such as elite ski resorts and soccer exhibitions, than on sustainable economic improvement.

BACKGROUND: Since the creation of the North Caucasus Federal District on January 19, 2010, the Kremlin and its emissaries in the region have prioritized economic development in an effort to quell the steady increase of violence in the region. The government's economic development plans have evolved from a core development document to an overlapping menagerie of federal and provincial, public and private initiatives. The projects range from mineral extraction to establishment of world class ski resorts, and the cumulative budgets are in the tens of billions of dollars. The scope and variety of the plans not only highlight the extensive need for economic and infrastructure development in the North Caucasus, but also Russia's need for regional stability after two decades of violence.

One of the most prominent features of the development plans is the creation of six special economic and tourist zones, which will feature alpine ski resorts. The plan is called "Height 5642" in honor of the height in meters of Mt. Elbrus and has a budget of approximately US\$ 16 billion. The recently established state-run firm "Resorts of the North Caucasus" controls 87 percent of the budget allocation and will seek

additional investments through a special tax regime that will exempt all businesses involved in the project from non-VAT taxes for ten years. According to a report in the New York Times, the plans require the construction of 90,000 hotel rooms and ski lift capacity for 150,000 skiers per day.

While skiing aims to be the winter tourism centerpiece of the North Caucasus, soccer appears to be the favored development panacea of Ramzan Kadyrov, President of Chechnya. In addition to his government role, Kadyrov also serves as the Chairman of Terek Grozny, which has competed in the top flight of Russian soccer since 2008. While Terek muddles in the bottom half of the Russian Premier League table, the team has served as a platform for Kadyrov's public relations campaign and provided him with an opportunity to play against legends of the sport. As part of the vast rehabilitation of Chechnya's capital, Kadyrov ordered the construction of a US\$ 250 million dollar stadium for the team. It is worth noting that the stadium is named after Ramzan's father Akhmad Kadyrov, the former President of Chechnya who was assassinated in the stands of Terek's former grounds.

In anticipation of the stadium's grand opening, Kadyrov hired Ruud Gullit, former World and European player of the year, as Terek's team manager. Kadyrov also arranged for well-publicized exhibition matches between members of Brazil's 2002 World Cup winning team against a team of former Russian national team members. In the second match, a selection of former stars from around the world, including Diego Maradona, Luis Figo and Steve McManaman, played against a side known as "Team Caucasus." In both matches, Kadyrov played for the home sides and conspicuously scored multiple goals against the aging legends.

IMPLICATIONS: While providing residents with the opportunity to watch global icons in their twilight may be admirable, the funding and arrangement of the matches remain a mystery; hinting at a problem of Chechnya's soccer public relations campaign. Local press reported that Bulat Chagaev, a Chechen businessman based in Switzerland, played a role in funding the exhibitions. However, national Russian sources and Western press could not confirm the rumors. The opaque nature of the matches highlights the dilemma for such PR-based development efforts in the North Caucasus. While banners around Akhmad Kadyrov Arena boasted the new investment opportunities available in Chechnya, endemic corruption precludes any significant investment from businesses that are not connected to local politicians.

Besides the questionable merits of individual events, professional soccer as an industry cannot spur sustained economic growth. Even though it is the most popular sport in Russia, soccer is a well-recognized money pit for its owners. As a 2010 article in *Rossiyskaya Gazeta* notes, it is virtually impossible for Russian clubs turn a profit without enormous financial

support from corporate benefactors or regional governments. For example, the revenues of reigning champions Zenit St. Petersburg will only cover 20 percent of expenditures for 2011 while Gazprom, its owner and main sponsor, will subsidize the remaining US\$ 91 million of its budget. The example illustrates that while local clubs can boost the public standing of a city or region, they are a financial drain on regional budgets. The expenditures are defensible when oligarchs, such as Suleiman Kerimov, the new owner of Dagestan-based Anzhi Makhachkala, are personally responsible for signing stars, such as Brazil's famed defender Roberto Carlos. However, it is a different matter when the money comes from regional government coffers.

Just as high profile soccer matches cannot attract a self-sustaining amount of capital, the aforementioned ski resorts in the North Caucasus face daunting investment challenges. In order to achieve the goals described in the development plan, Alexander Khloponin, head of the North Caucasus Federal District, told Prime Minister Vladimir Putin that the state-run developers of the projects need to raise US\$ 1.9 billion from unspecified private investors. While raising almost US\$ 2 billion is a daunting task for many investment environments, it seems implausible for the North Caucasus. Beyond concerns about corruption, violence remains a very real threat to both potential investors and potential tourists. In February, unknown assailants shot and killed three skiers near Mt. Elbrus and detonated a bomb that severed gondola cables. A few days after the attack, police found 70 kilograms of explosives in a car parked next to a hotel in the tourist village of Elbrus. "Resorts of the North Caucasus" has responded by announcing that they will surround all ski



developments in a three-meter fence, but it remains to be seen whether investors are convinced by such measures. The upcoming Winter Olympics in Sochi could spur greater interest from potential investors, but international and private companies have distanced themselves from the Games. In April, organizers for the Sochi Olympics announced that they are US\$ 200 million short of their commercial sponsorship target and the current total of US\$ 1.1 billion comes primarily from state-run firms, such as Aeroflot and Rosneft.

CONCLUSIONS: Pouring billions of dollars into the development of ski resorts to compete with those in French Alps seems a bit incongruous when, according to figures by the Center for Strategic and International Studies, there were 16 suicide bombings and over 900 insurgency-related deaths as recently as 2009 in the North Caucasus. In fact, headline events, such as the recent star-studded soccer exhibitions in Grozny, reinforce the perception of endemic corruption in the region and the

opaque manner of doing business in the North Caucasus. The North Caucasus Federal District sorely needs economic development and, in general, the plans by the Kremlin and Alexander Khloponin's administration take important strides in the right direction. However, federal and local officials should solely concentrate on developing the fundamental infrastructure for economic growth, such as transportation, safety and transparency, and avoid glitzy displays that belie daily reality. While the matches and grandiose development may garner international attention, it is highly unlikely that they will create sustainable economic growth and the Kremlin will continue to heavily subsidize the region.

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PAKISTAN FACES TOUGH CHOICES AFTER BIN LADEN'S DEATH

Naveed Ahmad

The death of Osama bin Laden on May 2 placed the future of foreign military engagement in Afghanistan in the limelight. Incidentally, Arab militants may also prefer abandoning their traditional bases amid growing unrest in the Middle East. The Afghan capital, Kabul, has been buzzing with ideas for bringing the Taliban to the negotiating table. Neighboring Pakistan, embarrassed after the disclosure of bin Laden's presence and the U.S. operation, has long advocated efforts to transform the Taliban militia into a political entity. Washington's zero tolerance for any future slackness in localizing key leaders of al-Qaeda and the Taliban has resulted in accelerated Pakistani search operations in its vast territory.

BACKGROUND: The idea of isolate al-Qaeda from the Taliban is gaining ground; in fact, the approach of the Bush Administration at the start of the military campaign in October 2001 to fight both groups along the same lines, in spite of their different agendas and scope, only cemented their relations. Harsh military rhetoric and excessive use of force based on weak intelligence damaged relations with large segments of the exhausted and deprived Afghan population.

Both al-Qaeda and the Taliban exploited the security vacuum in the long stretch of semi-autonomous mountainous tribal areas along the border between Pakistan and Afghanistan. ISAF and NATO troops could not enter these areas, nor had there been a single Pakistani soldier there since the country won freedom from the British in 1947. The trust deficit dating back to era of the Soviet Union's withdrawal proved a vital obstacle to the development of intelligence-sharing and logistical cooperation between Pakistan and the U.S.. The delayed entry of the Pakistani regular military, with little expertise in guerilla warfare, into the tribal areas did not prove successful until recently. However, U.S.-Pakistani intelligence

sharing resulted in the capture of over 500 al-Qaeda operatives including figures like Khalid Shaikh Mohammad, awaiting trial in Guantánamo.

After initial reluctance, al-Qaeda and the Taliban started punishing Islamabad for its alliance with the U.S. Pakistan's government claims to have lost over 30,000 civilians and 4,500 security personnel, including two and three-star generals, besides a financial cost of US\$ 50 billion by 2010. The war in Afghanistan cannot be won without its conjoined twin, Pakistan, on board. While Pashtuns in Afghanistan have affinities with two neighboring Pakistani provinces, Baluch in the southeast have historic relations with adjacent districts across Pakistan and Iran.

Landlocked, barren and war-torn Afghanistan depends heavily on Pakistan for everything from petroleum supplies to agricultural provisions. With a severely weakened economy compared to one decade ago, Pakistan cannot afford more unrest along its western border. While the extremists had already lost whatever support they enjoyed owing to anti-Americanism amongst the Pakistani public, the news of bin Laden's presence close to the

Abbotabad military installations left the military and political establishment in shock.

Amid hardened pressure from the U.S., Pakistan is demanded to increase its domestic efforts to fight the extremists, or otherwise prepare for repeated unilateral commando operations. Despite a parliamentary resolution denouncing U.S. drone attacks on its soil, Washington has not relented. Pakistan seems caught between increasing U.S. pressure and serious fears of retaliation attacks by al-Qaeda and its likeminded terrorist outfits. Within a fortnight, a massive attack on freshly graduated paramilitary cadets claimed 80 lives last week while a bulletproof U.S. embassy limousine was targeted in the northwestern city of Peshawar close to Afghanistan's border, killing one Pakistani.

IMPLICATIONS: For years, senior Afghan leaders have been talking of Taliban fatigue with the war and the unbearable burden of accommodating al-Qaeda. President Karzai has also repeatedly invited the Taliban to talks. Recently, U.S. Secretary of State Hillary Clinton said "Our message to the Taliban remains the same. You cannot wait us out, you cannot defeat us, but you can make the choice to abandon al Qaeda and participate in a peaceful political process". A decade of experience proves to the west that excluding the Taliban from any future political setup is bound to fail, given the extent of support they enjoy among the Pashtuns, Afghanistan's largest ethnic group.

Despite a heavy financial and human cost, Pakistan's limited success in curbing extremism coupled with half-hearted NATO action along the Afghan border may lead to a nightmarish retaliation scenario. Ironically, Pakistani public opinion is sharply critical of the missile attacks by U.S. UAVs in the tribal areas. While the

elimination of bin Laden came as a relief to most Pakistanis, increasing violations of international borders and civilian casualties mount pressure on the elected government from popular opposition leaders like Imran Khan. The partnership between the U.S. and Pakistan remains at its lowest point as the two countries have severed their relations on the intelligence sharing front after the May 2 unilateral operation against bin Laden's compound.

Nonetheless, being one of the three countries to acknowledge the Taliban regime in 1996-2001, Pakistan considers the Turkish initiative of opening a Taliban representative office in Turkey a positive move for all stakeholders in the Afghan imbroglio. Prior to taking such a bold initiative, the Turkish leadership has helped Pakistan and Afghanistan to break the ice, and the leaderships of Pakistan, Afghanistan and Turkey are scheduled to meet in September. The fact that the proposal of establishing a Taliban representative office in Turkey, a NATO member, originated from the Afghan High Peace Council, headed by Burhanuddin Rabbani, should increase its chances of success. The initiative is fully in line with Pakistan's longstanding desire for a negotiated settlement of the Afghanistan crisis at a neutral venue.

A trilateral meeting between Pakistan, the U.S. and Afghanistan slated for the first week of June in Kabul could become the first step towards rebuilding confidence amongst the key stakeholders. Islamabad, Kabul and Washington can lay the foundations for a lasting political process by isolating the Taliban from al-Qaeda, promoting policing instead of aerial or armored shelling in urban centers, and exercising extreme caution to avoid collateral damage in western and southern Afghanistan, as well as the tribal areas of Pakistan.



To keep Pakistan on board, the U.S. will have to extend a helping hand instead of what is in Pakistan often perceived as arrogant criticism. Without any confidence-building gestures towards the Taliban, negotiations may never start. Turkey seems set to exercise the clout it enjoys in Afghanistan for its avoidance of combat operations despite being part of NATO forces. Nevertheless, the Taliban representative office in Turkey depends on sufficient ground work within various factions and figures in the Taliban militia.

CONCLUSIONS: Pakistan, which is likely to be hit hardest by retaliations for the death of bin Laden, will have to revamp its security forces besides revisiting its counter-terror doctrine. Whether in the form of a siege of an Army General's Headquarters or an inability to capture bin Laden next to an officers' training academy, Pakistan has suffered frequent failures in combating terrorism. Pakistan has faced a mammoth challenge in gathering

confidence and commitment for this task, which was nevertheless shattered again in the May 22 attack on a naval aviation base, where four to six individuals could destroy two newly inducted P₃ C Orion antisubmarine and maritime surveillance aircraft worth US\$ 40 million each.

Without the international community's resolve, the 180 million strong and nuclear armed country, now at the mercy of an IMF financial package, could turn against a peaceful development Afghanistan by increasing anti-U.S. fervor or political unrest. The world is losing patience with Pakistan, especially with its military establishment. The unrest following bin Laden's death is brewing in Pakistan, where incompetent politicians and praetorian generals contribute to an increasing risk of systemic failure.

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FIELD REPORTS

KAZAKHSTAN HAILS ECONOMIC MODERNIZATION AND INNOVATIVE DEVELOPMENT

Georgiy Voloshin

After Nursultan Nazarbayev's successful reelection to the presidency on April 4, Kazakhstan has hosted a string of high-profile economic meetings aimed at boosting its standing in global affairs and putting forward a number of proposals about how to further economic modernization and diversification in line with contemporary challenges to the world economy.

In the beginning of May, President Nazarbayev addressed the Fourth Astana Economic Forum, a large-scale gathering attended by more than 2,000 guests, including seven Nobel Prize winners, two former presidents, acting heads of government and prominent experts. Taking a leaf out of the book of last year's Forum, in which most discussions focused on ways to overcome the consequences of the financial crisis, Nazarbayev called upon the international community to support his initiative of signing a global pact for joint regulation of the world economy. "The global economic policy for future development should be based, as I understand it, on coordinated macroeconomic management, global regulation of markets – from raw materials to financial instruments, and an efficient currency system" the president said, also pointing to the urgent need for ensuring food security at the regional and national levels.

Despite recurrent criticism about Kazakhstan's proclivity to punch above its weight by suggesting highly unfeasible ideas, Nazarbayev reiterated his year-old proposal to devise a new reserve currency, capable of replacing both the dollar and the euro. He also invited foreign partners to invest money into his country's booming agricultural sector, which is

expected to provide up to 180,000 tons of grain exports by 2020. This will help to alleviate food deficits in parts of the world suffering from scarce harvests and overpopulation.

Two weeks later, Nazarbayev spoke at an international conference in Almaty dedicated to innovative technologies and their role in the generation of wealth and jobs. The head of state promised that by 2020, Kazakhstan would become a leading country of innovation with a highly diversified economy and a robust national science. For this purpose, twenty "intellectual schools" funded under special decrees will supply young researchers to the International IT University of Almaty and the British-Kazakh University as their future graduates. By mid August, Kazakhstan's Parliament is expected to pass a bill regulating innovative activities, and national authorities are instructed to work out plans to introduce innovative methods of management into their daily work. According to official statistics, only 1,000-1,500 applications for patent registration are filed annually with the Ministry of justice. This trend should now be reversed by encouraging young inventors through extra funds for research and trial tests.

The innovation theme was once again mentioned at the May 18 Council of foreign investors meeting in Astana. This year's gathering took place at the new Nazarbayev University and welcomed representatives of more than 200 companies and corporations as well as former leaders of Poland, Italy and the UK. In his opening remarks, President Nazarbayev reminded his guests that the 2010-2014

Accelerated Innovative and Industrial Development Program foresees a 50 percent increase of overall work efficiency in the majority of producing industries and a 100 percent increase in priority areas. Last year's achievements included the successful implementation of projects worth US\$ 5 billion, and GDP growth reached above 7 percent. Nazarbayev called upon major producers and exporters to increase the share of local content, i.e. the proportion of local specialists and subcontractors, in their business operations. He also paid special attention to energy efficiency and suggested that the flagships of Kazakhstan's exporting industries set up partnerships with small and medium enterprises in order to teach them the best techniques of productivity management.

On May 20, Kazakhstan's President attended the 20th session of the European Bank for Reconstruction and Development (EBRD) in Astana. The start of this high-profile event coincided with the publication of the IMD World Competitiveness Scoreboard 2011, a rating of 59 countries analyzed by the prominent business school in Lausanne, Switzerland. According to the

school's latest findings, Kazakhstan ranked 36th, leaving behind Turkey, Italy and Brazil, among others. It was also recognized as an absolute leader in the CIS in terms of competitiveness and business facilitation. Nazarbayev attributed part of this success to the contribution of the EBRD, which has invested over US\$ 5 billion into the country's nascent market economy and attracted another US\$ 9 billion since 1991. This enabled the implementation of around 140 projects, mostly concentrated in large urban centers. According to the President, the EBRD's attention should now be focused on regional development, with a view to bridge the income gap between the capital and the provinces.

A day earlier, speaking from Minsk where the Customs Union Member States were conducting final negotiations before the abolition of external customs borders on July 1, Kazakhstan's Prime Minister Karim Massimov proposed Grigory Marchenko, the National Bank Chairman, for the position of the IMF Managing Director, in replacement of Dominique Strauss-Kahn.

GOVERNMENT INACTION BLAMED FOR RISING FOOD PRICES IN TAJIKISTAN

Alexander Sodikov

As skyrocketing food prices become an increasingly salient trigger for social and political protests across the developing world, sharp rises in prices for basic foodstuffs in Tajikistan are contributing to a growing popular frustration with the government's inability to control prices. The food costs in the country rose by up to 30 percent over the last two months, with meat and wheat flour prices jumping 50 percent in some areas. Although government officials expect a moderation in food prices later this year, analysts warn that the costs for major foodstuffs might rise again before Ramadan, the Islamic month of fasting, in August.

Following sharp rises in wheat prices last year, price escalation has become a recurring trend in Tajikistan. The World Bank estimates that since last summer, the global rise in grain prices has led to a 3.6 percent increase in extreme poverty in Tajikistan. The latest price spike is predicted to have a devastating impact on the diets and disposable incomes of poor families, pushing more families into extreme poverty.

While some experts suggest that the recent price jump in the country is simply part of the global escalation in food prices, an increasing number of analysts argue that the situation in Tajikistan has

been aggravated by the government's foreign policy miscalculations and mismanagement of public resources. The surge in food costs in the country was triggered by Russia's decision to increase tariffs on oil and oil products exported to Tajikistan by up to 5.3 percent starting from April 1, 2011. As Tajikistan imports more than 92 percent of its petroleum products from Russia, higher tariffs have led to gasoline and diesel prices in the country soaring by an average 30 percent. Higher fuel prices then caused an upsurge in the cost of foodstuffs and other basic goods.

Tajik government officials have described the higher tariffs on oil exports imposed by Moscow as an unfortunate development that Dushanbe had no other choice but to accept. Some critics, however, argue that the tariff increase could have been avoided by making political concessions to Russia. Such concessions might, for instance, have included granting Moscow permission to establish an airbase at the Ayni airfield near Dushanbe. Russia has long been known for using energy as a lever with its post-Soviet neighbors. While increasing dues on oil imports to Tajikistan, Moscow has kept low tariffs for imports to Kyrgyzstan, which hosts a Russian airbase.

Other critics believe that it was beyond the Tajik officials' power to stop the increase in food prices. They argue, however, that the government was aware of the imminent price spike and could have used available financial resources for early intervention in the market to prevent such a drastic cost increase. Already in early March, Tajik president Emomali Rahmon warned about higher food costs and urged the country's population to stock up on basic food items, including grains and

beans, to prepare for escalating prices. Critics complain that despite the early warning to the population, the government continued squandering state resources on lavish construction projects in the capital, including the world's tallest flagpole, a giant library, and a new museum. It is argued that these resources should have been used to control inflation, food and fuel costs, and support poor families which are hit hardest by rising food prices.

The government intervened in the food market only in mid-May. The authorities announced that they would spend US\$ 58 million on food subsidies for the poorest families, helping them cope with price inflation. Another US\$ 13 million was allocated for flour and fuel reserves which would be provided to the population at discounted prices. The government has also set up special commissions to procure meat and other foodstuffs directly from farmers and sell them on to the population without the involvement of intermediaries. Desperate to keep food prices low, the municipal authorities in Dushanbe set a cap on prices for wheat flour and meat in the capital, and enforced it by detaining butchers that defied the instructions.

It is difficult to assess the effectiveness of government interventions in the food market at this stage. Food prices in the country will most likely decrease soon as more farmers begin harvesting fruit and vegetables. The prices are not, however, likely to drop by more than 10 percent due to the high fuel costs. In order to better withstand global pressures, the Tajik government needs a long-term strategy to boost food production at home, including by promoting agricultural diversification and allowing farmers more control over the land they use.

SOCCKER USED AS PROPAGANDA TOOL IN CHECHNYA

Olof Staaf

No expenses were spared when Grozny's new state of the art soccer stadium was inaugurated on May 11. The televised event was celebrated by fireworks, musical performances, and a high profile exhibition game between a team from the region and a team consisting of retired international stars led by Diego Armando Maradona.

The so called Team Kavkaz was mainly made up of former players from the local FC Terek Grozny and politicians like Chechen President Ramzan Kadyrov, President Medvedev's personal envoy to the North Caucasus Aleksander Khloponin, Chechen Prime Minister Odes Baysultanov, and Kadyrov's cousin Adam Delimkhanov, who is also Chechnya's representative to the Russian State Duma.

Despite the presence of some of the last decades' most prominent soccer players, there was no confusion about who was the center of attention. Even though Khloponin led Team Kavkaz to the field, he only played for five minutes before being substituted and handing over the captain's armband to Kadyrov. To a certain extent, the celebrations surrounding the opening of the arena should undoubtedly be understood as a way for Russian and Chechen leaders to showcase the supposed normalization of Chechnya. However, the main purpose appears to have been to manifest and strengthen the personality cults Kadyrov has built around himself and his late father, former President of the Chechen Republic Akhmad-Haji Kadyrov. The crowd chanted Ramzan's name and were handed flags with his portrait as well as t-shirts with the portrait of the former President. Moreover, like many other buildings in today's Grozny, the entrance to the stadium was decorated by huge posters of Akhmad Kadyrov and Russian Prime Minister Vladimir Putin.

The new arena is named after former President Akhmad-Haji Kadyrov and can accommodate 30,000 spectators. Nevertheless, the game itself was

a less than exciting affair. Kadyrov's Team Kavkaz managed to secure a 5-2 victory with some help from their opponents and the referee. The Chechen President himself played up front and was allowed to assist a couple of goals.

In the aftermath of the event, Chechen authorities have been accused of coercing people to attend the game. For instance, it was reported that students were told they would not receive their diplomas unless they contributed to filling all the seats in the stadium. This apparently caused disturbances outside the arena, where a huge crowd struggled to enter.

According to Kadyrov's Press Secretary, the lavish and heavily secured event did not at all burden the republic's budget, since businessman Bulat Chagaev, a close ally of Kadyrov, and a company called Gesti Soccer purportedly shared the costs. He even claimed that the international players were not paid for participating in the game.

The opening of the new stadium and surrounding events is only the latest in a series of soccer related occurrences that have attracted international media attention to Chechnya. In April, a similar exhibition game was played when a team of former Brazilian World Cup winners visited Grozny and in February, the Dutch manager and former world class player Ruud Gullit signed an 18-month contract with FC Terek Grozny. However, the use of soccer as a political tool is not new to the war torn republic. For many years, football has played a noteworthy role in the efforts of Moscow and the Kadyrov regime to promote their images of Chechnya and its leadership. In 2001, Akhmad Kadyrov resurrected the local club FC Terek Grozny, which had been forced to disband when full-scale war broke out in 1994. Since then, Moscow has invested heavily in the club in order to turn it into an illustration of positive change in post-war Chechnya.

For the Kremlin, the main aim of this campaign has been to convince the non-Chechen part of Russia's population that Chechnya is becoming a normal Russian republic and that Chechnya's only significant problem is the persistence of a small group of Wahhabi terrorists. For the Kadyrov clan, its close association with the widely popular soccer club has been a means for strengthening its support among other Chechens. Even though Terek Grozny used to play its home games in Pyatigorsk and despite the fact that it has had very few ethnic Chechen players, it became a source of Chechen

national pride in 2004 when it became the first team to win the Russian Cup without playing in the Premier League. The cup final took place only a few weeks after Akhmad Kadyrov was killed in an explosion at Grozny's old Dinamo Stadium and although the victory has been surrounded by persistent rumors of match-fixing, it made Terek Grozny Russia's representative in the Uefa Cup. Since 2004, Terek has been able to establish itself in the Russian Premier League and will most likely continue to be an important propaganda tool for both the Kremlin and the Kadyrov regime.

THE POLITICAL RAMIFICATIONS OF AZERBAIJAN'S EUROVISION VICTORY

Mina Muradova

The victory in the Eurovision song contest has provided a unique opportunity for Azerbaijan to promote its culture and tourism to the world. While the international community thinks the victory should encourage the country to improve its human rights record, domestic observers do not rule out that it could be used for political benefits in the 2013 presidential elections.

Hundreds of people left their houses at the night of May 14 and gathered in downtown Baku to celebrate the small former Soviet republic's unexpected victory in the Eurovision song contest. Ignoring heavy rain, they danced and chanted "Azerbaijan! Azerbaijan!" Convoys of cars filled with fans waving Azerbaijani flags came to greet Ell (Eldar Gasimov) and Nikki (Nigar Jamal) at Baku airport the day after.

Their song "Running Scared" was voted the best of 25 competitors at the final in Düsseldorf, Germany. Fans in many participating countries have often highlighted the role of geopolitics in Eurovision voting. However, as many observed, the results of this year's final told a different story. The Azerbaijani duo received the highest 12 to 10 points

from Russia, Turkey, Malta, Ukraine, Greece, Croatia, San-Marino, Romania and Moldova.

In a statement on his website, Azerbaijan's President Ilham Aliyev said that winning the pop music contest was "a great success of the Azerbaijani state and people". Gasimov commented to journalists that "it is not only our victory, but also a victory for the entire Azerbaijani people, the whole Turkic world. May 14 is a red letter day in the history of Azerbaijan". Jamal was seen celebrating the victory by waving a Turkish flag on stage. Turkish President Abdullah Gül sent a letter to his Azerbaijani counterpart Aliyev in which he said he was delighted by Turkey's "friend and brother" Azerbaijan winning the song contest. Domestic observers even stated that it was victory of the Azerbaijani and Turkic Diasporas over the Armenian one.

Thanks to Azerbaijan's victory, Baku will host next year's Eurovision competition, scheduled to take place May 22-26. Eurovision is the most watched non-sport event in the world, with audience figures counting hundreds of millions. This will provide Azerbaijan with a possibility to market itself beyond its existing image as an exporter of oil and

gas to Europe. Simultaneously, it is a chance to attract the international community's attention to the conflict over Nagorno-Karabakh between Armenia and Azerbaijan. The two countries fought a war over the enclave in 1992 after the break-up of the Soviet Union, leaving around 25,000 killed, over 4,000 missing and about one million refugees.

"The Azerbaijani nation deserves a victory. I cannot express my happiness by words. We are able to gain more and more victories. If we celebrate the victory in a song contest with such happiness, I can imagine how grandiose the celebration would be of our victory in Karabakh", said a woman refugee from the Lachin district, which is now under occupation by Armenian troops.

In a letter of gratitude for the support of Azerbaijanis abroad, the State Committee responsible for Diaspora issues stated that "Azerbaijan's victory in the Eurovision song contest demonstrated our unity and solidarity and if we are united we are able to reach the highest achievements. As President Aliyev says, "our strength is our unity". In addition, the letter pointed out that "it is, first of all, a demonstration of the great importance the Azerbaijani government attaches to culture and art".

Ali Hasanov, head of the presidential administration's political department, told *news.az* that the "the victory was not unexpected". He went on to declare that it was a result of the "great attention" paid by the government and the Heydar Aliyev Foundation – headed by First Lady Mehriban Aliyeva – to the development of youth and culture.

"Under the leadership of Ilham Aliyev the whole spiritual life of Azerbaijan has regenerated, the culture and music world have been developing in a dynamic way, we pay great attention to youth and it is natural to see a positive result of this", Hasanov stated. "In a true sense, this is a victory for the

entire Azerbaijani people, which was led by the country's President and his team".

Hasanov's statement reflects a common view among government officials, who frequently acknowledge the "political importance" of the victory in the run-up to the 2013 presidential elections and are doing their best to use it in their political favor.

On May 19, President Aliyev appointed his spouse Mehriban Aliyeva as head of the Organizational Committee responsible for organizing Eurovision 2012 in Baku.

In a meeting with the winning duo on May 16, President Aliyev highlighted the role of the First Lady by saying that "The initiator of our participation in Eurovision was the Heydar Aliyev Foundation and, in particular, Mehriban khanum. We joined this contest on her initiative and in the course of all recent years, the Heydar Aliyev Foundation ... and other structures worked very actively. Each year we have been approaching this victory closer and closer". The president characterized the victory as "a triumph of the country".

Observers believe that Azerbaijan's oil incomes will allow Aliyev's dynasty to successfully organize the international contest. As a Russian TV anchor said that "Azerbaijan will show Europe how the contest should be. It will be definitely be cool".

However, the cultural and organizational performance of Azerbaijan sits uneasily with the country's human rights record. The international community expects that the government will use this chance to display not only the country's cultural values, but also that it adheres to European democratic values. In a May 16 statement Roland Kobia, head of the European Union delegation to Azerbaijan, called the 2012 event "a golden opportunity for Azerbaijan to show to the world the resolute and sweeping modernization of its society".

NEWS DIGEST

TWO POLICE OFFICERS KILLED IN DAGESTAN

12 May

A man shot dead two police officers in the southern Russian republic of Dagestan on Wednesday morning, local police reported. The attack happened in a village of Karamakhi in the Buinaksky region while the officers were carrying out an "inspection" at the residence of a local, whose identity has not yet been disclosed. The officers were shot at from within the house. The attacker was killed in return fire. Terrorist attacks and shootouts with police are common in Russia's volatile southern republics, where the government has been fighting insurgents for over a decade. (RIA Novosti)

NAGORNO-KARABAKH DISPUTE WILL BE MOST PROBABLY DISCUSSED AT OSCE PA SESSION IN BELGRADE

13 May

"Reports of the OSCE Minsk group co-chairs on Armenian-Azerbaijani conflict over Nagorno Karabakh will be most probably heard at annual session of the OSCE Parliamentary Assembly in Belgrade", OSCE PA President Petros Efthymiou said during the meeting with Azeri parliamentarians on Thursday. The relevant proposal was made by the Member of the Azerbaijan delegation to OSCE PA, deputy of the Milli Majlis (Azerbaijan Parliament) Eldar Ibrahimov. According to Petros Efthymiou, resolution of Armenian-Azerbaijani conflict over Nagorno Karabakh is very important not only for the South Caucasus, but also for whole Europe. The 20th Annual Session of the OSCE Parliamentary Assembly will be held from 6 to 10 July in Belgrade, Serbia, under the general theme of "Strengthening the OSCE's Effectiveness and Efficiency - A new start after the Astana Summit." The largest event on the Assembly's calendar, the Annual Session typically gathers about 250 parliamentarians to elect officers and vote on resolutions to inform the work of the OSCE and parliamentarians in participating

States. The event will conclude with the adoption of the Belgrade Declaration, expressing the collective will of the OSCE's parliamentary dimension. (AzerTAc)

GAZPROM MAY PLAY A ROLE IN TAPI PIPELINE

13 May

Moscow could join a pipeline project meant to deliver natural gas from Turkmenistan to India, officials said during bilateral talks. Russian President Dmitry Medvedev welcomed Pakistani President Asif Ali Zardari to Moscow to discuss business ties, including electricity and energy development. A statement from the two governments said Moscow might join the multilateral Turkmenistan-Afghanistan-Pakistan-India natural gas project, Russia's state-run news agency RIA Novosti reports. Moscow expressed interest in the project in October and New Delhi has said Russian energy company Gazprom could serve as one of the suppliers for the project. The planned 1,043-mile pipeline will deliver 1.2 billion cubic feet of gas per year to Pakistan and India. Afghanistan gets the remaining 700 million cf planned for the pipeline. Backers at the Asian Development Bank said they were optimistic that construction of the pipeline would be finished in time to deliver gas as early as 2016. Security of the TAPI route through Afghanistan is an impediment, though the Afghan government made several pledges to relieve those concerns. TAPI is favored by Western powers over Iran's pipeline project because of diplomatic concerns with dealing with Tehran. (UPI)

AZERBAIJAN'S SUCCESS AT EUROVISION 2011 MADE THE WHOLE TURKIC WORLD PROUD AND HAPPY', AMBASSADOR HULUSI KILIC

16 May

Ambassador of Turkey to Azerbaijan Hulusi Kilic congratulated Azerbaijan's Ell&Nikki duo on a

spectacular first-ever victory in the 56th Eurovision Song Contest in Düsseldorf, Germany. Having praised all, who contributed to the Azerbaijan's triumph, Turkish ambassador emphasized that the success of Azerbaijan group brought happiness and pride not only to Azerbaijan but the whole Turkic world. (AzerTAc)

AFGHANISTAN WANTS TO JOIN SHANGHAI ALLIANCE

16 May

Afghanistan has applied for an observer status in the six-nation Shanghai Cooperation Organization (SCO), which will consider the application at its summit in June, Russia's foreign minister said on Saturday, RIA Novosti reported.

The security alliance, which includes Russia, China and former Soviet republics of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, is gathering for its annual 15th summit in Astana, Kazakhstan's capital, on June 15.

"Afghanistan has recently asked for an observer status, and this issue will be considered at the upcoming summit," Russian Foreign Minister Sergei Lavrov said. Observer countries in the organization are India, Pakistan, Mongolia and Iran. Lavrov said India and Pakistan had applied for membership, which would also be discussed at the summit.

The foreign ministerial council of the SCO countries is meeting in Almaty, Kazakhstan's second city, on Saturday to prepare documents for the summit. The Russian minister said two documents would be considered at the event: the Astana declaration focusing on the international situation, and the anti-drug strategy for 2011-2016. Lavrov said drug trafficking was a serious threat for SCO countries and added that observer nations could be actively involved in the anti-drug strategy. A survey on Drug Use in Afghanistan, issued 21 June 2010 by the United Nations Office on Drugs and Crime (UNODC), showed that around one million Afghans aged 15-64 suffered from drug addiction. With the figure making eight percent of the population, this rate is twice the global average. (RIA Novosti)

RARE SUICIDE BOMBING SHOCKS KAZAKHSTAN

17 May

A suicide bomber on Tuesday blew himself up outside the headquarters of the security service in Kazakhstan's northwestern city of Aktobe,

wounding three people, officials said. The mysterious bombing was a rare event in Kazakhstan, a majority Muslim country that prides itself on being the most stable nation in Central Asia and a hub for Western investment. General prosecutors office spokesman Zhandos Umiraliyev told reporters in the capital Astana that the authorities had identified the bomber. "It has been confirmed that the act was carried out by Rakhimzhan Makhatov. A criminal investigation has been opened," he said. He played down claims that it may have been a "terrorist attack", saying the bomber suspected in several unspecified crimes detonated the bomb as a way to flee prosecution. Asked if this was an act of terror, Umiraliyev said, "No, no." Three people, including a member of the security services, were wounded, he said. The bomber was killed. "A suicide bomber detonated an unknown device in front of the regional security services building. As a result of the explosion, there are casualties," a source within the security services told the Interfax news agency. Despite the comments by the prosecutors' office, the trans-Atlantic security group the OSCE condemned the bombing as an act of terror. "I strongly condemn this terrorist act," said Lithuanian Foreign Minister Audronius Azubalis, who currently holds the rotating chairmanship of the Organisation for Security and Co-operation in Europe. "The OSCE and Lithuania do not accept terrorism in any form and make every effort to combat it," he said. The incident shocked the city of Aktobe, a local newspaper journalist told AFP, who said the initial reports said there were as many as seven wounded. The blast took place around 9:30 am (0530 GMT) outside the local headquarters of the Kazakhstan National Security Committee (KNB), the successor to the Soviet-era KGB. News reports said security police were searching for alleged accomplices and had cordoned off a block of the city of 277,000 inhabitants. According to local news site Tengiz News, the bomber was retaliating for recent arrests in Kazakhstan of Muslims who are followers of the fundamentalist Sunni branch of Islam known as Wahhabism. However this theory had not been confirmed at the official level. "As a member of an organised criminal group, the suspect committed the act with a goal to run from (criminal) responsibility," the prosecutor's spokesman said. (AFP)

12 AFGHANS KILLED PROTESTING NATO RAID

18 May

Twelve people died in northern Afghanistan Wednesday in a protest over a NATO raid that killed four Afghans overnight, authorities said. President Hamid Karzai condemned the raid in Taloqan, capital of Takhar province, and dismissed NATO's assertion that all four people killed were all armed insurgents, the Los Angeles Times reported. Two of the raid's victims were women. Within hours, up to 1,500 protesters came out in Taloqan and tried to overrun a NATO outpost manned by Germans. An official told China's Xinhua news agency the protest turned violent when Taliban members joined. About 50 people also were injured, officials said. It was not clear whether police firing alone was responsible for the deaths and injuries. NATO's International Security Assistance Force on its Web site said Tuesday's joint operation with the Afghans targeting a leader of the Islamic Movement of Uzbekistan "killed four insurgents, including two armed females." "Throughout the entire operation the security force was careful to ensure the safety of all civilians," the ISAF said. This is the third nighttime raid NATO has had to apologize for or promise to investigate this month. (UPI)

INDIA, UZBEKISTAN SIGN 34 PACTS

18 May

India and Uzbekistan, the energy-rich Central Asian nation, Wednesday signed 34 pacts in diverse areas, including pharmaceuticals and hydrocarbons, and agreed to cooperate closely in stabilising Afghanistan. Prime Minister Manmohan Singh held talks with Uzbek President Islam Abduganievich Karimov, who is here on a two-day visit, on a wide range of issues, including economic ties and closer cooperation in areas ranging from education, health and human resource development to energy, science and technology, tourism and culture. "Both leaders agreed to elevate the bilateral relationship to a long-term and strategic partnership based on equality and mutual understanding," the external affairs ministry said in a statement. The two leaders "condemned terrorism in all its forms and manifestations". "The leaders had a detailed discussion on the continuing unstable situation in Afghanistan and underlined the importance of early establishment of peace and stability in the country," the ministry said. Manmohan Singh, who visited Kabul last week, shared his perspectives on the

evolving situation in Afghanistan and reiterated India's resolve to assist in the development of that country. More than 30 bilateral agreements were concluded at the government level and between business entities in areas such as information technology, pharmaceuticals, standardisation, small and medium enterprises, coal, oil and gas, science and technology, banking and tourism. Uzbekistan reaffirmed support for India's candidature for permanent membership in an expanded UN Security Council. The two sides also resolved to expand their cooperation within the framework of the Shanghai Cooperation Organisation (SCO). India is currently an observer at the SCO and is keen to become a member of the six-nation Central Asian organisation. (newkerala.com)

PAKISTAN ORDERS INQUIRY INTO KILLING OF FIVE CHECHENS

19 May

A Pakistan provincial government on Thursday ordered an inquiry into the killing by security forces of five Chechens, including three women, after media said they had been unarmed. The group was killed this week, with authorities saying they were al-Qaeda-linked suicide bombers. Islamist militants have stepped up attacks in Pakistan after the killing of al Qaeda leader Osama bin Laden by U.S. special forces in the northwestern town of Abbottabad on May 2. Last week, 80 people were killed in twin suicide bombings at a paramilitary academy in the northwestern town of Charsadda. On Tuesday, the paramilitary Frontier Corps and police gunned down five Chechens near a security checkpoint on the outskirts of Quetta, the capital of Baluchistan province, saying explosives were strapped to their bodies and they were attempting to attack government forces. But the media raised doubts over statements by security forces, with television footage showing a wounded woman waving her hand in the air before her death. The daily Dawn on Thursday quoted witnesses as saying that the suspects were unarmed, had put up no resistance to the security forces and appeared to be about to surrender. "The chief minister has ordered an inquiry after mediareports raised doubts about the whole incident," a provincial government spokesman told Reuters, referring to the head of the province. Two officials of a bomb disposal squad which searched the bodies after the shooting told Reuters that they found no explosives strapped to the bodies of the Chechens. "They were unarmed and had nosuicide jackets or explosives with them,"

one of the officials said. "Five valid and two expired Russian passports were found in a ladies' handbag lying with the bodies," the second official said. (Reuters)

FUNERAL HELD FOR KAZAKHSTAN'S FIRST SUICIDE BOMBER

20 May

Kazakhstan's first-ever suicide bomber has been buried in his native northwestern city of Aqtobe, RFE/RL's Kazakh Service reports. Rakhimzhan Makhatov, 25, blew himself up at the entrance to the Aqtobe branch of the National Security Committee (KNB) on May 17. Three people -- two KNB employees and a businessman -- were injured in the blast. Local authorities arrested Makhatov's wife, Meiramgul Makhatova, after the incident. KNB officials announced on May 19 that Makhatov and his wife were members of an extremist Islamic group. About a dozen people, mainly relatives, attended Makhatov's burial on May 20, RFE/RL reports. (RFE/RL)

PRESIDENT ILHAM ALIYEV RECEIVES PRESIDENT OF THE EUROPEAN PARLIAMENT

20 May

President Ilham Aliyev of Azerbaijan Friday received President of the European Parliament Jerzy Buzek.

In meeting, the talk revolved around the current state of and the prospects for cooperation between Azerbaijan and the European Union, European Parliament. Also was stressed importance of current visit of the European Parliament's President to Azerbaijan to widen bilateral relations. (AzerTAc)

KAZAKHSTAN WITH EBRD INTERESTED IN INVESTING IN CENTRAL ASIAN REGION

21 May

Kazakhstan is ready to invest in the Central Asian countries together with the EBRD, President Nursultan Nazarbayev said Friday. "Kazakhstan is interested in participating in projects in other countries together with the European Bank for Reconstruction and Development. We are ready to work together to further develop the economies of our region," the president said at the 20th meeting of the EBRD Board of Governors in Astana. Nazarbayev said investments by Kazakhstan and the EBRD in the Central Asian countries "will support the integration process and open new

capabilities for the development of Kazakhstan's markets as well." (Xinhua)

SUICIDE BOMBING KILLS FOUR IN EASTERN AFGHANISTAN

23 May

A suicide bomber has struck a crowded bazaar in eastern Afghanistan, killing four and wounding 14 people. The attack occurred in the main market in Alishing, a district in Laghman Province. A spokesman, Faizullah Pathan, for the provincial governor said all the victims were civilians and that he did not know what the target of the attackers was. The Taliban claimed responsibility for the attack, saying those killed were commanders of local militia forces set up by the government to defend their communities against the Taliban. There has been a series of suicide bombings since the Taliban announced the beginning of their annual spring offensive late last month.

TURKMEN PARLIAMENT RATIFIES AGREEMENT ON COOPERATION IN CASPIAN SEA

23 May

The Turkmen parliament of the fourth convocation adopted the bill "Ratification of Agreement on Cooperation for Security in the Caspian Sea", the official Turkmen source said. The agreement and the joint declaration were signed by the presidents of Azerbaijan, Turkmenistan, Russia, Kazakhstan and Iran in Baku on Nov. 18, 2010.

Official Ashgabat previously stated that the Caspian Sea summit in Baku was a significant breakthrough in the development of regional partnership, which began in Ashgabat in 2002. Speaking at the Baku summit, Turkmen President Gurbanguly Berdimuhamedov proposed to begin the process of preparing the new agreements in the preservation and sustainable use of biological resources of the Caspian Sea, cooperation in the field of preventing the emergency situations and liquidating their consequences on the Caspian Sea. (Trend)

PROTESTERS RALLY FOR THIRD DAY IN GEORGIA

23 May

More than 1,000 demonstrators in Georgia protested for a third consecutive day on Monday, calling for the ex-Soviet country's Western-backed President Mikheil Saakashvili to resign. Accusing Saakashvili of authoritarianism and failing to tackle widespread

poverty, they maintained their round-the-clock rally outside the Georgian public television studios in the capital. Many were armed with sticks after brief clashes on Sunday when police used rubber bullets and tear gas against demonstrators who attacked cars. "We will stay here until they throw us out," protester Lasha Oniani told AFP. Former parliamentary speaker turned opposition leader Nino Burjanadze has said that a "revolution" has started in Georgia, while another leader has called for a "Day of Rage" on Wednesday, referring to uprisings in the Middle East. "It will not take a long time to unseat Saakashvili," Burjanadze told AFP. Despite poor social conditions and the country's disastrous defeat in a war with its arch-foe Russia in 2008, the current protests have so far failed to attract significant numbers of people. Some 6,000 rallied on Saturday in Tbilisi and hundreds in the Black Sea resort city of Batumi, but turnout fell to around 2,000 on Sunday. "There is no sign of a revolutionary situation in Georgia," senior governing party lawmaker David Darchiashvili told AFP. "They want to have a Tahrir Square in Georgia, but this has nothing in common with reality," he said, referring to the Cairo epicentre of the Egyptian uprising. In another dramatic move, fugitive former defence minister Irakli Okruashvili, who was granted political asylum in France, vowed to return to Georgia by Wednesday this week to join the rally despite facing an 11-year jail sentence for alleged corruption. Officials however said that Okruashvili -- whose arrest helped to spark mass protests after he turned against the Georgian president in 2007 -- would be detained immediately. Russia did not miss a chance to lob a jab at Saakashvili, calling on him to respect human rights. "If Georgia's authorities do not stop the use of force, this would lead to a further exacerbation of relations between authorities and the opposition, (and) an even greater destabilisation of the whole situation in the country," the Russian foreign ministry said. (AFP)

ROADSIDE BOMB KILLS 10, WOUNDS 28 IN AFGHANISTAN

24 May

A roadside bomb killed 10 workers in southern Afghanistan on Tuesday, and NATO again promised that the coalition would not abandon the country even if some members plan to withdraw their forces. Also Tuesday, two high-ranking government officials survived attempted assassinations. NATO Secretary General Anders

Fogh Rasmussen said that plans to hand over control of seven provinces to Afghan soldiers in July remained on course, despite new bombings and assaults by insurgents. "Those who threaten Afghanistan's future should be under no illusion — NATO is and remains committed to Afghanistan," Fogh Rasmussen told Afghan President Hamid Karzai, according to a coalition statement. NATO also acknowledged Tuesday that soldiers shot dead an Afghan holding a flashlight during a raid, something that could add to the growing anti-foreigner sentiment in Afghanistan after nearly a decade of war. There was no immediate claim of responsibility for the roadside bombing aimed at workers in Kandahar, which has seen a rise in incidents in recent days as Taliban fighters try to retake territory lost in the past year. The workers on the truck were employed by the local government in the region to clean up rivers and streams, according to Dr. Qayoum Pakhla, the director of Kandahar Hospital. Ten died, and 28 were injured in the attack. "I could see people calling for help and crying," said one of the survivors, who gave his name as Sabdullah. "I saw some of my friends' dead bodies. I was helpless at that moment." Meanwhile, Ahmad Ziad, a deputy chief at the National Directorate for Security, was not injured in an attempted suicide bombing that targeted his car as he was traveling to work in Kabul, police said. Ziad's bodyguards opened fire on a suspicious sport utility vehicle heading toward his convoy, wounding the driver and stopping the speeding SUV laden with explosives, the police said. The driver was arrested and hospitalized under guard, pending an investigation. Taliban spokesman Zabiullah Mujahid claimed responsibility for the attempt in a message to The Associated Press. In a separate attack, gunmen opened fire on an armored SUV carrying Helmand provincial Gov. Mohammad Gulab Mangul. A statement from his office said police returned fire, killing two attackers. Mangul was not injured during the attack. The growing number of attacks in the insurgents' spring offensive come as NATO and the United States hope to begin relinquishing control of security to the Afghan military through the end of 2014. President Barack Obama has said the United States, with about 100,000 troops on the ground, will begin a gradual drawdown in July — with the number to be determined by the situation at the time. Other nations plan to draw down their troop levels as well. (AP)

DEFENCE MINISTRIES OF KYRGYZSTAN AND TAJIKISTAN DISCUSS POLITICO-MILITARY SITUATION IN THE REGION

24 May

Representatives of national defence forces of Kyrgyzstan and Tajikistan discussed politico-military situation in the region. According to the Ministry of Defence of Kyrgyzstan, delegations of two countries, headed by Chief of Staff of the Armed Forces, First Deputy Minister of Defence of the Kyrgyz Republic Taalibek Omuraliev and Chief of Staff of the Armed Forces of Republic of Tajikistan Lieutenant General Ramil Nadyrov, met in Buzhum village of Batken province, news agency "24.kg" reported. Press service of Defence Ministry reported that parties had discussed further bilateral cooperation, as well as problems and solution of the conflict. "Military delegations discussed a plan of the joint tactical drilling, scheduled for July 2011 at the territory of Batken province with participation of the task forces of the Republic of Tajikistan," reported the press service. Taalibek Omuraliev also inspected the south-west regional force command. In particular, he checked the combat and mobilization training of the units and institutions; amenity of military towns; state of military vehicles, as well acquainted with the conditions of service, looked thought the classrooms, medical aid posts and medical units. (24.kg)

EU CONCERNED ABOUT FATAL INCIDENTS IN NAGORNO-KARABAKH

24 May

The European Union is concerned on the recent fatal incidents in Nagorno-Karabakh region, the EU said in its official press statement. EU High Representative for Foreign Affairs and Security Policy Catherine Ashton made this statement following the discussions in the EU Council for Foreign Affairs on Monday. The situation in South Caucasus was one of the topics under discussion. Two Azerbaijani soldiers were killed on the contact line of Azerbaijani and Armenian troops in Nagorno-Karabakh region last weekend. The incident occurred as a result of ceasefire violation by Armenian armed forces. Fatal incidents periodically take place on the contact line of troops. The conflict between the two South Caucasus countries began in 1988 when Armenia made territorial claims against Azerbaijan. Armenian armed forces have occupied 20 percent of Azerbaijan since 1992, including the Nagorno-Karabakh region and 7 surrounding districts. Azerbaijan and

Armenia signed a ceasefire agreement in 1994. The co-chairs of the OSCE Minsk Group - Russia, France, and the U.S. - are currently holding the peace negotiations.

Armenia has not yet implemented the U.N. Security Council's four resolutions on the liberation of the Nagorno-Karabakh region and the occupied territories. (Trend)

AFGHAN WAR VETERANS OPPOSE KAZAKH PARTICIPATION IN ISAF

25 May

Kazakh veterans of the Soviet-era war in Afghanistan are protesting a parliament decision to send troops to serve with the NATO-led international force in Afghanistan (ISAF), RFE/RL's Kazakh Service reports. The statement, issued by Kazakhstan's Coordination Council of Public Organizations uniting veterans of the war in Afghanistan, says that "sending even one single Kazakh soldier to Afghanistan would propel our young Republic into a large regional military conflict and pose a threat to the security of our citizens both inside and outside Kazakhstan. That would split Kazakhstan's Islamic community and destabilize interethnic and interreligious harmony within the country." The veterans also demand the immediate dissolution of the Kazakh parliament for "its decision to send a Kazakh military contingent to Afghanistan," and they call on all Kazakh citizens to support them. On May 18, the Mazhilis, the lower chamber of parliament, ratified Kazakhstan's agreement with NATO on participating in ISAF. Astana is offering as many as four servicemen variously described as being "officers" or "medics." The agreement will come into force after it is approved by the the upper house, the Senate, and signed by President Nursultan Nazarbaev. (RFE/RL)

KAZAKH PRESIDENT OPENS WORLD KURULTAI OF KAZAKHS IN ASTANA

25 May

Kazakh President Nursultan Nazarbayev opened the 4th World Kurultai of Kazakhs, which is underway in Astana on Wednesday, with a welcoming speech. Representatives of nations from different countries come together at the Kurultai of Kazakhs which is held once in five years. This year leaders of youth organizations, student associations from 35 countries, including Germany, Sweden, Austria, Netherlands, Norway, UK, Mongolia, Turkey, Russia, Kyrgyzstan, and Uzbekistan are

invited to Astana. A tradition to hold the World Kurultai of Kazakhs originates in 1992. The delegates include representatives of the creative, scientific and educational spheres, sport, business, government and public organizations and media outlets. (Trend)

CAR EXPLOSION KILLS 2 IN KAZAKHSTAN CAPITAL

25 May

An improvised explosive device blew up a car in Kazakhstan's capital on Tuesday, killing its two occupants, in the second fatal blast within a week close to Kazakh security service buildings. Analysts said the blast could signal an intensifying power struggle among security forces in Kazakhstan or a spillover of violence from neighboring countries. The Interior Ministry issued a statement within hours of the explosion denying any link to terrorism. It said the explosive device appeared to have detonated automatically inside a red Audi-100 parked on waste ground.

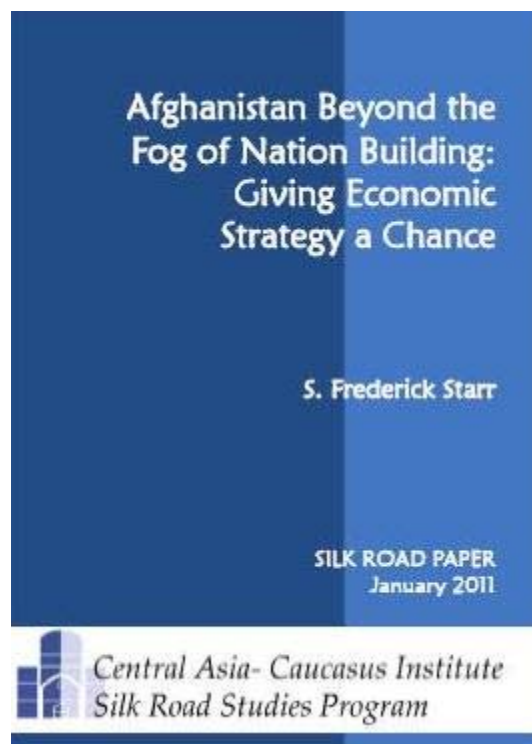
The blast shattered the windows of nearby houses. The ministry said the two people killed were male and of European appearance. Local news agencies quoted witnesses as saying they had seen body parts scattered at the scene. No other injuries were reported. A local newspaper reporter, visiting the scene several hours after the blast, said windows had been blown out in two buildings flanking a remand center run by the National Security

Committee, the local successor to the KGB. On May 17, a man blew himself up at the local security police headquarters in the northwestern city of Aktobe, wounding two bystanders. (Reuters)

SHELL SHUTS KAZAKH OFFICES

25 May

Royal Dutch Shell announced it would close its offices in Kazakhstan by the end of the month, effectively shutting down the massive offshore Kashagan oil field. Kashagan at its discovery in 2000 was seen as the largest oil find in more than three decades. Commercial reserves there were estimated at 9 billion-13 billion barrels of oil. Shell laid off or relocated all employees at its offices in the Kazakh port city of Atyrau and said it would close its offices there at the end of the month, The Daily Telegraph newspaper in London reports. The government in Kazakhstan had rejected a design for a development phase at the field that could have yielded as much as 1 million bpd. Italian energy company Eni, the chosen operator at Kashagan, estimates the field is one of the most expensive oil projects in the world. Delays at Kashagan make production targets at Kashagan unlikely. Energy consultancy Wood Mackenzie said delays could cost the Kazakh government billions of dollars of revenue. Natural resources from the Caspian region are expected to play a major role in Europe's market diversity though finances could get in the way, the International Energy Agency said. (UPI)



New Silk Road Paper:

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By S. Frederick Starr

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