



TAJIKISTAN AND UZBEKISTAN: SIGNS OF POLITICAL AND ECONOMIC RAPPROCHEMENT

During the Soviet Union, Dushanbe and Tashkent used to have the tightest economic cooperation within the Central Asian region. When the Soviet Union collapsed, the Central Asian republics immediately felt its effect in terms of the economic recession, infrastructural disintegration and political tensions. After the civil war in Tajikistan in 1992-1995, the bilateral relations between Tashkent and Dushanbe started to deteriorate steadily and gradually reached a very low level, with minimum trade turnover, forcefully imposed visa-regime and restricted road, air and railway connection. In early 2000s, Uzbekistan initiated the launching of the visa regime with its neighbor. In 2010, Uzbekistan unilaterally blockaded the railway communication lines with Tajikistan. Since the major volumes of Tajikistan's imports and exports via railway have to pass through Uzbekistan, the country was cut off from the outer world. In the end of 2011, Tashkent suspended the natural gas supplies to Tajikistan due to high domestic consumption, particularly in winter period, terminating the natural gas shipments completely in January 2013. As a result, the Tajik enterprises were forced to start using coal, which in turn led to further decline in mutual trade turnover. For instance, the trade turnover between the two countries dramatically decreased from \$500 million in 2000 to \$2.1 million in 2014.

Moreover, border disputes fueled by the existence of ethnic minorities, fears of terrorists crossing the countries' shared border, and conflicting interests regarding energy policy have all contributed to the lack of cooperation. In 1999, Uzbekistan commenced the process of mining the border with Tajikistan, which later resulted in many civilian casualties, as well as the damage to the cattle and the shepherds. Tashkent explained these actions by security concerns, mainly with the incursion of Islamic Movement of Uzbekistan (IMU) from Afghanistan to the Uzbek territory. However, since both countries for the last couple of years faced similar internal economic challenges as well as external threats, including the ongoing incursion of Taliban in Afghanistan and recruitment of the Central Asian radicals by ISIS, the parties launched a number of efforts to-

wards rapprochement. Actually, the warming of the Tajik-Uzbek relations started in autumn 2014 after the meeting of the two countries' leaders at the Summit of Shanghai Cooperation Organization (SCO) in Dushanbe. It should be mentioned that the trade turnover between the two countries that barely exceeded \$2 million in 2014 reached \$12 million in 2015 and for the first eight months of 2016 accounted for \$41.9 million.

However, highly welcome shifts that brought impetus to the bilateral relationship of Dushanbe and Tashkent and provided the two countries with greater room to political maneuver took place during the period of power transit in Uzbekistan. After the death of the first Uzbek President, Islam Karimov, on September 2, 2016, the power was assumed by the Prime Minister, Shavkat Mirziyoyev, who was later appointed Interim President of Uzbekistan taking office after winning presidential elections in December 2016. On September 3, 2016, the Tajik leader, Emomali Rahmon, attended the state funeral of Islam Karimov in Samarkand and had an opportunity to meet with the future President of Uzbekistan, Shavkat Mirziyoyev. Two sides showed their intention to jointly solve the issues and problems that emerged during Islam Karimov's stay in power.

The mitigation of the visa regime and general facilitation of the procedures of crossing the borders at the checkpoints emerged as a first result of the constructive dialogue between the Tajik President and new Uzbek leader. Other important development was an arrangement to restore the regular air connection between Tashkent and Dushanbe in the first half of 2017 after more than 20 years period. Both sides also made efforts of going back to discuss the border delimitation and demarcation issues, as there are still some sections of the border that require regulation and management. Another important development between the two countries was Tashkent's silence at blocking the Vakhsh River to complete the construction of the Rogun dam, a project that was heavily opposed and detested by Tashkent for over a decade.

On December 27-28, 2016, Dushanbe hosted 4th meeting of the Intergovernmental Commission on Trade and Economic

Cooperation between Uzbekistan and Tajikistan. During the meeting, an invitation to the President Shavkat Mirziyoyev to visit Dushanbe at his convenient time in 2017 has been handed to the Uzbek delegation. Moreover, the two countries also agreed on mutual supply of food products and alleviating taxes and tariffs on railway transportation. For the purposes of facilitating border cooperation, there are plans to open more new checkpoints and initiate closer cooperation between the customs agencies of the two countries. Next meeting of the Commission is planned to be held in June 2017.

Unfortunately, so far Tajikistan and Uzbekistan have not still agreed on restoring a railroad connection between the two countries, especially the railways leading to Tajikistan's Khatlon province that was deconstructed in 2012. Meanwhile, the citizens of both countries hope that soon they will be able to receive the visas in the airports upon the arrival, instead of queuing at the Consulates. For the arrangement to enter into force, Tashkent and Dushanbe should first sign a relevant agreement. Overall visa-regime is perceived to be one of the largest stumbling blocks in the bilateral relationship.

In conclusion, the two countries once shared close energy, trade and commercial ties. Most importantly, they both share the border with Afghanistan and thus should be close partners on security and to share intelligence with each other. Taking into account the fact that the cooperation and partnership between Tashkent and Dushanbe will emerge as a win-win solution for the other Central Asian countries, including the regional players, there is an obvious need to provide assistance to arrange a better platform for the dialogue between Uzbekistan and Tajikistan. Since Uzbekistan withdrew from the Collective Security Treaty Organization in 2012 and never announced its intention to join the Eurasian Economic Union, the viable organization that can support the credible level for providing such dialogue seems to be the SCO. Thus, other SCO member states could encourage two neighboring countries to get together and negotiate.

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Politics, Foreign Affairs and Security

- The Government of Turkmenistan reported that early voting for the Turkmen presidential election was started for citizens staying abroad. It was noted that 2,578 polling stations would be opened, including 39 polling stations at diplomatic missions of Turkmenistan abroad.
- During his address to the nation, the President of Kazakhstan, Nursultan Nazarbaev, outlined his new strategic plan for “the third stage” of the country’s economic development, covering the period until 2025. It was stated that the new plan was driven by both the need to introduce modern technologies into economic processes and to promote economic reforms, health care and social welfare amid the global slowdown.
- During his official visit to Tbilisi, the Chairperson-in-Office of the OSCE, Sebastian Kurz, and the Foreign Minister of Georgia, Mikheil Janelidze, discussed protracted conflicts in South Ossetia, Abkhazia, as well as the OSCE engagement in Georgia.
- During the meeting of authorized representatives of the Caspian littoral states held in Ashgabat, the parties discussed the draft Agreement on trade and economic cooperation in the Caspian region aimed to strengthen economic ties between Azerbaijan, Russia, Kazakhstan, Turkmenistan and Iran.
- The Foreign Ministry of Kazakhstan reported that during the international technical meeting held in Astana, delegations from Russia, Turkey and Iran with the participation of the Special Envoy for Syria discussed the ways of implementation of a ceasefire in Syria within the framework of the established trilateral mechanism to safeguard the ongoing ceasefire, which entered into force on December 31, 2016.
- The Secretary General of the NATO, Jens Stoltenberg, expressed concern about the escalation in the fight between the Ukrainian troops and pro-Russia rebels in eastern Ukraine. It was reported that at least 33 people including civilians were killed and several dozen injured in the fights in the government-controlled industrial town of Avdiivka, north of Donetsk, catching residential areas in the crossfire. It is the worst violation of the February 2015 peace deal in the region.

Economy, Finance and Energy

- According to the data presented by Azerbaijan’s Energy Ministry to

OPEC, the country reduced its daily oil output in January 2017 within the implementation of a term of the Vienna oil production cut agreement. It was also reported that daily oil output in Azerbaijan decreased to 793,900 barrels in January, about 617,000 barrels of which were daily exported.

- The Prime Minister of Hungary, Viktor Orban, declared about the country’s interest in receiving the Russian gas via the Turkish Stream pipeline. Earlier, the Russian Presidential Aide, Yury Ushakov, announced that Hungary could join the Nord Stream and Turkish Stream gas pipeline projects in the future. To date, Russia accounts for over 75% of oil and 60% of gas consumption in Hungary.
- The Senior Vice-President for Continental Europe and Central Asia of Total, Michael Borrell, reported that the European Investment Bank is interested in the project to develop the large Absheron gas field located in the Azerbaijani sector of the Caspian Sea. It is planned that the first gas from the Absheron gas field would be received in late 2021-early 2022. According to primary estimations, the reserves of the Absheron gas field amount to 350 billion cubic meters of gas and 45 million tons of condensate.
- The French company Alstom chosen by Tajikistan, Kyrgyzstan, Afghanistan and Pakistan as an operator of the Central Asia-South Asia (CASA-1000) electricity supply project reported about the delay in its commissioning. It was stated that the delay is caused by cancellation of contract for converter stations construction. It is planned that two converter stations for transmitting electricity are to be set up in Tajikistan and Pakistan under the CASA-1000 project. Due to the delay in setting up the converter stations, the project is likely to be ready in 2020 instead of 2017 as it was planned earlier.
- The Director of the Department of container transportation of the national company Kazakhstan Temir Zholy (KTZ), Anuarbek Karimov, reported that the KTZ pilot refrigerated container train delivered the Uzbek agricultural products to Russia crossing the territory of Kazakhstan. A specialized container train arrived to the Russian city Novosibirsk within 5 days passing through the territory of Uzbekistan from the city of Samarkand, then through the Kazakh cities of Almaty and Semey with access to Russia’s territory from the border station Lokot.

- The First Deputy Finance Minister of Tajikistan, Jamshed Karimzod, reported that in 2016 the country’s foreign debt increased by \$79.9 million and reached \$2.3 billion, which is 32.7% of GDP. It was also stated that in 2016 Tajikistan spent \$158 million for servicing its foreign debt. It is planned to attract foreign loans worth more than 1.7 billion somoni (\$215 million) and around 1.1 billion somoni (\$140 million) would be spent for the foreign debt service in 2017.
- The Deputy Prime Minister of Kyrgyzstan, Oleg Pankratov, reported that in 2016 the country’s foreign trade turnover with the Eurasian Economic Union decreased by 16.7% and reached \$1.743 million.
- The Statistics Committee of the Ministry of National Economy of Kazakhstan reported that in January the inflation rate measured on consumer price index hit 0.8%. The inflation rate in Kazakhstan reached 7.9% year-on-year in January. It was also stated that during the reporting period the food prices increased by 1.2%, while prices on non-food goods and paid services gone up by 0.7% and 0.4% respectively.

Society and Culture

- The Foreign Minister of Turkey, Mevlut Cavusoglu, inaugurated the Turkish International Cooperation and Development Agency (TIKA) office in Mexico. It was stated that the office would increase TIKA’s role in humanitarian diplomacy and enhance cooperation between the two countries.
- The President of Uzbekistan, Shavkat Mirziyayev, approved the State Program for the development of the Aral Sea region for 2017-2021. The Program plans to spend \$1.2 billion for the development of the social and economic infrastructure in the area of the shrinking Aral Sea, create more than 97 thousand jobs, and provide more than 70% of the population of Karakalpakstan Autonomous Region and Khorezm Province with drinking water supply. Within the framework of the Program, the Fund for the Aral Development would be created by the Finance Ministry of Uzbekistan.
- The U.S. State Department informed that fewer than 60,000 visas were provisionally revoked to comply with the U.S. President Donald Trump’s travel ban affecting seven Muslim-majority countries: Iran, Iraq, Libya, Somalia, Sudan, Syria and Yemen.