



## KAZAKHSTAN – UZBEKISTAN – TURKMENISTAN – IRAN – OMAN INTERNATIONAL TRANSPORT AND TRANSIT CORRIDOR

A signing ceremony of an International Agreement on Establishing a new international transport and transit corridor Uzbekistan – Turkmenistan – Iran – Oman – Qatar was held in Ashgabat on 25th of April, 2011. This agreement is known as “Ashgabat Agreement”.

The legal document will allow the member-countries to create the shortest trade route between Central Asian countries and Persian Gulf's and Oman's sea ports. According to the project, after building the links connecting railways of Uzbekistan and Turkmenistan with southern ports of Iran, participants of the agreement will be able to establish an optimal transport route to the Persian and Oman gulfs' ports in short-term perspective.

The first part of this transport and transit corridor will pass through the railway lines in Uzbekistan, Turkmenistan and Iran. The second part will pass through shipping routes, which connect Bander-Abbas port of Iran and Chahbahar port of the Sultanate of Oman. According to the experts, implementation of this international project will both give a powerful impetus to the economic development and increase the volume of transited goods.

The idea to establish a new international transport and transit corridor Uzbekistan – Turkmenistan – Iran – Oman – Qatar and other Arab states of the Persian Gulf was initiated by President of Uzbekistan Islam Karimov at the official meeting held in Ashgabat on 19th of October, 2010. President of Turkmenistan Gurbanguly Berdimuhamedov approved this idea and charged Foreign Affairs and Transport Ministers of government to do researches on the political and technical aspects of the project.

After the short period of time, the delegations of Uzbekistan, Turkmenistan, Iran and Oman met on 10th November, 2010 in Tehran (Iran) and discussed the problems of co-investing the project, decreasing the transportation and transit costs, cooperating in the trade and transit developments between the countries.

At this meeting the participants created the working group of Agreement on preparing transit, custom, transport and investment. At this meeting the ministers of member countries decided to meet to sign the Agreement of an International transport and transit corridor in Ashgabat in March, 2011 as well. Thus the participants signed “Ashgabat Agreement” on 25th of April, 2011 in Ashgabat.

After signing the Agreement, the project has been ratified in the member countries. Iranian government approved the “Ashgabat Agreement” “with the view to expanding trade with countries in the region” on 12th of May, 2011; Turkmenistan ratified the project in May, 2011; Uzbekistan approved the project on 13th of June 2011.

Foreign ministers of Uzbekistan, Turkmenistan, Iran and Oman signed the Memorandum of Understanding (MoU) for the Establishment of the transport corridor Uzbekistan – Turkmenistan – Iran – Oman – Qatar on 6th of August, 2011, in Muscat, Oman. However, in 2013 Qatar withdrew the project and the MoU automatically transformed into quadruple agreement. Due to Qatar's withdrawal, it became impossible to put the project into force in 2013 as it was planned. Therefore, Uzbekistan, Turkmenistan, Iran and Oman had to reconsider the Agreement making some corrections and only after that the parties

proceeded the implementation of the project.

The first session of Coordination Council Meeting of the participants of “Ashgabat Agreement” was held in Tehran on 15th of February, 2015. At the session representatives of “Ashgabat Agreement” member countries approved accession of Kazakhstan to the Agreement on an International transport and transit corridor Uzbekistan – Turkmenistan – Iran – Oman. Kazakhstan will join the agreement as a new member after passing all legal processes.

Since the project was put into operation, the member countries could see some positive results. The volume of railway transportation between Ashgabat Agreement members in 2014 increased by 10% or 2,3 million tonnes of goods comparing to 2013 and reached 25 million tonnes of cargos. At the same time, among the total amount of transported cargo about 41% of good were from Kazakhstan. It is expected that the volume of transported goods between Kazakhstan and Ashgabat Agreement member countries can reach up to 40 million tonnes per year by 2020.

The Ashgabat Agreement has an international and regional significance as it is expecting to promote and enhance international trade for the members of Agreement. The transit corridor running through Uzbekistan, Turkmenistan, Kazakhstan and Iran, which would connect Central Asia with Persian Gulf and Sea of Oman, is one of the potential prospect for trade, economics, investment and transit cooperation as well as for regional development, welfare and stability. The establishment of this corridor is expected to connect Eastern, Western, Central and Southern Asia together.

## Politics, Foreign Affairs and Security

- In accordance with the results of the last indirect election of the Majlisi Milli members, which took place on March 27, the President Tajikistan Emomali Rahmon appointed six members of the Upper House of Parliament.
- Australia's expanded sanctions against Russia, first announced on September 1, 2014, came into effect on April, 2015. The sanctions include restrictions on export and import of arms and related materiel, export to Russia of certain items for use in petroleum exploration and production.
- The newly established Constitutional Commission of Ukraine was gathered for its first session. The Commission would work out the amendments to the country's Constitution taking into account the challenges and needs the society was facing.
- Russia started its presidency in the BRICS group. According the Finance Minister, Anton Siluanov, the main tasks of Russia's presidency would be implementation of large projects, in particular, the establishment and the commencement of operations of the New Development Bank.
- After tough negotiations in Lausanne members of the P5+1 Group and Iran has reached consensus on the context of the framework agreement, which ruled that Iran would reduce its uranium enrichment capacity in exchange for phased sanctions relief.
- Azerbaijan and Pakistan have signed a protocol on bilateral military cooperation. The meeting of the Azerbaijani-Pakistani Working Group took place at the training center of the Azerbaijani armed forces.
- The Working Group on Afghanistan under the Collective Security Treaty Organization (CSTO) Council of the Foreign Ministers held a meeting in Dushanbe. The Foreign Ministers of the CSTO met in a narrow and extended formats with the participation

of the OSCE chairperson-in-office and head of the UN Regional Centre for Preventive Diplomacy for Central Asia.

- The commander of Russia's 201st military base in Tajikistan, Major-General Yevgeny Tubol stated that the number of Russian troops deployed the 201st base would be increased 1.5-fold during the next five years - from 5900 up to 9000.
- Residents in the self-proclaimed Lugansk People's Republic handed over 50,000 units of weapons to local authorities and an equal number of ammo over the past week.

## Economy, Finance and Energy

- Kazakhstan and China signed 33 cooperation deals worth \$23.6 billion during Kazakhstan Prime Minister Karim Massimov's visit to China. The agreements covered cooperation in steel, nonferrous metals, sheet glass, oil refining, hydropower and automobile production.
- According to the US Energy Information Administration, OPEC members, excluding Iran, earned about \$730 billion in net oil export revenues in 2014, which represents an 11% decline from the \$824 billion earned in 2013. This was the lowest earnings for the group since 2010.
- The fifth installment of Iran's frozen assets worth \$490 million has been settled. This makes a total sum of \$2.45 billion released during the negotiations between Iran and the P5+1 Group.
- Russia has submitted its new climate action plan to the UN Framework Convention on Climate Change. Russia would reduce greenhouse gas emissions by 25-30% by 2030 compared to the level of 25 years ago.
- Georgia increased import of oil products from Azerbaijan by 20%. Georgia imported 35320 metric tons of oil and petroleum products worth \$17.05 million from Azerbaijan in January-February 2015.

- Kyrgyzstan applied to join the Asian Infrastructure Investment Bank (AIIB). The AIIB, an international financial institution with an initial capital of around \$50 billion aiming to provide support to infrastructure projects in Asia, would be established by the end of this year.
- In the framework of the Kazakh-Hungarian Business Forum, which was held in Astana, Hungarian Minister of Foreign Affairs and Foreign Trade Péter Szijjártó announced that Kazakhstan and Hungary would create a joint Financial Fund with \$40 million in capital.
- The World Bank's Board of Executive Directors has approved financing the Third Village Investment Project in the Republic of Kyrgyzstan in the amount of \$12 million and the Skills and Jobs Project in Kazakhstan in the amount of \$100 million loan.

## Society and Culture

- The representatives of the diaspora organizations of Azerbaijan and Turkey in Europe held a protest in Brussels, Belgium, timed to coincide with March 31 - Day of Genocide of Azerbaijanis.
- Iran's Deputy Sports Minister Abdolhamid Ahmadi has announced a plan to soften the ban on women visiting men's sports events. The ban would be lifted only for indoor sporting events and still some matches and stadiums would remain off-limits for women.
- The ongoing floods in central China have already affected about 240,000 people, also damaging crops and halting traffic. More than 12,000 people have been evacuated from the China's Hunan Province.
- The Large Hadron Collider has restarted, with protons circling the machine's 27km tunnel for the first time since 2013.