

India's Engagement with Central Asia with focus on India-Kazakhstan Relations

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Abstract

India and Central Asia relations has clear from the foregoing analysis that India's strategic approach lies in the "development of strong ties with the countries of Central Asia along the energy and security vectors. However, India's experiences in Central Asia over the past decade demonstrate the challenges of competing with China on energy issues and with Russia on matters of regional security. Thus far, India has managed to secure only a tenuous foothold in Central Asia when considered alongside other major players in the region. The significance and impact of the strategic cooperation between India and Kazakhstan on regional stability and power dynamics in the backdrop of the dynamically evolving geopolitical situation in the Eurasian continent. This paper presents a thorough and in-depth analysis in order to identify subtle aspects and delve into the essence of the issue, which covers strategic ties, economic cooperation and geopolitical interests of India and Kazakhstan in the broader framework of Central Asian politics. The research aims to assess the state and potential of the cooperation between the two countries, analysing its significance and the factors influencing the development of this partnership between them.

Keywords: Central Asia, India-Kazakhstan, Energy, Security

Introduction

India and Kazakhstan are poised to undergo a challenging path for further strengthening their partnership. This will require not only political will but also a significant amount of time; however, the prospects of cooperation between the two regional leaders undoubtedly justify the effort. The methods employed in conducting this research include historical analysis, comparative analysis, and content analysis. The structure of the paper includes an analysis of the historical context and evolution of relations, as well as an assessment of the current state of the partnership, followed by conclusions and recommendations. Kazakhstan is India's largest trading partner among the Central Asian states. The cooperation on energy resources and trade of natural resources is an important component of the partnership between India and Kazakhstan. The main commercial commodities between the countries are oil and oil products, uranium, asbestos, titanium, pharmaceuticals and agriculture. India-Kazakhstan relationship dates back at least 2500 years. A vivid reflection of ancient Indian texts refers to the region

beyond the Hindukush as *Uttara-Kuru* (Stobdan, 2020: viii). As evident in various Hindu scriptures and Buddhist texts, the relationship between India and Central Asia including Kazakhstan remained uninterrupted since the days of Sakas.

Mention of a trade route named Uttarapatha in ancient Indian texts depicts India's fable Silk Route linkages with the region. A study of Mahabharata and Pali literatures also provides a glimpse of the security significance of the region for India. During the medieval era too Central Asia largely shaped India's political history starting from Genghis Khan to Babur. Even during the classical Great Game between Tsarist Russia and the Colonial British regime the geopolitical importance of the Central Asian region remained unflinching. During Soviet times also, India has remained far engaged with the region than its neighbours yet to our strategic dismay New Delhi earned the distinction of a later comer, disinterested power and importantly a low performer. Despite deep-rooted historical relations, cultural goodwill and thorough friendship between India and Kazakhstan, New Delhi has failed to transform the short-sighted association into a broad-based strategic engagement largely focussing on economic and energy cooperation.

Although, the maiden visit of Indian Prime Minister Mr. Modi to all the five Central Asian republics in July 2015 in a single tour certainly has helped in clearing the air of confusion yet a paradigm shift is what needed to add substance to what is being viewed as a symbolic visit. In this context, this article emphasizes a change of going alone approach that has precisely limited New Delhi's presence in the region in the past and advocates for developing the Russian factor in India's Central Asia policy not just to smoothen its entry but also to deepen its engagement in the region vis-à-vis China¹. This article takes the help of the Paradigm shift methodology as advocated by Thomas Kuhn to see how the Russian factor would help India to ensure its much-needed energy footprints in Kazakhstan vis-à-vis other powers in place of its old cultural and historical paradigms. With this premise, this article advocates that India must take Russia on board while engaging with Kazakhstan or to say any other Central Asian countries in contrast to what historically been projected as strategic ineptness and wrong assumptions on part of New Delhi which was laid on cultural goodwill rather than strategic engagement.

¹ CIA (2021). *Kazakhstan—the world factbook*. Central Intelligence Agency. January 18, available at: <https://www.cia.gov/theworld-factbook/countries/kazakhstan/>

Impotence of Kazakhstan for India

Each India and Kazakhstan are important for their needs in context of energy and security and both nations are strategic significance not just for oil and energy but also for its critical geopolitical positioning in the heart of Asia and strategic location between China and Russia and a key partner in the North- South Corridor project and the enriched Uranium resources. Its economic potentials and the enormous energy reserves add to her weight in international politics and lure the regional powers including India. In a nutshell, Kazakhstan for three pertinent reasons is important for New Delhi. These are first is Geostrategic location second is . Energy Resources and. Third is Economic Potentials. While the geopolitical significance

of Kazakhstan has been discussed vividly the energy resources and economic potentials will be discussed in the following paragraphs. Also, India is aware of the huge energy reserves and production potentials of Kazakhstan which could become the potential guarantor of the much-needed energy security of India for a long period. Also, the enriched Uranium of Kazakhstan can be used for India's nuclear reactors with no strings attached after the completion of Indo-US Civil Nuclear Cooperation in 2008². Its coal fields are also of high quality and with the North-South Corridor about to be ready; it is only a matter of time before the Kazakh coal would be used in Indian factories. That is the reason why New Delhi holds Nur-Sultan in high esteem and lays great emphasis on cementing its relationship with that country. Apart from the diplomatic ties, political activities in recent times between both countries have improved significantly. The bilateral relationship between the two countries also has marked momentous improvement in different areas including space, culture, science and technology, defence small and medium scale industries, infrastructural facilities, and notable cooperation in the energy sector. Kazakhstan remains a major energy and economic partner of India among all the Central Asian countries and that is precisely because of the energy geopolitics of Kazakhstan in the Central Asian heartland.

Rich Energy Resources in Kazakhstan

Kazakhstan is blessed with huge deposits of minerals and hydrocarbon resources. It is home to 99 types of minerals out of 105 elements in the periodic table. It has already explored 70 of these minerals and is involved in the production of at least 60. As far as Uranium, Coal, oil

² Barry, P. M. (2009). Foreign Direct Investments in Central Asian Energy: A CGE Model. Eurasian Journal of Bussiness and Economics, 2(3), 35

and gas are concerned Kazakhstan ranks 2, 7, 12 and 24, respectively³. It is believed that it can lay claim to 493 known deposits containing 1225 types of mineral raw materials (KMGE, 2017). In addition to the minerals, ‘Kazakhstan is also known to have about 1.8% of the world oil and gas reserves which are discussed below in detail (Ibid)’.

RESOURCES	WORLD RANKING
Gas	24
Oil	12
Coal	07
Uranium	02
Gold	06
Zinc and Tungsten	01
Copper	03

Source: KMGE Annual Report

Natural Gas

Kazakhstan with proven natural gas reserves of around 85tcm ranks eleventh in the world and it has 83 natural gas deposits. Among these only 17 are exclusive gas reserves while other deposits include oil and associated gas reserves. Besides, Kazakhstan has about 31.8 billion tons of additional proven reserves in the Caspian Sea basin. This has propelled the country to the second position in Central Asia after Turkmenistan in terms of gas reserves and production capacity. While more than 40 percent of gas reserves of the country are located in the huge Karachaganak and Tengiz fields, the remaining gas fields are unevenly scattered all through Kazakhstan. Kazakhstan has recoverable coal reserves of about 28,225 million short tons (MMst). The country in terms of coal production, export and reserves is placed among the top ten countries in the world. Simultaneously, it also ranks among the top fifteen coal consuming countries of the world. According to the EIA report despite being among the top coal producing countries, Kazakhstan is a relatively small contributor to global coal volumes and the top four countries globally account for disproportionate shares of total global coal reserves, production, consumption, and exports (between 65% and 75% combined), while Kazakhstan accounts for between 1% and Uranium Kazakhstan has the largest base of world Uranium. It is indeed the largest Uranium producer in the world⁴. Despite closing of its only nuclear power plant in 1999, ‘Kazakhstan has been an important source of uranium for more than fifty years’. During the years from 2001 to 2013, ‘the production of Uranium in Kazakhstan has risen from 2022 to

³ Dorian, J. P. (2006). Central Asia: A Major emerging energy player in the 21st century. *Energy Policy*, 34(5), 549. <https://doi.org/10.1016/j.enpol.2005.11.009>

⁴ Gorst, I. (2011). *India gains a foothold in Kazakhstan*. European dialogue. April 25.

22,550 tonnes Uranium per year of its 17 mine excavation projects, 'five are wholly owned by Kazatomprom and 12 are joint ventures with foreign equity holders, and some of these are producing under nominal capacity. In the year 2016 Kazakhstan produced an unprecedented amount of Uranium making it the largest producer in the world contributing about 21 percent to global production. In this endeavour, Kazatomprom along has contributed around 12,986 tU. As per the reports of World Nuclear Association, 'in January 2017 Kazatomprom said that production would be reduced by about 10%, due to low prices in December 2017 Kazatomprom announced that the reduction would be 20% from 2017 levels, enacted over three years⁵. After the announcement, the country has reduced the production capacity to 11,000 tonnes of natural uranium. In May 2018, 'the country's energy minister announced that the production target for 2018 is set at 21,600 tonnes Uranium.

In fact, in 2019 it has produced about 22,800 tonnes of Uranium as state as such, 'Kazakhstan has 15% of the world's uranium resources. Set up in 1997 Kazatomprom is the national atomic company and owned by the Kazakh government. It controls all uranium exploration and mining as well as other nuclear-related activities, including imports and exports of nuclear materials. In 2008 Kazatomprom had announced that it will supply 30% of world uranium by 2015 and it had produced 39% through joint ventures: 12% of the uranium conversion market, 6% of enrichment and 30% of the fuel fabrication market by then⁶. Since it has massive uranium deposits and potential for production, Kazatomprom has inked strategic links with major countries of the world including Russia, China, India, and Japan. It also owns major shares in 'Westinghouse' international nuclear company. Besides, companies from Canada and France are involved in the mineral-rich country for uranium mining. A country like India is also stepping into the shoes like other actors in the region for gaining access to the uranium resources of Kazakhstan.

India's Energy security Interest in Kazakhstan

As we know, India with a 1.32 billion population ranks second in the world. But relative to its populace, she is inadequately endowed with energy assets. In fact, 'its share in the world population is 17% whereas the shares in the world coal, oil and gas are only 7%, 0.4% and

⁵ EIA (2019). *Country analysis executive summary–Kazakhstan*. Energy Information Administration. January 7.

⁶ WNA (2018). *Uranium and nuclear power in Kazakhstan*. World Nuclear Association. October 31, available at: <http://www.world-nuclear.org/information-library/country-profiles/countries-g-n/kazakhstan.aspx> ([accessed on 9th April 2020]).

0.6%, respectively. This means the domestic energy resources of India are insufficient to meet the burgeoning needs. Thus, India must depend on imports heavily despite a very low intensity of energy utilization. Although, 'India is the eighth largest producer of energy in the world with 2.4% of world's total energy production is also the third largest energy consumers in the world with 3.7% of global energy consumptions⁷.' With this rate of energy use, its consumption rate is projected to grow at 4.2% per year through 2035. India's domestic coal reserves of 293.5 billion tons with an annual production of over 739.92 million tons. According to NITI Aayog, 'Coal constitutes the largest energy source of India with almost 44% followed by traditional biomass and wastes 24% and petroleum and other liquids with 23% while other renewable fuel sources make up a very small portion of primary energy consumption⁸.

Since the population of India especially after the dawn of Liberalization, Privatization and Globalization has been moving more and more to the urban centres, the fuel use pattern has shifted from fossil fuels and waste to utilization of electricity meant for cooking, heating, and lighting. 'Power sector in India is one of the fastest-growing areas of energy demand rising from 11% to 15% of total energy consumption between 2000 and 2013 (EIA, 2018)' and projected to grow at 26% by 2040. According to the estimates of IEA, 'about 240 million people in India (almost 19%) lack basic access to electricity as of 2013 although the rate of electrification in India been growing since the NDA government came to power in 2014 under the leadership of Prime Minister Modi (2015). The remaining 33% is met by oil and gas with more than 65% of it being imported, mainly from the Middle East. Until 2009-10 Saudi Arabia and Iran have been the main crude oil import partners for India (EIA, 2009) but with the increasing dependence on crude oil, the trajectory of India has changed. Iraq is the main import partner of India followed by Saudi Arabia and Iran. To be honest, 'India's crude oil imports from Iran jumped to a staggering 52% to 2.57 million tonnes (MT) in June 2018 as per the revised data sources of Director General of Commercial Intelligence and Statistics⁹. In the scenario of inadequate domestic production, the government of India expects this import dependence to rise in future.

⁷ Sachdeva, G. (2017). *Chaining dynamics of India-central Asiaties*. Bishkek Project. April 5, available at: <https://www.bishkekproject.com/memos/24> (accessed on September 8,2018).

⁸ NITI Aayog (2017). *Draft national energy policy*. NITI Aayog, Government of India. June 27.

⁹ DGCIS (2018). *India's Import data of principal commodities*. Director General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry, Government of India.

Although, few discoveries in the domestic front have taken place in recent years but they are not supposed to alter the energy mix and profile of India given their smallness in size and low production capability. In this scenario, India's overdependence on energy imports is going to stay at least in the short term, especially in terms of oil usage. In this light, 'International Energy Agency estimation predicts that with the current level of reserves and production, India's oil dependence by 2030 is projected to grow to 91% (IEA, 2004: 106).' Thus, India is destined to be a net importer of oil until the extinction of total world reserves.

India-Kazakhstan energy trade: Looking back Since the opening up of Central Asia for the world in 1991, an energy great game has been taking place to control and administer the sources of the resources and their pipeline routes among the major consuming countries. Kazakhstan being a predominant energy producer undoubtedly has invited global attention. Even regional countries like China and India have developed keen interests in energy ties with landlocked countries. In fact, New Delhi since 1995 has been trying tirelessly to gain an entry into the hydrocarbon map of Kazakhstan and its concerted effort has finally borne fruit as agreements were between the OVL (ONGC Videsh Ltd.) and the KMG (KazMunaiGas) in 2009¹⁰.

This has led India to join an exploration contract signed in 2010 between India's Ministry of Oil and Gas and the Kazmunaigaz. In 2011, however, the much anticipated energy cooperation agreements were signed during the visit of Prime Minister Dr. Manmohan Singh to Kazakhstan. The agreement indeed is 'a package of three agreements participating share assignment agreement, carry agreement and joint operation agreement on Satpayev exploration Block was signed between ONGC Videsh Ltd. and National Company Kazmunaigas (KMG) in highly prospective waters of the north-western Caspian Sea. This accord has allowed India '25 percent participating interests in the Satpayev block which holds estimated reserves of 1.8 billion barrels in the Kazakh sector of the Caspian Sea. As per the agreement, 'the Kazakh state oil company will pay about \$80m signature bonus for a 25% stake in Satpayev where oil reserves are estimated to amount to 250 Metric Tonnes. However, the drilling was launched only in 2015 during Prime Minister Modi's visit to Kazakhstan. OVL has taken a stride in investing \$400 million in the venture with the oil flow expected by 2020. As part of this, 'OVL also bought a 2.7-per cent stake in the Azeri-Chirag-Guneshli oil field in Azerbaijan, along with a 2.4-per cent stake in the associated Baku-Tbilisi Ceyhan pipeline. ONGC has agreed as per the accord inked to sponsor costs of the entire exploration expenses at Satpayev. This is to ensure reduce

¹⁰ Sajjanhar, A. (2013). *India-Kazakhstan relations: Challenges and opportunities*. Gateway House, Indian Council on Global Relations. November, 20.

the investment risk for Kazmunaigas that ultimately requires investment worth \$9 billion. The practice of foreign companies paying the exploration costs in collaboration with the state-owned national companies is common all over the world. In the case of Kazakhstan, the case is a bit different as the country requires more investment not just for the exploration of the energy resources but also to develop the infrastructure for their excavation. That is why perhaps India has had very less accomplishments in comparison to other competitors in acquiring Kazakh oil contracts. The energy companies of the U.S and Europe earned the right to explore the Tengiz and Karachaganak fields in the 1990s which now produces 80 million tonnes of oil per year contributing to the bulk of Kazakh oil production. Similarly, India's arch-rival China secured the right to explore the upstream resources of Kazakhstan and to transport the oil and energy to its north-western border.

China since then has made massive inroads into Kazakh energy sectors and never looked back. In the initial years, it was competing with India to secure oil and gas deals. For example, the 2005 bid between China and India to acquire Kazakhstan's third-largest oil producer Petro-Kazakhstan by placing a bid of \$4.18 billion has outbided India¹¹. Learning from its failures in bidding the deals in Kazakhstan, India has been consistently trying to materialize the Satpayev contract and to actualize the project, in 2009 when the Kazakh President Nursultan Nazarbayev visited India as the Republic Day guest, 'India's ONGC Mittal Energy Limited (OMEL) and KazMunaiGaz (KMG) signed a Heads of Agreement for exploration of oil and gas in the Satpayev block in the Caspian. The Satpayev block with an area covering 1582 square kilometres is a highly prospective region of the North Caspian Sea. Its location close to important oil fields like Karazhanbas, Kalamkas, Kashagan and Donga with considerable oil reserves provides India with a ray of hope in its energy exploration bid in Kazakhstan. Important, the Satpayev block as reported has an 'estimated reserves of 1.85 billion barrels. The Indian company will have a 25% stake and the remaining 75% stays with KazMunai Gas, once again China outpaced India in snatching the deal from New Delhi attributing to the prolonged delay from the Indian side¹². The Kazakh president using his sovereign rights has handed over the deal to China assuming India is unserious and lacks interests. Another setback came in the Indian way in 2013, 'when it lost a bid to acquire an 8.4% venture in the North

¹¹ Sachdeva, G. (2017). *Chaining dynamics of India-central Asia ties*. Bishkek Project. April 5, available at: <https://www.bishkekproject.com/memos/24> (accessed on September 8, 2018).

¹² DGCIS (2018). *India's Import data of principal commodities*. Director General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry, Government of India.

Caspian Sea Production Sharing Agreement from ConocoPhillips. The winning of this deal was significant as it would have allowed New Delhi an important stake in the Kashagan oil field. Although OVL attempted to finalize the deal for \$5 billion but the Kazakh government handed over the deal to CNPC (China National Petroleum Corporation) using their legal rights. The deal was believed to be agreed as reported for a sum between \$5.2 and 5.4 billion and in total, India's loss to China in Kazakhstan alone is estimated to be around \$12.5 billion¹³. As compensation, 'India was given a stake in the Abai oil block in 2014 to which India has summarily rejected. With the declining oil prices, the ONGC did not find the offer particularly attractive. If properly channelized, both countries can collaborate in the Oil and gas sectors for their mutual benefits. It is well-known that India currently trades in 70% of its energy demands at home. It is importing dependence as expected to grow at a faster pace attributing to its steady economic growth. Kazakhstan with 80 million tons of oil per year (1.6 million barrels per day) can help India in her quest for equity oil with the operation of the Kashagan oil field, Kazakhstan's oil production is expected to rise to 150 million tons per annum and very soon it will be figured among the top ten exporters of oil in the world¹⁴.

Kazakhstan can take advantage of the rich and vast experience that India has accumulated in downstream processing and refining of crude oil to manufacture petrochemicals and other related products. Undoubtedly, the venture of OVL was shattered after it lost the Kashagan deal to China despite Indian interests. As reported, 'this has caused an avoidable psychological disappointment, shock and heartburn to the section of opinion makers and leaders in India who have been speaking out vociferously in favour of stronger strategic and economic links with Kazakhstan (Pradhan, 2020). Notwithstanding, the setbacks India got from its oil and gas bids in Kazakhstan, it would be imperative to carry on and pursue renewed projects and initiatives for intensification and consolidation of the mutual relationship. As a way forward, India and Kazakhstan in 2009 have entered 'Strategic Partnership.

This means both the countries have agreed to develop all-inclusive bilateral partnerships in areas of security and strategic importance According to Robert Cutler, 'the two sides are negotiating a possible uranium supply agreement as civil nuclear energy cooperation presents attractive prospects for further diversifying bilateral economic and commercial contacts.

¹³ Cutler, M. R. (2011). *India raises energy profile in central Asia*. Asia Times. www.asiatimes.com

¹⁴ OGJ (2017), *Kazakhstan's energy profile*. Oil and Gas Journal. September, available at <http://www.ogj.com/index/search.html?q=Kazakhstan%2527s+energy+profile+2008&sort=rel&type=all> (accessed on June 10, 2018).

While India and Kazakhstan have agreed for uninterrupted trade in Uranium, New Delhi may depend more on Astana for enlarged uranium purchases for or its part, Kazakhstan has extended vigorous support to India at the international level by both the International Atomic Energy Agency (IAEA) and Nuclear Suppliers Group (NSG) for waiver of conditions to supply nuclear materials to New Delhi. It should be noted here that, 'Kazakhstan is the biggest producer of uranium with an annual production of around 20,000 tons¹⁵. It needs a market for its enriched Uranium and India as a proximate neighbour is dependent on Uranium trade to maintain its nuclear reactors. Cooperation between India and Kazakhstan in the nuclear sector would provide a winwin situation for both countries. According to India's 12th Five Year Plan, 'nuclear power will play a major role in meeting the country's energy needs and the country needs an additional 1, 00,000 MW of power during the 12th Plan (2012-17) India is allowed to have diversified sources of access after the inking of the 'Indo-US Civil Nuclear Energy Cooperation agreement¹⁶. Kazakhstan in this direction has emerged as a reliable partner by extending its support for India in IAEA and NSG in 2009 for commerce in nuclear energy meant for civilian purposes. In 2009, 'MoU was signed between Nuclear Power Corporation of India (NPCIL) and National Atomic Company, Kazatomprom during the visit of Nazarbayev (president of Kazhakstan).

This initial diplomatic negotiation was further strengthened in 2011 when Prime Minister Manmohan Singh visited Kazakhstan. During the visit, both countries have an 'Atomic Energy Agreement' for peaceful use. 'The agreement provides a legal framework for cooperation in fuel supply, reactor safety mechanism, and exchange of scientific and research information, exploration and joint mining of uranium, design, construction and operation of nuclear power plants. According to the agreement, Kazakhstan had supplied 2000 tonnes of uranium to India in 2014 (Pradhan, 2019).' Importantly, Kazakhstan has expressed keen interest to put up small nuclear reactors with the capacity of 220 MW with the Indian help (The Indian Express, 2017).

¹⁵ Madan, T. (2006), *Energy security series: India, the brookings foreign policy studies*, The Brookings Institution.

¹⁶ Planning Commission (2012). *Twelfth five-year plan 2012-2017*. New Delhi: Planning Commission, Government of India. available at: <https://niti.gov.in/planningcommission.gov.in/docs/plans/planrel/fiveyr/welcome.html>

India's Engagements with Kazakhstan

In recent years, India has exhibited keen interests in developing energy trade with Kazakhstan. Prime Minister Modi's landmark visit to Kazakhstan along with other countries of Central Asia brought about a paradigm shift in India's outlook towards the region. This has facilitated India to forge a relationship with Kazakhstan in the oil, gas and uranium sectors which would, in turn, unlock New Delhi's entry into NurSultan's energy sector. Amb. Stobdan in his analysis of the Prime Minister's visit to Central Asia in 2015 has revealed three important takeaways: 'first, President Nursultan Nazarbayev's decision to sign a major contract for a renewed long-term supply of uranium to India; second, ONGC Videsh Ltd (OVL) has finally made its first breakthrough when PM Modi launched the drilling operation for oil exploration in the Satpayev block on July 7, 2015; third, Modi's follow up visit to Turkmenistan after the Ufa Summit would help TAPI pipeline to see the light of day¹⁷. The intricate energy pursuit of India in Kazakhstan seems to have taken a positive turn since 2015. This has been attributed to India's strategic ineptness and wrong assumptions as New Delhi was non-serious about the energy deals given their transportation unsuitability and overemphasis was laid on cultural goodwill rather than strategic engagement.

That era now seems to be over with pragmatic leadership at the helm of affairs in New Delhi. But one more important factor that India so far has been discounting while engaging with Kazakhstan or to say any other Central Asian countries is ignoring the Russian role. If India would identify the misplaced imaginations and wrong assumption that New Delhi has put in place since the 1990s in the disguise of Soft-Power and would rectify them with a keenness to take Russia on board borne results in favour of India given New Delhi's strategic leverage for both Russia and the greater Central Asian region. The presents dispensation in New Delhi for sure would devotedly look into it in its energy quest in Kazakhstan and reinforce its holds over the ongoing energy deals with Kazakhstan as discussed below.

Launch of Oil Drilling

Prime Minister's maiden visit to Kazakhstan in July 2015 witnessed the inauguration of the oil drilling operation in the Satpayev oil field. Besides, 'OVL is rethinking on its refusal to accept the 25% stake in Abai field abandoned by Statoil of Norway to participate in the 'Eurasian Project' of Kazakhstan with whopping 300 oil and gas fields in the Caspian Sea region with

¹⁷ Pradhan, R. (2019). Petropolitics and Pipeline Diplomacy in Central Asia: Can India afford to wait in the Wings? *India Quarterly*, 75(4), 472-489. <https://doi.org/10.1177/0974928419874549>

Modi's briefing about India's interests in the Kazakh oil and gas fields and positive response from the Kazakh side, New Delhi no longer can afford to ignore the Kazakh energy bastions¹⁸. But for that India needs to open up to Chinese competition and stop shying for massive investment discounting immediate benefits.

Uranium Deals with India

India and Kazakhstan agree to renew the contract for the supply of Uranium on July 7-8, 2015. 'It was agreed between the National Atomic Company (NAC) and Nuclear Power Corporation of India Ltd (NPCIL) to supply 5000 metric tons of nuclear fuel to India for the period 2015-19 (MEA, 2015).' The uranium signed is more promising than the hydrocarbon sector as it has allowed India to get more than twofold the size of uranium it received under the previous phase contract (2009–2014) (Stobdan, 2020: 266). However, when compared to China which imports almost 55% of Kazakh Uranium, the position of India looks minuscule. New Delhi needs to work aggressively on this front and it can count its friendship with Moscow to manoeuvre space to control more Kazakh uranium.

TAPI and Kazakhstan

The much delayed and more controversial TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline envisioned in 1995 seems to be moving in a positive direction after 25 years of initiation. In December 2016, the groundbreaking ceremony was held in Ashgabat in which it was decided that India will host the next meeting of the Steering Committee in 2018 in New Delhi. This will further, India's energy cooperation with Kazakhstan and help India to transport gas from the gas fields of Kazakhstan located in the Caspian Sea region as well.

International North-South Transport Corridor

INSTC is a multimode connectivity network project between India, Russia, and Iran. This 7200 km long project was proposed in 2001 in St. Petersburg for transporting consignments connecting India with Russia via Iran, Europe, and Central Asia. Now the project is backed by 13 more countries including Kazakhstan envisages a sea route from Mumbai o Bandar Abbas in Iran and then to Bandar-e-Anzali in the Caspian Sea to Russia via Central Asia. This project also is connected with another Iranian port called Chabahar would enable India to transport

¹⁸ MEA (2015), *PM Modi's Central Asia tour brings region back into focus*. Ministry of External Affairs, Government of India, New Delhi, July 15, available at: <http://mea.gov.in/articlesin-indian-media.htm?dtl/25484/PM+Modis+Central+Asia+tour+brings+region+back+into+focus>, (accessed on September 8, 2018).

Central Asian energy resources effortlessly and importantly bypass Pakistan and Afghanistan. ‘The first dry run of two routes was conducted successfully in 2014 (Chaudhury, 2017).’ According to the Ministry of External Affairs, Government of India, ‘the result was amazing as the cost of transportation was reduced by \$2500 per 15 tons of cargo (MEA, 2017).’ India and Kazakhstan agreed to collaborate closely in the framework of INSTC to improve surface connectivity between them when Prime Minister Modi was in Astana in July 2015. In 2017, other countries were also part of the working group of the Ashgabat Agreement instituted in 2011. Once the road becomes fully operational, India will be in a strong position to transport hydrocarbon resources not just from Russia, Iran and Kazakhstan but also the wider region.

Shanghai Cooperation Organi and India

The recent inclusion of India along with Pakistan into the Shanghai Cooperation Organization (SCO) as a full member is an important step towards India’s growing engagement with the region. It should be noted here that since 2005 India had been the observer member of SCO. Russia and Kazakhstan proposed to include India as a full member of the organization but the Chinese reluctance denied India a rightful place in the regional organization and limited New Delhi’s role in the region. The proactive diplomacy of India under the NDA government and the constructive support of Russia and Central Asian countries allowed India to be part of the grouping is reason enough to understand the weightage these countries offer to India. If India can identify its areas of priority and give impetus to strategic engagements, New Delhi would certainly gain a substantial footprint in the hydrocarbon map of Kazakhstan and Central Asia.

Conclusion

Kazakhstan in many respects is important for India. Therefore, the indecisive policy process leading to random and anaemic ties needs revision. Modi’s visit perhaps has changed the narrative and led to a paradigm shift in India’s policy towards Kazakhstan. The agreement signed and understanding developed between two leaders Modi and Nazabayev would further India’s position in the energy-rich nation giving way for Indian goods to enter the Kazakh market while Kazakh energy will feed the Indian industry. Despite geographical constraints, India can reap benefits if it takes Russia into confidence in its Central Asia policy. Besides, New Delhi must invest heavily in its ties with Iran while balancing its relations with the U.S. Importantly, India must develop people to people contact, relax visa regimes, encourage private enterprises to invest in Kazakhstan, imparting Kazakh language and avoid the cost-benefit analysis among other things would enable India to deepen its engagement with Kazakhstan.