China’s Central Asia Strategy

written by Vusal Guliyev

Central Asia has historically occupied a special place in China’s foreign policy. Dynasties of ancient China for many centuries seriously engaged in attempts to strengthen their political and economic influence on the region, which is located at the heart of the Great Silk Road. Against the backdrop of these attempts, clashes between rival empires of the time were inevitable. The armies of the Arab Abbasid Caliphate and China’s Tang Dynasty—two enormous empires in the East—clashed in 751 AD somewhere in the Talas River valley along the border of what are today Kazakhstan and Kyrgyzstan. After the Battle of Talas, which is considered one of the most important military engagements because of its influence on the course of medieval history, Central Asia was detached from the Chinese sphere of influence. The Turkic and Mongol empires that existed in Central Asia after the Arabs, and that were then succeeded by Tsarist Russia and the USSR, prevented China from penetrating the region. Today, the weakening of Russia’s hold on the region has changed the geo-economic situation in Central Asia in Beijing’s favor. We are now witnessing China’s return to the region with its rapid expansion in almost every field. The China-Central Asia Summit organized at the highest level in May 2023 in Xi’an, once the capital of China’s Tang Empire, can be described as a clear manifestation of Beijing’s attention and interest in the region.

This article will analyze the multifaceted contacts China has established with 5 Central Asian states (Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Tajikistan) over the past 30 years. We will take a comprehensive look at the place of the region, located in the central part of the Eurasian mainland and at the crossroads of the European and Asian continents, in China’s intercontinental transport and logistics plans. In addition, we will touch upon the place of Central Asia’s rich natural resources in Beijing’s energy

security policy. The article will also discuss the importance of the region to China’s national security.

After the Soviet Collapse

Let’s consider first the fact that Central Asia has increased in importance on China’s foreign policy agenda. The Turkic states that gained independence after the disintegration of the Soviet Union could not but disturb China. Independent Kazakhstan and Kyrgyzstan right on the border with China’s Xinjiang Uyghur Autonomous Region of China and its Ili Kazakh Autonomous Prefecture were thought to possbily trigger a desire for independence among Uyghurs and Kazakhs in China. We should not lose sight of the fact that Uzbeks share close ancestry with Uyghurs. Therefore, China was particularly sensitive to relations with the Turkic states on its borders from the very beginning of their independence. It is no coincidence that Beijing has established deep cooperative ties with these countries in many strategic areas through regional integration and security blocs such as the Shanghai Cooperation Organization (SCO). China, together with all Central Asian states (except for Turkmenistan) through the SCO, is jointly working to combat regional terrorism, ethnic separatism and religious extremism with a view to maintaining regional security and ensuring stability.

Central Asia is one of the regions most threatened by China’s soft power diplomacy. The influence of Russian culture is still felt in the region, yet Beijing has sought to strengthen its mechanisms of influence in the region in various ways. In particular, the Chinese government is increasing its profile among the region’s youth through education. Various scholarship programs are offered to candidates wishing to pursue higher education in China, and there are China-related cultural centers and Confucius Institutes in each of the Central Asian countries. Thanks to China’s multilateral soft power methods and educational programs in Central Asia, we can observe a strong interest in Chinese language and culture

among the region's youth in recent years. Although in the early years of independence a mistrust existed among both Central Asian political circles and the population with regard to China, it has gradually faded. The historical roots of Sinophobia observed in Central Asian states date back to the Soviet past. Thus, between the 1960s and 1980s, when the Soviet-Chinese diplomatic relations deteriorated, Soviet anti-Chinese propaganda eroded Chinese influence in the region. But in our time, the most important reason for Sinophobia in Central Asia, as well as other parts of the world, is linked with China's claim to world domination.

Over the past decade, Beijing has signed comprehensive strategic cooperation agreements with each of the Central Asian countries individually. In addition to establishing close bilateral contacts, mutual partnership relations are rapidly developing in multilateral cooperation formats, such as China + Central Asia (C+C5). Beyond that, China is making serious efforts to build up Central Asia's transit potential as part of its Belt and Road Initiative, one of its international infrastructure projects. Speaking at a round table during the China-Central Asia Summit in Xi'an, China, 19 May 2023, Chinese President Xi Jinping pledged to provide Central Asian countries with a total of $3,8 billion of financing support and grants.

Given that Beijing has adopted a principle of non-interference in other nations' internal affairs and has made no political conditions or demands before governments with which it cooperates allows China to establish constructive and harmonious relations with Central Asian states.

Beijing-Astana relations

Given that Kazakhstan is the most geostrategically and economically important country for China among the Central Asian countries, in this article we pay more attention to Beijing-Astana relations. Kazakhstan, the largest and richest

country in Central Asia, shares 1.765 kilometers of common border with China. Kazakhstan is not only a hydrocarbon-abundant country, but also is rich in strategic underground resources, such as uranium. In addition, Kazakhstan is a country through which interregional transit routes and trade corridors from China to Europe pass. All these unique factors make Kazakhstan valuable in the eyes of China. It is not by chance that the current Chinese President Xi Jinping in 2013 announced the Belt and Road Initiative project in Astana. It was also Kazakhstan that Xi Jinping chose to visit in his first trip out of China during the past three years since the start of the coronavirus pandemic.

Kazakhstan, a founder of the Shanghai Cooperation Organization (SCO), works closely with China on many issues, from trade and education to military exercises and counter-terrorism. In addition, we could outline the cooperation through the Belt and Road Initiative that continues to develop in many areas such as energy, mining, transport and logistics, telecommunications, and green technology. Kazakhstan is China's largest trading partner in the region. China is also one of the biggest investors in the Kazakh economy, with a total investment exceeding $23 billion since Kazakhstan's independence.

Kazakhstan is one of the major energy suppliers to China. In an effort to diversify energy resources, the Beijing government has made multi-billion-dollar investments in Kazakhstan's energy sector for many years. The China National Petroleum Corporation (CNPC) is among the major shareholders of Kazakhstan's oil industry. Oil and gas imports by land-based pipelines as an alternative to sea routes are extremely important for the Chinese government and economy.

The pipeline network owned by Kazakhstan also transits Russian oil to China since 2013. Under an intergovernmental agreement signed in May 2023, Moscow was granted the right to supply around 200.000 b/d by 2034. Keen to increase sales of natural

gas to China via Kazakhstan, Russia, since it was hit by Western sanctions, has been in talks with Beijing on the construction of a second pipeline, a channel to deliver Russian gas to China, —in addition to the current Power of Siberia pipeline.

Mineral-rich Kazakhstan became the world's largest supplier of uranium in 2009, accounting for more than 40 percent of global production. The country has 15 percent of the world's uranium reserves. Kazakhstan's uranium is one of the main components that powers dozens of nuclear power plants currently under construction in China. Kazatomprom, the largest uranium producer in Kazakhstan and the world, co-operates with various corporations in China. Most of the natural uranium produced in the country is exported to China. In pursuit of cleaner energy and carbon neutrality, Beijing aims to increase the share of solar, wind and nuclear power in the country's total energy consumption. China currently has 55 nuclear reactors operating with a capacity to generate 53 gigawatts. This, of course, greatly increases the demand for enriched uranium. It is for this reason that Chinese leaders at official meetings with their Kazakh counterparts, along with oil and gas, always keep the issue of uranium in the spotlight.

Kazakhstan, located at the shortest and most convenient land transit junctions between East and West, is the country with the greatest potential for international freight transport in the Central Asian region. The Khorgos Gateway located on the border between China and Kazakhstan, is considered one of the world's biggest dry ports and China's main gateway to the West. Due to extensive railway lines within Kazakhstan, it is possible to deliver cargo to Europe in two directions, both along the southern route, i.e. the Trans-Caspian International Transport Route (also known as the Middle Corridor), and along the traditional northern route (the Northern Corridor). The Chinese government has invested heavily in the modernization of Kazakhstan's transport and communications infrastructure,

which is part of the China-Central and West Asia trade corridor, one of the 6 main economic corridors of the Belt and Road Initiative. China and Kazakhstan are building a third railway on the border between the two countries. The continuation of the Russian-Ukrainian war is one of the main factors increasing the importance of Kazakhstan as a transit country in the eyes of China. As uncertainty in global politics persists, it can be assumed that Beijing will deepen cooperation in the transportation and logistics spheres by establishing close contacts with Astana.

Beijing-Tashkent Relations

There is no direct border between China and Uzbekistan, the second economically developed state in Central Asia, yet relations between the two countries have been on an upward trend in recent years. Since he came to power in 2016, Shavkat Mirziyoyev unlike his predecessor, has created favorable conditions for China, as well as many other countries, to enter the Uzbek market because of his measures to liberalize the country's economy. In addition, Uzbekistan also plays the role of a transit country in transiting Turkmen gas to China. The Central Asia-China gas pipeline, which delivers gas to the western provinces of China, passes through Uzbekistan. And this country also exports significant volumes of natural gas to China, as well as other goods, including cotton and inorganic chemical products.

In addition, like Kazakhstan, Uzbekistan as a transit country gains importance to China day by day. Uzbekistan's geostrategic position makes it a convenient corridor on the way to international seaports located in the Caspian Sea, the Persian Gulf and the Black Sea. Beijing's search for an alternative route to international trade corridors passing through Russia after the imposition of European sanctions has brought Uzbekistan significant revenues as a transport hub in various directions. It is possible that the 523-km China-Kyrgyzstan-Uzbekistan railway line, currently under

construction, will play an important role between Asia and Europe in the near future. The $15 billion transregional transport project provides Uzbekistan, a double-landlocked country, with additional opportunities in terms of access to world markets. It is estimated that the China-Kyrgyzstan-Uzbekistan railway line will be the shortest freight transport route from China to Europe and the Middle East.

Other sectors in particular, the automotive and green energy sectors, reflect Beijing's overall growing economic power in Uzbekistan. Major Chinese car manufacturers, such as BYD and Chery, are cooperating with local corporations in Uzbekistan. BYD, one of the world's largest manufacturers of electric vehicles and batteries, plays an important role in developing Uzbekistan's next-generation automotive industry. In August 2022, UzAuto and Chinese carmaker BYD Auto signed an agreement on organizing the production of BYD models in Uzbekistan.

The Chinese and Uzbek governments are also cooperating in the development of alternative energy sources. In February 2023, Tashkent signed a cooperation agreement with China's Energy China and Huaneng Renewables specializing in green energy, to build solar power plants in various provinces of Uzbekistan. The construction of a solar panel factory in Uzbekistan's Ferghana region is also among Beijing's major plans. The Uzbek authorities, while prioritizing electricity generation from renewable energy sources, hope to overcome the energy deficit by increasing the share of the green energy sector. Central Asian countries will undoubtedly take advantage of China's opportunities in their pursuit of a clean energy transition.

Beijing-Ashgabat relations

Turkmenistan, the second largest state in Central Asia, sits atop the world's fifth-largest natural gas reserves. The Beijing-Ashgabat relationship is based on Turkmenistan's vast hydrocarbon resources. This also makes Turkmenistan a major player in gas supplies to China. The country meets more than

30 percent of China's gas needs. At present, 3 pipelines of 1.833 kilometers running parallel to each other transport gas to China from various gas fields in Turkmenistan. The lines A, B and C, commissioned, accordingly, in 2009, 2010 and 2014, were constructed through funds provided by China. Uzbekistan and Kazakhstan are transit countries this gas pipeline, referred to as the Central Asia-China Pipeline, spans through.

Turkmenistan's President Serdar Berdimuhamedov during his meeting with his Chinese counterpart in Beijing in January 2023, reiterated the two states' intention to boost the preparations for the construction of a fourth line (the so-called Line D) of the Central Asia-China Gas Pipeline connecting Turkmenistan with China via Uzbekistan, Tajikistan and Kyrgyzstan. The Turkmen leader is the second head of state invited to the country after China cancelled strict and lengthy quarantine rules. On the other hand, Turkmen gas is also a political tool that strengthens Beijing's position to reduce China's dependence on Russian gas and increases its room for maneuver vis-à-vis Moscow. It is for this reason that China is more interested in alternative energy sources to be delivered from Turkmenistan than the Power of Siberia 2 gas project advocated by Russia. Thus, Beijing will remain the largest exporter of raw materials to Central Asia. It should be noted that the second largest importer of Turkmen gas after China is Russia.

In addition to energy projects, enhancing Turkmenistan's transit role as part of the Belt and Road Initiative is also one of the key issues on the agenda of the two countries. In the future, it is planned to integrate Turkmenistan into the China-Kyrgyzstan-Uzbekistan railway network. If this transregional transport project is implemented, it will be possible to create a railway network connecting China, Kyrgyzstan, Uzbekistan, Turkmenistan, Afghanistan and Pakistan. It should be noted that Turkmenistan, which adheres to a policy of non-alignment with any military alliance or bloc, is the only Central Asian state that never joined the

Shanghai Cooperation Organization.

Beijing-Bishkek relations

The second Turkic-speaking state in Central Asia sharing a direct land border with China is Kyrgyzstan. Although this country does not have the same oil and gas reserves as its neighbors, it is rich in gold and iron ore deposits. Kyrgyzstan is China's second-largest trading partner in the region. China is also the biggest lender to Kyrgyzstan. A number of infrastructure projects being implemented in the country have been made possible through loans from Chinese banks. These projects have also led to a huge amount of debt owed to China, taking about 40 percent of Kyrgyzstan's total public debt. One of the positive trends in cooperation with China is Kyrgyzstan's participation in the planned China-Kyrgyzstan-Uzbekistan railway project. The project may turn Kyrgyzstan into one of the main transit states in the region, which will provide an additional inflow of financing to Bishkek.

Kyrgyzstan is also a state that creates the most trouble for China in Central Asia. It is the state in the region which is most discontent with China's business initiatives in the country. In 2020, Kyrgyz protesters staged limited rallies outside of the Naryn Free Economic Zone that was arranged to be leased by a joint Kyrgyz-Chinese venture for 49 years. China was forced to pull out of the agreement as nearby residents feared that their land could be confiscated for the project. The news that along with Uyghurs, ethnic Kyrgyz are also arbitrarily detained in China's mass network of concentration camps in the Xinjiang-Uyghur Autonomous Region, prompted Kyrgyz nationalists to stage protests against China.

Beijing-Dushanbe relations

Tajikistan, the only non-Turkic nation in the region, is one of three Central Asian countries that border China. Tajikistan, like its neighbors, is one of the countries that

have attracted the most Chinese investment. With the help of loans from the Export-Import Bank of China and the Asian Infrastructure Investment Bank (AIIB), the construction of the necessary infrastructure (primarily hydroelectric plants and power grids, motorways, etc.) has been completed in Tajikistan. This country, similar in many ways to Kyrgyzstan, also owes crippling debts to China. It owes creditors 3,1 billion US dollars, almost half to China. Moreover, new agreements on obtaining loans have been signed. Resource-rich Tajikistan has entrusted some of the mineral resources (gold, silver, copper, uranium, etc.) that lie beneath the Pamir Mountains to Chinese mining companies.

The fact that Tajikistan borders the Wakhan Corridor connecting China and Afghanistan is a factor involving the country in China's regional security policy. Although this narrow, 90-kilometer-long strip of land once acted as a buffer zone between Tsarist Russia and the British Empire, it has great transit potential, the unstable situation in Afghanistan limits its use. Through the SCO, China periodically holds joint military exercises in areas adjacent to the Tajik-Afghan border to prevent Afghanistan from sliding into political chaos and infiltration of religious extremism into Central Asia. In addition, in October 2016, an agreement was signed between the governments of Tajikistan and China on the construction of border outposts on the Tajik-Afghan border. Under those agreements, the Chinese side allocated grants and itself also began to build three command centers, five border service outposts, five border service checkpoints and one training center on the Tajik-Afghan border. In the same year, China formed the Quadrilateral Cooperation and Coordination Mechanism with Tajikistan, Pakistan, and Afghanistan to facilitate interstate intelligence sharing. With the Taliban's rise to power in Afghanistan, China is likely to strengthen security measures in neighboring countries adjoining the Wakhan Corridor, such as Tajikistan and Pakistan.

Conclusion

Beijing is strengthening its position in Central Asia mainly in the economic and technological spheres, since geoeconomics interests continue to play a major role in China’s foreign policy. As there is no alternative to the investment and technology to the region offered by China, we will likely see Beijing’s socio-economic hold on Central Asia only increase. This will ensure that China becomes a more powerful tool for influencing the socio-political life of all states in the region.

Russia’s dominant position in regional security and stability serves Beijing’s current goals. The Chinese authorities realize that they will not be able to replace the region’s traditional hegemon in this regard for a long time to come. Despite the fact that Moscow’s reputation has been damaged by its invasion of Ukraine during the past year, Russia is still considered the main security provider throughout Central Asia. On the other hand, Beijing uses the Kremlin to maintain extant authorities in the Central Asian states and, most importantly, to achieve its aim of the withdrawal of the West, especially the United States, from the entire region. It can be seen from the overall picture that Central Asia will continue to occupy an important place in China’s energy, regional security and transport and logistics policies in the medium to long term.