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Central Asia: Implications of Russia's War in Ukraine

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Central Asia: Implications of Russia's War in Ukraine

The five countries of Central Asia—Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan—share historical, economic, and military ties with Russia, but since they became independent with the 1991 dissolution of the Soviet Union they have generally sought to balance relations between Russia, China, and other powers, including the United States. Russia's renewed invasion of Ukraine in February 2022 arguably has placed Central Asian countries in a difficult position economically and diplomatically. Although they maintain relations with Russia, the five Central Asian states have avoided endorsing Russia's aggression in Ukraine. Kazakhstan and Uzbekistan have explicitly stated their support for Ukraine's territorial integrity and dispatched humanitarian aid. Some analysts posit that the war is undermining Russia's position in the region and leading Central Asian countries to distance themselves from Moscow. Although Russia has long served as Central Asia's primary security guarantor, some observers see that role as diminishing as a result of the war. Central Asian countries appear to be increasingly engaging with other partners in the security sphere. In addition, some experts question the long-term viability of Russia-led multilateral organizations including the Eurasian Economic Union and the Collective Security Treaty Organization. While the economic impacts in Central Asia of the war have not been as dire as some experts initially predicted, regional countries are facing high inflation and disruptions to supply chains. In response, Central Asian countries are seeking to diversify their trade relationships and establish transit routes that bypass Russia.

Central Asia's strategic geography—bordering Russia, China, Afghanistan, and Iran—and its wealth of critical resources have driven U.S. interest in the region. Given recent developments, some Members of Congress have expressed interest in expanding U.S. engagement with Central Asia.

Potential areas of opportunity for expanding U.S. relations with Central Asia and congressional action include the following:

- **Trade.** Trade between the United States and Central Asia remains limited. Trade with four of the five Central Asian countries (Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan) is governed by Section 402 of the Trade Act of 1974 (P.L. 93-618), the so-called Jackson-Vanik amendment, which denies permanent normal trade relations to certain former non-market economies. Exempting a given country from Jackson-Vanik requires Congress to pass relevant legislation. The Biden Administration supports repealing Jackson-Vanik for Kazakhstan, Tajikistan, and Uzbekistan.
- **Energy and minerals.** Central Asia is a region rich in hydrocarbons. Because Kazakhstan, Turkmenistan, and Uzbekistan are natural gas producers, many in the United States and the European Union have argued that these countries represent a potential alternative to Russian natural gas for the European market, although Central Asia and Europe have not traded natural gas directly to date. At the same time, Central Asia's export potential is hampered by domestic energy crises in the region's gas-producing countries, resulting from high demand coupled with infrastructural deficiencies. Additionally, given the diversity of the region's mineral base, some experts see Central Asia as a potential alternative to China as a source of rare earth elements and rare metals.
- **Regional connectivity.** Promoting regional connectivity has long been a U.S. policy priority in Central Asia, in part to strengthen regional countries' economic and political sovereignty. Some analysts suggest that regional connectivity in Central Asia has taken on added significance in light of the war in Ukraine as Central Asian governments seek to diversify their economic and security relationships.
- **Security cooperation.** Some analysts and U.S. officials see new opportunities for expanding security cooperation between the United States and Central Asia in light of the war in Ukraine.
- **Media freedom and disinformation.** Central Asia is a challenging environment for press freedom. At the same time, Russian media maintain a significant presence in the region, raising concerns among some analysts about Central Asia's susceptibility to Russian propaganda and disinformation.

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Overview

Central Asia is a landlocked, five-country region rich in mineral resources bordering Afghanistan, the People's Republic of China (PRC, or China), Iran, and Russia. Russia maintains strong political and military ties with the region, and China's significant economic presence is accompanied by an expanding security footprint. Since 2001, U.S. engagement with Central Asia has largely focused on security cooperation, particularly in relation to the conflict in Afghanistan. Russia's renewed invasion of Ukraine in February 2022 arguably has placed the Central Asian countries in a difficult position both economically and diplomatically, even as Central Asian governments face a range of domestic and regional challenges. Shifting geopolitics in the wake of Russia's invasion may present new opportunities for U.S. engagement with Central Asia, which some Members of Congress have expressed interest in developing.¹ Since the beginning of Russia's invasion of Ukraine, Central Asian countries have moved to diversify their diplomatic and economic relations, increasing engagement with the European Union and with countries such as Turkey, Iran, and Azerbaijan. Some analysts speculate, however, that China will be the primary beneficiary of any distancing between Russia and Central Asia.²

Figure I. Map of Central Asia



Source: Graphic created by CRS.

¹ See, for example, “Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism Holds Hearing on Central Asia,” *Congressional Quarterly*, March 8, 2023; House Foreign Affairs Subcommittee on Asia, the Pacific, Central Asia and Nonproliferation Holds Hearing on US Engagement in Central Asia, *Congressional Quarterly*, September 14, 2022.

² Jeffrey Mankoff, “As Russia Reels, Eurasia Roils,” *War on the Rocks*, October 11, 2022.

Background: Central Asian Countries' International Relations

Central Asian governments have varying outlooks on international relations and postures toward Russia, although scholars generally agree that, as neighbors of Russia and China, these countries “can’t afford to choose sides.”³ Kazakhstan, the largest Central Asian country by land area and gross domestic product (GDP), pursues a “multi-vector” foreign policy, seeking to balance its relations with major powers while actively participating in international organizations. Uzbekistan, the largest by population, has since 2016 been pursuing a similarly balanced policy, actively developing its relations with a broad range of partners after years of relative isolationism. Analysts generally describe the Kyrgyz Republic (commonly known as Kyrgyzstan) and Tajikistan as more dependent on and aligned with Russia, although both countries have partnered with the United States on security issues and both countries have also been increasing economic and security engagement with China in the past decade. Turkmenistan’s constitutionally mandated policy of “permanent neutrality” translates in practice to foreign policy isolationism, and the government of Turkmenistan rarely comments on international events. Turkmenistan is highly economically dependent on China, however, and has been expanding economic cooperation with Russia in recent months.

Relations with Russia

As former Soviet republics, the five Central Asian states share a common institutional legacy with Russia that underpins military, political, economic, and cultural ties. Historically, public opinion surveys of Central Asians have shown Russia enjoying much higher approval than either China or the United States.⁴ Russian media maintain a strong presence in the region, although Russia’s economic role in Central Asia is being surpassed by that of China. Russia remains the primary destination for labor migrants from

Central Asia at a Glance

Kazakhstan

Capital: Astana
Head of state: President Kassym-Jomart Tokayev
Land area: 2,699,700 sq. km.; about four times the size of Texas
Population: 19.4 million (2022 est.)
GDP/GNI per capita (2021): \$197.1 billion/\$8,880

Kyrgyz Republic

Capital: Bishkek
Head of state: President Sadyr Japarov
Land area: 191,801 sq. km.; slightly smaller than South Dakota
Population: 6.1 million (2022 est.)
GDP/GNI per capita (2021): \$8.5 billion/\$1,180

Tajikistan

Capital: Dushanbe
Head of state: President Emomali Rahmon
Land area: 141,510 sq. km.; slightly smaller than Wisconsin
Population: 9.8 million (2021 est.)
GDP/GNI per capita (2021): \$8.7 billion/\$1,150

Turkmenistan

Capital: Ashgabat
Head of state: President Serdar Berdimuhamedov
Land area: 469,930 sq. km.; slightly larger than California
Population: 5.6 million (2022 est., disputed)
GDP/GNI per capita (2019): \$45.2 billion/\$6,970

Uzbekistan

Capital: Tashkent
Head of state: President Shavkat Mirziyoyev
Land area: 425,400 sq. km., slightly larger than California
Population: Approximately 35 million (2021)
GDP/GNI per capita (2021): \$69.2 billion/\$1,960

Data from the World Bank, the CIA World Factbook, and the U.S. Department of State

³ See, for example, Gavin Helf, “Blinken Debuts New U.S. Approach in Central Asia,” United States Institute of Peace, March 2, 2023.

⁴ See, for example, Eric McGlinchey and Marlene Laruelle, “Explaining Great Power Status in Central Asia: Unfamiliarity and Discontent,” Minerva Research Initiative, October 29, 2019.

Central Asia, however. According to Russian government figures, about 9.5 million Central Asians registered with Russian migration authorities in 2019; the total number of Central Asian migrants in the country is likely higher.⁵

In the 30 years following the dissolution of the Soviet Union, Russia served as Central Asia's primary security partner. Russia is estimated to have accounted for approximately 60% of arms transfers to the region by value between 2015 and 2021.⁶ Most Central Asian military leaders studied at one of Russia's military academies, and Russian professional military education maintained significant prestige among Central Asian military officers.⁷ Russia continues to maintain military installations in Kazakhstan, Kyrgyzstan, and Tajikistan. The Russia-led Collective Security Treaty Organization (CSTO), established in 1992, is a security alliance that includes Kazakhstan, Kyrgyzstan, and Tajikistan, as well as Armenia and Belarus.⁸ The CSTO's first-ever deployment took place in January 2022, with some 2,500 primarily Russian peacekeeping troops sent to Kazakhstan to bolster the government response to unprecedented unrest in that country.⁹

Relations with the United States

The United States was among the first countries to recognize the independence of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan following the 1991 dissolution of the Soviet Union. Since that time, Congress and U.S. presidential administrations have repeatedly expressed support for the independence, sovereignty, and territorial integrity of the five Central Asian states, and the United States has implemented programs to support democracy, good governance, and economic reforms in the region. In the past three decades, the United States has provided more than \$9 billion in direct assistance to the countries of Central Asia to support security, democratic reform, and economic growth, and to meet humanitarian needs.¹⁰ Some observers contend that Central Asia's importance to the United States has historically been "derivative of interests that were not indigenous to Central Asia itself, but rather were functions of U.S. policies, priorities, and relationships with countries around the region."¹¹ Some analysts describe Central Asia as a challenging environment for democracy promotion efforts, and have voiced concerns that democratic progress in the region has been uneven or nonexistent.¹² Since 2001, U.S. engagement with Central Asia has largely focused on security cooperation, particularly in relation to U.S.-led efforts to stabilize Afghanistan. The United States engages in security cooperation with all five Central Asian countries, implementing programs to provide training, improve peacekeeping and disaster response capabilities, and bolster border security.

⁵ Sher Khashimov et al., *Introducing the Central Asia Migration Tracker*, Oxus Society for Central Asian Affairs, December 15, 2020.

⁶ Data from SIPRI Arms Transfers Database. Available date indicates that Russia did not transfer any arms to Central Asian countries in 2022 with the exception of Tajikistan.

⁷ Erica Marat, "China's Expanding Military Education Diplomacy in Central Asia," PONARS Eurasia, April 19, 2021.

⁸ See CRS Report R46761, *Russia: Foreign Policy and U.S. Relations*, by Andrew S. Bowen and Cory Welt.

⁹ See CRS Insight IN12030, *Political Reforms in Kazakhstan*, by Maria A. Blackwood.

¹⁰ U.S. Department of State, Bureau of South and Central Asian Affairs, "United States Strategy for Central Asia 2019-2025: Advancing Sovereignty and Economic Prosperity (Overview)," February 5, 2020.

¹¹ Eugene Rumer, Richard Sokolsky, and Paul Stronski, *U.S. Policy Toward Central Asia 3.0*, Carnegie Endowment for International Peace, January 2016, pp. 3-4.

¹² See, for example, Rumer et al, *U.S. Policy Toward Central Asia 3.0*; Sean Roberts, *Saving Democracy Promotion From Short-Term U.S. Policy Interests in Central Asia*, The Century Foundation, 2009; Martha Brill Olcott, "Democracy Promotion in Central Asia: From High Expectations to Disillusionment," CORE Workshop on Democratization in Central Asia, February 10, 2007.

U.S. policy priorities for the region are outlined in the United States Strategy for Central Asia, the most recent version of which was issued in February 2020.¹³ The strategy defines the primary U.S. strategic interest in Central Asia as building “a more stable and prosperous Central Asia that is free to pursue political, economic, and security interests with a variety of partners on its own terms; is connected to global markets and open to international investment; and has strong, democratic institutions, rule of law, and respect for human rights.”¹⁴ The strategy reiterates U.S. commitment to supporting the independence, sovereignty, and territorial integrity of the Central Asian states. Other U.S. priorities in Central Asia outlined in the Strategy include reducing the threat of terrorism, promoting the rule of law and human rights, and promoting U.S. investment in the region.

Since 2015, U.S. bilateral relationships in the region have been complemented by the C5+1 diplomatic platform, which provides a forum for the United States and the five Central Asian countries to address the common challenges they face in areas such as security, economic connectivity, and environmental vulnerabilities. The U.S. State Department notes the format’s success in “enhancing regional dialogue, cooperation, and partnership among the participating countries” and contributions to “increasing economic and energy connectivity and trade, mitigating environmental and health challenges, jointly addressing security threats, and advocating for the full participation of women in all aspects of the political, economic, and social life of member countries.”¹⁵ The most recent C5+1 Ministerial took place in February 2023, when Secretary of State Antony Blinken traveled to Astana, Kazakhstan, and met with his Central Asian counterparts.¹⁶ Blinken also met separately with senior officials from Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan in Astana to discuss bilateral and regional issues before traveling to Uzbekistan to conduct similar meetings with Uzbek officials in Tashkent.

Responses to Russia’s February 2022 Invasion of Ukraine

Despite their close security ties with Russia, the Central Asian states have avoided endorsing Russian aggression in Ukraine. At the United Nations, the Central Asian countries either did not cast a vote or voted to abstain on the March 2, 2022, resolution condemning Russia’s invasion of Ukraine; the March 24, 2022, resolution criticizing Russia for creating a humanitarian crisis in Ukraine; the October 12, 2022, resolution condemning the “illegal so-called referendums” held by Russia in eastern Ukraine; the November 14, 2022, resolution calling for reparations for Ukraine; and the February 23, 2023, resolution calling for a “comprehensive, just, and lasting peace in Ukraine” based on the principles of the United Nations Charter.¹⁷ Analysts and some

¹³ U.S. Department of State, Bureau of South and Central Asian Affairs, “United States Strategy for Central Asia 2019-2025: Advancing Sovereignty and Economic Prosperity (Overview),” February 5, 2020.

¹⁴ Ibid.

¹⁵ U.S. Department of State, “Joint Statement on the C5+1 Virtual Ministerial,” May 4, 2021.

¹⁶ U.S. Department of State, “Joint Statement on the C5+1 Ministerial in Astana,” March 9, 2023.

¹⁷ On A/RES/ES-11/1, “Aggression Against Ukraine,” Kazakhstan, Kyrgyzstan, and Tajikistan abstained; Turkmenistan and Uzbekistan did not vote. On A/RES/ES-11/2, “Humanitarian Consequences of the Aggression Against Ukraine,” A/RES/ES-11/4, “Territorial Integrity of Ukraine: Defending the Principles of the Charter of the United Nations,” A/RES/ES-11/5, “Furtherance of Remedy and Reparation for Aggression Against Ukraine,” and A/RES/ES-11/6, “Principles of the Charter of the United Nations Underlying a Comprehensive, Just and Lasting Peace in Ukraine,” Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan abstained; Turkmenistan did not vote. On A/RES/ES-11/3, an April 7, 2022, resolution suspending the membership of Russia in the United Nations Human Rights Council in light of the situation in Ukraine, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan voted against, and (continued...)

U.S. officials observed as significant that the Central Asian countries did not side with Russia, even if they did not vote in favor of these resolutions.¹⁸ The governments of Kazakhstan and Uzbekistan have expressed support for Ukraine's territorial integrity, stating that they would not recognize the Russia-backed self-proclaimed Luhansk and Donetsk republics.¹⁹ Kazakhstan and Uzbekistan have also sent humanitarian aid to Ukraine.²⁰ Kazakh officials describe their government's position on the conflict as one of "strategic neutrality."²¹ Kyrgyzstan expressed its support for "compliance with the universally recognized norms and principles of international law laid down in the U.N. Charter and other documents, including the territorial integrity of states and the peaceful settlement of conflicts," and the country's president stated before parliament that Kyrgyzstan should maintain neutrality.²² The governments of Tajikistan and Turkmenistan have been largely silent about the conflict.

Available polling indicates that public opinion on the war is divided in Central Asia; many in the region continue to perceive Russia favorably. In one poll conducted in May and June 2022, 86% of Kyrgyz, 76% of Uzbeks, and 55% of Kazakhs surveyed said they had a favorable opinion of Russia.²³ When asked who was mainly responsible for the situation in Ukraine, 28% of respondents in Kazakhstan blamed Russia, whereas 19% blamed Ukraine and 10% blamed the United States. In Kyrgyzstan, 14% indicated the conflict was Russia's fault, 36% blamed Ukraine, and 13% blamed the United States.²⁴ In a November 2022 poll conducted in Kazakhstan, 22% of respondents expressed support for Ukraine, 13% said they supported Russia, and 59% said they preferred to remain neutral; younger people were more likely to support Ukraine. When asked about the role their country should play, 42% of respondents said Kazakhstan should act as a peacemaker and call on Russia and Ukraine to negotiate, whereas 37% said that Kazakhstan should remain neutral.²⁵

Economic Implications

The five landlocked economies of Central Asia are a small part of the global economy. Together, they account for less than 0.5% of global economic output and have a population smaller than Germany (77 million, compared to Germany's 83 million).²⁶ Economically, the region's

Turkmenistan did not cast a vote. On A/RES/77/284, an April 26, 2023, resolution on cooperation between the United Nations and the Council of Europe that explicitly mentions "aggression by the Russian Federation against Ukraine," Kazakhstan voted in favor, Kyrgyzstan, Tajikistan and Uzbekistan abstained, and Turkmenistan did not vote.

¹⁸ Paul Stronski, "The Common Theme in Central Asia's Response to Russia's Invasion of Ukraine," Carnegie Endowment for International Peace, March 30, 2022; "Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism Holds Hearing on Central Asia," *Congressional Quarterly*, March 8, 2023.

¹⁹ "In Break with Moscow, Uzbeks Won't Recognize Separatist 'Republics' In Ukraine," *RFE/RL*, March 17, 2022.

²⁰ Catherine Putz, "Uzbekistan, Kazakhstan Dispatch Humanitarian Aid to Ukraine," *The Diplomat*, April 11, 2022.

²¹ CRS communication with Kazakhstan's Special Representative for International Cooperation.

²² The Ministry of Foreign Affairs of the Kyrgyz Republic, "Kyrgyz Foreign Minister Ruslan Kazakbaev Met with Ukrainian Ambassador to the Kyrgyz Republic Valery Zhovtenko," March 17, 2022; Islam Roziev, "Sadyr Zhaparov: My dolzhny zanimat' neutral'niyu pozitsiyu v voine Rossii s Ukrainoi" [Sadyr Japarov: We must maintain a neutral position in the war between Russia and Ukraine], *Kloop*, March 9, 2022.

²³ Ali Koseoglu, "Does the Eurasian Economic Union Have a Place in Central Asia's Future?" *The Diplomat*, December 2, 2022.

²⁴ Central Asia Barometer, "Russia-Ukraine War: Public Opinion in Central Asia," available at <https://ca-barometer.org/assets/files/froala/f67ac6f34d17e7e3b51e3be30aedb9ffe60d9ae9.pdf>.

²⁵ Demoscope, "What People in Kazakhstan Think About the War in Ukraine," November 30, 2022, available at <https://demos.kz/what-people-in-kazakhstan-think-about-the-war-in-ukraine-2/?lang=en>.

²⁶ International Monetary Fund (IMF), World Economic Outlook Database, October 2022. GDP data are estimates for 2022 and measured in U.S. dollars at current prices.

importance is tied to its geographic location—adjacent to Russia, China, South Asia, and the Middle East—and its natural resources (particularly oil and natural gas). In addition to the extraction of natural resources, agricultural production is a major sector of economic activity. The World Bank classifies the countries of Central Asia as upper-middle and lower-middle income countries.²⁷

Like other developing economies, the countries of Central Asia have struggled with a series of economic shocks: the global economic crisis of 2008-2009, the oil price shock of 2014-2015, and the economic disruptions resulting from the Coronavirus Disease 2019 (COVID-19) pandemic starting in 2020. Their economies also face persistent challenges, including prevalent corruption, frequent natural disasters, and climate change.²⁸ The rate of economic growth in Central Asian economies has fluctuated over the past two decades, and largely mirrored the average growth rate of emerging-market and developing economies (see **Figure 2**).

Average growth rates in Central Asia have fallen from 5.9% in 2021 to an estimated 5.1% in 2022 and 4.1% in 2023.²⁹ Although a number of factors in the global economy continue to affect the region, including the ongoing pandemic and related economic disruptions, Central Asian economies are also affected by Russia's war on Ukraine and the subsequent multilateral sanctions imposed on Russia. The World Bank assesses that the war is constraining economic growth in the region, although to a lesser extent than initially forecasted.³⁰

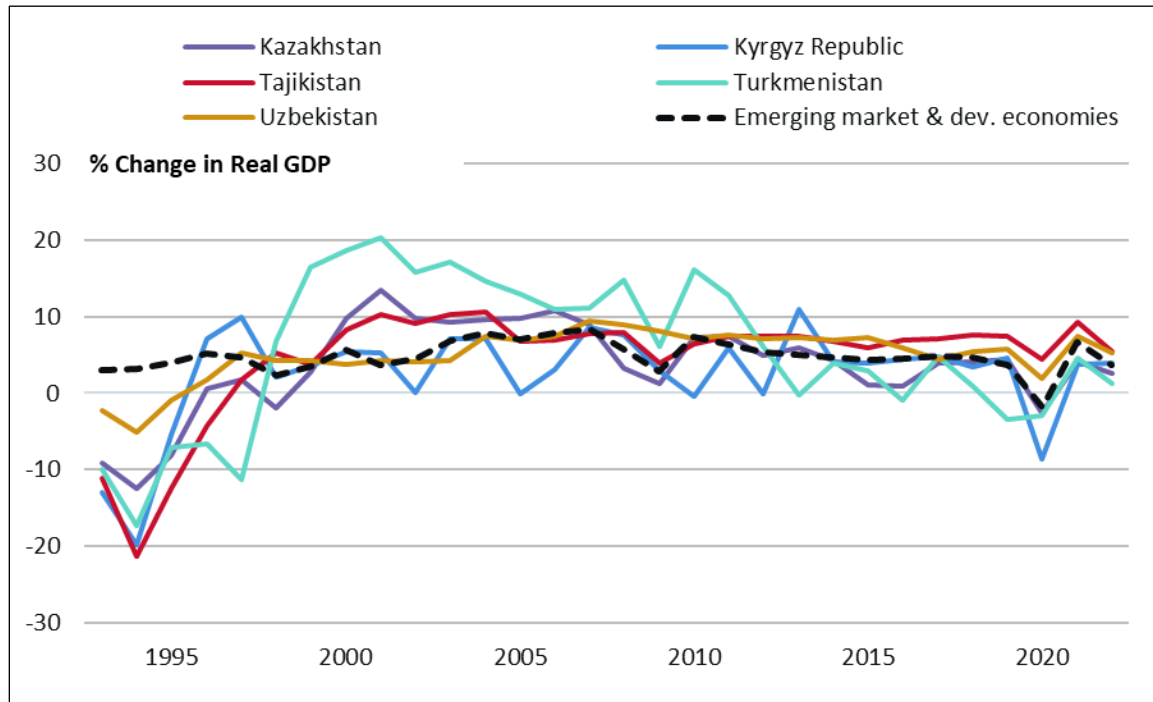
²⁷ World Bank Country and Lending Groups, at <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>, accessed January 12, 2023.

²⁸ Krista Lee-Jones, "Overview of Corruption and Anti-Corruption in Central Asia," *Transparency International*, January 28, 2021; Anna Bjerde, "Envisioning Central Asia's Green Recovery," *Diplomat*, July 1, 2021.

²⁹ IMF, World Economic Outlook Databases, April 2023.

³⁰ World Bank, *Global Economic Prospects*, January 2023, pp. 62-63; World Bank, *Social Protection for Recovery*, ECA Economic Update, Fall 2022, pp. 26-27.

Figure 2. Economic Growth in Central Asia
% Change in Real GDP



Source: IMF, World Economic Outlook Database, October 2022.

Trade

Russia is a major trading partner for Central Asian countries, although they also have strong trade relationships with China, Turkey, and the European Union (EU). Two Central Asian countries—Kazakhstan and Kyrgyzstan—belong to the Eurasian Economic Union, a Russia-led initiative established in 2015 to integrate several post-Soviet states into an economic union (see “Russia-Led Multilateral Organizations” below).³¹

Russia is a major source of imports to Central Asian countries, accounting for approximately one-fifth to one-third of imports for each country (**Figure 3**). These imports vary across countries but generally include oil, iron and steel, refrigerators, washing machines, margarine, and wood. To a lesser extent, Russia is a main export market for Central Asian countries, particularly for ores, iron, chemicals, vegetables, cotton, and apparel. Russia is also a major transit hub for Central Asia, whereby goods imported into Russia are often re-exported to post-Soviet states.

The war in Ukraine and related sanctions are disrupting trade in Central Asia. Russia’s trade contracted sharply at the start of the war (some estimates suggest 60% in March 2022), resulting in major supply chain disruptions for goods that would normally be re-exported from Russia to Central Asia.³² Supply chain disruptions create concerns about product shortages and inflation.³³ The effects may be ameliorated as Central Asian countries attempt to develop alternative sources

³¹ For more on the Eurasian Economic Union, see, for example, “What Is the Eurasian Economic Union?,” Chatham House, July 15, 2022. See also “Russia-Led Multilateral Organizations” below.

³² Zsolt Darvas, Catarina Martins, and Conor McCaffrey, “Russian Foreign Trade Tracker,” Bruegel, April 25, 2023.

³³ Nizom Khodjayev, “Kazakh Businesses Reliant on Russia for Re-exports Wary of Knock-on Effects of War Sanctions,” *BNE IntelliNews*, April 27, 2022.

for these products, particularly via Turkey and Poland. Some speculate that Central Asian countries may become a market whereby goods will be re-exported to Russia, for example after they are brought into Kazakhstan through the Chinese-Kazakh Khorgos free trade zone (see “Potential Sanctions Evasion” below).

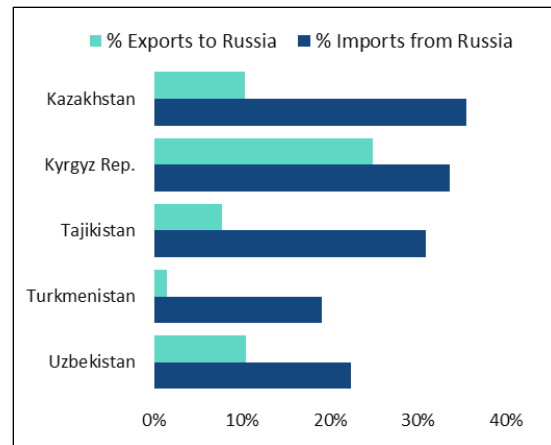
The war’s disruption to global agricultural markets is also creating concerns about food security.³⁴ Russia and Ukraine are major agricultural exporters, particularly for wheat and sunflower oil. The war has prevented farmers in Ukraine from tending to their crops, and both Ukraine and Russia have restricted their agricultural exports. In March 2022, Russia briefly banned the export of grain to countries in the Eurasian Economic Union (including Kazakhstan). Kazakhstan, itself also a major wheat exporter, in turn banned the export of wheat between April and September 2022. Normally, the other countries in Central Asia import about 90% of their wheat from Kazakhstan.³⁵

Exchange Rates

The values of Central Asian currencies generally move in tandem with Russia’s currency, the ruble. In the initial weeks following the renewed invasion of Ukraine in February 2022, and subsequent sanctions by the United States, the European Union, and other countries, the ruble depreciated rapidly against the U.S. dollar.³⁶ Central Asian currencies likewise depreciated, although to a lesser extent. Russia’s central bank quickly enacted a number of policies that stabilized the ruble, including raising interest rates and imposing strict capital controls, and by early June the ruble had appreciated above its pre-war value. Likewise, some central banks in Central Asia increased interest rates and used foreign exchange reserves to stabilize their currencies.³⁷ By early June 2022, the values of Central Asian currencies also appreciated, but not to the same extent as the ruble (see **Figure 4**).

The ruble’s value remains precarious to date; it would almost certainly depreciate if the central bank removed capital controls and lowered interest rates. The ruble depreciated in late 2022 in light of the economic challenges resulting from the ongoing war and sanctions. Significant movements in the value of the ruble create risks for Central Asian economies. Rapid depreciation of their currencies increases the value (in local currency) of debts denominated in dollars, and Central Asia’s loans from China are usually denominated in dollars. Additionally, foreign remittances are an important source of capital for several countries in Central Asia, and changes in the exchange rates impact the value of these remittances. More broadly, fluctuations in exchange rates introduce uncertainty and risks in international transactions.

Figure 3. Central Asia’s Trade with Russia



Source: International Monetary Fund (IMF), Direction of Trade Statistics.

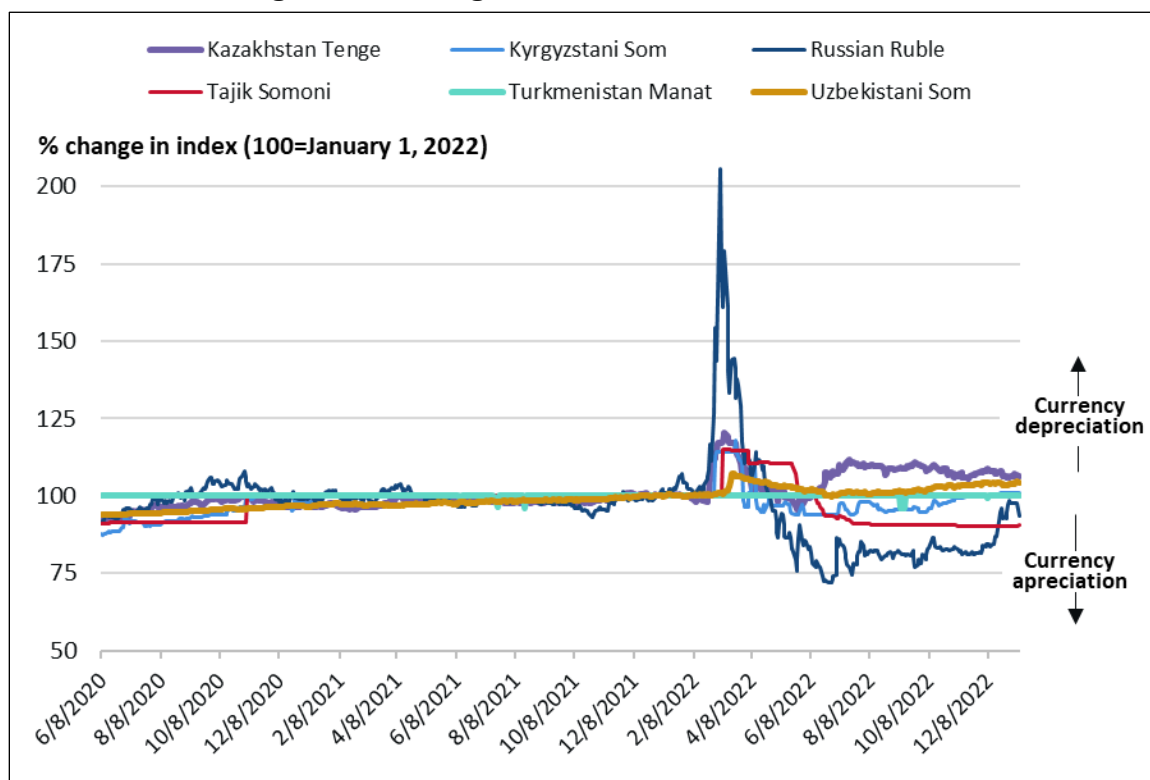
Notes: 2021 data.

³⁴ For more on the impact of the war on global food security, see CRS Insight IN11919, *Russia’s Invasion of Ukraine: Implications for Global Food Prices and Food Security*, by Rhoda Margesson et al.

³⁵ *Economist*, “Russia’s War Is Causing Hunger in Asia,” May 7, 2022.

³⁶ Exchange rate data in this section from S&P Capital IQ.

³⁷ *Eurasianet*, “Central Asian Currencies Feeling Heavy Pressure from Ruble’s Tumble,” February 28, 2022.

Figure 4. Exchange Rates in Central Asia & Russia

Source: S&P Capital IQ.

Financial Institutions

Central Asia's financial sectors are closely intertwined with Russia's financial sector. Kazakhstan arguably has the most developed banking sector in the region, and as of February 2022 three of its major banks were subsidiaries of Russian banks (Sberbank, VTB, and Alfa Bank, all of which are now sanctioned). Additionally, many Central Asian banks partner with Russian banks to facilitate cross-border transactions in the form of credit and debit cards, as well as electronic funds and transfers.³⁸ Banks in Kazakhstan and the Kyrgyz Republic are also connected to Russia's financial messaging system (the System for Transfer of Financial Messages, or SPFS), a system to facilitate cross-border payments. Russia developed SPFS after sanctions were imposed following its initial invasion of Ukraine in 2014.³⁹

Sanctions on Russia's financial sector are having broad effects on the financial sector in Central Asia. The three Russian financial institutions with subsidiaries in Kazakhstan are all now sanctioned, and two of the three subsidiaries have scaled back or exited Kazakhstan's market (see textbox). International companies are finding it difficult to transfer money to Tajikistan, because Tajikistan's banks are so closely intertwined with Russian banks.⁴⁰ In Kyrgyzstan, ATM

³⁸ Gregory Gleason, "Saving Central Asia from Putin's Embrace," *War on the Rocks*, April 8, 2022.

³⁹ For more about financial messaging providers, including SWIFT, see CRS Report R46843, *International Financial Messaging Systems*, by Liana Wong and Rebecca M. Nelson.

⁴⁰ Kamila Ibragimova, "Tajikistan: Ruble Collapses Taking Tolls on Living Standards," *Eurasianet*, March 9, 2022.

withdrawals on Russian bank cards no longer work in many cases.⁴¹ A major bank in Uzbekistan, Hamkorbank, suspended the transfer of funds to its bank cards through a mobile app owned by Sberbank.⁴²

Kazakhstani Subsidiaries of Sanctioned Russian Financial Institutions

Sanctions on Russian financial institutions following the expanded invasion of Ukraine in 2022 created pressures on subsidiaries in Kazakhstan:

- Sanctions on Alfa Bank, the fourth largest financial institution in Russia, triggered a run on the Kazakhstani subsidiary, which was forced to limit cash withdrawals and was subsequently purchased by a local bank (Bank CenterCredit).⁴³
- Following sanctions on Sberbank, the largest financial institution in Russia, Sberbank's Kazakhstan subsidiary sold part of its business loan and retail portfolio to a local bank (Halyk Bank), and Kazakhstan's government revoked the decision to use Sberbank platforms for its e-government services. In March 2023 the U.S. Department of the Treasury removed sanctions on the former Kazakhstan subsidiary of Sberbank after 99% of the entity's shares were purchased by a Kazakhstani state-owned holding company.⁴⁴
- The Kazakhstani subsidiary of VTB (Russia's second largest financial institution) is continuing to operate in Kazakhstan despite the sanctions, seeing opportunities as other Russian banks exit or scale back.⁴⁵

Banks in Central Asia may find ways around sanctions to engage in cross-border payments with Russia. SFPS provides one such mechanism, although it is not nearly as developed as the main global financial messaging system (the Society for Worldwide Interbank Financial Telecommunication, or SWIFT) and sanctions make it difficult for SFPS to facilitate dollar-denominated transactions.

Additionally, sanctions on Russia are, in limited cases, creating economic opportunities for financial institutions in Central Asia. Approximately 500,000 Russian citizens opened bank accounts in Kazakhstan in 2022, allowing them to circumvent financial sanctions imposed because of the war, and Russian travel agencies are offering special packages to open bank accounts in Uzbekistan (including assistance in preparing paperwork in advance and a visit to a bank to sign documents and collect a debit card).⁴⁶

Foreign Remittances

Russia has long been the primary destination for migrant workers from Central Asia, with more than 7.8 million migrants from Uzbekistan, Tajikistan, and Kyrgyzstan reportedly registered with the Russian government in 2021.⁴⁷ Most migrant workers in Russia have low-paying and

⁴¹ Ian Pryde, "Russia's Economic Doldrums Causing Hardship in Kyrgyzstan," *Radio Free Europe Radio Liberty*, May 7, 2022.

⁴² *Tashkent Times*, "Hamkorbank Suspends Transfers with Russian Sberbank," June 7, 2022.

⁴³ A bank run is when a large number of depositors withdraw their money from banks simultaneously based on fears that the institution will become insolvent. Paolo Sorbello, "Kazakhstani Banks Eye the Spoils of Sanctioned Russian Subsidiaries," *The Diplomat*, April 26, 2022.

⁴⁴ U.S. Department of the Treasury Office of Foreign Assets Control, "Iran-Related Designations; Russia-Related Designation Removal; Ukraine-Related Designation Removal," March 8, 2023. See also Mengqi Sun, "U.S. to Remove Sanctions on Former Kazakhstan Subsidiary of Russia's Sberbank," *Wall Street Journal*, February 8, 2023.

⁴⁵ Economist Intelligence Unit, "Kazakh Banks Unevenly Affected by Sanctions on Russia," June 7, 2022; Maximilian Hess, "Does a Russian Bank Merit a Sanctions Waiver for Central Asia?," *BNE IntelliNews*, May 5, 2022.

⁴⁶ Joanna Lillis, "Russians Flock to Central Asia to Open Sanctions-Busting Bank Accounts," *Eurasianet*, April 8, 2022; "Kazakhstan: Banks Flummoxed by Russian Money Whack-a-Mole," *Eurasianet*, June 2, 2023.

⁴⁷ Farangis Najibullah, "Central Asian Migrants Losing Work as Russian Businesses Downsize or Close," *Radio Free Europe Radio Liberty*, March 26, 2022.

physically demanding jobs in the service sector, construction, and agriculture. The money migrant workers send back to family at home (remittances) has been a main source of external financing for some Central Asian countries.⁴⁸ Kyrgyzstan and Tajikistan are among the most remittance-dependent countries in the world, with remittances—predominantly from Russia—exceeding 30% of the gross domestic product (GDP) in both countries in 2022.⁴⁹ Uzbekistan, Central Asia's most populous country, also sends large numbers of labor migrants to Russia and remittances to Uzbekistan equaled roughly 17% of GDP in 2022.⁵⁰ The World Bank initially projected that remittances to Central Asia would decline sharply in 2022 as a result of the war; it now estimates that remittances from Russia reached record highs in that year, due in part to increased demand for labor and to the Russian ruble's appreciation against the U.S. dollar.⁵¹ At the same time, the cost of sending remittances from Russia has increased significantly due to international sanctions.⁵² The World Bank assesses that remittances to Central Asia may grow more slowly in 2023 than initially projected.⁵³

Implications for Relations with Russia

Russia's invasion of Ukraine arguably places Central Asia in a difficult position diplomatically. Some observers posit that the conflict has led Central Asian governments to rethink Russia's role in the region, and that these governments may seek to distance themselves from Russia, in what one scholar terms a "tectonic shift away from Moscow."⁵⁴ Nevertheless, high-level contacts between Russia and Central Asian governments are continuing. Between February and December 2022, President Vladimir Putin visited every Central Asian country, an unusually high number of trips to the region by the Russian leader, and held more than 50 meetings with his Central Asian counterparts.⁵⁵ Some observers see this activity as a reflection of Central Asia's increased importance to Russia in light of shifting geopolitics. All five Central Asian presidents attended Russia's May 9, 2023, parade in Moscow commemorating the defeat of Nazi Germany in World War II, reflecting what some observers see as Russia's continued leverage over Central Asian governments.⁵⁶ One analyst posits that—with the exception of Kyrgyzstan's President Sadyr Japarov, whose attendance was announced in advance—Central Asian leaders likely made last-minute decisions to attend in response to pressure from Putin, and that the Central Asian presidents' presence at the parade is part of their "survival strategy."⁵⁷ One scholar argues that

⁴⁸ For more on remittances, see CRS Report R43217, *Remittances: Background and Issues for the 118th Congress*, by Martin A. Weiss and Andrew P. Scott.

⁴⁹ Dilip Ratha et al., "Remittances Brave Global Headwinds," World Bank Migration and Development Brief 37, November 2022, p. 33.

⁵⁰ Ibid.

⁵¹ Ibid., pp. 7, 32; Dilip Ratha and Eung Ju Kim, "Russia-Ukraine Conflict: Implications for Remittance flows to Ukraine and Central Asia," KNOMAD Policy Brief 17, March 4, 2022, p. 3.

⁵² World Bank, *Global Economic Prospects*, June 2023, p. 63.

⁵³ Ibid.

⁵⁴ Agnieszka Pikulicka-Wilczewska, "Ukraine War: Is Central Asia Loosening Ties with Russia?," *Al Jazeera*, March 25, 2022; Marlene Laruelle, "The End of the Post-Soviet Order: How Putin's War Has Hurt Russia in Central Asia and the Caucasus," *Foreign Affairs*, October 13, 2022.

⁵⁵ Temur Umarov, "Russia and Central Asia: Never Closer, or Drifting Apart?," Carnegie Endowment for International Peace, December 23, 2022.

⁵⁶ Chris Rickleton, "Central Asian Leaders Shun 'Reputational Costs' to Join Putin's Victory Day Parade," *RFE/RL*, May 9, 2023. No Central Asian leaders attended the May 2022 parade.

⁵⁷ Temur Umarov, "Why Did Central Asia's Leaders Agree to Attend Moscow's Military Parade?" *The Kyiv Independent*, May 12, 2023.

Central Asian countries are seeking to maintain the “right” distance from Russia, “balancing the intensity of their relations with Russia in a context of the competing pressures exerted by the Kremlin and the international community on the one hand, and those arising from domestic political developments on the other.”⁵⁸ Their “ultimately ambiguous” stance on Ukraine can be explained by the “primacy of their domestic authoritarian stability,” which motivates them to avoid “alienating an important source of authoritarian support or, alternatively, encountering the potentially destabilizing criticism of Western states.”⁵⁹

Since Russia’s 2014 occupation of Ukraine’s Crimea region, analysts have noted “nervousness” in Central Asia about Russian rhetoric concerning Ukraine and the potential application of similar sentiments toward Central Asian countries.⁶⁰ This is particularly true in Kazakhstan, which is home to a sizeable ethnic Russian minority and shares a lengthy land border with Russia. In recent years, Russian officials, including Putin, have publicly questioned Kazakhstan’s sovereignty and territorial integrity.⁶¹ Since Russia’s February 2022 invasion of Ukraine, Russian politicians and political commentators have repeatedly insinuated that a similar fate may await Kazakhstan.⁶² An August 2022 social media post on the account of Russia’s former President Dmitry Medvedev referred to Kazakhstan as an “artificial state” whose territory should be returned to Russia; the post was quickly deleted, and a Medvedev aide claimed the account had been hacked.⁶³

The war has led some scholars and intellectuals to reevaluate the imperial and colonial dimensions of Russia’s presence in Central Asia, and some observers see a rethinking of national identities in the region.⁶⁴ For instance, in Kazakhstan—a multi-ethnic country where the Russian language has official status and remains widely spoken—reporting indicates that the war has resulted in “unprecedented” interest in learning the Kazakh language, among both ethnic Kazakhs and ethnic Russians.⁶⁵ In the assessment of one Kazakh language activist, “the war has had a wake-up effect on Kazakh national self-consciousness.”⁶⁶

⁵⁸ Luca Anceschi, “The Right Distance: Russia–Central Asia Relations in the Aftermath of the Invasion of Ukraine,” *Russian Analytical Digest* No. 289, November 30, 2022.

⁵⁹ *Ibid.*

⁶⁰ Eric McGlinchey and Shairbek Dzhuraev, “Russia’s Erosion in Central Asia,” PONARS Eurasia Policy Memo No. 808, November 2022.

⁶¹ Almaz Kumenov, “Kazakhstan bolsters defenses amid Russian invasion of Ukraine,” *Eurasianet*, April 14, 2022.

⁶² Joanna Lillis, “Kazakhstan-Russia frictions over Ukraine war go public,” *Eurasianet*, June 20, 2022.

⁶³ “Medvedev Questions Neighbors’ Sovereignty in ‘Hacked’ Post,” *The Moscow Times*, August 2, 2022.

⁶⁴ Botakoz Kassymbekova and Erica Marat, “Time to Question Russia’s Imperial Innocence,” PONARS Eurasia Policy Memo No. 771, April 2022; Madina Kuanova and Aleksandr Grigoriants, “Batyl bol. Voina v Ukraine podtolknula kazakhstantsev k otkazu ot russkogo iazyka i poisku natsional’noi identichnosti” [Batyl bol: The war in Ukraine has pushed Kazakhstanis to reject the Russian language and search for national identity], *Mediazona*, May 10, 2022; Bernet Talant, “Is The Russian Language Losing Its Dominance In Central Asia?” *RFE/RL*, May 27, 2022; Catherine Putz, “Botakoz Kassymbekova and Erica Marat on Russia’s ‘Imperial Myth,’” *The Diplomat*, July 1, 2022; Azamat Junisbai, “Speaking Kazakh: How Putin’s attack woke me to my own identity,” *OnlySky*, November 7, 2022; Levi Bridges, “Conflict between Kyrgyzstan and Tajikistan raises legacy of Russian colonialism,” *The World*, December 14, 2022.

⁶⁵ Farangis Najibullah and Yelnur Alimova, “Kazakh-Language Club A Hit With Russian Speakers In Kazakhstan, Amid Ukraine War,” *RFE/RL*, October 28, 2022.

⁶⁶ Daniyar Moldabekov, “Kazakhstan: Ukraine War Motivates Russian-Speakers to Learn Kazakh,” *Eurasianet*, October 31, 2022.

Russia-Led Multilateral Organizations

Some analysts believe that the war in Ukraine may undermine the viability of Russia-led multilateral organizations as regional countries reassess the nature of their relationships with Russia. One such organization is the Eurasian Economic Union (EEU, also abbreviated EAEU), a single market established in 2015 that unites Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. The EEU facilitates labor migration within the bloc, but trade continues to face administrative barriers.⁶⁷ Some analysts contend that the body serves primarily as a vehicle for Russia to exert geopolitical influence rather than a rules-based economic integration project.⁶⁸ While Russia dominates the EEU and accounts for most of the bloc's collective GDP, Kazakhstan in particular has resisted Russian efforts to develop the EEU into more of a political union.⁶⁹ The EEU has been a source of frustration for some member states due to enduring trade barriers as well as unilateral actions by Russia that negatively impact other member states. For example, after Russia's 2014 annexation of Ukraine's Crimea region, sanctions imposed on Russia by the United States and the European Union and countersanctions introduced by Russia affected other EEU members' economies.⁷⁰ Some analysts assess that the war further reduces the benefits of EEU membership while imposing higher costs on member countries.⁷¹ Although Tajikistan and Uzbekistan had been considering membership in recent years (Uzbekistan became an observer in 2020), some analysts see it as "unlikely" that they will seek to join the EEU in the context of the war.⁷²

Some countries also appear to be questioning the value of their membership in the Russia-led Collective Security Treaty Organization (CSTO), a security alliance established in 1992 that includes Kazakhstan, Kyrgyzstan, and Tajikistan, as well as Armenia and Belarus.⁷³ Under the auspices of the CSTO, member states conduct joint military exercises and training; member states are also able to purchase Russian military equipment at reduced prices. Uzbekistan left the CSTO in 2012, but the country increased security cooperation with Russia under President Shavkat Mirziyoyev, who assumed office in 2016. As part of its constitutionally mandated neutrality policy, Turkmenistan avoids membership in multilateral security organizations. One longtime observer of Central Asia has posited that, in light of the war in Ukraine, the CSTO "seems to be dying" given that "the reasons for not being a CSTO member are increasing."⁷⁴

⁶⁷ Almaz Kumenov, "Kazakhstan Grumbles at Russia Breaking Trade Bloc Rules," *Eurasianet*, April 28, 2021; Oybek Madiyev, "The Eurasian Economic Union: Repaving Central Asia's Road to Russia?" Migration Policy Institute, February 3, 2021; Nurjamal Djanibekova, "Kyrgyzstan, Kazakhstan Border Crises Complicated by Mutual Distrust," *Eurasianet*, February 6, 2020.

⁶⁸ Kataryna Wolczuk, "Myth 10: 'The Eurasian Economic Union is a Genuine and Meaningful Counterpart to the EU,'" in Duncan Allan et al., *Myths and Misconceptions in the Debate on Russia*, Chatham House, May 2021, pp. 63-69.

⁶⁹ See, for example, "Kazakhstan Rejects Proposal to Join Russian Sanctions-Busting Plans," *Eurasianet*, June 7, 2021 and "Kazakh President Warns Against Further Integration of Russia-Led Economic Bloc," *The Moscow Times*, May 25, 2023.

⁷⁰ Evgeny Troitskiy, "The Eurasian Economic Union at Five: Great Expectations and Hard Times," Wilson Center, January 14, 2020.

⁷¹ Kataryna Wolczuk and Rilka Dragneva, "Putin's Eurasian dream may soon become a nightmare," Chatham House, May 3, 2022.

⁷² Catherine Putz, "Can the Eurasian Economic Union Survive Putin?" *The Diplomat*, May 26, 2022.

⁷³ On the CSTO, see CRS Report R46761, *Russia: Foreign Policy and U.S. Relations*, by Andrew S. Bowen and Cory Welt.

⁷⁴ Bruce Pannier, "Central Asia in Focus: October 11, 2022," *RFE/RL*, October 11, 2022.

This turn of events comes shortly after the CSTO's first-ever deployment in support of a member state, when the government of Kazakhstan requested CSTO assistance to respond to a wave of unprecedented unrest in January 2022. At the time, some analysts posited that the CSTO intervention would bolster the organization and potentially undermine Kazakhstan's "multi-vector" foreign policy, increasing the country's dependence on Russia.⁷⁵ Nevertheless, in the wake of Russia's invasion of Ukraine, Kazakhstan has maintained its "diplomatic balancing act," and Kazakhstan's foreign policy has not shifted in favor of Russia.⁷⁶ Kazakhstan's President Kassym-Jomart Tokayev directly rejected speculation that the CSTO intervention rendered him beholden to Moscow.⁷⁷ Since the beginning of the Russian invasion of Ukraine, Kazakhstani officials have repeatedly stated that CSTO forces would not be sent to Ukraine, and that Kazakhstan would only deploy troops to Ukraine as part of a U.N. peacekeeping mission.⁷⁸ Two political scientists who conducted a public opinion survey in Kazakhstan in September characterize popular support for CSTO membership in that country as "weak" and posit that it will decline further.⁷⁹

Some analysts see the CSTO's credibility as undermined by the organization's repeated failure to mitigate armed conflicts between its member states. In September 2022, more than 100 people were killed and more than 100,000 were displaced due to fighting between Kyrgyzstan and Tajikistan that originated along the two countries' largely undelimited border, concurrently with a Shanghai Cooperation Organization Summit at which both the Tajik and Kyrgyz presidents were present, as were Chinese leader Xi Jinping and Russian President Vladimir Putin.⁸⁰ Each side named the other as the instigator of the conflict, and Kyrgyzstan asserted that its territory was invaded by Tajik troops.⁸¹ A similar outbreak of violence along the border occurred during an April 2021 CSTO summit in Tajikistan's capital. Scholars attribute the conflict to domestic factors in Kyrgyzstan and Tajikistan rather than any weakening of Russia's position in the region, but some analysts argue that the war in Ukraine has undermined Russia's ability to serve as a mediator in Central Asia.⁸² The most recent outbreak of violence came after more than 2,000 Russian troops stationed in Tajikistan and Kyrgyzstan were reportedly redeployed to Ukraine.⁸³

⁷⁵ Bruce Pannier, *How Intervention in Kazakhstan Revitalized the CSTO*, Foreign Policy Research Institute, March 2022; Luca Anceschi, "The Week That Changed Kazakhstan Forever," *Open Democracy*, January 6, 2022.

⁷⁶ Christoph P. Mohr, "Kazakhstan's Balancing Act," *International Politics and Society*, March 22, 2022; Aliya Askar, "Kazakh-Russian Relations in the Context of the War in Ukraine," *The Diplomat*, March 7, 2022.

⁷⁷ Joanna Lillis, "Kazakhstan-Russia Frictions over Ukraine War Go Public," *Eurasianet*, June 20, 2022.

⁷⁸ "‘Vopros dazhe ne rassmatrivaetsia’: Minoborony Kazakhstana ob otpravke mirotvortsev v Donbass" ["The issue is not even being considered": The Ministry of Defense of Kazakhstan on sending peacekeepers to Donbass], *Nur.kz*, May 3, 2022; Tamara Vaal, "Voiska ODKB ne budut zadeistvovany v voozuzhennom konflikte mezhdu Rossiei i Ukrainoi—Ashimbaev" [CSTO troops will not be involved in the armed conflict between Russia and Ukraine—Ashimbaev], *Vlast.kz*, February 24, 2022.

⁷⁹ Pauline Jones and Regina Smyth, "The Future of Kazakhstani-Russian Relations: Public Opinion and the CSTO," PONARS Eurasia Policy Memo No. 806, October 2022.

⁸⁰ Danil Usmanov, "Kyrgyzstan-Tajikistan: The Terror and Death of a Fruitless Border Conflict," *Eurasianet*, September 18, 2022; Catherine Putz, "Kyrgyz-Tajik Conflict Escalates Even Though Presidents Met at SCO," *The Diplomat*, September 18, 2022.

⁸¹ "Kyrgyzstan, Tajikistan Border Clash Resumes and Spreads," *Eurasianet*, September 16, 2022; Ayzirek Imanaliyeva, Peter Leonard, and Kamila Ibragimova, "Tens of Thousands Displaced as Tajikistan, Kyrgyzstan Conflict Rages On," *Eurasianet*, September 16, 2022; Aijan Sharshenova, "More Than a 'Border Skirmish' Between Kyrgyzstan and Tajikistan," *The Diplomat*, September 19, 2022; "Video Footage Appears to Implicate Tajikistan," *Eurasianet*, September 17, 2022.

⁸² Asel Doolotkeldieva and Erica Marat, "Why Russia and China Aren't Intervening in Central Asia," *Foreign Policy*, October 4, 2022; Jeffrey Mankoff, "As Russia Reels, Eurasia Roils," *War on the Rocks*, October 11, 2022.

⁸³ Aibek Biybosunov and Kubat Kasymbekov, "Investigation Shows Contractors at Russian Base in Kyrgyzstan (continued...)"

Other observers posit that the Russian invasion of Ukraine has increased the social and economic vulnerability of communities most affected by economic downturns in Kyrgyzstan and Tajikistan, contributing to the escalation of the Kyrgyz-Tajik border conflict.⁸⁴ Some analysts see the lack of CSTO intervention in the Kyrgyzstan-Tajikistan border conflict as a sign of the organization's dysfunction.⁸⁵ Kyrgyzstan withdrew from CSTO military exercises held in Kazakhstan in October and cancelled the portion of the exercises that were set to take place on its territory, in what one observer saw as "a clear demonstration of Moscow's dwindling influence in Central Asia."⁸⁶

Potential Sanctions Evasion

Some observers have raised concerns about the potential for the United States to impose secondary sanctions on Central Asian entities if they are used to circumvent sanctions on Russia, and the resulting economic fallout.⁸⁷ In June 2022, the U.S. Department of Commerce's Bureau of Industry and Security included Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan on a list of countries that serve as "common transshipment points through which restricted or controlled exports have been known to pass before reaching destinations in Russia or Belarus."⁸⁸ The State Department concurrently designated an Uzbekistan-based company for "actively support[ing]" efforts by a Russian entity specializing in procuring foreign items for Russia's defense industry to evade U.S. sanctions.⁸⁹ Alisher Usmanov, an Uzbekistan-born Russian billionaire, was designated by the U.S. Department of the Treasury in March 2022 for his involvement in the technology sector of the Russian economy.⁹⁰ Usmanov reportedly maintains close ties with Uzbekistan's government.⁹¹ In April 2023, Treasury revoked the general license that had authorized transactions involving entities in which Usmanov holds at least a 50% stake and that are not included on Treasury's Specially Designated Nationals and Blocked Persons List.⁹² The State Department concurrently designated a number of companies tied to Usmanov, including an Uzbekistan-based cement producer.⁹³

'Dispatched To Ukraine,'" *RFE/RL*, September 13, 2022; "'Up To 1,500' Russian Troops Redeployed To Ukraine From Tajik Base, Investigation Reveals," *RFE/RL*, September 14, 2022.

⁸⁴ Catherine Putz, "Parviz Mullojonov on the Kyrgyzstan-Tajikistan Border Dispute: What Explains the Dramatic Escalation of Violence Along the Kyrgyz-Tajik Border?" *The Diplomat*, November 1, 2022.

⁸⁵ Hélène Thibault, "L'impact de la guerre en Ukraine en Asie centrale: instabilité, méfiance et perte d'influence russe" [The impact of the war in Ukraine on Central Asia: Instability, mistrust, and loss of Russian influence], *Le Rubicon*, December 14, 2022.

⁸⁶ Ali Koseoglu, "Does the Eurasian Economic Union Have a Place in Central Asia's Future?" *The Diplomat*, December 2, 2022.

⁸⁷ Nizom Khodjayev, "Russia's Sanctions Woes Could Be a Shot in the Arm for Kazakhstan ... or the Kiss of a Dead Man," *bne IntelliNews*, March 29, 2022.

⁸⁸ U.S. Treasury, Financial Crimes Enforcement Network, "FinCEN and the U.S. Department of Commerce's Bureau of Industry and Security Urge Increased Vigilance for Potential Russian and Belarusian Export Control Evasion Attempts," June 28, 2022.

⁸⁹ U.S. Department of State, "Targeting Russia's War Machine, Sanctions Evaders, Military Units Credibly Implicated in Human Rights Abuses, and Russian Federation Officials Involved in Suppression of Dissent," June 28, 2022.

⁹⁰ U.S. Department of the Treasury, "Treasury Sanctions Russians Bankrolling Putin and Russia-Backed Influence Actors," March 3, 2022.

⁹¹ Catherine Putz, "New Ukraine Sanctions Target Business Interests of Russian-Uzbek Billionaire Usmanov," *The Diplomat*, April 14, 2023.

⁹² U.S. Department of the Treasury, "Treasury Targets Russian Financial Facilitators and Sanctions Evaders Around the World," April 12, 2023.

⁹³ U.S. Department of State, "Further Curbing Russia's Efforts to Evade Sanctions and Perpetuate its War against Ukraine," April 12, 2023.

Some analysts view sanctions compliance as a question of economic self-preservation for Central Asia, rather than a means of signaling disapproval of Russia's invasion or support for the West.⁹⁴ Kazakhstan, the world's largest uranium producer, has rerouted exports to avoid Russia in light of sanctions.⁹⁵ Some banks throughout the region have ceased accepting Russian-issued Mir payment cards, and Uzbekistan has suspended the use of Mir cards entirely.⁹⁶ In September 2022, the then-U.S. Ambassador to Uzbekistan stated in press remarks that the government of Uzbekistan "stated very clearly" its intention to comply with sanctions on Russia.⁹⁷ In November 2022 remarks to the press, Kazakhstan's Deputy Minister of Foreign Affairs stated, "our territory has not been used and will not be used for sanctions evasion in any form," adding that, "the principled position of Kazakhstan is that Kazakhstan does not allow its territory to be used to circumvent sanctions."⁹⁸

Reporting indicates that Central Asian countries—particularly Kazakhstan, which shares a lengthy border with Russia—are functioning as a transit route for parallel imports to Russia.⁹⁹ Analysis by *Bloomberg* determined that there was a significant increase in consumer electronics imports to Kazakhstan from the European Union in the first half of 2022, coinciding with an increase in shipments of such products from Kazakhstan to Russia. European officials have reportedly expressed concern that components and microchips from such appliances transiting through Kazakhstan may be being used by Russia for military purposes as a means of circumventing sanctions, although analysts assess that at least some of this spike may represent an "opportunistic" means of meeting Russian consumer demand.¹⁰⁰ The Organized Crime and Corruption Reporting Project additionally found that Russian citizens have established companies in Kazakhstan in order to import sensitive electronics such as drones and microchips.¹⁰¹ Kazakhstan introduced a new system to more closely monitor re-exports in April 2023.¹⁰² The *Financial Times* found that, since February 2022, at least \$1 billion in dual use items—goods with both civil and military application—subject to European Union (EU) export controls likely ended up in Russia under the pretense of shipment from the EU to Armenia, Kazakhstan, and Kyrgyzstan, indicating that Russia is potentially sidestepping sanctions via falsified EU customs declarations.¹⁰³

⁹⁴ Temur Umarov, "Russia and Central Asia: Never Closer, or Drifting Apart?" Carnegie Endowment for International Peace, December 23, 2022.

⁹⁵ Joanna Lillis, "Kazakhstan Moves Uranium Exports through Middle Corridor," *Eurasianet*, January 3, 2023.

⁹⁶ Joanna Lillis, "Kyrgyz Banks Shun Russia's Mir Cards to Avoid Sanctions Contagion," *Eurasianet*, October 18, 2022; "US Sanctions Threat Zaps Russia's Homegrown Mir Cards in Setback," *Bloomberg*, November 22, 2022; Siddharth Venkataramakrishnan and Nastassia Astrasheuskaya, "Russians Search for Bootleg Solutions to Overcome Payments Sanctions," *Financial Times*, April 9, 2023.

⁹⁷ "Uzbekistan Is Set to Comply with Sanctions Against Russia, Says U.S. ambassador," *The Tashkent Times*, September 5, 2022.

⁹⁸ "Kazakhstan ne pozvoliaet ispol'zovat' svoiu territoriu dlia obkhoda sanktsii—MID" [Kazakhstan does not allow its territory to be used to circumvent sanctions—MFA], *KazTAG*, November 30, 2022.

⁹⁹ "Russia's Parallel Imports Hindered by Central Asia Bottleneck," *Eurasianet*, April 10, 2023.

¹⁰⁰ Alberto Nardelli, Bryce Baschuk, and Marc Champion, "Putin Stirs European Worry on Home Appliance Imports Stripped for Arms," *Bloomberg*, October 29, 2022.

¹⁰¹ Maria Zholobova, Benjamin Bidder, Vyacheslav Abramov, and Ilya Lozovsky, "Kazakhstan Has Become a Pathway for the Supply of Russia's War Machine. Here's How It Works," Organized Crime and Corruption Reporting Network, May 19, 2023.

¹⁰² Joanna Lillis, "Kazakhstan Poised to Intensify Vetting of Re-exports to Russia," *Eurasianet*, March 22, 2023; Catherine Putz, "Kazakhstan Moves to Curtail Parallel Trade to Russia," *The Diplomat*, May 10, 2023.

¹⁰³ Chris Cook, Federica Cocco, and Max Seddon, "EU Goods Worth at Least \$1bn Vanish in Russia 'Ghost Trade,'" *Financial Times*, May 10, 2023.

Central Asian Migrants in Russia

Russian authorities have introduced incentives to encourage Central Asian migrants to join the Russian armed forces, including fast-track citizenship and high salaries, and are reportedly attempting to recruit Central Asia's military veterans.¹⁰⁴ Since Russia's February 2022 invasion, the governments of Kyrgyzstan, Tajikistan, Uzbekistan—the three Central Asian countries that send the most labor migrants to Russia—have issued reminders to their citizens that fighting in a foreign war is a criminal offense.¹⁰⁵ Similar legislation exists in Kazakhstan. In addition, religious authorities from the Muslim Board of Uzbekistan issued a statement asserting that Muslims should not participate in armed conflicts except to defend their homeland.¹⁰⁶ Some Central Asian nationals have reportedly been coerced or misled into joining the Russian military.¹⁰⁷ Reported casualties of the conflict include Central Asian nationals, some of whom had become naturalized citizens of Russia, fighting for the Russian military, as well as Central Asian nationals recruited to fight for the Wagner Group, a Russian private military company.¹⁰⁸ Some Central Asians have also reportedly volunteered to fight for Ukraine.¹⁰⁹ The overall number of Central Asians participating in the armed conflict is difficult to determine, although analysts assess that it is likely small, citing dozens of confirmed cases. More Central Asian nationals are estimated to be fighting on the Russian side, likely due to labor migration patterns.¹¹⁰

¹⁰⁴ Christ Rickleton, "Russian Military Eyes Central Asian Recruits Amid Mobilization Drive," *RFE/RL*, September 23, 2022; "Central Asians Targeted in Russia's Desperate Mobilization Drive," *Eurasianet*, October 3, 2022.

¹⁰⁵ Embassy of the Republic of Tajikistan in the Russian Federation, "Vnimanie, uvazhaemye grazhdane Respubliki Tadjikistan!" [Attention, dear citizens of the Republic of Tajikistan!], September 22, 2022; Embassy of the Kyrgyz Republic in the Russian Federation, "Informatsionnoe soobshchenie Posol'stva ot 21 sentiabria 2022 goda" [Embassy announcement dated September 21, 2022], September 21, 2022; "Naemnichestvo i postuplenie na sluzhbu v inostrannye struktury podlezhat ugovolnoi otvetstvennosti – Miniust" [Being a mercenary and entering service in foreign structures are subject to criminal liability – Ministry of Justice], *kun.uz*, March 2, 2022. In May 2023, a Bishkek court sentenced a Kyrgyz citizen to 10 years in prison for fighting for Russian forces in Ukraine. See "Kyrgyz Mercenary Who Fought for Russia in Ukraine Jailed," *Agence France Presse*, May 17, 2023. Kyrgyz authorities have also launched a criminal case against a Kyrgyz citizen who is reportedly leading a Turkic battalion within the Ukrainian armed forces. See Munduzbek Kalykov, "GKNB nachal sledstvie po faktu uchastiia kyrgyzstantsa v voine v Ukraine" [GKNB has begun an investigation into the participation of a Kyrgyzstani in the war in Ukraine], *Kloop*, November 22, 2022.

¹⁰⁶ "Muslim Board of Uzbekistan Calls on Citizens Not to Join the Russian-Ukrainian War," *kun.uz*, September 23, 2022.

¹⁰⁷ Chris Rickleton, "Tricks, Threats, Tragedy: Central Asian Migrants Targeted In Russian Military Mobilization," *RFE/RL*, October 18, 2022; "Central Asians Targeted in Russia's Desperate Mobilization Drive," *Eurasianet*, October 3, 2022; Coleen Wood and Sher Khashimov, "Central Asians in Russia Pressured to Join Moscow's Fight in Ukraine," *The Moscow Times*, March 17, 2022.

¹⁰⁸ Catherine Putz, "Ethnic Central Asians Among Those Killed With the Russian Army in Ukraine," *The Diplomat*, March 25, 2022; Eliza Kenenbaeva, "For Money or a Passport: Many Kyrgyz Fighting Alongside Russians in Ukraine," *RFE/RL*, April 10, 2022; Khadisha Akaeva and Aiiia Reno, "'Veroiatnost', chto eti liudi vernutsia, nevelika, Kak ChVK 'Vagner' verbuet v Kazakhstane i pochemu s etim ne boriutsia?" ["The likelihood that these people will return is low. How does PMC Wagner recruit in Kazakhstan, and why is that not being fought?"], *Radio Azattyq*, April 10, 2023. On the Wagner Group, see CRS In Focus IF12344, *Russia's Wagner Private Military Company (PMC)*, by Andrew S. Bowen.

¹⁰⁹ "Central Asians Fight in Ukraine Eyeing Russian Citizenship," *Institute for War and Peace Reporting*, April 19, 2022.

¹¹⁰ Nurbek Bekmurazev, "Central Asians Fighting in Ukraine Are Both Defending and Attacking It," *Global Voices*, March 23, 2023; Farangis Najibullah, "Central Asians Pressed to Fight in Ukraine with Russian Troops Returning Home in Coffins," *RFE/RL*, February 25, 2023.

In addition to being targeted for military recruitment, Central Asian laborers in Russia are reportedly being hired to work in Russian-occupied eastern Ukraine.¹¹¹ Some analysts posit that the war may increasingly push Central Asian labor migrants toward alternative destinations such as Kazakhstan, South Korea, and the United Kingdom.¹¹² To date, however, migration from Kyrgyzstan, Tajikistan, and Uzbekistan to Russia has remained strong.¹¹³

Russians Fleeing to Central Asia

The war has brought an unprecedented influx of Russian citizens into Central Asia. With the exception of Turkmenistan, Central Asian countries allow Russian nationals visa-free entry and impose few barriers for extended stays, making the region an attractive option for some of those seeking to leave Russia.¹¹⁴ An initial wave of Russian migration to Central Asia shortly after Russia's invasion of Ukraine began comprised largely tech workers and others who could work remotely.¹¹⁵ Some governments, including Kyrgyzstan and Uzbekistan, introduced programs intended to entice Russian tech workers to relocate to their countries.¹¹⁶ A second, larger wave of migrants followed Russia's announcement of "partial mobilization" on September 21, 2022, and included many with fewer financial resources. Between September 21 and October 5, more than 200,000 Russian citizens entered Kazakhstan, which shares a 4,750-mile land border with Russia; an estimated 50,000 entered Uzbekistan in the same period.¹¹⁷ Large-scale travel by Russian citizens to Central Asia continued in the following weeks. While many Russians used Central Asia as a transit point before traveling elsewhere, hundreds of thousands remain in the region.¹¹⁸ Kazakhstan's President Tokayev stated that his government would "ensure their safety."¹¹⁹ Kyrgyzstan's President Sadyr Japarov welcomed the influx of Russians, saying they need not fear extradition.¹²⁰ Similarly, the government of Uzbekistan has indicated that it will not deport Russians fleeing mobilization.¹²¹ Reporting indicates a significant increase in interest from Russians in obtaining citizenship from Central Asian countries such as Kyrgyzstan and Tajikistan.¹²² Kazakhstan deported an officer from Russia's Federal Guard Service for illegally

¹¹¹ Sher Khashimov, "By Sending Migrants to Ukraine, the Kremlin Is Damaging Ties with Central Asia," Carnegie Endowment for International Peace, March 31, 2023.

¹¹² Joanna Lillis, "As Russian Economy Sputters, UK Lures Central Asian Labor Migrants," *Eurasianet*, June 15, 2022.

¹¹³ Catherine Putz, "War and Migration: Central Asian Migrant Worker Flows amid the Ukraine Conflict," *The Diplomat*, May 31, 2023.

¹¹⁴ See Joanna Lillis, "Kazakhstan: New Migration Rules to Hit Russians Fleeing the Draft," *Eurasianet*, January 17, 2023.

¹¹⁵ Ayzirek Imanaliyeva, "Kyrgyzstan Joins the List of Countries Favored by Russia's Emigres," *Eurasianet*, March 18, 2022; "Uzbekistan Lays out the Red Carpet for Fleeing Russian IT Specialists," *Eurasianet*, March 16, 2022.

¹¹⁶ Djoomart Otorbaev, "Central Asia's Bidding War for Russian Emigrants," *Project Syndicate*, October 12, 2022; Kenneth Rapoza, "Techies from Russia, Belarus, Find Solace in Uzbekistan. Can They Attract Western Outsourcers?" *Forbes*, July 3, 2022; Ayzirek Imanaliyeva, "Kyrgyzstan Joins the List of Countries Favored by Russia's Emigres," *Eurasianet*, March 18, 2022.

¹¹⁷ "Why the Exodus of Russians to Central Asia Matters," *The Economist*, October 12, 2022.

¹¹⁸ CRS communication with Kazakh officials, May 2022.

¹¹⁹ "Kazakhstan to Ensure Safety of Russians Fleeing Draft—President," AFP, September 27, 2022.

¹²⁰ Andrew Higgins, "Russians Fleeing the Draft Find an Unlikely Haven," *New York Times*, October 5, 2022.

¹²¹ "Uzbekistan Says It Won't Deport Russians Fleeing Conscription," Reuters, September 30, 2022; "MID vystupil s raz'iasnieniem po ot del'nym voprosam o situatsii vokrug Ukrainy i uvelichenii chisla pribivaiushchikh v Uzbekistan rossiiskikh grazhdan" [The MFA issued an explanation on certain issues related to the situation concerning Ukraine and the increase in the number of Russian citizens arriving in Uzbekistan], *Dunyo*, September 30, 2022.

¹²² Farangis Najibullah, "Russians Getting Kyrgyz Passports as a Way out amid Ongoing Ukraine War," April 4, 2023; Farangis Najibullah, "Private Firms Obtain Kyrgyz Citizenship for Russians Desperate to Escape Homeland," *RFE/RL*, May 30, 2023.

crossing the border in December 2022, and has since denied asylum to at least one Russian military deserter on similar grounds.¹²³ The government of Kyrgyzstan has reportedly pressured Russian activists in order to discourage them from public anti-war activity.¹²⁴

Some analysts argue that Russians relocating to Central Asia boost the region's economies, and that startup hubs in Kazakhstan, Kyrgyzstan, and Uzbekistan are "growing at breakneck speed" thanks to the exodus of IT professionals from Russia.¹²⁵ Other observers see the influx of Russian citizens relocating in response to the war as a "humanitarian crisis in the making" for Central Asia, however, as it places pressure on already strained housing markets.¹²⁶ Both waves of migration brought spikes in rental prices in many Central Asian cities, and some local residents have reportedly been evicted by landlords seeking to extract higher rents from new Russian arrivals.¹²⁷ Some observers also suggest that the influx of thousands of Russians could lead to strains on Central Asia's job markets.¹²⁸ Analysts assess that public opinion among Central Asians is mixed when it comes to Russians fleeing mobilization.¹²⁹ In a November poll conducted in Kazakhstan, 38% of respondents stated they did not support mass migration by Russian citizens to their country, 27% expressed support, and 22% said they were indifferent.¹³⁰

Seeking Alternative Partners

International sanctions on Russia have hampered Central Asian trade, spurring some Central Asian leaders to explore alternative transit routes.¹³¹ Similarly, Central Asian governments have been moving to diversify their security relationships, accelerating a trend that began in the past decade.¹³² Both Turkey and Iran have been actively engaging Central Asian governments on trade and security issues.¹³³ India, Saudi Arabia, the United Arab Emirates have also been ramping up outreach to Central Asia.¹³⁴ During an October 2022 trip to Kazakhstan for the first-ever

¹²³ "Russian's Kazakh Asylum Request Denied, Gets Suspended Sentence for Crossing Border Illegally," *RFE/RL*, May 3, 2023; "FSB Officer Who Sought Asylum In Kazakhstan Jailed In Siberia," *RFE/RL*, March 24, 2023.

¹²⁴ Kamila Eshalieva, "Kyrgyzstan was a safe haven for anti-war Russians. Then things got hostile," *Open Democracy*, April 12, 2023; Nurbek Bekmurazev, "Kyrgyzstan: Exiled Russians facing pressure for anti-war stance," *Eurasianet*, March 13, 2023.

¹²⁵ Aaron Eglitis, "Putin's War Boosts Central Asian Economies as Russians Relocate," *Bloomberg*, May 16, 2023; Katie Marie Davies, "Startup Revolution: Can Central Asia reap the rewards of Russia's IT exodus?" *Meduza*, March 16, 2023.

¹²⁶ Yan Matushevich, "Central Asia Faces a Russian Migrant Crisis," *Foreign Policy*, October 4, 2022.

¹²⁷ Fatima Yerbolek, "Evicted by Putin: Central Asia Renters Forced Out for Russians," *Eurasianet*, November 18, 2022; Joanna Lillis, "Kazakhstan: Rents Rocket as Russian Draft Dodgers Push Up Demand," *Eurasianet*, September 27, 2022.

¹²⁸ "Why the Exodus of Russians to Central Asia Matters," *The Economist*, October 12, 2022.

¹²⁹ Asel Doolotkeldieva, "Russian Draft Dodgers Find Mixed Reception in Central Asia," *Carnegie Endowment for International Peace*, October 19, 2022; Kirill Krivosheev, "Russia's Mass Exodus Is Forcing Its Neighbors to Get Off the Fence," *Carnegie Endowment for International Peace*, October 5, 2022; Yan Matushevich, "Central Asia Faces a Russian Migrant Crisis," *Foreign Policy*, October 4, 2022.

¹³⁰ Demoscope, "What People in Kazakhstan Think About the War in Ukraine," November 30, 2022, available at <https://demos.kz/what-people-in-kazakhstan-think-about-the-war-in-ukraine-2/?lang=en>.

¹³¹ Sophia Nina Burna-Asefi, "Uzbekistan Looks South for New Trade Routes," *The Diplomat*, April 1, 2022.

¹³² See, for example, Bruce Pannier, "Russia's Two Centuries of Central Asia Dominance Are Over," *bne IntelliNews*, October 11, 2022 and Bruce Pannier, "Filling the Geopolitical Void in Central Asia," *Foreign Policy Research Institute*, November 14, 2022.

¹³³ Francisco Olmos, "Busy Times in Iran-Central Asia Relations," June 24, 2022; Bruce Pannier, "Filling the Geopolitical Void in Central Asia," *Foreign Policy Research Institute*, November 14, 2022.

¹³⁴ Bruce Pannier, "Filling the Geopolitical Void in Central Asia," *Foreign Policy Research Institute*, November 14, 2022; Dante Schulz, "How India Can Broaden its Relationships with Central Asia," *The Diplomat*, December 10, 2022.

European Union-Central Asia leaders' summit, European Council President Charles Michel called for increased cooperation between the EU and Central Asia.¹³⁵ Kazakhstan has been pursuing expanding trade across the Caspian Sea via Azerbaijan to Turkey and by rail via Turkmenistan and Iran to Turkey.¹³⁶ The bulk of Kazakhstan's oil is exported by pipeline via Russia, and that route has been interrupted four times since March 2022, in what some analysts see as retaliation for Kazakhstan's refusal to support Russian aggression in Ukraine.¹³⁷ Kazakhstan has begun shipments of oil across the Caspian by barge to Azerbaijan, and plans to continue expanding this export route, although capacity is currently limited by existing infrastructure.¹³⁸ Uzbekistan is seeking to establish transit routes across Afghanistan to Pakistan and Iran, although some observers question the viability of these efforts in light of the security situation.¹³⁹ The war in Ukraine has brought increased interest in the Trans-Caspian International Transport Route, also known as the Middle Corridor, which aims to connect rail freight transport networks in China and the European Union via Central Asia, the Caucasus, and Turkey, bypassing Russia.¹⁴⁰ Some analysts speculate that China will be the primary beneficiary of any distancing between Central Asia and Russia.¹⁴¹

Implications for China's Presence in Central Asia

Geographic proximity binds the People's Republic of China (PRC or China) and Central Asia together, particularly in terms of security and economic development. Since Russia's 2022 invasion of Ukraine, PRC leaders' numerous high-level exchanges (including in-person visits) with Central Asian counterparts suggest Beijing is interested in bolstering ties. PRC leaders attach great importance to regional stability, fearing potential spillover effects of unrest in Afghanistan on the PRC's Xinjiang Uyghur Autonomous Region (XUAR), where the PRC has reportedly adopted repressive policies and committed human rights abuses against religious and ethnic minorities, including Uyghurs, Kazakhs, and Kyrgyz. Although PRC state media entities are active in promoting the Chinese government's official narrative in Central Asia, Central Asian communities have increasingly unfavorable perceptions of China, as measured by the biannual *Central Asia Barometer Survey*.¹⁴² Some analysts attribute the negative turn in opinion to a range of factors, including China's treatment of ethnic and religious minorities; numerous corruption scandals concerning China-based companies involved in China's Belt and Road Initiative (BRI) projects; and rising nationalist sentiment in Central Asian countries.¹⁴³

¹³⁵ European Council, "Remarks by President Charles Michel After His Meeting with President of Kazakhstan Kassym-Jomart Tokayev in Astana," October 27, 2022.

¹³⁶ Paul Bartlett, "Central Asia Looks Beyond Russia's Orbit to Secure Its Future," *Nikkei Asia*, November 15, 2022; Joanna Lillis, "In Turkey, Kazakhstan's President Talks Trade and China Transport," *Eurasianet*, May 11, 2022.

¹³⁷ Almaz Kumenov, "Kazakh Oil Exports Across Russia Interrupted for Fourth Time This Year," *Eurasianet*, August 23, 2022.

¹³⁸ Haley Nelson, "Kazakhstan Sends Second Oil Shipment Across the Caspian Sea to Baku," Caspian Policy Center, March 29, 2023; "Astana zaiavliaet o planakh narastit' ob'em postavok nefi cherez Azerbaidzhan" ["Astana announces plans to increase oil supplies via Azerbaijan"], *Radio Azattyq*, April 10, 2023.

¹³⁹ Sofia Nina Burna-Asefi, "Uzbekistan Looks South for New Trade Routes," *The Diplomat*, April 1, 2022.

¹⁴⁰ Kanat Shaku, "Is the Middle Corridor All It's Cracked Up to Be?" *bne IntelliNews*, October 15, 2022.

¹⁴¹ Keith Bradsher, "In the 'Great Game' of Central Asia, China's Leader Seeks the Advantage," *New York Times*, September 16, 2022.

¹⁴² Elizabeth Woods and Thomas Baker, "Public Opinion on China Waning in Central Asia," *The Diplomat*, May 5, 2022.

¹⁴³ *Ibid.*

Central Asia also is a geographic focus of China's BRI, an effort to boost infrastructure development and economic connectivity—and expand China's influence—around the world. Leaders of all five Central Asian countries joined the BRI, and they have signed cooperation agreements covering economic integration efforts, including in infrastructure and connectivity projects, standards and technical cooperation, and joint development of special economic and trade zones.¹⁴⁴ Some experts see China's economic engagement with Central Asia as being in direct competition with similar Russian initiatives, including the Eurasian Economic Union.¹⁴⁵ Over the longer term, China's efforts to establish stronger trade links with Central Asia and increased regional connectivity could significantly affect regional food and energy trade networks.

Diplomatic Relations

In 2022, China held several high-level exchanges with Central Asian countries that suggest a particular interest in strengthening relations with the region in the aftermath of Russia's invasion. The most important of these exchanges were PRC leader Xi Jinping's state visits to Kazakhstan and Uzbekistan in September 2022, coinciding with the 2022 Summit of the Shanghai Cooperation Organization (SCO)—a Eurasia-based group with members including Kazakhstan, Tajikistan, and Uzbekistan, but also China and Russia (see “Regional Security Cooperation,” below). The two-country tour was Xi's first foreign trip since January 2020. During the trip, Xi met with the five Central Asian presidents,¹⁴⁶ and he indicated China's willingness to strengthen cooperation within the “China+Central Asia” (“C+C5”) mechanism, as well as to work with Central Asia to implement two of Beijing's new policies: the Global Development Initiative (GDI) and the Global Security Initiative (GSI).¹⁴⁷ Announced in September 2021 and April 2022 respectively, the initiatives (while still vague) propose new architectures for global development and security, for which the PRC has sought to rally the support of developing countries.

A number of high-level exchanges with Central Asian leaders preceded President Xi's September 2022 visit. In January 2022, Xi participated in a virtual summit to commemorate the 30th anniversary of diplomatic relations between China and the five Central Asian countries.¹⁴⁸ Then-State Councilor and Foreign Minister Wang Yi's visits to the region in June and August 2022 shortly followed. During his June visit, Wang participated in the third C+C5 Foreign Ministers' Meeting in Kazakhstan, where the six parties agreed to establish a heads of state meeting mechanism for the C+C5 platform and adopted four outcome documents.¹⁴⁹ One of these documents expressed support for a regional version of China's Data Security Cooperation Initiative, which seeks to strengthen coordination on cross-border data flows.¹⁵⁰ China's readout

¹⁴⁴ Fabio Indeo, “China and Russia: Cooperation or Rivalry Along the Belt and Road Initiative?” in *China's Belt and Road Initiative in Central Asia: Ambitions, Risks, and Realities*, OSCE Academy in Bishkek (2020), at https://osce-academy.net/upload/file/BRI_08_07.pdf, p. 8.

¹⁴⁵ Ibid.

¹⁴⁶ During the Summit, Xi also met with a number of other leaders, including Vladimir Putin.

¹⁴⁷ The one exception is Tajikistan, the readout for which did not mention either the Global Development Initiative or the Global Security Initiative. See Foreign Ministry of the PRC, “President Xi Jinping Meets with Tajik President Emomali Rahmon,” September 15, 2022.

¹⁴⁸ Foreign Ministry of the PRC, “Xi Jinping Chairs the Virtual Summit to Commemorate the 30th Anniversary of Diplomatic Relations Between China and Central Asian Countries,” January 25, 2022.

¹⁴⁹ Foreign Ministry of the PRC, “Wang Yi Talks about the Outcomes and Consensus of the Third China+Central Asia Foreign Ministers' Meeting,” June 8, 2022.

¹⁵⁰ Foreign Ministry of the PRC, ““中国+中亚五国”数据安全合作倡议”(“C+C5 Data Security Cooperation Initiative”), June 8, 2022, at https://www.mfa.gov.cn/wjzbhd/202206/t20220609_10700811.shtml.

of the meeting states that all sides agreed to “coordinate positions on the situation in Afghanistan in a timely manner,” but it does not mention Ukraine.¹⁵¹ In May 2023, China held the first in-person C+C5 Summit in Xi’an, bringing together Xi and the five Central Asian presidents.¹⁵² Some observers see the summit as evidence that China is increasingly challenging Russia’s influence in Central Asia in the wake of the invasion of Ukraine.¹⁵³

Regional Security Cooperation

Over the last decade, China’s security presence in Central Asia has increased, as have arms transfers and military-to-military ties, including joint exercises. Security has also been a key theme of some of China’s recent high-level visits to the region. In April 2022, then-PRC Minister of Defense Wei Fenghe visited Kazakhstan and Turkmenistan. The tour included meetings with Kazakh President Tokayev and Turkmen President Berdimuhamedov and their respective defense ministers. During the meetings, the parties discussed strengthening military exchanges and cooperation in “equipment technology” and exchanged views on the situations in Ukraine and Afghanistan.¹⁵⁶

China’s influence on the region’s security architecture may increase if Central Asian countries become increasingly reluctant to engage with Moscow as a security partner. Beijing does not seem to be actively trying to reduce Russia’s role in Central Asia at present. The March 22, 2023 joint statement following Xi’s visit to Russia explicitly noted that China and Russia “are willing to strengthen cooperation, support Central Asian countries in safeguarding their national sovereignty, guaranteeing national development, and opposing external forces’ promotion of ‘color revolutions’ and interference in regional affairs.”¹⁵⁷

The Global Security Initiative

- Unveiled during Xi’s April 2022 speech at the Boao Forum for Asia, the PRC’s Global Security Initiative (GSI) aims to “promote security for all in the world.”¹⁵⁴ Though the exact nature of the Initiative remains largely undefined, Xi’s speech highlighted the importance of “staying committed” to “the vision of common, comprehensive, cooperative and sustainable security”; “respecting the sovereignty and territorial integrity of all countries”; and “taking the legitimate security concerns of all countries seriously” as some of the GSI’s founding principles.
- Notably, Xi’s speech also mentioned upholding the principle of indivisible security—frequently cited by Russia as part of its justifications for invading Ukraine—as one of the main ideas at the heart of the GSI.¹⁵⁵

¹⁵¹ Foreign Ministry of the PRC, “Wang Yi Talks about the Outcomes and Consensus of the Third China+Central Asia Foreign Ministers’ Meeting,” June 8, 2022.

¹⁵² Foreign Ministry of the PRC, “外交部长秦刚就中国外交政策和对外关系回答中外记者提问” (“Foreign Minister Qin Gang Answers Questions from Chinese and Foreign Journalists on China’s Foreign Policy and External Relations”), March 7, 2023. Xi and his Central Asian counterparts attended a virtual summit in 2022 marking the 30th anniversary of diplomatic relations between China and the five Central Asian countries.

¹⁵³ “Xi Invites C. Asian Leaders to First Summit in China,” Agence France Presse, March 21, 2023.

¹⁵⁴ The State Council, “Full Text: President Xi Jinping’s Keynote Speech at the Opening Ceremony of BFA Annual Conference 2022,” April 21, 2022.

¹⁵⁵ For more on the concept on “indivisible security,” see Alexander Graef and Ulrich Kühn, “A Letter From Moscow: (In)divisible Security and Helsinki 2.0,” War on the Rocks, February 14, 2022.

¹⁵⁶ Ministry of National Defense of the PRC, “Turkmen president meets with Chinese defense minister,” April 26, 2022; Ministry of National Defense of the PRC, “Kazakh president, Chinese defense minister agree to strengthen military cooperation,” April 26, 2022.

¹⁵⁷ Foreign Ministry of the PRC, “中华人民共和国和俄罗斯联邦关于深化新时代全面战略协作伙伴关系的联合声明” (“Joint Statement between (continued...)”)

Recent interactions between PRC and Central Asian officials suggest Beijing is focused on shoring up security fundamentals (e.g., military exchanges and counterterrorism cooperation), at least in the short term. This approach allows China to participate in regional security without taking on any new commitments or alienating Russia. At the SCO Summit in 2022, for example, Xi pledged that China “is ready to train 2,000 law enforcement personnel for SCO member states in the next five years, and establish a China-SCO base for training counter-terrorism personnel, so as to enhance capacity-building for law enforcement of SCO member states.”¹⁵⁸

Over the longer term, the PRC has sought to broaden the SCO as a platform for cooperation beyond security. Xi seems to have reaffirmed this intent at the 2022 Summit, when he stated that, “as an important constructive force in international and regional affairs,” the SCO “should keep itself well-positioned in the face of changing international dynamics, [...] strengthen solidarity and cooperation and build a closer SCO community with a shared future.”¹⁵⁹ Over time, PRC leaders may hope to shift security cooperation with Central Asia to China’s nascent GSI, which Beijing pitched to Central Asian governments in June 2022, but which does not include Russia.¹⁶⁰

China–Central Asia Trade and the Belt and Road Initiative

Following the 1991 dissolution of the Soviet Union, China began steadily building trade and economic relationships with each of the Central Asian countries.¹⁶¹ In recent years, analysts have noted that China is eclipsing Russia in terms of its economic presence in the region. According to customs data from China and the five Central Asian countries, China ranked among the top six trading partners of each country and was the largest trading partner of both Kyrgyzstan and Uzbekistan prior to the onset of COVID-19. According to data from China’s General Administration of Customs, in 2021, China exported goods to Central Asia totaling approximately \$29.5 billion in value and imported approximately \$17.4 billion in goods from the region, primarily in the oil and gas, metals, and agricultural sectors. In January 2022, PRC Minister of Commerce Wang Wentao claimed that China’s trade with the region had “grown by more than 100 times in the past 30 years.” Wang also said China would continue to invest in infrastructure and connectivity projects to further deepen ties.¹⁶² During a summit hosted by Chinese leader Xi Jinping in January 2022, Xi announced that China would further open its market to imports from Central Asia with the goal of increasing total trade turnover to \$70 billion between China and the region by 2030.¹⁶³

the People’s Republic of China and the Russian Federation on Deepening the Comprehensive Strategic Partnership of Coordination in the New Era”), March 22, 2023.

¹⁵⁸ The State Council Information Office of the PRC, “Full Text of Xi’s Speech at the SCO Samarkand Summit,” September 17, 2022.

¹⁵⁹ Ibid.

¹⁶⁰ Ministry of Foreign Affairs of the People’s Republic of China, “Wang Yi Attends the Third ‘China + Central Asia’ Foreign Ministers’ Meeting,” June 9, 2022.

¹⁶¹ *China Briefing*, “China and Central Asia: Bilateral Trade Relationships and Future Outlook,” May 20, 2021, at <https://www.china-briefing.com/news/china-and-central-asia-bilateral-trade-relationships-and-future-outlook>.

¹⁶² State Council of the People’s Republic of China, “China-Central Asia Trade Grew by 100 Times over 30 Years,” press release, January 18, 2022, at http://english.www.gov.cn/statecouncil/ministries/202201/18/content_WS61e60de2c6d09c94e48a3cf9.html.

¹⁶³ “Full Text: Remarks by Chinese President Xi Jinping at the Virtual Summit to Commemorate the 30th Anniversary of Diplomatic Relations Between China and Central Asian Countries,” *Xinhua*, January 25, 2022; Almaz Kumenov, “China promises more investment at Central Asia summit,” *Eurasianet*, January 26, 2022.

Table I. Snapshot of China's Trade with Central Asia

Country	Total Imports from C5		Total Exports to C5		Top PRC Import Categories
	2020	2021	2020	2021	
Kazakhstan	\$9,273,669,859	\$9,805,100,650	\$11,703,134,130	\$13,971,277,470	Oil, copper, zinc, base metals
Kyrgyzstan	\$66,041,403	\$34,801,089	\$2,865,365,575	\$7,477,464,298	Precious metals, cotton, aluminum
Tajikistan	\$84,619,584	\$45,293,459	\$1,016,842,189	\$1,685,742,986	Precious metals, cotton, base metals
Turkmenistan	\$8,686,022,768	\$6,071,881,112	\$443,488,588	\$514,491,192	Oil, vegetables, salt, chemicals
Uzbekistan	\$2,180,781,409	\$1,483,308,489	\$5,138,716,239	\$5,896,823,304	Cotton, oil, chemicals, vegetables
C5 Total	\$20,291,135,023	\$17,440,384,799	\$21,167,546,721	\$29,545,799,250	

Source: Congressional Research Service with China Customs data from Trade Data Monitor.

Infrastructure projects have long been a focus of China's investment and financing activities in Central Asia, particularly since the announcement of the BRI. PRC entities have focused heavily on projects that increase connectivity and facilitate trade both within the region and between the region and the PRC. Between 2008 and 2017, China Development Bank and China Ex-Im Bank (China's two major state banks involved in overseas project finance) provided an estimated \$30.5 billion in financing for infrastructure construction and industrial upgrading projects in the C5 countries.¹⁶⁴ Oil and gas pipelines have been a particular focus of China's long-term investment and financial involvement in the region, with several major projects predating the BRI. Turkmenistan, Kazakhstan, and Uzbekistan all ranked among China's top five suppliers of natural gas delivered via pipeline in January-April 2022 according to PRC customs data, though both Uzbekistan and Kazakhstan have announced plans to halt exports within the next five years to meet domestic demand.¹⁶⁵ In the midst of international sanctions in response to Russia's invasion of Ukraine, Kazakhstan's Atasu-Alashankou pipeline continues to be a major artery in oil trade between China and Russia—in February 2022, Russian oil firm Rosneft extended by 10 years a prior agreement to supply China with 200,000 barrels of crude oil per day via the pipeline.¹⁶⁶

China is also mobilizing significant finance and investment in developing new transit corridors and digital infrastructure that could entrench its role in Central Asia's medium-to-long-term economic development. In 2017 and 2020 respectively, Uzbekistan and Tajikistan formally requested to join the Quadrilateral Traffic in Transit agreement (QTTA) between China, Pakistan, Kyrgyzstan, and Kazakhstan, originally signed in 1995 to harmonize customs procedures between the four countries.¹⁶⁷ China and other Central Asian countries have continued to reference the QTTA and its potential touchpoints with other planned economic corridors within the BRI, such as CPEC, as a foundation for further connectivity projects, such as the China-Kyrgyzstan-Uzbekistan (CKU) railway, which is set to begin construction in 2023 pending feasibility

¹⁶⁴ Rebecca Ray et al., "Geolocated Dataset of Chinese Overseas Development Finance," *Scientific Data* 8, 241 (2021), at <https://doi.org/10.1038/s41597-021-01021-7/>.

¹⁶⁵ Joanna Lillis, "Uzbekistan Resumes Gas Exports to China," *Eurasianet*, May 23, 2022.

¹⁶⁶ "Russia's Rosneft Agrees 100 mln T Oil Supply Deal with CNPC," *Reuters*, February 4, 2022.

¹⁶⁷ Mubarak Zeb Khan, "Uzbekistan Looks to Pakistani Ports," *Dawn*, May 8, 2020.

studies.¹⁶⁸ Chinese firms are also involved in building out various components of digital infrastructure grids in Central Asian countries, with projects including local surveillance networks, cloud storage and computing facilities, and “smart city” projects, including a planned \$1 billion investment in Uzbekistan’s digital infrastructure and a major smart city platform in Tashkent.¹⁶⁹

Although China’s involvement in the region is significant and appears to be accomplishing stated PRC objectives of deepening China’s trade with and economic development role in the region, some experts have noted signs of deepening suspicion of and potential hostility toward certain forms of PRC economic involvement in the region, which some local interest groups view as predatory. Data collected by the Oxus Society for Central Asian Affairs on protests and labor disruptions in the region recorded a total of 158 demonstrations related to PRC projects in the region between September 2019 and May 2021 and some of these protests were attributed to fears that the projects would result in land seizures or job losses among local workers.¹⁷⁰ Other experts have highlighted recent efforts by PRC firms to increase the degree of localization in their Central Asian operations in response to backlash against PRC-funded projects. Such backlash may indicate a strategic opportunity for U.S. engagement in the region to offer an alternative to PRC-funded development projects.¹⁷¹

Issues for Congress

Some analysts assess that Eurasia’s shifting geopolitics in the wake of the war present new opportunities for U.S. engagement with Central Asia. Congress might consider various avenues—including trade, energy, minerals, regional connectivity, security cooperation, and media freedom—for developing bilateral and multilateral relations with regional countries.

Trade

U.S. trade with Central Asia remains limited. With the exception of Kyrgyzstan, Central Asian countries are governed by Section 402 of the Trade Act of 1974 (P.L. 93-618), the so-called Jackson-Vanik amendment. This section denies normal trade relations (NTR) status to some current and former nonmarket economy countries unless they adhere to certain freedom-of-emigration requirements. Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan receive temporary NTR status under a provision of the amendment that allows the President to extend NTR status to a country affected by the amendment by either waiving the freedom-of-emigration requirements or determining that the country is not in violation of the amendment’s provisions, subject to annual review. A complete lifting of the Jackson-Vanik requirements would require Congress to pass relevant legislation. Legislation that would have exempted Kazakhstan, Tajikistan, and Uzbekistan was introduced in previous Congresses but did not make it out of

¹⁶⁸ *Global Times*, “China-Kyrgyzstan-Uzbekistan Railway to Start Construction in 2023: Kyrgyz President Tells Local Media,” June 2, 2022.

¹⁶⁹ *Australian Strategic Policy Institute*, “Mapping China’s Tech Giants,” last updated June 2021, at <https://chinatechmap.aspi.org.au/#/map/f1-Kyrgyzstan,f1-Kazakhstan,f1-Tajikistan,f1-Turkmenistan,f1-Uzbekistan>.

¹⁷⁰ Oxus Society for Central Asian Affairs, “Central Asia Protest Tracker,” accessed June 7, 2022, at <https://oxussociety.org/viz/protest-tracker/>.

¹⁷¹ Dirk Van Der Kley and Niva Yau, “How Central Asians Pushed Chinese Firms to Localize,” *Carnegie Endowment for International Peace*, October 15, 2021, at <https://carnegieendowment.org/2021/10/15/how-central-asians-pushed-chinese-firms-to-localize-pub-85561>.

committee.¹⁷² The Biden Administration supports lifting Jackson-Vanik for those three countries.¹⁷³ H.R. 1755 and H.R. 3611, introduced in the 118th Congress, would authorize the President to determine that Jackson-Vanik should no longer apply to Uzbekistan and Kazakhstan, respectively, and to extend permanent normal trade relations to those countries.

The Biden Administration seeks to address the war's economic reverberations in Central Asia through the Economic Resilience in Central Asia Initiative (ERICEN), launched in September 2022. Using \$50 million in FY2022 and FY2023 funding, ERICEN aims to diversify trade routes, increase shipping capacity, and enhance Trans-Caspian infrastructure, in addition to bolstering the private sector (including by facilitating the movement of Western multinational companies to Central Asia) and providing training and education opportunities.¹⁷⁴ In the assessment of one analyst, despite its small scale, "ERICEN lays the groundwork for prosperous trade relations and business partnerships" and "can emphasize U.S. comparative advantages in terms of international standards that bring greater long-term benefits" as compared to Chinese investment.¹⁷⁵ Others have criticized ERICEN as too modest in size, with one scholar terming it "not a very serious gesture" due to the fact that "\$50 million is insignificant compared to what other powers are bringing in."¹⁷⁶ Congress could consider whether to appropriate additional funding for the initiative.

Energy

Because Kazakhstan, Turkmenistan, and Uzbekistan produce significant volumes of natural gas, some analysts in the United States and the European Union have argued that these countries represent a potential alternative to Russian natural gas for the European market.¹⁷⁷ To date, Central Asian and European countries have not traded gas directly. The proposed Trans-Caspian Gas Pipeline would enable Turkmenistan to supply gas to European markets, but this project has been hampered by opposition from Russia and Iran, as well as by unresolved questions concerning the delimitation of Caspian seabed rights.¹⁷⁸ Azerbaijan has begun exports of Caspian natural gas to Europe, and in January 2021 the governments of Azerbaijan and Turkmenistan signed an agreement to jointly develop a previously disputed gas field on their maritime border, potentially facilitating future gas exports from Turkmenistan to Europe.¹⁷⁹ In July 2022, Turkey announced that it is exploring avenues for supplying gas to its Trans-Anatolian Natural Gas Pipeline (TANAP), which runs from northeastern Turkey to the border with Greece, from

¹⁷² These bills include: 117th Congress: H.R. 1913 (Uzbekistan), H.R. 5544 (Kazakhstan), H.R. 9322 (Kazakhstan, Tajikistan, and Uzbekistan); 115th Congress: H.R. 4067 (Kazakhstan); 114th Congress: H.R. 3400 (Kazakhstan, Tajikistan, and Uzbekistan), H.R. 4219 (Kazakhstan), S. 3413 (Kazakhstan); 112th Congress: H.R. 1102 (Kazakhstan); 111th Congress: H.R. 876 (Kazakhstan), H.R. 2631 (Kazakhstan), S. 282 (Kazakhstan); 110th Congress: H.R. 2415 (Kazakhstan), S. 2562 (Kazakhstan); 109th Congress: H.R. 4004 (Kazakhstan); 108th Congress: H.R. 3708 (Kazakhstan); 107th Congress: H.R. 1318 (Kazakhstan), H.R. 3979 (Uzbekistan), S. 168 (Kazakhstan).

¹⁷³ "Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism Holds Hearing on Central Asia," *Congressional Quarterly*, March 8, 2023.

¹⁷⁴ U.S. Department of State, "Economic Resilience in Central Asia Initiative," February 28, 2023.

¹⁷⁵ Haley Nelson, "The U.S. Confronts China's Long Game in Central Asia: How the U.S. is Addressing the Implications of China's BRI," Caspian Policy Center, March 6, 2023.

¹⁷⁶ Navbahor Imamova, "Blinken's Central Asia Visit Raises Questions on US Role, Assistance," *VOA News*, March 2, 2023.

¹⁷⁷ See CRS Report R42405, *European Energy Security: Options for EU Natural Gas Diversification*, coordinated by Michael Ratner.

¹⁷⁸ *Ibid.*

¹⁷⁹ David O'Byrne, "Azerbaijan and Turkmenistan Agreement Advances Caspian Gas Cooperation," *Eurasianet*, January 22, 2021.

Turkmenistan via Azerbaijan.¹⁸⁰ Congress could consider how the United States might promote the development of gas supplies from Central Asia to Europe. Although they are gas producers, Kazakhstan, Turkmenistan, and Uzbekistan have each experienced domestic energy crises in recent winters due to increased domestic demand combined with infrastructural deficiencies.

Promoting energy security within Central Asia, including by supporting a transition to renewable energy sources, is a stated goal of U.S. policy in the region.¹⁸¹ Congress could consider whether existing programs are effective, and whether and how they should potentially be expanded. Central Asian countries have significant potential to develop wind, solar, and hydropower energy sources. In recent years, some Central Asian governments have committed to diversifying toward renewable energy. Both Uzbekistan and Kazakhstan have initiated solar energy projects with Chinese and European investors.¹⁸² Central Asia's water resources give some countries in the region "immense" hydropower potential, but they also serve as a potential source of conflict given downstream countries' dependence on the region's rivers for irrigation.¹⁸³ Although Central Asian countries have made some progress in resolving recurrent disagreements over the management of water resources, access to water continues to be a focal point of intermittent cross-border disputes.¹⁸⁴ Some analysts argue that climate change will lead to additional stress on Central Asia's water resources, heightening the potential for conflict.¹⁸⁵

Minerals

Central Asia is rich in mineral deposits, including rare earth elements and rare metals. The U.S. Geological Survey assesses that, in addition to substantial known deposits, Central Asia may have "considerable undiscovered resources."¹⁸⁶ Scholars assess that Central Asian countries have mineable resources of most of the critical materials necessary for clean energy technologies and that, thanks to the diversity of the region's mineral base, Central Asia is "likely to become a new hotspot for mineral extraction."¹⁸⁷ Some analysts argue that Central Asia could serve as a significant source of rare earths, particularly for countries seeking to diversify their imports away from China, but cite legislation and investment climates unfavorable to foreign mining companies and a lack of up-to-date geological maps as factors hampering development.¹⁸⁸ Some Members of Congress have expressed interest in Central Asia as a source of rare earth elements and rare metals for the United States, suggesting that the United States assist Central Asian countries in

¹⁸⁰ David O'Byrne, "Turkey looking to transit Turkmen gas via Azerbaijan," *Eurasianet*, July 5, 2022.

¹⁸¹ See, for example, U.S. Department of State, Bureau of South and Central Asian Affairs, "United States Strategy for Central Asia 2019-2025: Advancing Sovereignty and Economic Prosperity (Overview)," February 5, 2020, and U.S. Agency for International Development, "USAID Power Central Asia," at <https://www.usaid.gov/central-asia-regional/fact-sheets/usaid-power-central-asia>.

¹⁸² Niva Yau, "Chinese Solar Investments in Central Asia: A Snapshot," *Eurasianet*, October 15, 2020.

¹⁸³ International Hydropower Association, "Region Profile: South and Central Asia," at <https://www.hydropower.org/region-profiles/south-and-central-asia> and Bruce Pannier, "Hydropower a Hot Topic in Central Asia, and Not Just from the Usual Suspects," *RFE/RL*, June 19, 2017. On the hydropower potential of individual Central Asian countries, see Bahtiyor Eschchanov et al., "Hydropower Potential of the Central Asian Countries," *Central Asian Regional Data Review* 19 (2019): 1-7.

¹⁸⁴ Alima Dalbaeva, "End the Weaponisation of Water in Central Asia," International Crisis Group, March 15, 2018.

¹⁸⁵ Khamza Sharifzoda, "Climate Change: An Omitted Security Threat in Central Asia," *The Diplomat*, July 22, 2019; and World Economic Forum, "Climate Change Is Threatening Security in Central Asia," January 25, 2019.

¹⁸⁶ U.S. Geological Survey, "Rare Earth Element and Rare Metal Inventory of Central Asia," March 2018.

¹⁸⁷ Roman Vakulchuk and Indra Overland, "Central Asia is a missing link in analyses of critical materials for the global clean energy transition," *One Earth* vol. 4, issue 12, December 2021: 1678-1692.

¹⁸⁸ Robert Cekuta et al., *Sourcing Rare Earth Minerals in Central Asia*, Caspian Policy Center, June 2022.

conducting surveys and encourage investment by U.S. private sector companies.¹⁸⁹ In March 2023, the U.S. Geological Survey signed a memorandum of understanding with Kazakhstan's Ministry of Industry and Infrastructural Development on scientific and technical cooperation, including developing new mineral maps.¹⁹⁰

Regional Connectivity

Promoting regional connectivity has long been a U.S. policy priority in Central Asia, and the United States has funded projects promoting regional cooperation in a range of areas. Since 2015, U.S. bilateral relationships in the region have been complemented by the C5+1 diplomatic platform, which provides a forum for the United States and the five Central Asian countries to address common challenges they face in areas such as security, economic connectivity, and environmental vulnerabilities. Some analysts suggest that regional connectivity in Central Asia has taken on added significance in light of the war in Ukraine. In his March 2023 testimony before the Senate Foreign Relations Subcommittee on the Near East, South Asia, Central Asia, and Counterterrorism, Assistant Secretary of State for South and Central Asia Donald Lu stated that furthering regional connectivity would grant Central Asian countries “options that enable them to stand firm in the face of malign influence.”¹⁹¹ For instance, greater regional connectivity could bolster Central Asia's energy security and decrease its dependence on Russian natural gas, as well as facilitate trade via routes that bypass Russia. Congress could consider how Central Asian regional connectivity aligns with broader U.S. interests in light of the war, and how U.S. programs could support connectivity within Central Asia in a new geopolitical context. Congress could consider, for instance, whether to appropriate additional funding for the Biden Administration's ERICEN initiative in order to bolster connectivity within Central Asia.

Security Cooperation

In his March 2023 testimony before the Senate Foreign Relations Subcommittee on the Near East, South Asia, Central Asia, and Counterterrorism, Assistant Secretary of State for South and Central Asia Donald Lu stated that the war in Ukraine has created new opportunities for security cooperation between the United States and Central Asia, noting Central Asian countries' desires to diversify the sourcing of their defense equipment away from Russia as well as the success of the National Guard's State Partnership Program (SPP) in the region.¹⁹² Through the SPP, four of the five Central Asian countries are paired with U.S. states (Kazakhstan-Arizona, Kyrgyzstan-Montana, Tajikistan-Virginia, and Uzbekistan-Mississippi), developing military-to-military contacts and receiving training in areas such as counterterrorism and disaster preparedness. Turkmenistan previously partnered with Nevada from 1996 to 2011.¹⁹³ In September 2022, Turkmenistan's Minister of Foreign Affairs met with the Commander of the Montana National Guard to discuss the resumption of Turkmenistan's participation in the SPP, and the two sides

¹⁸⁹ “Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism Holds Hearing on Central Asia,” *Congressional Quarterly*, March 8, 2023.

¹⁹⁰ “Kazakhstan and US Discuss Cooperation in Field of Geology,” *El.kz*, March 1, 2023; Kazakh Embassy DC, March 2, 2023, tweet, available at <https://twitter.com/KazakhEmbassy/status/1631269272121929728>; “Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism Holds Hearing on Central Asia,” *Congressional Quarterly*, March 8, 2023.

¹⁹¹ “Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism Holds Hearing on Central Asia,” *Congressional Quarterly*, March 8, 2023.

¹⁹² *Ibid.*

¹⁹³ U.S. Department of State, Bureau of Political-Military Affairs, “U.S. Security Cooperation with Central Asia,” May 19, 2021.

“expressed their readiness to further develop and strengthen military cooperation with the United States in accordance with the norms of the Constitution of Turkmenistan,” which mandates neutrality as the basis of the country’s foreign policy.¹⁹⁴ Some scholars and U.S. officials have identified training and professional military education as areas of opportunity for expanding security cooperation between the United States and Central Asian countries.¹⁹⁵ Congress might consider how to take advantage of new opportunities for engagement with Central Asian countries in the security sphere, whether by funding new programs or examining the effectiveness of existing programs.

Nonproliferation has historically been a major area of U.S. engagement with Central Asia, particularly with Kazakhstan.¹⁹⁶ Following Russia’s 2022 invasion of Ukraine, one Kazakh official cited Senate ratification of the negative security assurance protocol of the Central Asian Nuclear-Weapon-Free Zone (CANWFZ) treaty as an example of “low-hanging fruit” that would demonstrate U.S. commitment to developing relations with Central Asia, noting that the institutionalization of the CANWFZ has gained new strategic meaning.¹⁹⁷ The CANWFZ treaty, which entered into force in 2009, prohibits the production, acquisition, stationing, storage, or use of nuclear weapons on the territory of the five Central Asian states. Like other nuclear-weapon-free zone treaties, CANWFZ includes a protocol to be signed and ratified by the five nuclear weapon states (the United States, China, France, Russia, and the United Kingdom), pledging that they will not use or threaten to use nuclear weapons against the countries in the zone, also called negative security assurances.¹⁹⁸ The United States signed the CANWFZ protocol in 2014. President Barack Obama sent it to the Senate for its advice and consent for ratification in 2015, stating, “ratification of the Protocol is in the best interest of the United States, as it will enhance U.S. security by furthering our objective of preventing the proliferation of nuclear weapons [and] strengthen our relations with the states and the people of Central Asia.”¹⁹⁹ China, France, Russia, and the United Kingdom have ratified the CANWFZ protocol.²⁰⁰ One expert argues that negative security assurances, similar to those in the NWFZ protocols, have become increasingly significant

¹⁹⁴ Ministry of Foreign Affairs of Turkmenistan, “A Meeting with the Adjutant General of the State of Montana on Military Issues Was Held at the MFA of Turkmenistan,” available at <https://www.mfa.gov.tm/en/news/3357>. Turkmenistan previously partnered with Nevada from 1996 to 2011.

¹⁹⁵ Erica Marat, “China’s Expanding Military Education Diplomacy in Central Asia,” PONARS Eurasia, April 19, 2021; Karoun Demirjian, “U.S. Works to Scale up Intelligence Networks in Central Asia,” *Washington Post*, June 21, 2022.

¹⁹⁶ See, for example, Togzhan Kassenova, “Project Sapphire: How to Keep 600 Kilograms of Kazakh Highly Enriched Uranium Safe,” *War on the Rocks*, April 1, 2022, National Nuclear Security Administration, “Top NNSA Leaders Visit Kazakhstan, Discuss Continued Security, Nuclear Nonproliferation Cooperation,” October 14, 2022.

¹⁹⁷ Remarks by Kazakh Ambassador Yerzhan Ashikbayev at the Kennan Institute, May 2, 2023, available at <https://www.wilsoncenter.org/event/future-central-asias-development-between-russia-and-china>.

¹⁹⁸ United Nations Office of Disarmament Affairs, *Treaty on a Nuclear-Weapon-Free-Zone in Central Asia (CANWFZ)*, available at <https://treaties.unoda.org/t/canwfz>. See also CRS Report RL33865, *Arms Control and Nonproliferation: A Catalog of Treaties and Agreements*, by Paul K. Kerr and Mary Beth D. Nikitin.

¹⁹⁹ U.S. Senate, “Message from the President of the United States Transmitting the Protocol to the Treaty on a Nuclear-Weapon-Free Zone in Central Asia, Signed at New York on May 6, 2014,” 114th Congress, 1st Session, Treaty Doc. 114-2, 2015.

²⁰⁰ See United Nations Office for Disarmament Affairs, “Protocol to the Treaty on a Nuclear-Weapon-Free Zone in Central Asia,” at https://treaties.unoda.org/t/canwfz_protocol. The United States has similarly signed but not ratified Protocols to the African and South Pacific NWFZ treaties. All three remain on the Senate calendar. The United States ratified the protocols to the Latin American NWFZ. See United Nations Platform for Nuclear-Weapon-Free Zones, “Protocols to the Nuclear-Weapon-Free-Zone Treaties,” at <https://www.un.org/nwzf/content/protocols-nuclear-weapon-free-zone-treaties> and CRS Report RL33865, *Arms Control and Nonproliferation: A Catalog of Treaties and Agreements*, by Paul K. Kerr and Mary Beth D. Nikitin.

in light of Russia's invasion of Ukraine.²⁰¹ The Biden Administration supports the ratification of the CANWFZ protocol.²⁰²

Media Freedom and Combatting Disinformation

Central Asia is a challenging environment for press freedom. Although Kyrgyzstan has long had the freest media in the region, analysts note increasing government pressure on independent outlets, including a 2021 law on “false information” that enables authorities to block access to websites publishing information deemed to be “inaccurate.”²⁰³ Some Members of Congress have expressed concern about “recent regressions in press freedom in the Kyrgyz Republic,” citing the government’s crackdown on independent media, particularly Radio Free Europe/Radio Liberty’s Kyrgyz Service, and reports of threats of violence against journalists.²⁰⁴ In Kazakhstan, several incidents of violence against journalists in January 2023 drew expressions of concern from the United States and other governments.²⁰⁵ Independent journalists have criticized proposed changes to legislation regulating Kazakhstan’s media, unveiled in January 2023 and officially geared toward bolstering the country’s information security in light of the global geopolitical situation, as introducing new means of censorship.²⁰⁶ Uzbekistan’s President Shavkat Mirziyoyev has stated his support for press freedom, but journalists in the country note “hidden but strict” censorship.²⁰⁷ Reporters Without Borders describes increasing government repression of independent media in Tajikistan, which ranks 152nd out of 180 countries in the organization’s 2022 World Press Freedom Index. Turkmenistan, considered one of the world’s most repressive countries, ranks 177th.²⁰⁸ At the same time, Russian media outlets remain a major source of international news throughout Central Asia.²⁰⁹ Some scholars express concern that this renders Central Asian populations vulnerable to Russian propaganda and disinformation.²¹⁰ Congress might consider options for supporting media freedom and combatting disinformation in Central Asia, whether by drawing attention to instances of pressure on independent media or expanding programming in this area.

²⁰¹ Francesca Giovannini, “Negative Security Assurances After Russia’s Invasion of Ukraine,” *Arms Control Today*, July/August 2022, at <https://www.armscontrol.org/act/2022-07/features/negative-security-assurances-after-russias-invasion-ukraine/>.

²⁰² U.S. Mission to International Organizations in Geneva, “Ambassador Bruce Turner’s Remarks to the Conference on Disarmament on Nuclear Weapon Free Zones,” January 31, 2023.

²⁰³ Catherine Putz, “Kyrgyzstan’s Media Under Pressure,” *The Diplomat*, February 7, 2023; Catherine Putz, “Will Kyrgyzstan’s ‘False Information’ Law Threaten Free Speech?” *The Diplomat*, August 26, 2021.

²⁰⁴ Senate Foreign Relations Committee, “Menendez, Risch Condemn Kyrgyz Republic’s Crackdown on RFE/RL, Other Independent Media,” January 20, 2023.

²⁰⁵ U.S. Embassy to Kazakhstan, January 20, 2023, tweet, available at <https://twitter.com/USEmbassyKAZ/status/1616394959665483778>; and Delegation of the European Union to the Republic of Kazakhstan, “Local EU Statement on Recent Attacks on Independent Journalists in Kazakhstan,” January 20, 2023; British Embassy Astana, January 20, 2023, tweet, available at <https://twitter.com/UKinKZ/status/161639114491133953>. See also Dmitriy Mazorenko and Paolo Sorbello, “Against Journalists, Violence Without Borders in Kazakhstan,” *Global Voices*, March 9, 2023.

²⁰⁶ Almaz Kumenov, “Kazakhstan: Wary Media See Peril in Government Attempt to Combat Fake News,” *Eurasianet*, March 3, 2023.

²⁰⁷ “Uzbekistan: Plea for Greater Press Freedoms Greeted with Rebukes and Silence,” *Eurasianet*, March 9, 2023.

²⁰⁸ Reporters Without Borders, “Tajikistan,” available at <https://rsf.org/en/country/tajikistan>; Reporters Without Borders, “Turkmenistan,” available at <https://rsf.org/en/country/turkmenistan>.

²⁰⁹ Central Asia Barometer, “Russia-Ukraine War: Public Opinion in Central Asia,” available at <https://ca-barometer.org/assets/files/froala/f67ac6f34d17e7e3b51e3be30aedb9ffe60d9ae9.pdf>.

²¹⁰ “Central Asia’s Vulnerability to Russian Propaganda,” Institute for War and Peace Reporting, December 13, 2022.

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