



**China-Eurasia
Forum**



April/May 2004

The *CEF Monthly* is the monthly newsletter of the China-Eurasia Forum, and can be viewed online at

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The *CEF Monthly* contains featured analysis on China-Eurasia relations, a summary of recent events in the region, links to relevant articles from other publications, and new public documents.

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Matthew Oresman
Editor

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SPECIAL NOTE

This month we are fortunate to have the contribution of Hu Jian, Deputy Director of the Center for Shanghai Cooperation Organization Studies at the Shanghai Academy of Social Sciences (SASS). His article, along with that of CEF Director Matthew Oresman, reprises their recent presentations at the March 13th SASS seminar on “The Possibility for Sino-U.S. cooperation in Central Asia.”

You will note that the “Regional security, counterterrorism, and law enforcement” of the news summary sections offers an interesting snapshot of the level of aid being given by the major external powers in Central Asia and the impact that aid might have on their regional standing.

Lastly, Matthew Oresman became one of the first Americans to visit the Shanghai Cooperation Organization Secretariat in Beijing. Mr. Oresman, along with Dr. Bates Gill, the Freeman Chair in China Studies at the

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Center for Strategic and International Studies (CSIS) and a Senior Advisor to the China-Eurasia Forum met with Secretary-General Zhang Deguang. Mr. Oresman also traveled to Uzbekistan in May, becoming the first American scholar to meet with Vyacheslav Kasymov, the Executive Director of the SCO Regional Antiterrorism Structure, and his staff in Tashkent.

NEW THIS MONTH ON THE WEBSITE

Please visit <http://www.chinaeurasia.org/LinksandPapers.html> for new links:

- The Shanghai Cooperation Organization
<http://www.sectsc.org/>
- The Shanghai Cooperation Organization's Regional Anti-Terrorism Structure
<http://www.ecrats.com/>
- China's Ministry of Foreign Affairs - Shanghai Cooperation Organization
<http://www.fmprc.gov.cn/eng/topics/sco/>
- Australian National University Asian Studies
<http://coombs.anu.edu.au/asia-www-monitor.html>
- Middle East and Central Asian Studies Bibliographies
<http://www.nisc.com/factsheets/qmcs.asp>
- US House of Representative Committee on Energy and Commerce:
Hearing on U.S.-China Trade: Preparations for the Joint
Commission on Commerce and Trade
<http://energycommerce.house.gov/108/Hearings/03312004hearing1239/hearing.htm>
- Center for Russia, East Europe, and Central Asia (University of Wisconsin - Madison)
<http://www.wisc.edu/creeca/>
- Central Eurasian Studies (University of Indiana - Bloomington)
<http://www.indiana.edu/~ceus/>

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- Russian, East European, and Central Asian Studies Center
<http://depts.washington.edu/reecas/>
- Institute for the Transregional Study of the Contemporary Middle East, North Africa, and Central Asia
<http://www.wws.princeton.edu/~transreg/index.html>
- Slavic-Eurasian Studies (Hokkaido University)
<http://src-home.slav.hokudai.ac.jp/coe21/>
- Association for the Study of Nationalities (Columbia University)
- <http://www.nationalities.org/default.asp>
- Centre of Contemporary Central Asia and the Caucasus (School of Oriental and African Studies)
<http://www.soas.ac.uk/centres/centreinfo.cfm?navid=5>
- Central Asia in US Strategy and Operational Planning (IFPA Report)
<http://www.ifpa.org/publications/centralasia-SR.htm>
- Developing China's Natural Gas Market: The Energy Policy Challenges (IEA report)
<http://library.iea.org/dbtw-wpd/Textbase/nppdf/stud/02/chinagas.pdf>

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FROM THE CHINA-EURASIA FORUM:

- 1A) China Brief: Central Asia as the New Arena in U.S.-Sino Relations
- 1B) Foreign Policy: Catching the Shanghai Spirit

SELECTED ARTICLES FROM OTHER PUBLICATIONS

- 2) *New York Times*: China Moves Toward Another West: Central Asia
- 3) *IWPR*: Will US Policy Backfire In Central Asia?
- 4) *Washington Post*: 1,500-Mile Oil Pipeline Fading Fast for China
- 5A) *Asia Times*: Xinjiang and China's Strategy in Central Asia
- 5B) *Asia Times*: Uzbekistan: Implications for China, Xinjiang
- 6) *Asia Times*: The growth of Radical Islam in Central Asia: Recent Reports
- 7) *Wall Street Journal*: Asia's Energy Insecurity Is a Dilemma for the U.S.
- 8) *Asian Wall Street Journal*: Beijing's Energy Obsession
- 9) *People's Daily*: Chances for a Breakthrough of Sino-Russian Trade
- 10) *IWPR*: Protests Against Chinese Traders
- 11) *Pacific Forum*: Russia-China: Presidential Politicking and Proactive Posturing
- 12) *Xinhua*: Russia to Keep Energy Program Promises to China
- 13) *Oil and Gas Journal*: EIA: China, US Dominate Future Long-term Oil Demand Growth
- 14) *Gulf News Online*: Oil-thirsty China Sets Sights on Gulf
- 15A) *In the National Interest*: Book Review: The New Russian Diplomacy. By Igor S. Ivanov
- 15B) *In the National Interest*: Book Review: A World Challenged: Fighting Terrorism in the Twenty-First Century. By Yevgeny M. Primakov
- 16) *Asia Times*: New life for Asia's 21st Century Silk Road
- 17) *People's Daily*: Oil security: A top Priority for China
- 18) *Economist*: China and Japan: In the Pipeline
- 19) *Asia Times*: Plans for Tajikistan Unraveling
- 20) *PacNet*: China's Rising Soft Power in Southeast Asia
- 21) *New York Times*: Despite State Controls, Faiths Take Root

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- 22) *Central Asia - Caucasus Analyst*: Is Foreign Presence In Kyrgyzstan Negatively Affecting Regional Cooperation In Central Asia?
- 23) *AP*: U.S. Set for Long Haul in Afghanistan
- 24) *China Brief*: China's Post 9/11 Terrorism Strategy
- 25) *Asia Times*: SCO: Divided in Unity
- 26) *Times of Central Asia*: Chinese Economy is Moving West
- 27) *Times of Central Asia*: Eurasian Countries Need Transcontinental Transit Routes
- 28) *RFE/RL*: Central Asia: Strapped For Energy Resources, China and India Look for Alternatives
- 29) *Asia Times*: Why Terrorism Bypasses China's Far West
- 30) *Asia Times*: Sino-Saudi Ties: Oil, Gas, Bauxite ... Then Arms?
- 31) *KAZINFROM*: Potential opportunities of our cooperation has not exhausted yet, Chinese ambassador

SPECIAL SECTION ON ARTICLE RELATED TO RECENT ATTACKS IN UZBEKISTAN:

- 32) *RFE/RL*: Terror In Uzbekistan: Preliminary Conclusions
- 33) *RFE/RL*: Terror In Uzbekistan: The Aftermath And
Other Views
- 34) *AP*: Uzbek Violence Spotlights Central Asia
- 35) *Asia Times*: Terrorism's Eastward Expansion: Uzbekistan
- 36) *Yale Global*: Third Front in the War on Terrorism?
- 37) *Wall Street Journal Europe*: Central Asia's Failing State

SELECTED PUBLIC STATEMENTS:

From *Patterns of Global Terrorism 2003*, April 2004, U.S
Department of State



ANALYSIS

Engaging China in Central Asia

By Matthew Oresman
Director, China-Eurasia Forum

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(The author welcomes any questions or comments and can be reached at moresman@chinaeurasia.org)

Since the break-up of the Soviet Union, China has re-emerged as a major player in Central Asia. Given China's geographical proximity, security and economic interests, and the needs of the Central Asian states, China's presence in Central Asia will become increasingly prominent. Underscored by the events of September 11, 2001, the United States has a range of vital, strategic, and economic interests in Central Asia. The United States should actively engage China in Central Asia to achieve its goals in the region more effectively. Moreover, by engaging China in Central Asia, the U.S can act now to mitigate any tensions caused by China's growing role and the continued presence of U.S. forces and political influence. This paper outlines why the United States should engage China in Central Asia and suggests several ways the United States can cooperate with China in both a bilateral and multilateral format.

Convergence and Conflict of Interests

By briefly looking at China's primary interests in Central Asia, it becomes apparent that cooperation, particularly in areas of vital concern, is distinctly possible.

America's primary interest, in the short term, is to stabilize and rebuild Afghanistan and to hunt down the remnants of Al Qaeda and the Taliban. The United States sees Central Asia as an integral staging ground from which to fulfill these goals. Recently, this goal has also expanded to include combating the drug trade as a source of terrorist financing.

In the long term, the U.S. goal is to maintain access to the region. The U.S. is not seeking permanent bases in the region. Rather, the U.S. is merely assuring that the infrastructure of existing bases will be able to accept future emergency deployments that may occur after U.S. forces have departed following a settlement of the Afghan situation. Additionally, this assured ability to return depends on the U.S. maintaining strong political links with the region's leaders and preventing outside forces from negatively influencing their decisions.

Lastly, the U.S. is committed to stability and development in the region. This has led to a dual policy of encouraging economic development and

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fostering democracy and civil society. As part of this policy, the U.S. recognizes that, in the short-term, natural resources will be the main engine for economic growth. Subsequently, the U.S. is determined to secure access to these resources. However, it seems that the U.S. is content to let free-market forces dictate the export of natural resources as long as it is conducted fairly.

Chinese interests in Central Asia can be divided into four categories. At the most basic level, China seeks to stabilize and secure its border with Central Asia and Russia. China currently enjoys a state of peace along its borders, which has been largely achieved through the “Shanghai Process.”

Second and most prominently, China seeks to cut off external sources of instability. This refers directly to crushing outside support for rebellious Uyghurs within China’s Xinjiang province. Additionally, China has come to recognize that threats to the Central Asian leadership also pose a threat to the stability China currently enjoys on its periphery. Most recently, China too has expanded its view of these threats to include narco-trafficking. This is made evident by the fact that much of the work of the Shanghai Cooperation Organization (SCO) and its new counter-terrorism center is geared towards cutting off the sources of external threats to China and suppressing internal threats within Central Asia.

Third, China has certain economic and trade imperatives driving its engagement with Central Asia. Cross-border trade is small but growing. Most important, however, is the import of oil and gas resources from the region. Chinese energy demand is growing at an exponential rate and Central Asia, particularly Kazakhstan, presents a relatively close supply source.

Lastly, China’s foray into Central Asia and its development of the SCO are part of its wider diplomatic and political agenda. China has used Central Asia to advance its worldwide status as a rising power, and as a testing ground for its widely touted “New Security Concept.” Additionally, China’s ties to Central Asia and the SCO are key factors in its bilateral relationship with Russia.

It is strikingly evident that China and the United States share the same vital interests of security and stability in Central Asia, particularly in the areas of counter- (narco-) terrorism, counter-proliferation, and the

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suppression of militant and radical forces. Moreover, China and the U.S. both seek to further natural resource and economic development (the resources have to be available before they can compete for access). Lastly, there is also a common agreement on the importance of “good governance” in the region. To both countries, this means stability and the development of a government that the people will not seek to overthrow. There is a dispute, though, as to the role democratization should play in “good governance” reforms. The similarities of the U.S. regional engagement plan and the SCO agenda underline this commonality of interest.

It must also be noted that there are certain areas of conflict in the relationship. First, there is a debate over the pace of political reform in the region. It is doubtful that China will encourage the same risks as the United States will, which may result in short-term *instability* in exchange for a more stable long-term situation. Secondly, there will most likely be some conflict over the direction of energy export from Kazakhstan. Once Caspian resources come on-line, China and western clients will both demand access. This conflict may become more acute if there are not enough resources to satisfy demand at the ends of both the BTC and China-Kazakhstan pipelines. Lastly, there is on-going tension related to the long-term strategic positions in the region and the continued presence of U.S. forces along China’s periphery. The longer these forces remain, the more suspicious and agitated China is likely to become.

Overall, though, the possibility of conflict in Central Asia between China and the U.S. is low. Central Asia is peripheral to main areas of interests for both these nations and there is currently not much at stake. However, the region could be a source of future instability. Besides direct conflict over energy resources, the region could become a flashpoint for Sino-U.S. tensions if the overall relationship deteriorates for some reason, such as during a Taiwan crisis or economic row. This is why cooperation now is so important. Future tensions can be mitigated by action in the present.

Why the United States should cooperate with China in Central Asia

Since the breakup of the Soviet Union, China has skillfully built strong relationships with the different nations of Central Asia. Beginning with negotiations regarding border demarcation and demilitarization, this relationship has evolved into one based on significant counter-terrorism and security cooperation, as well as growing economic and trade ties.

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Yet, to be sure, China is currently only a second tier power in Central Asia. The United States and Russia exercise substantially more influence with the Central Asian governments and have much more freedom of action. This will most likely change over the next decade, though, as China continues to rise.

This relationship has recently taken a major new step with the official launch of the SCO Secretariat in January 2004 and the imminent launch of the SCO Regional Anti-Terrorism Structure (RATS) this June. Additionally, China has used a comparatively benign form of diplomacy in pursuing its interests in the region. Although there are some enduring tensions relating the evolution of the SCO, the settlement of border disputes, and even the sale of shoddy Chinese military equipment, China has generally built up a reserve of good will in Central Asia and has demonstrated a flexibility and creativity that is becoming the hallmark of what some have called the “maturing” of Chinese foreign policy.

Cooperating with China in Central Asia offers the United States an important opportunity to utilize the resources Beijing has built over the last decade in achieving U.S. objectives. However, it must be recognized that China also has strong ties with Russia and will be very careful not “to win one partner while lose the other partner.” Any engagement with China should take Russia into consideration as well. This too, can serve U.S. interests.

The United States should engage with China for both political and practical reasons. On the practical side of the equations, the U.S. can utilize Chinese experience and resources in this region. China was involved in combating terrorism and regional threats in Central Asia during the lull in U.S. interests seen after the Afghanistan campaign in the 1980s. China likely has human intelligence resources that can aid the United States. All these resources, as well as the new RATS, could provide useful support for U.S. led operations. Moreover, with the United States, Russia, and China all contributing aid, money and equipment to the cause of Central Asian security, it makes sense to coordinate this aid in the most efficient way possible, especially in the area of border security. China has been a boon to Central Asia in helping them control their own borders and has even taken over many of the border guard responsibilities from Tajikistan along the Chinese-Tajik border.

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Also, China can help the United States' counter-narcotics and counter-proliferation goals in the former Soviet Republics. The SCO has listed counter-narcotics and counter-proliferation as one of its agenda items and the Central Asians have attempted to make the region a "nuclear-free zone." The United States has had a tough time engaging China in counter-proliferation. It is likely that more success can be had in engaging China in Central Asia. Moreover, the drug trade is a recognized threat to China's security and the SCO is attempting to step up counter-narcotics activities.

In terms of possible Sino-U.S. cooperation in the economic realm, both Beijing and Washington have the ability to encourage Central Asian nations to pursue economic and trade policy reforms along WTO-recommended lines. Currently, China and Kyrgyzstan are both members of the World Trade Organization (WTO), and other Central Asian countries and Russia are continuing to push forward on the path to economic reform. Joint American and Chinese efforts to provide technical assistance and capacity-building to these economies will facilitate the interests of China, the United States, the region, and the global trading community. This is particularly important given the patchwork of multilateral organizations promoting some type of (often conflicting) regional economic reform.

On the political side, by building links and confidence in the present, the U.S. and China can hope to reduce tensions in the future. This will help to assure that Central Asia does not become a flashpoint given a future downturn in the overall relationship. Additionally, cooperation today will benefit the entirety of Sino-U.S. relations now as both sides earn trust and prove their abilities.

How the United States Can Engage China in Central Asia

Over the last several years of discussion with United States and Chinese government officials and experts, it has become clear that several avenues for cooperation in Central Asia exist. While some recommendations focus on purely bilateral cooperation, such as intelligence sharing, the bulk of these recommendations may be carried out in a trilateral fashion including Russia or other nations, or in a multilateral framework that utilizes the SCO, NATO, and other international organizations. Additionally, these recommendations reflect optimism that the United States and China can overcome their suspicions and cooperate on matters of national interest. Given the recent handling

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of events on the Korean Peninsula, hope for cooperation does exist, but patience and persistence will be needed to make it happen.

Coordinate activity in the region and increase transparency

The United States, China, and Russia all have varying counter-terrorism and counter-narcotic operations or interests in Central Asia. While the United States has the most robust operation, the RATS in Tashkent and Russia's Kant Airbase in Bishkek (recognizing the Kant base exists for political reasons, but still has some useful capabilities) could begin playing a more active role in the region. As Russian and Chinese capabilities grow, they could be utilized to help carry out shared U.S. military and security objectives. At the very least, with three powers operating in the region, a level of coordination must occur so as to avoid accidents.

Sometime in the near future, it is very likely that there will be a new insurgency in Central Asia; perhaps likely resembling the IMU attacks from the Ferghana Valley in 1999 and 2000 (the recent events in Uzbekistan seem to underscore this possibility). With this in mind, a coordinated response to such a crisis should be discussed by the three external powers (and possibly India and Pakistan), as the Central Asian governments will likely request help from every available source. One can easily imagine the disaster that could occur if three nations sent uncoordinated forces at the same time in response to the same crisis.

Additionally, as mentioned above, all three external powers give a considerable amount of aid to the Central Asian governments. This aid should be coordinated to avoid redundancy and to make the most efficient use of limited resources. Regional border security, with a shortfall of equipment, would be a natural place to begin this coordination. It should be noted, however, that foreign aid strategies reflect national interest and any coordination of aid must meet the demands of an independent foreign policy. But in Central Asia, national interest and opportunity for collaboration often go hand in hand.

All of these activities will increase transparency, a necessary task given the unease with which China, Russia, and the United States still view each other's actions. A logical first step would be the installation of liaison officers at the Chinese, Russian, and U.S./Coalition facilities in the region. These officials, located at Kant, the SCO RATS, and multiple U.S./Coalition military bases, would increase trust, reduce

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tensions arising from miscommunication, and play a significant role in coordinating a combined response to any new crisis. Given the recent demand to develop a mechanism to deconflict airspace over Bishkek shared by Russian and U.S. planes, the need for these officers becomes increasingly apparent. In this vein, the briefings given China by high-level State Department officials about U.S. activities in Central Asia and the war on terrorism should be continued and expanded to include discussions about concrete future avenues of cooperation. Central Asian issues should also become a more salient feature of U.S.-China Defense Consultative Talks, as well as other bilateral dialogues.

Conduct cooperative low-level joint projects to build foundation for future relations

The United States and China (along with Russia) should establish a range of low-level cooperative projects. This will facilitate trust and improve cooperation on future high-level projects. These projects could include:

- Building and equipping border outposts.
- Conducting de-mining operations in border areas.
- Sharing intelligence on illegal cross-border activities such as trafficking in guns, drugs, and people.
- Funding water management infrastructure improvements
- Funding HIV/AIDS education, prevention, treatment, and care centers.
- Improving social welfare infrastructure in Central Asia through the establishment of schools, hospitals, clinics, and employment training centers.

A good place to begin this cooperation could be through the use of an American NGO, such as the Eurasia Foundation, which is conducting civil society and economic market building activities in Central Asia. China may be much more willing to cooperate with and fund a non-governmental group in the beginning than directly engage with the U.S. government. Chinese officials have, in fact, already indicated their interest in supporting civil society economic initiatives in Central Asia.

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Engage with the Shanghai Cooperation Organization

The SCO has become China's principal vehicle of cooperation with Central Asia as a whole and the main way it engages in counterterrorism activities in the region. While the SCO has a political component that may make U.S.-SCO cooperation difficult, government officials and experts in China and Russia recognize that the United States could be of material benefit to the organization and that the SCO and the United States share a common objective. It may be possible for the United States to obtain observer status in the organization or to engage as a "partner" as the SCO makes a push over the next year to engage with nations and organizations outside of the group, such as NATO, the U.N., and the OSCE.

After recent visits to both the SCO Secretariat in Beijing and the RATS in Tashkent, it has become increasingly clear that while the SCO is not ready to engage partners with political ties, the RATS is eager to establish cooperation in practical areas with other nations and organizations. In particular, one of the main programs of the RATS, to train counter-terrorism officials of member countries, could directly benefit from U.S. involvement and would provide an excellent test-case as to how the U.S. could engage with the SCO in practical cooperation.

One recommendation that has been discussed favorably in the United States and China (even among hard-line factions) is the creation of a Shanghai Cooperation Organization-North Atlantic Treaty Organization strategic dialogue. The fact that all SCO members except China are members of NATO's Partnership for Peace (PfP), as well as the OSCE, and China has initiated its own strategic dialogue with NATO makes this sort of cooperation even more feasible. And by engaging the SCO through NATO, the U.S. could likely gain an adequate level access. It must be noted, though, that the SCO is still a young organization and cooperation between NATO and the SCO, as well as China and NATO, has profound strategic implications for both China and the future of the SCO (this is equally true for the United States, Europe, and NATO, though to a lesser extent). Most scholars in China, Russia, and Central Asia have noted that any cooperation will have to occur on China and the SCO's extended timetable.

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The Road Ahead

Thinking about the road ahead, it is important to consider China's position in approaching this issue. It is essential (particularly for Beijing) to understand that China needs the United States more than the U.S. needs China. While China's assistance in the region would be very helpful to the U.S, it does not fill any vital shortfalls. Conversely, if the U.S. were to leave the region now, China would be faced with a much larger terrorism and instability problem than it, the SCO, or CSTO could handle. Currently, the U.S. is a major boon to Chinese security and Beijing may welcome engagement with U.S. for this and the other reasons already mentioned.

This also underscores the recommendation that China must actively engage in cooperation if any agenda is to succeed. Many in the United States have been perpetually disappointed by China's failure to follow through in its cooperation agreements, particularly in the area of increasing transparency. There may be rational reasons for this, but if the Chinese ever hope to have a voice in future U.S. decisions, they need to offer cooperation and *real* assets to the U.S. and stay committed to the process.

There are also additional problems to address as any agenda for cooperation moves forward. In particular, this includes making the Central Asian's themselves comfortable with the organized cooperation of the external powers. In the past, they have benefited from the competition of external powers. Additionally, many Central Asian elites still look at Russia and China with suspicion. The United States must remain above this suspicion and utilize those elements of China's cooperation that will best serve U.S. objectives. This must be done at the same time as convincing China that cooperation with the United States, particularly intelligence sharing and increased transparency, is in its own national interest. This will not be an easy task, but it is a necessary one if future tensions, both in the regional and global arenas, are to be avoided.

By following a pragmatic agenda of engagement with China, the United States can fulfill its vital interest in Central Asia while simultaneously ensuring a more stable relationship with China over the long term and improving regional stability in the short-term. Action should be taken expeditiously, though, as the window of opportunity may quickly close as China becomes a more established player in Central Asia and the U.S. agenda continues to evolve. And while some peripheral balance of

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power games may be played, these will be mitigated and reduced with an *active* cooperation agenda between the great powers in Central Asia. A successful cooperation agenda between the United States and China is absolutely possible and in the national interests of both nations.

2) Cooperation, Competition, Conflict: China and the U.S. In Central Asia

By Hu Jian

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During the Cold War, Central Asia was distant from the United States. But since the collapse of the Soviet Union, the U.S. has begun to permeate this region. However, in the early days of the post-Cold War period, the U.S.'s influence in Central Asia was limited. Following the events of September 11, 2001, the U.S. has more fully entered the region. This has created a situation for China and the U.S. to cooperate, compete and conflict in this strategically important region.

Necessary Cooperation: Managing the *Empire Sequela* in Central Asia

The Cold War is over, but the world is not completely peaceful, especially in Central Asia. There exists prominent *empire sequela* such as separatism, terrorism, extremism, and other transnational crimes. The reasons for this phenomenon of *empire sequela* are as follows:

First, they are the result of the former Soviet Union implementing its empire policy in Central Asia: 1) setting up the nations at will and making up nations and autonomous units according to their own ethnic features; 2) implementing Russian chauvinism, that is, forcing some ethnic groups to move from their original homes; 3) carrying out the economic policy of division of districts and sectors, leading to a lopsided economic structure; and 4) creating a contradiction between religious belief and class struggle. Thus, while the Soviet Union collapsed, almost all the anti-Soviet actions had some religious nationalism flavor.

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Secondly, although the U.S. and other western countries pushed the Soviet collapse with all possible means, both psychological and institutional preparation were still lacking during the Soviet Union's rapid collapse. Additionally, in the post-Cold War period, the U.S. is the only super power, and as such, carries out certain hegemonic policies that make extremism and terrorism be tinged with anti-Americanism.

Thirdly, after the Soviet Union's collapse, Russia is currently too weak to affect and control the entire post-Soviet space. This has provided the opportunity for separatism, terrorism, and extremism to spread out.

Fourthly, all the Central Asian countries lacked the necessary preparations to become fully independent. At first, they did not want to separate from the Soviet Union. Once they gained their independence, they had no experience or talent to manage their own countries. And although these countries set up strong presidential systems, their ability to control developments is still very weak.

And lastly, China is hurt by the *empire sequela* in Central Asia. Countering the *empire sequela* is the most important measure to safeguarding the security of Western China. And since Central Asia is currently one of the most important areas for the U.S. to implement its global strategy, China and the U.S. have common interests in the region.

Possible Competition: Energy and Geo-economic Interest

Central Asia has historically been the heart of Eurasia, and, after the collapse of the Soviet Union, its important role has emerged again. Central Asia is both the East-West and North-South linkage across the Eurasian continent. As an important area, its economic revival will play an important role in the development of the global economy.

Second, there exists a great market in this area. The total area of Central Asia (referring to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan only) is more than three million square kilometers with a population over 50 million. In recent years, the investment environment has improved through domestic integration. At the same time, Central Asian countries have established multiple economic connections with other Commonwealth of Independent States (CIS) countries, allowing their domestic markets to spread out.

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Third, and most importantly, is the existence of abundant natural resources, especially energy in the form of oil and natural gas. Central Asia, particularly the littoral area of the Caspian Sea, has the biggest worldwide energy reserves following the Middle East. Both China and the U.S. are energy-deficient countries. The abundant energy resources of Central Asia make it unavoidable that these two countries will compete with each other for access to these resources.

After the Cold War, the U.S. and other western countries all contended for energy in Central Asia. In order to control the energy in the Caspian Sea, the U.S. has supported a policy of: 1) supporting its own oil companies to invest in this area backed with large finances; 2) guaranteeing the oil and gas flows to the U.S. (or at least to western countries), achieved through the support of several western-directed export projects; and 3) setting up relevant organizations and institutes to implement its energy strategy.

China is a massive country sharing a nearly 3000 kilometer common border with three Central Asian states and Russia. Since 1993, China has been a net importer of energy. It is estimated that China's development will depend more and more on oil and gas. It is necessary for China to take a "going out" strategy to solve this energy shortfall, including investing in energy development and export projects around the world. As such a close source of abundant energy, China focuses heavily on Central Asia and will participate in energy competition there.

Potential Conflict: American Military Exists In Central Asia

Since the Soviet Union's collapse, the U.S. has permeated into Central Asia in order to fill the "power vacuum" left in this area. On the contrary, China is still rising since the start of its reform and "open-door" policy. The U.S. is perpetually afraid that China will become the dominant power in Central Asia and become a barrier for the U.S. to implement its global strategy. This distrust and intrinsic prejudice towards China will possibly lead to conflict between China and the U.S.

NATO has constructed the Partnership for Peace (PfP) with the majority of Central Asian countries. As its leader, the U.S. utilizes NATO as a tool to spread into Central Asia further. Since 1997, the U.S. and NATO have conducted military exercises on several occasions. Now, the U.S. military is deployed in Central Asia for an extended period with a

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“legitimate status.” This not only means that the U.S. has torn open a crack in the garden of Russia, but also that NATO’s outer-edge is now on China’s western border.

Anti-terrorism operations are obviously a key part of America’s national security, but they also serve as tools for the U.S. to implement its global strategy. President Bush clearly stated, “Support us, or you are a terrorist.” That is to say, the criterion of terrorism for the Bush administration is whether or not a nation supports the U.S. and its policies. Obviously, the Bush administration also utilizes anti-terrorism as a means to encourage democratic transformation throughout the world. Given these factors, China must pay more attention to the security of its western borders as long as the U.S. military stays in Central Asia.

Conclusions and Recommendations

In order to cooperate with each other in Central Asia, it is necessary for China and the United States to overcome the “trust deficit.” This can be achieved if 1) the U.S. understands China’s limited economic influence in Central Asia; 2) China has America’s confidence that, as a rising power, it will not challenge or threaten the US; 3) conversely, the U.S. has China’s confidence that the U.S. military deployment in Central Asia serves to counter terrorism and safeguard the stability in this area, not to contain China; and 4) the U.S. holds a positive attitude towards the Shanghai Cooperation Organization (SCO) and is willing to engage the organization through either bilateral or multilateral mechanisms such as NATO.

NEWS

1) Month in Review

Regional security, counterterrorism, and law enforcement

- On March 28th, terrorist-initiated attacks in Tashkent against a gathering of police officers. This led to several days of police response and counter-attacks in both Tashkent and Bukhara, resulting in 47 killed (including 33 alleged terrorists) and 54 injured. It is still unclear who is responsible for the attacks. Uzbek authorities blame Al-Qaeda linked Islamic terrorists while

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other groups point to anti-government forces rebelling against the repression of the Uzbek regime.

- In response to these attacks and other concerns, China reinforced its rapid-reaction units on its western border.
- The Regional Anti-Terrorist Structure (RATS) of the Shanghai Cooperation Organization (SCO) hosted the deputy heads of public and national security of each of the member states in Tashkent on April 29-30. During the meeting, they discussed the RATS' operating plan through 2006 and the rules and procedures of the RATS, including the handling of classified information. These agreements will likely be approved at the upcoming SCO Heads of State Summit in Tashkent on June 17th.
- Several Russian new sources have reported that the SCO will be involved in a Collective Security Treaty Organization's (CSTO) command-post exercise, called "Frontier-2004," to be held later this year. During the exercises, the militaries of the participating states will be staging joint operations aimed at locating and eliminating large, well-trained, and well-equipped insurgents coming into Kazakhstan and Kyrgyzstan from Afghanistan. The exercises will involve ground troops and the air force components of the Collective Rapid Deployment Forces including over 1,000 troops, about 30 aircraft and helicopters, several tens of artillery pieces, as well as armored and special-purpose vehicles and air defense systems. It is currently unclear what components the SCO members and the SCO itself will be involved in, though it seems that organization will participate as an observer and only those member nations (and possibly China) that are in both the SCO and CSTO will participate in the field portion of the exercise.
- Russian Foreign Minister Sergei Lavrov publicly announced that India has directly petitioned the SCO for membership in the organization, noting that Russia or China was not directly approached. There are currently no plans to expand the SCO's membership.
- During Russian Defense Minister Sergei Ivanov's recent visit to Uzbekistan on May 12th, the two nations announced that they

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would conduct joint military exercises in 2005 and further deepen their security ties. Information about the scope, size, and duration of the exercises was not made available.

- A previously secret agreement on joint Russian-Uzbek air security cooperation was made public as Russia's State Duma began the (public) ratification process.
- On 21 April, Russian Defense Minister Sergei Ivanov met with Chinese Defense Minister Cao Gangchuan in Beijing. The two discussed further cooperation in military and security affairs, including an increase in arms sales from Russia to China. It was reported later on April 30th by China-based Guofang Zhishibao (Defense Knowledge Newspaper), that the Russian government could abolish restrictions on the export of high-tech weapons to China and initiate joint weapons development. This will open the possibility of Russia selling China previously restricted weapons such as the SS-N-23 Skiff SLBM vertical-launch system and the 3M80E Moskit (SS-N-22 Sunburn).
- Chinese Defense minister Cao Gangchuan met Indian Defense Minister George Fernandes on March 29th in New Delhi during a "reciprocal visit." The two discussed ways to enhance military-military cooperation. A plan to hold a joint army exercise in mid-May was later announced, likely along the Chinese-Indian border. As of press time, the exercise had not yet occurred.
- State-owned Russian arms exporter Rosoboronexport gave Kyrgyzstan nearly \$2.3 million worth of military equipment on April 26th for the Kyrgyz rapid-reaction forces under the CIS Collective Security Treaty Organization (CSTO). The equipment includes firearms, ammunition, optical sites, bullet-proof vests, uniforms, and spare parts. Future aid has also been promised.
- Uzbekistan's Defense Ministry, State Customs Committee, and Border Troops received \$516,600 in equipment from the United States. The equipment is meant to assist Uzbekistan combat terrorism, drug trafficking, and illegal weapons trading. According to RFE/RFL, another shipment of \$600,000 worth of equipment is scheduled for 2004; and in 2005, Uzbekistan will

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receive two helicopter trainers worth a combined \$6.5 million and two patrol boats totaling \$5.8 million.

- Kazakh Defense Minister Colonel General Mukhtar Altynbaev met his Chinese counterpart Cao Gangchuan in Beijing on April 27th to sign a new cooperation agreement that will pave the way for increased Kazakh-Chinese military cooperation and Chinese military aid to Kazakhstan. China provided Kazakhstan with almost U.S. \$1 million in military aid from 1997-2003. An additional U.S. \$1 million is expected to be committed to this year.
- China will deliver agriculture equipment, computers, and other equipment to Uzbekistan worth a total of 50 million Chinese RMB (roughly U.S. \$6.2 million).
- During a meeting with Tajikistan Minister of the Interior Kholiddin Sharipov, Chinese State Councilor and Minister of Public Security Zhou Yongkang stated that China will work with Tajikistan to jointly combat trans-national crimes and all terrorist activities as part of a more active cooperation agenda.
- The United States has begun discussions with China and other countries about the possible return of several Uyghur detainees from the U.S. military base in Guantanamo. About a dozen Uighurs are among the hundreds of detainees held at the Cuban base since the US intervention in Afghanistan.
- Two Uyghur Chinese citizens, Rahmutulla Islayil and Arken Yaku, were executed for the killing of Chinese diplomat Wang Jianping and another man in the Kyrgyz capitol of Bishkek in June 2002. Though still unclear, the killing may have been linked to a business dispute.
- In a related story, China and Kyrgyzstan exchanged ratification documents for an agreement on the extradition of criminals, paving the way for implementation.
- Three Chinese men helping to expand Pakistan's southern port city of Gawadar were killed in a terrorist attack on Monday as a

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vehicle carrying several Chinese nationals and some Pakistanis passed another car filled with explosives.

Meetings and summits

- The Foreign Minister's of the SCO met in Moscow on April 23rd. They discussed plans for the upcoming SCO Summit in Tashkent and finalized several draft agreements on counter-narcotics cooperation and a legal framework for engaging other nations and international organizations in joint cooperation. On the margins of the meeting, Chinese Foreign Minister Li Zhaoxing met separately with his Uzbek and Kazakh counterparts. Additionally, it was announced at the meeting that the Presidents of Afghanistan and Mongolia will attend the June summit as observers.
- Kazakhstan President Nursultan Nazarbayev visited China on May 16-19. President Nazarbayev met many of the top Chinese leaders including President Hu Jintao and Premier Wen Jiabao. The two Presidents discussed bilateral and regional issues, and most importantly, finalized new agreements to move forward with the construction of an oil pipeline and rail links between Kazakhstan and China.
- Uzbek President Islam Karimov traveled to Moscow from April 15th to 16th to meet Russian President Vladimir Putin. The two discussed areas of mutual cooperation, particularly in the security and economic sphere, and signaled a thawing relationship between the two countries.
- Chinese Premier Wen Jiabao completed his European tour, including stops in Germany, England, Ireland, Italy, and Belgium, where he also met with the leaders of the European Union.
- During a meeting with visiting Iranian Vice-President Mohammad Setarifar, Chinese President Hu Jintao stated that China is willing to “enhance exchange and cooperation with Iran in all aspects and to push the friendly cooperation ties, which was long-term stable and rich in content, to a new high.”

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- Highlighting the importance of finding ways for regional organizations and nations to cooperate, it was announced that consultation on CIS-Chinese relations would now be handled at the first deputy minister level by Russia First Deputy Foreign Minister Valeriy Loshchilin and Chinese Vice Minister Dai Bingguo. Previously, Foreign Ministry departments handled these consultations.

Energy, trade, and infrastructure development

- Kazakhstan and China concluded a deal during the recent presidential visit to complete construction by 2006 of the final U.S. \$700 million, 900-km piece of the 1,300 km pipeline linking Atasu on Kazakhstan's Caspian to China's East-West pipeline (originating in Xinjiang and terminating in Shanghai). The pipeline will have an initial output estimated at 10 million tons a year, expected to double later. The first section, spanning 449 km from Atyrau to Kenkiyak in Kazakhstan, was completed at the end of 2002.
- Twenty-three countries signed an agreement on April 26th in Shanghai paving the way for the United Nations-planned Asian Highway, a vast 140,000-kilometre-long network of standardized roadways that will link towns "from Tokyo to Tehran, from Singapore to Samarkand, and from points beyond to those in between," as UN Secretary-General Kofi Annan stated in his congratulatory message. Reports say about one-fifth of the proposed network will have to be built from scratch, while the rest will use upgraded existing roads.
- A court in Kazakhstan has ruled in favor of the regional department for subsoil operations and environmental protection in a suit against China National Petroleum Corporation subsidiary CNPC-Aktobemunaigaz. The court has ordered that the company stop building and operating the Kenkiyak-Zhanazhol pipeline until a further ruling investigation can be completed.
- *Interfax* reported that oil imports via the Kazakhstan-China rail link slumped 26% in the first quarter. This is due to the strong demand for the railway delivery of agricultural materials in China

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since the beginning of this year that has led to a major shortage of domestic wagons used to carry oil from Kazakhstan.

- Chinese State-owned oil trader Zhuhai Zhenrong Corp. has signed a \$20 billion deal to buy 110 million tons of liquefied natural gas (LNG) from Iran over 25 years, underscoring China's growing demand for natural resources. Zhuhai Zhenrong will purchase 2.5 million tons of LNG annually from Iran starting in 2008. Some of this LNG will be consumed at a new \$1.8 billion China National Offshore Oil Corp. (CNOOC)-funded LNG terminal in eastern Zhejiang province.
- China's annual crude oil imports will exceed 100 million tons this year, according to a report by the Ministry of Commerce issued Tuesday. The report also predicted China's annual consumption of crude oil would reach 270 million tons this year.
- Russian Railways Co., the state transport monopoly, stated that the Russian government would need to invest \$1.4 billion in its railways to help oil major Yukos triple rail supplies to China to 300,000 barrels per day by 2006. Reuters reported that the railway upgrade would cost half of what Yukos planned to spend on a pipeline to China in order to transport a significantly less amount, and that traders believe the plan would only be efficient with high oil prices (*must* be above \$20 a barrel) and special railway tariffs.
- In a first, Northwest China's Xinjiang Uyghur Autonomous Region exported 2,100 tons of tomato sauce, worth U.S. \$1.1 million US dollars, to Kazakhstan during the first quarter of the year.

Society

- A new air route will be launched linking Urumqi, capital of China's Xinjiang province, with the Tajik capital Dushanbe to serve the growing number of Tajik tourists to China.
- The City board of Bishkek is preparing to establish brotherly relations with Polish Krakow and sign a new agreement on cooperation with the Chinese capital of Beijing.



- A Uyghur national cultural center has opened in the Kazakh capitol of Astana. It is the 10th center in the country, which has a population of over 200, 000 ethnic Uyghurs.

FROM THE CHINA-EURASIA FORUM

1A) Central Asia as the New Arena in U.S.-Sino Relations

By Matthew Oresman

China Brief

April 29, 2004

http://www.jamestown.org/publications_details.php?volume_id=395&issue_id=2939&article_id=236641

“Since the breakup of the Soviet Union, China has reemerged as a major player in Central Asia. Given China's geographical proximity, security and economic interests, and the needs of the Central Asian states, China's presence in the region will only increase in the future. Underscored by the events of September 11, 2001, the United States also has a range of vital strategic and economic interests in Central Asia. This confluence of interests may present a unique opportunity for Washington to engage Beijing in the next several years, not only to more effectively achieve American goals in the region, but also to strengthen the current Sino-U.S. rapprochement and mitigate any tensions caused by the continued presence of U.S. military and political influence throughout the former Soviet states...”

1B) Catching the Shanghai Spirit

Review: “The SCO and the Shanghai Spirit,” by Pan Guang,

Journal of Social Sciences, December 2003

By Matthew Oresman

Foreign Policy

May/June 2004

http://www.foreignpolicy.com/story/cms.php?story_id=2548

“Four years after the Soviet Union’s implosion, China and its new neighbors — Russia, Kazakhstan, Kyrgyzstan, and Tajikistan — united to negotiate their new borders in a coalition called the “Shanghai Five.”



The process culminated in 1996 and 1997 with treaties demarcating and demilitarizing the roughly 4,300-mile border China shares with the other members. The group soon cooperated on security and trade as well, and with the addition of Uzbekistan in 2001, officially became known as the Shanghai Cooperation Organization (SCO)...”

SELECTED ARTICLES FROM OTHER PUBLICATIONS

2) China Moves Toward Another West: Central Asia

By Howard W. French
New York Times
March 28, 2004

<http://www.nytimes.com/2004/03/28/international/asia/28ASIA.html?ex=1081310400&en=72dec00ffac4478c&ei=5070>

“With its dozen blue-roofed villas, a brand-new sauna house, casino and three-star hotel constituting the heart of what this frigid outpost at the border of Central Asia fancies as downtown, this would seem an unlikely spot for the economic and political reordering of an entire region...”

3) Will US Policy Backfire In Central Asia?

By IWPR staff and contributors in Central Asia and London
IWPR's Reporting Central Asia
March 30, 2004

<http://www.iwpr.net>

“Central Asian leaders are exploiting their part in the "war on terror" to legitimize damaging policies...”

4) 1,500-Mile Oil Pipeline Fading Fast For China: Japan Offers Russia An Alternate Route

By Peter S. Goodman
Washington Post
April 5, 2004

<http://www.washingtonpost.com/wp-dyn/articles/A50371-2004Apr4.html>

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“Last May, China's president, Hu Jintao, flew to Moscow to sign what was billed as a historic declaration of cooperation with his Russian counterpart, Vladimir Putin. A day later came what seemed a tangible outgrowth of the new relationship -- the inking of a \$150 billion deal that was to see the two neighbors jointly erect a 1,500-mile-long pipeline to carry crude oil from Siberia to China...”

5A) Xinjiang and China's Strategy in Central Asia

By Stephen Blank

Asia Times

April 3, 2004

<http://www.atimes.com/atimes/China/FD03Ad06.html>

“Xinjiang, like Taiwan and neighboring Tibet, is a neuralgic issue for China, which desperately needs internal stability in that predominantly Muslim, resource-rich and strategically important region. Beijing's strategic and energy objectives are based on stability in Xinjiang and its Central Asian policies grow out of its preoccupation with stability there...”

5B) Uzbekistan: Implications for China, Xinjiang

By Stephen Sullivan

Asia Times

April 3, 2004

<http://www.atimes.com/atimes/China/FD03Ad05.html>

“The recent "terrorist" bombings in Uzbekistan have raised questions about the ramifications for China, particularly the Beijing government's likely response as it has major concerns over the Uighur people of Xinjiang - where fears of Islamist dissent and unrest persist...”

6) The growth of Radical Islam in Central Asia: Recent reports

Asia Times

March 31, 2004

http://www.atimes.com/atimes/Central_Asia/FC31Ag02.html

“Prior to the recent terror attacks in Uzbekistan which claimed at least 19 lives, a spate of reports from the region shows ongoing Islamist activity



and law-enforcement efforts to contain it. One report details the state of affairs in the Islamic Movement of Uzbekistan (IMU) in Pakistan and Afghanistan. Other reports suggest that Hizb ut-Tahrir al-Islami (Party of Islamic Liberation - HT), an organization that now stands at the center of concerns over rising Islamist activity in Central Asia, is increasingly tailoring its recruiting efforts to match local dynamics in Tajikistan and Kazakhstan, targeting individuals from the dominant ethnic group with a higher education and ties to state ...”

7) Asia's Energy Insecurity Is a Dilemma for the U.S.

By Mikkal Herberg and Joseph Ferguson

Wall Street Journal

March 22, 2004

http://www.nbr.org/regional_studies/CASS/WSJ_com%20-%20Asia's%20Energy%20Insecurity%20Is%20a%20Dilemma%20for%20the%20U_S.htm

“Energy is Asia's economic lifeblood. And there is perhaps no greater demonstration of this than this fact: Exactly 10 years ago, China became a net oil importer. Now, driven by booming economic growth, China surpassed Japan last year to become the second-largest oil consumer in the world after the U.S., and the fifth largest oil importer. China and India (at number six) have now joined Japan and South Korea (at number two and four, respectively) on the list of the globe's biggest oil importers. The result is a profound and deepening sense of energy insecurity in Asia that will inexorably have significant implications for U.S. interests world-wide...”

8) Beijing's Energy Obsession

By Willy Lam

Asian Wall Street Journal

April 2, 2004

<http://taiwansecurity.org/News/2004/AWSJ-020404.htm>

“It’s not just about patriotism. China's unquenchable thirst for petroleum is the real story behind Beijing's worsening territorial dispute with Japan over the group of supposedly oil-rich islands claimed by China as the Diaoyus, and by Japan as the Senkakus. That same concern also explains



the recent flare up in China's dispute with some Southeast Asian nations over their claims to the resource-rich Spratly Islands in the South China Sea. It's a thirst that threatens to pit China against its neighbors, despite Beijing's avowed policy of "peaceful emergence" in the global community..."

9) Biz Weekly Highlights: Chances for a Breakthrough of Sino-Russian Trade

People's Daily
April 13, 2004

http://english.peopledaily.com.cn/200404/13/eng20040413_140211.shtml

"Biz weekly highlights: Chances for a breakthrough of Sino-Russian trade China and Russia have built strategic cooperative partnership. But the bilateral trade between the two countries seems to need to be further improved to match this close relationship..."

10) Protests Against Chinese Traders

By Alla Piatibratova in Kara-Suu
IWPR's Reporting Central Asia
April 16, 2004

[http:// www.iwpr.net](http://www.iwpr.net)

"When grievances about the presence of Chinese market traders spilled over into protests in southern Kyrgyzstan at the end of last month, first reports suggested that local sellers were angry about increasingly keen competition. But IWPR has been told that the demonstrations were orchestrated by market owners anxious to preserve their monopoly..."

11) Russia-China: Presidential Politicking and Proactive Posturing

By Yu Bin
Pacific Forum: Comparative Connections
Winter-Spring 2004

<http://www.csis.org/pacfor/cc/0401Qchina-rus.html>

"There was unprecedented diplomatic posturing by China and Russia this quarter: the Shanghai Cooperation Organization was inaugurated and



the second round of six-party talks on the Korean nuclear issue was held. Meanwhile, the Russian military conducted its largest exercises in 22 years and the People's Liberation Army went to high alert when Taiwan's presidential politicking moved to hyper mode. To minimize the impact on China of Moscow's decision to proceed with the Angarsk-Nakhodka oil pipeline, President Putin authorized Russian railroad ministry and transportation companies to increase oil exports to China. Russia's move would allow it to meet at least part of China's growing need for energy, and seemed to signal Russia's final decision in favor of the Taishet Nakhodka (Japan) line. Ultimately, Russia will give priority to its own interests regarding an oil pipeline in East Siberia..."

12) Russia to Keep Energy Program Promises to China

Xinhua

April 15, 2004

<http://china.org.cn/english/2004/Apr/93128.htm>

"Russian Ambassador to China Igor Rogachev said in Beijing Wednesday that Russia will keep its promises to China and other East Asian countries on energy programs. At a press conference held at the Russian Embassy in Beijing, the ambassador said that his government was continuing to study the issue of exporting petroleum and natural gas to China..."

13) EIA: China, US Dominate Future Long-Term Oil Demand Growth

By OGJ editors

Oil and Gas Journal

April 19, 2003

http://ogj.pennnet.com/articles/web_article_display.cfm?ARTICLE_CATEGORY=GenIn&ARTICLE_ID=202996

"Over the next 2 decades China and the US will fuel much of the new global oil demand, a long-term analysis by the US Energy Information Administration predicts..."

14) Oil-Thirsty China Sets Sights on Gulf

By Nadim Kawach, Bureau Chief



Gulf News Online
March 26, 2003

<http://article.wn.com/link/WNATAF3E90A14B1D0C88E25B7930A9000D43?source=templategenerator%26template=oil/bigphoto.txt>

“Only 10 years ago, China did not bother much about the oil-rich Gulf. It had enough oil of its own and the region was not a primary target of its export blitz...”

15A) Book Review: The New Russian Diplomacy. By Igor S. Ivanov
In The National Interest
April 05, 2004

<http://www.nixoncenter.org/index.cfm?action=showpage&page=Ivanov>

“In this frank and engaging book, former foreign minister Igor S. Ivanov describes the evolution of Russian foreign policy since the collapse of the Soviet Union. Drawing on Russia’s long diplomatic history, Ivanov analyzes the complex process through which a newly democratic Russia has redefined its foreign policy during a volatile transformation over the last decade...”

15B) Book Review: A World Challenged: Fighting Terrorism in the Twenty-First Century. By Yevgeny M. Primakov
In The National Interest
April 05, 2004

http://www.nixoncenter.org/index.cfm?action=showpage&page=Primakov_Book

“In this candid and sobering account, former Russian premier Yevgeny M. Primakov considers the threats posed by independent terrorist organizations to the security of the global community...”

16) New Life for Asia's 21st Century Silk Road
By Raja M
Asia Times
May 14, 2004

http://www.atimes.com/atimes/South_Asia/FE14Df03.html



“India, China and Russia have joined 23 countries in a literally far-reaching agreement to complete the 140,000 kilometer-long Asian Highway, a behemoth project already sowing visions of a new Asian commercial and cultural unity. The highway links Asian capitals, major industrial hubs, tourist hot spots, as well as air, river and sea ports...”

17) Oil Security: A Top Priority for China

People's Daily

May 01, 2004

http://www.chinadaily.com.cn/english/doc/2004-05/01/content_327889.htm

“At this year's National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) sessions, many NPC deputies and CPPCC members called for the early enactment of new legislation to secure reliable oil supplies and the more effective exploitation of the country's oil resources. The oil industry is being reformed," says Yang Qing from the Energy Research the State Development Planning Commission. "The issue of oil security is related to both the market for oil and the stability of oil supplies. Overall, it's a matter of structural reform...”

18) China and Japan: In the Pipeline

Economist

April 29, 2004

<http://taiwansecurity.org/News/2004/Economist-290404.htm>

“China and Japan are locked in a fierce diplomatic and economic struggle to win access to Russian oil...”

19) Plans for Tajikistan Unraveling

By Sergei Blagov

Asia Times

May 7, 2004

http://www.atimes.com/atimes/Central_Asia/FE07Ag01.html



“Moscow and Tajikistan have yet to agree on the fate of Russian armed forces in the Central Asian country, a situation that has the potential to create a geopolitical vacuum - with a number of contenders waiting to fill it...”

20) China's Rising Soft Power in Southeast Asia

By Eric Teo Chu Cheow

PacNet

May 3, 2004

<http://www.csis.org/pacfor/pacnet.cfm>

“Political turmoil in Taiwan, following the March 20 presidential election and “defensive referendum,” is causing some unease in Southeast Asia, as tension increases in cross-Straits relations following the slim margin of victory of incumbent President Chen Shui Bian. In fact, before the election, Taipei was already concerned that it was “losing out” in Southeast Asia to Beijing, especially if ASEAN countries were to choose sides in the unfortunate event of hostilities across the Taiwan Strait. Now with the Taiwan elections over and the situation to be pacified soon, Taipei will have to come to terms with this “loss” and take action to arrest sagging Taiwan-ASEAN relations...”

21) Despite State Controls, Faiths Take Root

Howard W. French

New York Times

May 7, 2004

<http://www.iht.com/articles/518671.html>

“They gathered under a blazing midday sun, raptly observing as four men in skullcaps held down the bull in preparation for its sacrifice. Little girls stood wide-eyed, while boys tried to appear unfazed, and the wizened grandmothers, who, having seen such things countless times, were abuzz instead about the rare appearance of foreigners in their hamlet...”

22) Is Foreign Presence In Kyrgyzstan Negatively Affecting Regional Cooperation In Central Asia?

James Purcell Smith

Central Asia - Caucasus Analyst



May 05, 2004

http://www.cacianalyst.org/view_article.php?articleid=2339

“2002-2003 witnessed an increase in the foreign troop presence in Kyrgyzstan. The U.S. gained a foothold at Manas airport. In October 2003, Russia opened an airbase of its own in Kant. China for the first time conducted joint military maneuvers with Kyrgyz troops in 2003. This intensive geopolitical dynamic in and around Kyrgyzstan led to significant changes in the policies of Kyrgyz authorities. Flooding in southern Kazakhstan this February as a result of economic contracts with foreign company to export Kyrgyz electricity to Russia, permanent conflicts with neighboring Kazakhstan, Tajikistan and Uzbekistan over a number of issues, created an atmosphere of regional distrust and pose a threat to security of Kyrgyzstan. Key reasons for this situation are Kyrgyzstan’s over-reliance on foreign powers, ignorance of its real interests and overestimation of its available options in regional Realpolitik in Central Asia...”

23) U.S. Set for Long Haul in Afghanistan

By Burt Herman
The Associated Press
April 28, 2004

<http://www.washingtonpost.com/wp-dyn/articles/A64674-2004May4.html>

“The din of bulldozers and steamrollers competes with the roar of aircraft engines at this U.S. outpost for the anti-terror campaign in Afghanistan. The Americans are digging in for the long haul - but walking on eggshells...”

24) China's Post 9/11 Terrorism Strategy

By You Ji
China Brief
April 15, 2004

http://www.jamestown.org/publications_details.php?volume_id=395&issue_id=2935&article_id=236613



“The September 11 terrorist attack on the US inevitably had a strong impact on China, both in terms of its domestic politics and its foreign policy initiatives. In a way, Beijing's smooth policy adjustments have allowed China to achieve many unexpected gains...”

25) SCO: Divided in Unity

By Sergei Blagov

Asia Times

April 24, 2004

http://www.atimes.com/atimes/Central_Asia/FD24Ag01.html

“The Shanghai Cooperation Organization (SCO), a six-member group that embraces Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, has been keen to mint itself as a full-fledged international organization and a major power in Central Eurasia. Yet despite official pronouncements of unity, disagreements between member states remain. Notably, border disputes between Kyrgyzstan, Tajikistan and Uzbekistan seem to expose the SCO's weakness as a vehicle to promote regional security...”

26) Chinese Economy is Moving West

Times of Central Asia

April 23, 2004

<http://www.times.kg/news/1107084.html>

“The increased presence of Chinese people and companies all over Central Asia is becoming a "fait accompli". In the year 2000, when the Times of Central Asia published its first Bishkek guide, we had only a few Chinese Restaurants, but today, with the revision of 2004 edition, Chinese restaurants are counted by the dozen. Business is growing across the border between China, Kazakhstan and Kyrgyzstan and is moving forward to other Central Asian countries. If in the past the driving force behind such lucrative trade was strictly the entrepreneurship of the Uyghurs, the Chinese Muslims who for centuries have traveled the routes of Central Asia, today it is the Hans and the Chinese Government that are behind much of the largest investment...”

27) Eurasian Countries Need Transcontinental Transit Routes



By Olga Sevastianova,
Times of Central Asia
April 23, 2004

<http://www.times.kg/news/1107087.html>

“Without the creation of international transport corridors, Central Asian countries will not integrate into the international economy, think business people of the region who gathered for a roundtable meeting in Bishkek. They tried to develop recommendations for their governments to boost regional trade and give a new impetus to economic integration in the Eurasian Economic Community...”

28) Central Asia: Strapped For Energy Resources, China and India Look for Alternatives

By Nikola Krastev
RFE/RL
April 22, 2004

<http://www.rferl.org/featuresarticle/2004/4/E62756BE-A943-41F1-B03E-86D920CB1188.html>

“The impressive economic growth of both India and China has intensified their interest in Central Asia's energy resources. That's the view of two U.S. experts who spoke about the India-China relationship and their emerging ties to Central Asia this week during a panel discussion at the New York-based Asia Society...”

29) Why Terrorism Bypasses China's Far West

By Colin Mackerras
Asia Times
April 23, 2004

<http://www.atimes.com/atimes/China/FD23Ad03.html>

“Implications for Xinjiang? Four bombs exploded in Uzbekistan in late March, three of them in the capital, Tashkent. Two female suicide bombers carried out the attacks. The government of President Islam Karimov immediately charged responsibility for the bombings to the worldwide Islamist al-Qaeda network, but some observers claimed the



blasts were a reaction against official oppression of the people in general and Muslims in particular...”

30) Sino-Saudi Ties: Oil, Gas, Bauxite ... Then Arms?

By Stephen Blank

Asia Times

April 23, 2004

<http://www.atimes.com/atimes/China/FD23Ad05.html>

“A scandal is brewing in the United States over Saudi Arabia's promise to President George W Bush that it would lower oil prices in time for his election in order to aid his victory. This offer, if true - and one should not dismiss the evidence gathered by journalist Bob Woodward in 75 interviews with top officials - would represent a major scandal in American politics, and in Washington's ties with Riyadh...”

**31) Potential opportunities of our cooperation has not exhausted yet,
Chinese ambassador**

By Talgat Bakrayev

KAZINFORM

May 14, 2004

<http://www.inform.kz/showarticle.php?lang=eng&id=78151>

“Ambassador of the People’s Republic of China to Kazakhstan Chou Xiao Pei answered Kazinform agency questions...”

**SPECIAL SECTION ON ARTICLES RELATED TO RECENT
ATTACKS IN UZBEKISTAN**

32) Terror in Uzbekistan: Preliminary Conclusions

RFE/RL Central Asia Report

April 7, 2004

<http://www.rferl.org/reports/centralasia/archive2004.asp>

“A wave of terror attacks and violent clashes with police struck Uzbekistan between 28 March and 1 April, leaving nearly 50 people dead. Uzbek authorities have stressed the involvement of suicide



bombers -- a first in Central Asia -- and alleged Islamists, claiming that the attacks are part and parcel of the worldwide terror threat popularly exemplified by Al-Qaeda. The attackers' apparent efforts to target police and the comparatively low number of civilian casualties suggest, however, that other interpretations of are equally plausible..."

33) Terror in Uzbekistan: The Aftermath And Other Views

RFE/RL Central Asia Report

April 14, 2004

<http://www.rferl.org/reports/centralasia/archive2004.asp>

"Relative calm has come to Uzbekistan in the wake of the violent events of 28 March-1 April, but it has brought with it scant additional clarity. Two significant fault lines have emerged in discussions of the violence, both of them separating Uzbek officialdom from much, but not all, other commentary. The first runs through the question of how to categorize the events, and the second how they were covered by the media..."

34) Uzbek Violence Spotlights Central Asia

By Judith Ingram

The Associated Press

April 1, 2004

<http://www.washingtonpost.com/wp-dyn/articles/A41121-2004Apr1.html>

"The explosions and gunfire that have rocked the former Soviet republic of Uzbekistan this week dramatically raised fears of an onslaught of regional terrorism that could send tremors as far as Washington and Moscow..."

35) Terrorism's Eastward Expansion: Uzbekistan

By Sergei Blagov

Asia Times

March 31, 2004

http://www.atimes.com/atimes/Central_Asia/FC31Ag01.html

"Terrorist attacks in Uzbekistan contradict claims that the American-led offensive in Afghanistan has effectively destroyed the hotbed of Muslim



radicalism in Central Asia. Uzbek officials say that a series of attacks over the past few days - including suicide bombings and shootings - killed 19 people and injured at least 26 others. On Tuesday, a car bomb exploded at a police checkpoint on the outskirts of the capital Tashkent, injuring a number of people...”

36) Third Front in the War on Terrorism?

By Charles William Maynes

YaleGlobal

April 5, 2004

<http://yaleglobal.yale.edu/display.article?id=3642>

“Most Americans cannot find the country on the map, yet since last week their papers have carried headlines about terrorism in such exotic Uzbek cities as Tashkent and Bukhara. Is Uzbekistan a new front in America's war against terrorism? ”

37) Central Asia's Failing State

By Fiona Hill

The Wall Street Journal Europe

April 5, 2004

<http://www.brookings.edu/views/op-ed/hillf/20040405.htm>

“Suicide bomb attacks and battles with police in the past week left scores of people dead and wounded in Uzbekistan. Against the backdrop of the Madrid train bombings and Uzbekistan's role as an American ally in the war on terrorism—hosting a U.S. base on its soil—it's easy to see another link in the chain of al Qaeda-inspired events...”

SELECTED PUBLIC STATEMENTS

**From *Patterns of Global Terrorism 2003*, April 2004, U.S.
Department of State**

China continues to take a clear stand against international terrorism and is broadly supportive of the global war on terror. Chinese officials at all levels regularly denounce terrorism, and China regularly participates in discussions of counterterrorism in both international and regional

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forums. For example, China actively participated in the SCO, assisting in the establishment of an SCO Counterterrorism Center in Tashkent, Uzbekistan, scheduled to begin operation in 2004, and engaging in SCO joint counterterrorism exercises in Kazakhstan and Xinjiang Province in August 2003. China is supportive of diplomatic actions and efforts to block and freeze terrorist assets. China treats designations of terrorists under US Executive Order 13224 on an equal basis with those designated by the United Nations UNSCR 1267 Sanctions Committee. The United States and China hold regular counterterrorism consultations and expert-level consultations on curbing terrorist financing. The People's Bank of China is in the process of establishing an Anti-Money Laundering Bureau, which will include the Terrorist Finance Investigative Department.

China displays a general willingness to cooperate with international terrorism investigations. Chinese authorities actively participated in the investigation of the case of the "Portland Six"—a group in Portland, Oregon, indicted on terrorism charges in October 2002—providing hotel records and other information that proved instrumental in obtaining guilty pleas from the defendants. There were no acts of international terrorism committed in China in 2003. There were several reports, however, of bombings and bomb threats in various parts of China, although it is unclear whether these were politically motivated acts of terrorism or criminal attacks. Chinese authorities assert that terrorists, primarily based in Xinjiang Province, continue to operate on Chinese territory. On 15 December, for example, China's Ministry of Public Security (MPS) issued a list of "East Turkestan" groups and individuals that the Chinese Government considers to be terrorist entities. The list includes four groups: the East Turkestan Islamic Movement (ETIM), the East Turkestan Liberation Organization (better known as SHAT), the World Uighur Youth Congress, and the East Turkestan Information Center.

The list also specifically names 11 individuals as terrorists, including the leaders of each of the above groups. The MPS stated that it has incontrovertible evidence that each listed group has organized and executed specific terrorist acts in Xinjiang and that these groups are all linked to each other and the al-Qaida network. Following the release of the list, the Chinese Government called for international assistance in China's fight against these organizations and individuals, requesting that the groups' assets be frozen, that the organizations be outlawed, and that

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countries stop supporting and financing them. Beijing also asked the international community to assist in the investigation, apprehension, and repatriation of the designated individuals. The US Department of State has designated the ETIM as part of the Department of State's Terrorist Exclusion List and under Executive Order 13224, but has not designated the other three groups under US law. China is a party to 11 of the 12 international conventions and protocols relating to terrorism and is a signatory to the International Convention for the Suppression of the Financing of Terrorism.

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