

COOPERATION PERSPECTIVES OF KOREA AND CENTRAL ASIA

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Название статьи: *Перспективы сотрудничества Кореи и Центральной Азии*

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Резюме: *Дипломатическая деятельность Республики Корея направлена на расширение роли страны на международной арене и повышение её вклада в международное сообщество. Корея поддерживает отношения с большинством стран мира и является активной, стремясь установить более тесные контакты с каждой из стран Центральной Азии. Немаловажную роль в этом играет корейская диаспора, проживающая в странах Центральной Азии.*

Ключевые слова: *экономическое сотрудничество, Центральная Азия, Южная Корея, Коре сарам, двусторонние проект*

Keywords: *economic cooperation, Central Asia, South Korea, Koreans*

Today, diplomatic activity of the Republic of Korea aims at expanding the role of the country in the international arena and increase their contribution to the cause of international community. Korea maintains relations with most of world countries, and is active on seeking to establish more closely ties with each of them. While Central Asia is rich with resources that would strengthen Korea's economy, decades of economic instability in the region have posed challenges in creating strong economic ties.

Since the 1990's the presence and influence of South Korea in Central Asia have steadily expanded and deepened. Seoul's involvement in the region may be divided into two main phases. In the first decade following the independence of the Central Asian republics, South Korea maintained a low profile, with the exception of Uzbekistan where it clearly emerged as one of the country's main economic partners. In the 2000s, attention broadened to encompass the other republics. The Roh Moo-hyun administration (2003-2008) began to pay some attention to the Central Asian markets. The Lee Myung-bak

administration (2009-2013) later built on this interest and deepened cooperation. The «New Asia Initiative» launched in 2009, was both aimed at expanding its role in the Central Asian region specifically as well as part of a broader effort to establish South Korea as a global political and economic player [1, 7]. Seoul's strategy also encompasses broader political and strategic vistas. South Korea's government has expanded its New Asia initiative to include Central Asia which is an attempt to boost relations, economic cooperation, and establish the «Asian caucus» to meet outstanding contemporary challenges. By expanding this initiative to Central Asia, South Korea also pursues its overall expansion into Eurasia, particularly leading countries like Kazakhstan and Uzbekistan. It also provides support for Central Asia's ethnic Korean diaspora, which can only benefit from enhanced ties between their host governments and South Korea. As many as 200,000 Koryo-saram — as ethnic Korean living in Central Asia are called — reside in Uzbekistan, with another 100,000 living in Kazakhstan. The Koryo-saram are the descendents of Koreans who were deported by the Soviet Union from the Russian Far East to Central Asia in the 1930s. The deportations were brutal, resulting in an estimated 40,000 deaths [2]. Eventually, however, many of the ethnic Koreans in the region acquired high levels of education and reached positions of economic responsibility. Thus, in sum, these initiatives not only provide for bilateral gains on a win-win basis of mutual benefit, they also greatly accelerate and deepen the processes by which Central and East Asia are being jointly integrated on the regional and global level as economic and political partners, and increasing thereby Asia's collective weight in world affairs.

Depending ties between South Korea and Central Asia is well received by both sides which recognize mutual economic benefits. The growth of the Korean economy has led to rising energy needs. What is more, the current situation in the Middle East on whose oil Korea is dependent, makes it imperative for the country to diversify its energy sources. Kazakhstan and Uzbekistan provide alternative sources of natural resources (oil, gas, gold, uranium) and Korea has recently pushed the accelerator to develop ties with these countries.

Korea's role in Uzbekistan is even more marked, though not free of ups and downs over the years. Seoul is the largest investor in the Uzbek economy. The trade turnover between Korea and Uzbekistan has also grown over the years. In 2004 it amounted to US\$ 409 million and that rose to a further US\$ 1628 million in 2011 [3, 3]. Uzbekistan has

always been tantalizing to corporate investors from Korea as a result of its oil and gas deposits, but recently it is also upping its stake in the country's uranium assets. South Korea is heavily dependent on nuclear energy, which accounts for half of the country's total electrical consumption. The nuclear safety crisis at Fukushima hasn't deterred the growth of nuclear energy in Seoul, and the government is planning on going ahead with the construction of at least six new power plants. The Korea Electric Power Corporation (KEPCO) has secured multiple pacts with the Uzbek government to import thousands of tons of uranium over the next decade.

Economic agreements with Kazakhstan to two times higher than the sum of agreements with Uzbekistan. In particular, South Korea and Kazakhstan signed an agreement on two different projects, each in the amount of U.S. \$ 4 billion. One project concerns the construction of two power plants in the industrial city of Balkhash, the other - the construction of a petrochemical complex in Atyrau, where will the resources come from the field «Kashagan» for further processing and sending the further route.

In the project «Balkhash» will engage a South Korean consortium, which will include Korean Power Corporation and the company «Samsung». They will be engaged in the construction and operation of two coal-fired thermal power plants that will produce 7 % of electricity in Kazakhstan.

The project will be the first in Atyrau in Kazakhstan gas-chemical complex. Under the terms of the memorandum, the largest chemical company in South Korea «LG Chem» will cooperate with Kazakh company «Petrochemical Industry of Kazakhstan» (CPP) on the basis of «50 to 50». It should be noted that 49% of this company is owned by private shareholders and 51 % owned subsidiary of state oil and gas company «KazMunaiGas», which in recent years has begun to play a more important role in the development of the field «Kashagan». It is planned that the production of a petrochemical complex will start in 2016. The joint venture «LG Chem – SPC» is the second phase of the project, for which, in the first stage of the Chinese company «Sinopec Engineering» carries out construction projects valued at U.S. \$ 2 billion. Provides for the construction of two different plants that will produce 1 million 640 thousand tons of ethylene and polyethylene per year, competing with Middle East producers. The Government of Kazakhstan to invest in a joint venture of U.S. \$ 4.3 billion, two thirds of which will be borrowed [4]. In addition to these two major projects

were signed dozens of other agreements. President of Kazakhstan Nursultan Nazarbayev personally considers the participation of South Korea an important engine in the industrial diversification of the country.

South Korean President Pak Kin Hyo proposed re-implement the idea of the Silk Road: combine into a single transport network of roads and railways of South Korea, North Korea and China, and carry them through Russia and the Central Asian states, and then come to Europe. South Korea, which imports 97 percent of its total energy consumption, has actively conducted resource-seeking diplomacy in Central Asia. South Korea believes that by the mid twenty-first century, Central Asian countries, such as Kazakhstan, Uzbekistan, and Kyrgyzstan, will become major energy suppliers, replacing the Middle East. Thus far, the South Korean government has successfully created a more politically and economically favorable environment to secure energy supplies from Central Asia and has also opened up opportunities for those who seek energy development in the region. President Lee's development of strong personal relationships with leaders in the region has been particularly effective, as these countries still tend to have authoritarian regimes under which their leaders have more concentrated political power. However, uncertainties such as the region's high economic volatility, underdeveloped civil society, weak democratic institutions, and corruption could undermine the effectiveness of South Korea's energy diplomacy in the region. In addition, the scale of Korean investment and economic assistance in the region is significantly smaller than that of China and Japan. To this end, South Korea should take a holistic and strategic approach to meet its goals and overcome the difficulties associated with energy development in Central Asia by improving the comprehensive political risk assessment and crisis response system in the region and also by pursuing regional cooperation with Japan and China.

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