
Kazakhstan Drops Plan To Export Grain Via Georgia

By Paul Goble
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Citing "the situation in Georgia," Kazakhstan's agricultural minister said today that Astana will not build a grain terminal in Poti as it had planned to export Kazakhstan's grain, a decision that Georgian officials said had "surprised" them but one that highlights the emerging balance of forces in the Caucasus and Central Asia.

Akulbek Kurishbayev, Kazakhstan's minister for agriculture, told the parliament there that "a letter has been sent to the government urging it not to go ahead with the investment," adding that "it's clear that this is linked to international problems, to the situation in Georgia".

That decision does not extend to oil, at least not yet - Kazakhstan suspended oil shipments through Georgia when the Russian invasion began but restored them two weeks ago - but because it suggests the way in which regional leaders are thinking, it has disturbed many in Tbilisi.

Vakhtang Lezhava, Georgia's first deputy ministry of the economy, told Reuters that Tbilisi was "very surprised" by Astana's decision to stop the construction of a plant expected to handle up to 500,000 tons a year because "only Kazakh companies decided after the war to abandon investment plans in Georgia, while others continue to invest in our country."

If Kazakhstan is in fact the only country to take such a step and if Kazakhstan and other Caspian Basin countries continue to export petroleum via Georgia, then the impact of today's announcement would be relatively small, but Astana's decision and especially its invocation of "instability" as the reason almost certainly will have a much larger one than that.

First, and especially under conditions of international financial turmoil, Kazakhstan's declaration that it has concluded Georgia is too unstable for investment will undoubtedly lead others to make similar decisions, and those decisions will put even more pressure on the Georgian economy and consequently on the Georgian government.

Since the start of the war, Georgia has already suffered a sizeable although much debated reduction in the amount of transfer payments from Georgians working in the Russian Federation, and Tbilisi has the enormous and costly task of rebuilding the country following the Russian invasion. Consequently, any further cuts in international direct investment are going to hurt.

Second, and even more important, Kazakhstan's decision is likely to lead other countries to decide that they too do not want to move cargo across Georgia, something that will give Russia a victory in its drive to punish Georgia and a defeat to the United States and Europe which have sought to promote just such an East-West route.

If goods flow from the countries of Central Asia and the Caucasus across the Russian Federation rather than across Georgia, Moscow will gain leverage in all of these capitals at the expense of the US and Europe, and if the goods flow from these countries across Iran or toward China, the West will lose in other ways as well.

And third, and most important of all, Kazakhstan's decision about grain is likely to extend to petroleum products, either because Astana and other oil

and gas exporters will decide that Georgia is too "unstable" for them either on the basis of the current situation or as a result of one that might be created by a new round of attacks on pipelines and pumping stations there.

During the course of the Russian invasion of Georgia, various media outlets distributed photographs of a bomb crater within 100 meters of the Baku-Tbilisi-Ceyhan pipeline. It did not harm that pathway, some commentators pointed out, but it demonstrated a capacity to do so, if Moscow wanted to take that step.

Kazakhstan's decision thus raises the stakes, possibly tempting Moscow either directly by means of its own forces to disrupt the pipeline - unlikely in the short term - or indirectly through the sponsorship of groups on the ground - including potentially the ethnic Armenians of Javakhetia, a region in southern Georgia, who are increasingly restive.

However that may turn out to be, it is certain that Tbilisi and its supporters are not only "surprised" by what Astana has decided but are very, very concerned about an action that may prove to be a bellwether of the emerging geopolitics of Eurasia, a geopolitics in which Russia will play a larger role and the West a smaller one, with all the consequences that shift will entail.
