




Kazakhstan's Military-Industrial Complex: “Its Own” Or “Someone Else’s”

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Introduction by Matthew Stein, FMSO

When Kazakhstan was a part of the Soviet Union it was not in the same economic administrative area as the other Central Asian republics. The region was at times referred to as “Central Asia and Kazakhstan,” and the same can be said for today’s economic situation among the five countries. After the collapse of the Soviet Union, Kazakhstan was in a better position with more resources, most notably oil, to promote economic development than its neighbors. The government has also taken steps in recent years to build on this by becoming the world leader in uranium production (it has the second largest reserves of uranium) and China’s biggest trading partner in Central Asia. As the following article by Zhulduz Baizakova illustrates, this economic growth has enabled Kazakhstan to increase defense spending and develop its defense industry, which is something that the other four countries in the region are not in a position to do.

Baizakova examines the history of Kazakhstan’s defense industry, dating back to production for the Soviet Union, and more recent developments like the Kazakhstan Defense Expo (KADEX), where the government has negotiated several agreements with defense companies from Europe. Kazakhstan’s defense industry has made some quick strides in development because it did not have to start from scratch. She provides a particularly good look at the structure of Kazakhstan’s defense industry and the changes it has undergone, and what this means for the government’s economic development strategy and foreign policy. As Kazakhstan’s economy continues to grow, there is likely to be an expansion of the country’s defense industry, though, as Baizakova points out, this could create a set of issues that the country does not have as much experience in dealing with.





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Kazakhstan's Soviet Defense Legacy

When Kazakhstan was a part of the Soviet Union, it, as well as other republics, was a part of the USSR's military-industrial complex. According to some data, as much as 50 percent of various enterprises were located on Kazakh territory, producing naval and tank equipment, firearms (including large-caliber machine guns), missile guidance systems and components for air and coastal defense, ship-based missiles (including antiship and antisubmarine missiles), radio-electronic equipment for naval and aviation purposes, radar stations, torpedoes and torpedo components (including speedometers) and control systems, launch platforms and medium-range ballistic missiles, air-dropped antipersonnel and (sea) bottom mines, naval navigation equipment, and various hydraulic systems.¹

Despite not being a naval power, Kazakhstan predominantly manufactured products for the navy. It also specialized in the delivery of fuel pellets for nuclear reactors, and the country was the main supplier of uranium, beryllium, and titanium, though it did not have its own nuclear industry.²

After the collapse of the Soviet Union the majority of enterprises remained; however, government orders ceased, specialists left, and economic ties with the other republics were ruptured. In fact, there was a lack of demand for Kazakh production as it became more fragmented and specialized. The Kazakh military-industrial complex was essentially unable to regenerate itself.



Current production was set up on the basis of old factories and enterprises, though many had managed to transform themselves into manufacturers of civilian products.

Kazakhstan is now unquestionably a leader among its Central Asian neighbors in exporting and importing new equipment and armaments. The country is actively purchasing Russian and foreign equipment, as well as updating and modernizing its current inventory.³ One of the reasons that Kazakhstan is able to do this is because the country possesses adequate financial resources, though another issue is what exactly it is purchasing and from whom.

Of all the Central Asian countries, Kazakhstan alone has managed to make its way into the *Military Balance 2013* list of military purchases and deliveries, where two large deals are mentioned: the purchase of 40 S-300 anti-aircraft missile systems and 20 MIG-31 fighters. Both deals were made through Rosoboronexport, Russia's state agency responsible for all exports of Russian military arms and equipment.⁴ The fact that equipment in these numbers is being acquired indicates that, despite plans for diversification and the purchase from Spain of two C-295 transport aircraft from EADS (CASA), Kazakhstan prefers, for the time being, to deal with its northern neighbor.⁵

(Below) An Airbus C-295 transport aircraft at KADEX-2014. Kazakhstan currently has a few C-295s in service with additional aircraft set to be delivered through 2015.



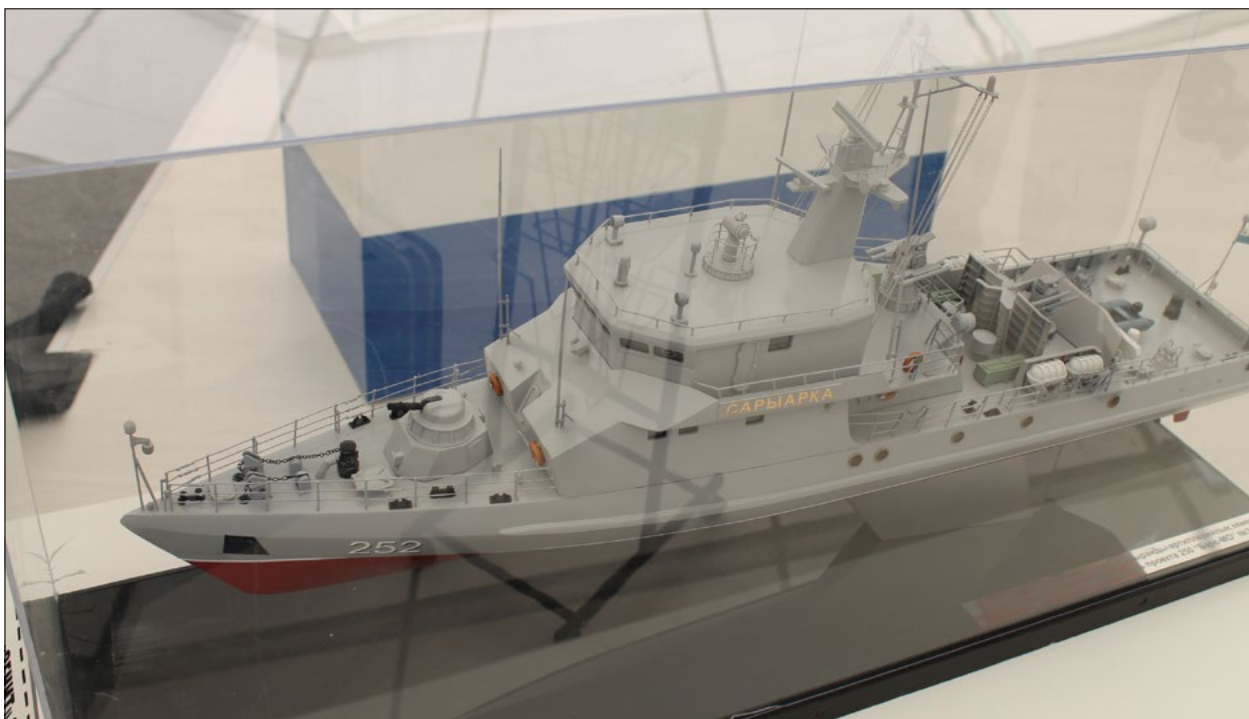


Before Kazakhstan began to purchase foreign equipment, all of its armaments and military equipment were of Soviet, and later Russian production. This fact initially placed the country at a disadvantage: as with the other former Soviet republics, Kazakhstan was simply forced to depend on the import of Russian arms.

Another difficulty in the development of a national military-industrial complex is the lack of qualified personnel. There is a noticeable deficit of specialists in the defense sector. Training in the field of engineering, for example, takes 5-7 years, and it takes the same time for an enterprise to begin to adequately function with trained personnel. Thus, roughly a decade is needed to obtain qualified personnel and develop an effective enterprise. The country's current enterprises prefer conditions under which profits are made quickly. This trend is characteristic for practically all areas of the industrial development of Kazakhstan, including the petroleum and gas sector.

One more obstacle on the path to the development of the military-industrial complex is a deficit of orders from the state defense sector. In light of this, not all defense-related enterprises are

A model of the 'Saryarka' rocket-artillery ship sits at the Zenit exhibition. The 'Saryarka' is the third of its kind to be put into service for Kazakhstan's Navy on the Caspian Sea.






utilized; therefore, many of them have been forced to orient themselves on the civilian sector, including those in areas of mechanical engineering, rail, and oil and gas, among others.

The history of the development of Kazakhstan's military-industrial complex is exemplified by the history of the Uralsk *Metallist* Factory, which in the 1970s started producing the NSV 12.7mm machine gun and after 1991 found itself without a customer. The factory leadership continued to use labor to produce a product that was no longer in demand. The workers have not been paid since 1997 and the factory has not received a single significant order.⁶ According to a few sources, the United Arab Emirates and Bulgaria expressed interest in obtaining arms; in the case of Bulgaria, machine guns and their additional components were even sent to the country, but Metallist did not even wait for payment. As a result the factory was reoriented toward engineering in the oil and gas industries.

There is, however, a positive development. The Uralsk *Zenit* Factory has been the main producer for the Kazakh Navy, and among its main achievements are the *Sunkar* (13 tons), *Burkit* (40 tons), and *Sardar* (210 tons and armed) class cutters for the border guards. This is in addition to the *Kazakhstan* and *Oral* rocket-artillery ships (250 tons) built in 2012-2013, both of which are equipped with modern communication and navigation and designed to combat other vessels.⁷ On 7 May 2014 a new rocket-artillery ship, the *Saryarka*, became the third ship of its kind to enter service in the Kazakh Navy. It is the 21st ship overall built by *Zenit* (the factory has predominantly constructed small and medium cutters for the country's Border Guards service).⁸ The fact that the ships were produced domestically is unique; however, it should be remembered that the development and design were Russian.⁹

Perhaps the most unique ship to be produced at *Zenit* is the *Sagym* (7 tons), designed by the *Gidropribor* Scientific Research Institute in Uralsk. The ship is a high-speed cutter with a length of 11 meters, a top speed of 100 km/h, and a production cost of \$1.09 million per ship. There were hopes that this type of ship, designed to protect the coastal border and to combat poachers, would be sold to the other Caspian littoral states.¹⁰ It is unknown how many ships like the *Sagym* are currently in service in the Caspian or whether there was any real interest from the Kazakh



government to purchase additional ships. At the Kazakhstan Defense Expo (KADEX) 2014 there was no information on the *Sagym* at the *Gidropribor* company booth.¹¹

At present the country's military-industrial complex is limited to the production of artillery, armored transports, missiles, small ships, aviation parts and systems, trucks, bulletproof vests, and radios for markets in the Commonwealth of Independent States (CIS). The repair and modernization of armored equipment, tanks, and torpedoes have also been set up, and new items being produced include 125mm tank rounds, sights, night-vision instruments, staff cars, and training simulators for combat vehicle crews.¹² It should be mentioned that statistical data on the many parameters of Kazakhstan's military-industrial complex are not public information, and costs on large contracts with foreign partners has not been disclosed. The technical and tactical characteristics of the weapons and military equipment being purchased or produced are also inaccessible.¹³

The National Military-Industrial Complex

Based on Russian experience, Kazakhstan has decided to combine all of its defense enterprises under the umbrella of a single organization. After Kazakhstan became independent, state shares of enterprises were given to the Defense Industry Committee of country's Ministry of Economy and Trade; then, by means of various mergers, they were joined into the joint stock company *Kazinzhiniring* (Kazakhstan Engineering) in 2003. Today, *Kazinzhiniring* comprises 24 enterprises and its sole stockholder is the state holding company *Samruk-Kazyna*. *Kazinzhiniring* supports a single finance and production policy. Among its many tasks is to provide for the production and repair of weapons and military equipment. It also specializes in production for agriculture, the railroad industry, and the oil and gas industry. It is the principal representative of country's military-industrial complex and is responsible for fulfilling the state's defense procurements.¹⁴ The principal contractor of *Kazinzhiniring* is the country's Ministry of Defense (MoD). Unlike other ministries, the MoD is subordinate to the president, instead of the prime minister like other ministries, and its policy is shaped by the Secretary of the Security Council.¹⁵



After 1991 several companies in the field of exporting and importing military weapons and equipment were operating in the country. In 1999 several small companies merged to create the Republic State Enterprise *Kazarnalyeksport* (Kazakhstan Special Export). It was directly subordinate to the Office of the Prime Minister of the Republic of Kazakhstan, and one year later it was transferred to the jurisdiction of the Ministry of Defense.¹⁶

In accordance with Government Resolution No. 1039, “Individual Questions on the Turnover of Military Property,” dated 7 August 2001, *Kazarnalyeksport* became responsible for exporting and importing weapons, military equipment, ammunition, spare parts and accessories, and dual-use technologies, as well as providing services for renting defense items, for Kazakhstan’s Armed Forces. Additionally, it manages the utilization, rental, and implementation of weapons, military equipment, defense facilities, and other military property not being used by the country’s Armed Forces.¹⁷ Thus, the government of Kazakhstan consolidated all prerogatives and functions regarding the marketing and trading of weapons and military equipment, having linked all enterprises into a single large state node.

According to information on the *Kazarnalyeksport* website, it alone has the right to export armaments and military equipment produced in Kazakhstan. This, however, does not tie in with the activities of *Kazinzhiniring*, which links all Kazakh enterprises and plays a principal role in the sphere of military-technical cooperation with other countries.¹⁸ It is also worth pointing out that, apart from the MoD, the Interior Ministry, the Ministry for Emergency Situations, and the National Security Committee have expressed interest in purchasing both domestic and foreign defense products.

In 2011 *Kazinzhiniring*’s profits amounted to \$11.9 million, and production volume reached \$271 million. It is directly involved in military-technical cooperation with a number of countries in the region and around the world. The company also participates in the creation of joint ventures with foreign partners, which fits Kazakhstan’s goals of attracting direct investments, technology transfers, personnel training, and the creation of service centers for defense related production.¹⁹

In the last few years *Kazinzhiniring* began to orient its enterprises on assembly from ready-made components, which its foreign partners import into the country. This is the area in which Kazakhstan is expressing interest with regard to transferring technologies and training local personnel. Kazakhstan currently lacks a full production capability; defense plants and facilities are using equipment and hardware that is largely worn out and technologically out of date. The country lags behind other more technologically advanced countries by not investing enough funds to modernize and upgrade its defense manufacturing, which, in turn, suggests that none of *Kazinzhiniring's* enterprises can seriously compete on the world market.²⁰

In addition to the lack of technical expertise, one of Kazakhstan's biggest obstacles for developing a defense industry is the lack of technical or scientific research institutes and relevant design departments.²¹ Currently, *Kazinzhiniring* relies on *Gidropribor* and the Unified Center for the Introduction of Weapons Control Systems to lead its scientific research and development.²²

The main reason why Kazakhstan is actively entering into joint enterprises with foreign companies is connected with the fact that, according to the strategic development plan, the defense industry must account for no less than 80 percent of domestic production by the year 2020.

According to Bulat Smagulov, Head of Kazakhstan Engineering, the defense industry already

(Below) The UkrOboronProm exhibit at KADEX. UkrOboronProm manages the multiple enterprises engaged in Ukraine's defense industry.





(Above) Many of these enterprises were prominently featured at KADEX-2014 and have been actively working with Kazakhstan's defense industry on aircraft and armored vehicles.

accounts for more than 50 percent of the state's defense procurements. The government of Kazakhstan has decided that Kazakh enterprises will receive a 75 percent prepayment for state procurements and an extension of up to three years to fulfill.²³ However, this type of arrangement is clearly not to the advantage of the customers: an increase in the prepayment and extension will not contribute to competition, but rather lead to questions of quality.

Since these enterprises will receive a prepayment and extension, it could allow them to postpone production as well as renegotiate terms of the initial contract. There are also concerns that changes of leadership and/or personnel might occur within that period, presenting additional difficulties for the customer. In short, it is believed that these arrangements provide more opportunities for corruption schemes to take place.²⁴

Kazakhstan's 2011 military doctrine states that a gradual development of the Armed Forces will take place. The country plans a serious modernization of its air and air defense forces and a



renovation of its armored vehicle fleet.²⁵ In any case, one issue remains unclear: which government body regulates import and export transactions of defense articles produced in the country. In addition, the process of bidding for large-scale military contracts and the distribution of revenue based on sales in domestic and foreign markets are also not transparent.

Kazakhstan does not currently have a uniform, clear strategy for the development of a defense industry or military-technical cooperation programs with foreign countries. On the contrary, the defense industry is subordinated to the Government Program for the Forced Industrial-Innovational Development of Kazakhstan for 2010-2014, as well as to the Strategic Plan of Development for the Republic of Kazakhstan to the Year 2020. The fact remains that during the country's 20 years of independence the defense budget has increased 25 times.²⁶ According to data from the Stockholm International Peace Research Institute (SIPRI), Kazakhstan increased its defense expenditures from \$206 million in 1999 to \$855 million in 2008.²⁷ Additionally important is that from 2004-2011 Kazakhstan imported multipurpose fighters for a sum of around \$140 million and that, according to some data, expenditures for the 2012-2014 period amount to \$6.15 billion, yet *Military Balance* estimates that Kazakhstan's 2014 defense budget is \$2.05 billion.²⁸

Kazakhstan Defense Expo (KADEX)

KADEX is a biennial exhibition of armaments and military equipment that took place in 2010, 2012 and most recently in May 2014. KADEX-2014 featured more than 200 companies, with Kazakhstan signing agreements with foreign partners estimated at \$1.2 billion.²⁹ KADEX has turned into one of the biggest platforms for *Kazinzhiniring* to showcase Kazakh defense production and for the MoD to make agreements with international defense companies.³⁰

Some of most notable agreements announced from KADEX-2014 include a memorandum of understanding with General Atomics to lease the Predator XP surveillance unmanned aerial vehicle (UAV), plans to create a facility to produce the CASA NC-212i (medium transport aircraft), a memorandum of understanding with ThalesRaytheonSystems to acquire the Ground



(Above) ThalesRaytheonSystems' Ground Master 400 mobile radar system; Kazakhstan's Ministry of Defense had previously purchased the Ground Master 400 and reached an agreement to purchase additional systems at KADEX-2014."

Master 400 long-range radar system, as well as memorandums of understanding with Poly Technologies, Paramount (South Africa), SociedadAnonimaElectronicaSubmarina (Spain), STM (Turkey), ELBIT Systems (Israel), and Aeronauticssystems (Israel).³¹

Kazakhstan-Russia


In the mid-2000s Kazakhstan's military agreed that radically changing its armaments and military equipment would be too expensive and inefficient. Instead, the military focused on repairing and modernizing its existing inventory based on the State Program for the Development of the Armed Forces' Armaments and Military Equipment and the Republic's Military-Industrial Complex by 2015, signed by President Nazarbaev in 2007.³² Several of the planned measures to repair and modernize suggest close cooperation with Russia, in particular with *Rosoboroneksport*. In

2007 Russia provided Kazakhstan with technical plans for the construction of three rocket-artillery ships, based on the “Katran” Project 20790.³³

Military-technical cooperation between Kazakhstan and Russia has been long and stable, and the main trends have been purchases, repairs, and modernization of tanks and aviation equipment. Among the largest deals to have taken place is the delivery of 12 BTR-82As (modern variant of the amphibious armored personnel carrier), three TOC-1 *Buratino* (multiple rocket launcher), and three BMPT “Terminator” (tank support combat vehicle) in 2011.³⁴ In addition to the delivery of the BMPT vehicles, *Kazinzhiniring* and *Uralvagonzavod* signed an agreement in September 2013 to jointly produce BMTPs; Russia would supply the main armaments and spare parts, while Kazakhstan would produce the chassis for the vehicles. Production is scheduled to start in 2015.³⁵

(Below) A KAMAZ truck made in Kazakhstan on display at KADEX-2014. KAMAZ, a Russian truck manufacturer, has had production facilities in Kazakhstan since 2005.”





This is not the only example of equipment being produced jointly with the Russians, as KamAZ trucks are being assembled in Kokchetau at the “Tynys” Factory. Some of the vehicles are being supplied to various Kazakh ministries, while others are being exported. In 2011 around 900 vehicles were produced. There are plans to assemble Russian “Tiger” armored cars, as well as the new Russian “Medved” (Bear) armored vehicles and the “Ural” automobile in Kazakhstan.³⁶

In September 2011 Valery Gerasimov, the current Chief of the General Staff and of the Armed Forces of the Russian Federation, officially announced that Russia and Kazakhstan will create a joint air defense system. This includes a planned delivery of anywhere from 30-50 S-400 “Triumph” surface-to-air missile systems to Kazakhstan after 2015. The S-400’s development was based on the S-300 system, which Kazakhstan is already using, and will accordingly reduce expenditures on personnel training.³⁷

On 26 May, 2014 Kazakhstan ratified an agreement on a joint air defense system that was initially signed in January 2013. In late January 2014 Russia announced that it will send Kazakhstan five S-300PS (NATO reporting name: SA-10B Grumble) surface-to-air missile systems.³⁸ Additionally, Kazakhstan’s MoD plans to spend \$3.12 million on joint air defense in 2014.³⁹ Russian military exports to Kazakhstan from 2012-2015 will total \$258 million out of the \$765 million that Kazakhstan will receive; the rest of the exports will be made by France (\$256 million), South Korea (\$100 million), the United States (\$63 million), Spain (\$60 million), and Turkey (\$27.5 million).⁴⁰ Overall, a positive factor of Kazakhstan’s close relationship with Russia in the defense sector is preferential acquisition of Russian military and technical products within the framework of the Collective Security Treaty Organization (CSTO), though the actual number of acquisitions of such products is, in fact, few.⁴¹



Kazakhstan-Ukraine

In recent years Kazakhstan has been dynamically cooperating with Ukraine in repairs of military transport, aviation, and armored equipment. According to Smagulov, Ukraine proposes “favorable technological solutions and a competitive price policy.” In 2006 Kazakhstan placed an order with Ukraine for the repair and modernization of twelve Su-27 fighter aircraft for a total of \$36 million. In 2012 Kazakhstan finalized an agreement with Ukraine for \$150 million on the purchase of 10 BTR-4s with an additional 90 to be assembled at the Semey Engineering facilities in Kazakhstan. According to Ukrainian Secretary of the Council for National Security and Defense Andrey Kliuev, both countries are interested in developing new production, such as large-caliber shells and navigation technology.⁴²

Cooperation between the two countries has not been without issues. In May 2014 test results revealed unspecified flaws in the BTR-4, and the initial models have been sent back to Ukraine. Smagulov has said that after Ukraine corrects the deficiencies the BTR-4s will be tested again, and if there is a positive result, they could begin to enter service into the Kazakh Armed Forces.⁴³ In the context of the current situation between Ukraine and Russia, Kazakhstan might have difficulties balancing its partnership with Moscow and its particularly close military-technical cooperation with Ukraine. It should be noted that in KADEX-2012 and 2014 Ukrainian companies were able to showcase their products in exclusive, separate pavilions.⁴⁴

International Cooperation

Kazinzhiniring currently has four joint enterprises with foreign partners: a limited partnership (LP) “Tales Kazakhstan Engineering” (with France) for production of short-wave and ultra-short-wave radios; LP “Eurocopter Kazakhstan engineering” (with France and Germany) for the assembly, sale, and technical servicing of EC-145 helicopters as well as training; LP “Kazakhstan ASELSAN engineering” (with Turkey) for production of electro-optical instruments (day-and night-vision instruments, infrared cameras, and optical sites); and LP “Indra Kazakhstan engi-

neering” (with Spain) for production and technical servicing of the “LANZA” and “LA” radio-electronic systems, radio-electronic warfare systems, radio-electronic reconnaissance systems, and other radio-electronic equipment.⁴⁵

According to some data, the amount of investments being drawn in is estimated to be more than \$348 million, and technology transfers are at a volume of no less than \$135 million as a result of joint production.⁴⁶ Kazakhstan’s order of 45 Eurocopter EC-145 helicopters has resulted in 6 deliveries, while the rest will be assembled and delivered as needed by Kazakhstan’s Ministry of Defense and Ministry of Emergency Situations. In May 2012 Kazakhstan agreed to purchase 20 mid-size EC-725 transport helicopters from Eurocopter through the year 2020. A document was also signed in 2013 regarding the assembly and servicing of the multipurpose light EC-645T2 assault helicopters on the basis of LP “Eurocopter Kazakh engineering.” The EC-645 is the armed variant of the EC-145.⁴⁷ It is expected that the first EC-645T2 assembled in Kazakhstan will go into service sometime in 2014. As of January 2014 Kazakhstan had assembled 20 EC-145s, 14 for the Ministry of Emergency Situations and 6 for the MoD. The government of Azerbaijan is considering purchasing the Eurocopter model helicopters from Kazakh-

(Below) Members of Kazakhstan’s Armed Forces conduct a demonstration at KADEX-2014 with two Eurocopter EC-145s and a (Turkish) Cobra armored vehicle.





stan; however, a deal has yet to take place.⁴⁸


The signing of contracts with leading foreign companies in the defense sector is seen as prestigious for Kazakhstan and demonstrates three important points. First, this is the latest confirmation of a multivector policy, because Astana is cooperating with both NATO and the CSTO. At present there is no bilateral or multilateral document or agreement that would restrict Kazakhstan's goals of developing its defense industry and military capabilities.⁴⁹ Second, this shows that Astana can develop a defense sector for itself. Third, the ability to select potential partners makes it possible for Astana to use defense contracts as a mechanism for pressuring Moscow.⁵⁰ This leaves the Russian defense industry no choice but to compete as Kazakhstan strives to acquire quality and inexpensive products that the Russians are not always able to provide. In addition to this, the Russian defense industry has competitors that include Ukraine and Belarus.⁵¹

Despite close political, economic, and cultural links, both of these countries are portrayed in Russian media as competitors within the CIS military-industrial market. Russia has been waging a serious information campaign in Kazakhstan to discredit Ukrainian and Belorussian companies so that Astana will favor Russian ones instead.⁵²

From Moscow's perspective, other CIS countries present the biggest competitive threat due to a common language (Russian) and similar equipment, which allows Kazakhstan to modernize its inventory of Soviet-era tanks in Russia or Ukraine.

Diversification From 2012 through 2015 Kazakhstan has plans to acquire 10 CASA C-295 and 12 C-130J Super Hercules transport aircraft, one Sukhoi Superjet 100, one Il-96 jet airliner, and 30 MiG-29M2 fighters. Kazakhstan's deal with Airbus Military (done through *Kazarnaulyeksport*) for the C-295 aircraft includes services, spare parts, and equipment.⁵³ Kazakhstan is not only the first Central Asian country, but also first among those in the CIS, to purchase a fixed-wing aircraft (the C-295) from outside of Ukraine or Russia.⁵⁴

Kazakhstan's Ministry of Defense has declared that the main motivation for the acquisition



of C-295s was that the maintenance period for the current inventory of AN-26 transport aircraft expires in 2015.⁵⁵ One of the other main criteria was the potential for flying without refueling and the ability to operate in the country's distinctly continental climate. According to data from the global arms market, the cost of one C-295 aircraft is \$40 million.⁵⁶

Kazakhstan has also been modernizing some of its military inventory through deals with Belarus. In 2007 Kazakhstan upgraded its Su-27s to the level of the Su-27UBM2 for the sum of \$52 million, and in 2011 a contract with Belarus was signed for the repair and modernization of MiG-29s. Additionally, Belarus won the bid for the modernization of several dozen S-125 *Pechora* anti-aircraft missile systems to the level of the *Pechora-2T* from 2004-2007. Some experts believe that Astana may order the modernization of additional S-125 systems to the level of *Pechora-2M*.⁵⁷

Modernizing aircraft is not the only area in which Kazakhstan has been diversifying its partnerships. Turkey has worked with Kazakhstan on a plan to establish a joint enterprise for the assembly of the Otokar "Cobra" armored vehicle (based on the American "Hummer"). It is proposed that Kazakhstan build a factory from scratch, while Turkey will provide everything else (technologies, components, personnel training). The first ten Cobras, purchased separately from the joint enterprise, are already being used in Astana by the 36th Air Assault Brigade.⁵⁸

Kazakhstan has also declared its interest in acquiring Israeli UAVs, and in 2006-2007 the country purchased 18 LAR-160 "Lynx" multiple rocket launchers, 6 122mm *Semser* self-propelled howitzers, and 18 120mm *Cardom* mortars for placement on armored transports from Israel.⁵⁹ Additional deals include *Kazinzhiniring* and the French company Safran planning to jointly produce UAVs, and an agreement with the Italian company "Finmeccanica" for the modernization of helicopters and new optoelectronic systems for T-72 tanks.⁶⁰ According to Russian sources, over the last three years Kazakhstan has spent \$3 billion on foreign equipment, including for aircraft, helicopters, and armored vehicles.⁶¹ Any diversification of foreign partners in the defense sector falls within one of Kazakhstan's biggest priorities to construct new defense plants and production facilities and to produce cartridges and artillery shells.⁶²



Other Considerations and Conclusion


There has been a lot of criticism from journalists and security experts about the shuffling of high-level positions within the Kazakh government, particularly the position of Minister of Defense.⁶³ This is in addition to a number of corruption scandals in defense procurement. In March 2014 President Nazarbayev directly linked corruption cases within the MoD as a threat to national security.⁶⁴

The numerous deals with foreign partners attest to the fact that Kazakhstan is expanding its arms market and strengthening its position by skillfully maneuvering between Russia and the rest of the world. The country regularly participates in joint exercises of the CSTO and the Shanghai Cooperation Organization, and since 2003 has been participating in NATO's Partnership for Peace Exercise "Steppe Eagle." It is clear today that Kazakhstan is shifting away from acquiring exclusively Russian weapons and equipment; however, this does not indicate that Astana is changing its multivector foreign policy. A multivector policy still plays an important role for Kazakhstan and the country is successfully observing an interesting balance in the sphere of defense.


At the same time, by striving to expand and diversify the market of suppliers of defense items, Kazakhstan may push itself into a corner by acquiring one type of equipment from different companies. It is not certain, for example, how airmobile forces will tactically utilize Ukrainian (based on a Russian design) and Turkish (based on an American design) armored personnel carriers. Many other questions with regard to the Kazakh defense industry remain, but there are too few answers. Perhaps the biggest problem of the national defense industry is that the Kazakh Army will have too much diversification of suppliers of equipment.


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