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Policy Brief

Strengthening Bonds and
Exploring Opportunities:
Canada — Central Asia relations

Author:

Shakhzoda Jumaniyazova

The relationship between Canada and the countries of Central Asia unfolded over the years against a backdrop of geopolitical shifts, particularly following the dissolution of the Soviet Union in [1991](#). The relationship between Canada and Central Asian countries has garnered increasing attention in recent years, driven by shared interests in economic development, cultural exchange, and geopolitical cooperation. This article aims at providing a comprehensive analysis of the multifaceted dynamics shaping the bilateral relations between Canada and the nations of Central Asia - Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Likewise, it will delve into the region's importance from a geopolitical perspective, its economic potential for Canadian businesses, and the security interests that necessitate a robust and strategic engagement by Canada. By synthesizing existing research and offering critical insights, the article contributes to a deeper understanding of the opportunities and challenges inherent in this evolving relationship, while also identifying potential avenues for further collaboration and mutual benefit.

Initially, Canada's engagement with Central Asia was driven by the recognition of these newly independent states and the establishment of formal diplomatic relations. Canada's strategic interests and relations with Central Asia, encompassing countries such as [Kazakhstan](#), Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, are shaped by a mix of geopolitical, economic, security, and human rights considerations. Central Asia's geopolitical location, vast natural resources, and complex security dynamics render it an area of significant interest for Canada. This period marked the beginning of a new chapter for Central Asia as well, as these nations embarked on a journey of sovereignty and independence, opening the doors for Canada to establish diplomatic, economic, and developmental ties.

Economic relations

Economic relations between Canada and Central Asia have undergone a significant transformation in recent years, characterized by a growing focus on sectors such as energy, mining, and education. Among the Central Asian nations, Kazakhstan has emerged as a particularly attractive destination for Canadian business interests, owing to its robust economy and abundant natural resources.

The bilateral trade and investment figures underscore the increasing momentum in economic cooperation between the two regions. As of [2022](#), Canada's trade relations with Kazakhstan have experienced substantial growth, with bilateral business reaching [CAD \\$950 million](#) over a nine-month period. Notably, Kazakhstan has witnessed a remarkable surge in Canadian investments, which soared to [CAD \\$520 million](#) by the end of 2021, marking a seventeen-fold increase compared to [2020](#) when investments stood at [CAD \\$30 million](#). This surge in investment underscores Canada's growing confidence in Kazakhstan's economic potential and its willingness to engage in mutually beneficial partnerships.

In addition to Kazakhstan, Canada has also begun to explore economic opportunities in other Central Asian countries. A significant milestone was reached in [December 2023](#) when Canada's trade relations with Uzbekistan demonstrated a positive balance, with Canada [exporting CAD \\$1.58 million](#) worth of goods to Uzbekistan while [importing CAD \\$292k](#) from the country. In [January 2024](#), Canada [exported CAD \\$579k](#) and [imported CAD \\$204k](#) from Uzbekistan, resulting in a positive [trade balance of CAD \\$375k](#). This positive trade balance highlights the untapped potential for further expansion of economic ties between Canada and Uzbekistan. In terms of sectors attracting Canadian interest, the natural resources sector of Kazakhstan stands out as a primary focus area.

Currently, more than [150 Canadian companies](#) are successfully operating in Kazakhstan, with significant investments in the extractive sector of the economy. These investments encompass a range of activities, including mining, oil and gas exploration, and renewable energy projects, reflecting Canada's expertise and experience in resource extraction and sustainable development practices. Furthermore, Canada has the opportunity to further enhance its economic relations with Central Asian countries by pursuing [Free Trade Agreements \(FTA\) or Preferential Trade Agreements \(PTA\)](#). By negotiating trade agreements, Canada can create a more conducive

environment for bilateral trade and investment, thereby unlocking new opportunities for Canadian businesses in the region.

Moreover, Canadian investment in Central Asia is not limited to the extractive sector. There are opportunities for investment in diverse sectors such as agriculture, digital infrastructure, and transportation. Encouraging Canadian companies to explore these sectors through trade missions, investment promotion events, and business forums can help diversify and expand Canada's economic footprint in Central Asia.

The economic relations between Canada and Central Asia have witnessed significant progress, with Kazakhstan emerging as a focal point for Canadian investment and trade. By leveraging Canada's expertise and resources, and by exploring new avenues for collaboration, both regions can further strengthen their economic ties and capitalize on the abundant opportunities for mutual benefit.

Natural Resources Supply Chains

Central Asia's abundance of oil and natural gas resources presents a strategic opportunity for Canada to diversify its energy sources and reduce dependence on Middle Eastern oil. For instance, Kazakhstan holds significant reserves of oil and gas, with [major projects such as the Kashagan oil field attracting international investment](#). By engaging with Central Asian countries like Kazakhstan, Canada is eager to secure access to alternative energy supplies, thereby enhancing energy security and mitigating geopolitical risks associated with overreliance on a single energy source or region. Diversification strategies are crucial for Canada's energy security, emphasizing not only geographic and market diversification but also a shift towards renewable energy and green technologies.

For instance, [Canada's commitment](#) to reducing greenhouse gas emissions and transitioning to a low-carbon economy aligns with Central Asia's growing interest in renewable energy development. By investing in renewable energy projects in Central Asia, such as solar and wind farms, Canada can contribute to the region's energy transition while also expanding its presence in the global renewable energy market. Canada's technological innovations in renewable energy offer significant opportunities for collaboration with Central Asian countries. For example, Canada's expertise in hydroelectric power generation could be leveraged to support Tajikistan's efforts to harness its abundant water resources for electricity production.

Similarly, Canada's experience in developing and implementing clean energy technologies, such as advanced battery storage systems and smart grid solutions, can encourage Central Asian countries to modernize their energy infrastructure and improving efficiency.

Collaborations in modernizing energy infrastructure and promoting environmental sustainability are essential for achieving shared goals of energy security and economic development in Central Asia. Canadian companies specializing in energy efficiency solutions and sustainable building technologies can partner with Central Asian governments and businesses to retrofit existing infrastructure and construct energy-efficient buildings. These initiatives not only reduce energy consumption and greenhouse gas emissions but also create jobs and stimulate economic growth.

Canadian firms have increasingly participated in Central Asia's energy sector, bringing technology, expertise, and capital to the region. For example, Canadian energy companies have been involved in exploration and production [projects in Kazakhstan](#), contributing to the country's oil and gas output. Companies like [Crescent Point Energy, EnCana, and Talisman Energy](#) have been actively involved in the Kazakhstani oil sector. These investments are bolstered by consulting firms like [PwC Canada](#), which assist with developing energy policies and investment strategies for the Central Asian markets.

The potential for renewable energy in Central Asia is substantial, yet its realization faces challenges such as outdated energy infrastructure and the need for political will, regional cooperation, and substantial investments. Turkmenistan, with its vast solar potential, is exploring opportunities to develop solar energy projects, but it requires investment in grid modernization and transmission infrastructure to integrate renewable sources into the energy mix effectively. By collaborating with Central Asian countries on infrastructure development and policy reforms, Canada can help unlock the region's renewable energy potential and accelerate its transition to a sustainable energy future.

Canada's engagement with Central Asia's natural resources supply chains offers opportunities for mutual benefit, including diversifying energy sources, promoting renewable energy development, and fostering sustainable economic growth. By leveraging its expertise in renewable energy technologies and forging partnerships with Central Asian governments and businesses, Canada can contribute to the region's energy security,

environmental sustainability, and economic prosperity.

Security Cooperation

The security dimension of Canada's engagement with Central Asia is multifaceted, encompassing counter-terrorism, counter-narcotics, and non-proliferation efforts. Terrorism remains a significant concern for Central Asian countries, with the threat extending across borders and impacting global security. For example, Canada allocated an additional [\\$3.7 million](#) in project funding to the United Nations Office of Counter-Terrorism, for a total of over [\\$5.5 million](#), to expand Canada's commitment to enhancing the capacity of Central Asian states to counter the risk of trafficking of illicit firearms in the region.

Additionally, on 22-23 February 2023, the [United Nations Office on Drugs and Crime \(UNODC\)](#), jointly with the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan, conducted in Almaty the Fifth Inter-Regional Expert-Level Meeting under the Inter-Regional Network of Customs Authorities and Port Control Units (IREN) of the UNODC-WCO Global Container Control Programme (CCP). Canada's cooperation in counter-terrorism efforts includes capacity building, intelligence sharing, and supporting regional counter-terrorism strategies. Furthermore, Central Asia's proximity to major drug-producing and trafficking routes poses a challenge to regional and international security. Canada's engagement in combating drug trafficking in Central Asia focuses on border security enhancement, law enforcement training, and the promotion of alternative livelihoods to reduce dependency on the narcotics trade.

It also explores opportunities for Canada to contribute to regional security through capacity-building initiatives and cooperation in law enforcement and border security. In the realm of security, the post-9/11 era marked a turning point, with [Canada](#) and Central Asian countries finding common ground in the fight against terrorism and drug trafficking, given Central Asia's strategic proximity to Afghanistan. This cooperation has underscored the importance of regional security and the potential for collaborative efforts in addressing transnational threats. Despite the complexities and challenges, there is significant potential for expanding this partnership to further contribute to stability and security in Central Asia and beyond. By adapting strategies to the changing security dynamics and deepening collaborative efforts, Canada and Central Asian countries can achieve mutual security objectives and foster a safer, more stable region.

Canada has a vested interest in supporting nuclear non-proliferation efforts in the region. Central Asia's nuclear legacy, marked by uranium mining and nuclear testing, particularly at [Kazakhstan's Semipalatinsk Test Site](#), underscores the region's critical role in global non-proliferation efforts. [The Treaty of Semipalatinsk](#), establishing Central Asia as a nuclear-weapon-free zone, highlights regional commitments to non-proliferation, setting the stage for international cooperation. Canada's support for nuclear non-proliferation in Central Asia includes diplomatic advocacy, financial contributions to disarmament programs, and technical assistance for secure material management. Multilateral partnerships and collaborations with international organizations underscore Canada's approach to addressing nuclear challenges in the region. Through participation in the NPT and the NSG, Canada has reinforced its commitment to preventing nuclear proliferation and promoting disarmament.

Regional Integration Projects

The prospects for cooperation between Canada and the countries of Central Asia in the field of education can be considered through the prism of the development and support of educational initiatives and projects in the region. Increasing scholarship programs for Central Asian students and organizing cultural exchange programs can foster mutual understanding and strengthen people-to-people ties, building a foundation for long-term cooperation. A significant step towards enhancing regional cooperation in higher education within Central Asia was the initiation of a high-level conference co-organized by the [World Bank and the Ministry of Higher Education, Science, and Innovation of Uzbekistan](#) in Tashkent in 2023. With over [430](#) universities operating in Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan, serving [1.8 million](#) students, the region has seen substantial growth in its higher education sector.

These initiatives reflect a growing emphasis on educational collaboration between Canada and Central Asian countries, aimed at improving the quality and internationalization of higher education in the region.

Recent examples of Canada's involvement in educational initiatives and projects in Central Asia are limited. However, Canada's commitment to global education and development provides a basis for potential future cooperation with Central Asian countries in this field. One recent example of Canada's engagement in education and development is its support for the [Aga Khan Foundation](#), which operates educational and cultural programs in Central Asia.

The Aga Khan Foundation's initiatives focus on improving the quality of education, enhancing teacher training, and promoting access to education, particularly in remote and marginalized communities. While Canada's direct involvement in these initiatives may be limited, its financial contributions to organizations like the Aga Khan Foundation indirectly support educational development efforts in Central Asia.

Moreover, Canada's participation in multilateral initiatives and partnerships may also contribute to educational cooperation in Central Asia. For instance, Canada is a member of the [Global Partnership for Education \(GPE\)](#), a multilateral partnership working to strengthen education systems in developing countries. Through its membership in the GPE, Canada supports efforts to improve access to quality education, build educational infrastructure, and enhance teacher training in countries around the world, including potential beneficiaries in Central Asia.

Furthermore, Canada's international development assistance programs, such as the [International Development Research Centre \(IDRC\)](#) and the [Canadian International Development Agency \(CIDA\)](#), may also facilitate educational cooperation with Central Asian countries. These agencies support research and capacity-building initiatives aimed at addressing development challenges, including those related to education, in partner countries. As Canada continues to prioritize global education and development, opportunities for partnership and cooperation with Central Asian countries in advancing educational initiatives and projects are likely to emerge, contributing to the region's socio-economic progress and human capital development.

Canada is actively involved in stabilization projects in Central Asia, which, although not directly related to the education sector, demonstrates the country's commitment to regional development and stability. Among the initiatives are strengthening the capacity of states in the region to counter the illicit arms trade and supporting the reintegration of former members of extremist groups.

Projects are generally aimed at improving the living conditions of the population, strengthening social cohesion and increasing resistance to the influence of extremist ideologies. [Canada's Global Affairs](#) programs fund projects aimed at promoting peace and stabilization, including demining and social inclusion programs in Iraq and Syria, and supporting counter-extremism strategies in Tajikistan.

The cooperation between Canada and Central Asian countries, particularly in the context of labor migration, appears to be an evolving landscape, with each nation pursuing various strategies to address their labor market needs and the challenges faced by their migrant populations. Canada's migration policies, particularly its temporary foreign worker pathways and economic programs like the [Agri-Food Pilot](#), are designed to address labor shortages within the country by facilitating the entry of workers from abroad. In 2022, Canada welcomed over [50,000](#) workers from Mexico, Guatemala, and the Caribbean in the agriculture sector alone, demonstrating its reliance on foreign labor for critical sectors.

Furthermore, Canada has shown interest in exploring humanitarian pathways for [displaced persons](#) from the Americas, indicating an openness to diversifying the geographical and sectoral scope of its labor migration intakes. Given these dynamics, there appears to be potential for cooperation between Canada and Central Asian countries in the realm of labor migration.

Such collaboration could be mutually beneficial, offering Central Asian workers access to regulated and diverse labor markets while helping Canada meet its labor needs across various sectors. However, the realization of such cooperation would likely depend on alignment of economic interests, and the establishment of legal and regulatory frameworks to facilitate labor mobility between these regions.

By focusing on these strategic areas, Canada can not only strengthen its relations with Central Asian countries, but also contribute to regional stability, economic growth, and the promotion of human rights and democratic governance. Engaging with Central Asia presents a unique set of challenges and opportunities for Canada. Political instability, human rights issues, and economic barriers pose significant challenges, while the region's economic growth, natural resources, and strategic location offer numerous opportunities for deepening bilateral relations. Enhanced relations with Central Asia would further Canada's broader strategic objectives, including diversifying its trade partners and playing a constructive role in global security and development initiatives.