

## *Kazakhstan as a Transport Bridge between Europe and Asia*

Geographically advantageous location of Kazakhstan in the centre of the Eurasian continent between Europe and Asia provides the country with unique opportunity to establish efficient straight transit corridors connecting Asia and the Pacific with Europe. Transforming Kazakhstan into the largest transit country of Eurasia is a main state policy in the field of transport.

State of transport infrastructure is an important factor for the economy of Kazakhstan, and it mostly impacts on effective implementation of transit opportunities of the country.

In this regard, priorities in developing transport sector of Kazakhstan are to be:

- Integrating national transport system into Euro-Asian transport network;
- Harmonizing national transport legislation with international rules and standards;
- Facilitating investment climate.

Currently, there is such a trend as sustainable growth of transport complex role in country's economy. Substantial public investments are being allocated for its development as functional opportunities of transport infrastructure should be ahead of development pace of economy with establishment of necessary preconditions for high speed growth.

2010 has become a year of summing up the first decade of the new century. This decade was of positive progress for Kazakhstan's transport and communication complex.

So for the last 10 years 1.4 trillion tenge invested into the development of transport and communication complex. In this respect, due to high authority of the President of our country on the international scene, despite the global financial crisis loans from the international financial institutes have been involved into transport sector with total amount of \$4.2 billion.

Volume of transported cargos has been increased twice, number of served air passengers – 5.5 times, railway throughput capacity – 1.5 times.

Average contribution of transport and communication complex into GDP estimates at 9%.

Approximately 740 km of new railways have been constructed, about 39,000 km roads have been recovered, 10 air ports have been reconstructed as well as capacity of Aktau seaport has been increased up to 10 million tons of cargo annually. During the period of independence several sectoral programs have been implemented as well as a legal basis of transport sector eligible for new socio-economic challenges has been established.

Kazakhstan is an active participant of integration processes with a view of strengthening international and regional economic cooperation. Currently transport cooperation is conducted with more than 60 countries.

One of the main mechanisms of international interaction between Kazakhstan and foreign countries in the field of transport and communications is functioning of jointly established working and expert groups and mixed commissions on air, road and rail transport issues.

For example, at the regional level we have two Subcommittees with China on transport cooperation as well as railway cooperation issues, Subcommission with Russia, Working Groups with Lithuania, Estonia, France, Austria, etc.

Transport related issues are permanently considered and decided within Intergovernmental Commission conducted by Ministry of Transport and Communications, namely with Georgia, Pakistan and Iran, as well as conducted by other authorities of the Republic of Kazakhstan.

There should be mentioned that in the light of integration and globalization heads of states attach a great significance to transport sector and infrastructure as to connecting links between countries ensuring increase of trade turnover.

For example, on President Nursultan Nazarbayev's initiative there are being jointly with China, Russia and European Union implemented "Western China – Western Europe" Road project, by mutual arrangement between the Presidents of Kazakhstan, Turkmenista and Iran – construction of "Uzen – border of Turkmenistan" new railway line with total length of 146 km, jointly with China – another railway project "Zhetigen – Korgas".

The new railway communications will be launched by the end of this year on the occasion of 20<sup>th</sup> anniversary of Independence of the Republic of Kazakhstan (16<sup>th</sup> December 2011).

Crucial part of transit corridors is to be an establishment of trade multifunctional transport and logistics centers in the most perspective and favorable regions of the country.

The most outstanding project in this sphere is an establishment of "Khorgos" International Frontier Trade Cooperation Center" multifunctional logistics center. There is also being developed "Damu" Industry and Logistics Center in Almaty city as well as Logistics Center in Aktobe city, etc. Their continuous development targets on a proper transport infrastructure that will be ensured after implementation of these projects finished.

In the sphere of railway transport engineering industry there are being jointly with such international companies as "General Electrics", "Alstom", "Talگو" and "Transmashholding" implemented projects on production of locomotives, electric locomotives and cargo wagons in Kazakhstan.

There should be outlined as well continuous active cooperation with international financial institutes like ADB, EBRD, IDB, World Bank, etc.

For example, at the expense of loans from ADB there have been implemented several road infrastructure projects as on reconstructions of "Astana – Almaty" (in 2001) and "Almaty – Bishkek" (in 2005) road sections. Currently, ADB's loan is also being allocated to construction of road sections of "Western Europe – Western China" transport corridor as well as there is planned to finance construction of "Atyrau – Aktau" road.

EBRD is also an active participant of infrastructure projects implementation. It deals with reconstruction of Aktau seaport with increasing its transshipment capacity up to 10 million tons per year (in 2010), reconstructions of "Almaty – Bishkek" (in 2006), "Atyrau – Aktau" (in 2009) and "Aktobe – Martuk – Russia's border" (part of "Western Europe – Western China" transport corridor) road sections (present time),

co-financing priority projects of National Railway Company of Kazakhstan on upgrade and modernization of infrastructure and rolling stock.

There should be mentioned as well productive work in conjunction and partnership with such international and regional organizations as CIS, EurAsEC, EU, ECO, SCO, UNESCAP, UNECE and UNSPECA as well as CAREC.

Regional cooperation aims at elaborating coordinated transport policy on infrastructure development, border crossing, and harmonization of legislation for trade with foreign countries to be expanded.

Mostly, removal of physical and non-physical barriers for international trade and transport needs contribution of a whole number of governmental bodies – customs, border, transport control, sanitary-and-epidemiologic control, veterinary control, road police and other services. On the other side is a private sector that directly faces all bureaucracy. In this respect, establishment of national coordinating mechanisms for trade and transport facilitation is considered as one of the key decisions.

Establishing Customs Union and further joining the Single Economic Space is a sort of unique case. It is a significant institutional and economic change in our policy.

Since 1<sup>st</sup> January 2010 Belarus, Kazakhstan and Russia have launched the initial phase of the Customs Union. Since 1<sup>st</sup> January 2011 Customs Union member states have already being conducted single foreign trade policy. Since 1<sup>st</sup> July 2011 internal customs border have been removed.

Work on improving and unifying law measures is to be positively assessed as well.

With a scope of harmonizing national legislation with European standards there had been conducted work on joining the 16 European conventions and agreements.

With support of European states within ADR 1970 there has been conducted preparatory work on applying digital tachograph system for vehicles.

It will promote advanced level of security on vehicles by means of prompt data accessing to driver's and vehicle's operating conditions.

There have being continued work on applying international technical and ecological standards Euro regarding vehicles in Kazakhstan.

I also would like to outline that in the light of celebrating main event of the country – 20<sup>th</sup> Anniversary of Independence of the Republic of Kazakhstan – Ministry of Transport and Communications will host “TransEurasia-2011” International Conference in November. “TransEurasia-2011” is a large-scaled event covering issues relating transport and communication complex of the Eurasian continent with a purpose of strengthening mutually beneficial cooperation between European and Asian countries in the field of transport as well as coordinating their transport policies.

The event will provide a platform for expressing views on all up-to-date transport and logistics systems for transit, on further development of transport infrastructure of Kazakhstan as well as on evolution of transit transport growth in the

Eurasian direction, will promote the advanced image of the Republic of Kazakhstan as a transit country.

Summing up, I would like to state that strengthening interstate cooperation at the bilateral and multilateral basis, harmonization of normative and legislative basis, facilitation to customs and border procedures, unification of tax legislation, technical and technological modernization of infrastructure will target on efficient and safe functioning of transport complex of our country as well as increasing its transit potential that will provide successive integration of Kazakhstan at the global and regional levels.