

## **Infrastructure development**

Having possessed the strategic location between the broad markets of Europe and Asia, at the present time Kazakhstan unfortunately deficiently uses its transit potential, having provided primarily the freight traffics of a regional transit line: between Russia and Central Asia, China and Central Asia. The through transit between the countries of Southeast Asia, Asia, and Russia, the Europe countries is slightly assimilated.

At the 25th plenary session of the Foreign investors' council the President of Kazakhstan Nursultan Nazarbayev has announced that "...Kazakhstan should revive its historical role and become a largest business transit hub of a Central-Asian region, the original bridge between Europe and Asia... It is a creation of the unified complex of hubs of international level- trade-logistic, financial-business, innovative-technologic and tourist - on the crucial transport corridors of Kazakhstan".

According to experts' estimations in years to come the freightage between Europe and Asia will grow at an average annual rate of 6-8%, for which reason, Kazakhstan vitally needs to develop the inter-hub system with the high level of service and distribution chain.

For the achievement of object in view, it is primarily necessary to form the strategic view on the development of shipping logistics, to promote and position Kazakhstan as thrifty and low cost transit corridor, eliminate the physical and nonphysical barriers and decrease the expenditures on transport-logistic component to increase the competitive advantage of national expert, which are critical for economic development.

As is well-known, for the evaluation of the logistics organization system effectiveness it is worldwide usual to apply the relevant World Bank index (LPI). According to data of the Ministry of transport and communications of RK, today Kazakhstan takes 86th position in this rating (Germany is in the lead, China is at 17th place, Russia- at 94). The poor rating is conditioned by the accumulation of range of problems:

- the transport infrastructure assets depreciation (60-70%);
- the absence of various links up with the trade-storage facilities;
- the weak integration of transport infrastructure to the world system;
- the underutilization of modern technologies;
- the low level of the personnel competency;
- high risks and costs, associated with the document flow and costs at the border crossing points;
- the low information support and absence of common information space;
- the integrated system of logistic centers.

At the present time upon the implementation of transport logistics development strategy the following measures are implemented:

- 1) The formation of a transport-logistic company of international level with total spectrum of assets and competence on basis of the “KTZ” NC” JSC on the instructions of Head of state N. Nazarbayev to the Government of RK in liaison with “Samruk-Kazyna” NWF” JSC [1].
- 2) The construction of Zhezkazgan–Beineu and Arkalyk–Shubarkol new railroad lines of the total length of 1 202 km. The new lines will provide the direct cargo output from the central region of Kazakhstan and Dostyk station to the west of Kazakhstan and further to Europe with the conveying distance reduction up to 1 200 km.
- 3) The elaboration of a “Global partner” project, which stipulates the joint projects with the large world players, the creation of favorable conditions of transit, flexible tariff, and cooperative work with customs authorities. For today, the range of agreements with such companies as DB Schenker (Germany), Interrail (Switzerland), DHL, Sinotrans (China), China Shipping (China) is signed. The operating container service Chungking (China) - Duisburg (Germany) on the computer hardware transportation is a successful example of logistic companies competences consolidation. The container service operator is the YuXinOu (Chongqing) Logistics Co.Ltd. joint venture, which founders became the subsidiary companies of the “KTZ” NC” JSC, the “RR” OJSC, Deutsche Bahn AG, the IR of PRC and the municipality of Chungking. The project has started up in 2011 and at the present time the container trains on the given route departure as scheduled with the frequency of 1 train I a week, the time of delivery composes 15 days.
- 4) The organization of the “Silk way” annual International transport-logistic business forums with the participation of global leaders in the area of shipping logistics. The event serves as a ground for the dialogue between the state and business community on the discussion of transport logistics and joint projects development issues. In 2011 within a forum framework the Kazakhstan’s intention on the establishment of a Coordination Council for the development of China—the Customs Union-Europe transport corridor was proposed.

The implementation of the given projects should significantly increase the trans Kazakhstani route attractiveness. The trade flows activation will gain momentum to investment processes. For the foreign investors, the logistic carcass should become the attractive factor of the industrial development incitement.

For the President’s ideas implementation, it is expedient:

- Apart from the transport infrastructure development gives attention to the improvement of a regulatory framework, in particular, elaboration and adoption of a law on multimodal transportation;
- Within the frameworks of a Common economic space take measure of the consolidation of transport logistics resources of Kazakhstan, Belarus and Russia, what will allow to create at the transit traffic market the integrated comprehensive service on delivery of goods with the “thorough” tariff and technologic conditions;
- To apply the new network approaches to the development of transport logistics infrastructure with the account of logistics services global market development trends.

For instance, the two-level system of transport logistic system of the DB Shenker Company has allowed Germany to become a largest center of freight traffic distribution in the Europe. The network solutions of the Canadian Pacific include the sea ports, connected by the roads and railways (on the east and west coasts of North America) and 145 intermodal cargo terminals, load transfer points, freight yards. The network of transport logistics centers of Canadian Pacific is

connected with the centralized control system, single technical process and provides the coherence of USA and Canada coherence, as well as the entry to the essential trade lanes.

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