



STRATEGIC ASPECTS OF DEVELOPMENT OF TRANSIT AND TRANSPORTATION CAPACITY OF KAZAKHSTAN

Kuanyshev, Bakhytzhon M., Kazakh Academy of Transport and Communications n.a. M. Tynyshpayev, Almaty, Kazakhstan

Kisselyova, Olga G., Kazakh Academy of Transport and Communications n.a. M. Tynyshpayev, Almaty, Kazakhstan

Badambayeva, Saltanat E., Moscow State University of Railway Engineering (MIIT), Moscow, Russia.

ABSTRACT

Located in the center of the Eurasian continent, being an important link of a transcontinental bridge between Asia and Europe, and having a sufficient transit capacity Kazakhstan continues to take efforts to implement it while organizing freight delivery from China to Russia and Europe.

In terms of transit potential of the country, the transit volume is not high enough today. This is due to the fact that available transport and logistics infrastructure cannot to full extent serve and meet the

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Background. Kazakhstan's advantageous location in the heart of the Eurasian continent has determined an important vector of country's economic development. Today, those projects are successfully implemented that aim at efficient use of transit and transport potential of the country; including through modernization and construction of international transit corridors, bringing them into line with international standards [1]. One-third of the modern Silk Road, part of a grandiose transnational project «Western Europe – Western China» will go across the territory of Kazakhstan at a distance of almost 3000 kilometers and is going to become a significant component of the transport infrastructure.

Before we at first hand consider the development direction of Kazakhstan's transit-transport potential, it is necessary to analyze the current situation in the transport sector, and to reflect factors that influence the state of freight transportation and transport infrastructure. Let's provide SWOT-analysis of transport sector provisions (Table 1).

Objective. The objective of the authors is to consider strategic aspects of development of transit and transport potential of Kazakhstan.

Methods. The authors use analytical method, comparison, economic evaluation method.

Results. As can be seen from the analysis, in Kazakhstan, in spite of weak points and threats, there are significant opportunities for transit transportation development. The transport infrastructure of the Republic shall ensure conditions for the functioning of main production sectors and the most efficient use of economic and industrial potential.

According to [2] strategic goals of transit-transport potential development include:

- Advanced development of transport and communication complex capable to fully meet the needs of the economy and population for transport services;
- Creation of the most advanced transportation system for the effective implementation of the country's transit potential and minimization of transportation costs.

Based on this goal, strategic priorities are:

- Creation of competitive international transport corridors;
- Increase in transit potential of both through the effective use of a flexible tariff policy and improving

country's logistical needs for the total transit volume.

Hence, there is an urgency of solving the tasks aimed at development of transport and logistics infrastructure, in particular at formation of a rational interaction system between all modes of transport, at development of systems of transport and logistics centers, representing key components of quality enhancement of transport complex of the republic as a whole. The article considers existing approaches as well as strategic projects with regard to solution of above problems.

the quality of transportation and the provision of comprehensive services for the carriage of goods;

- Introduction of new resource-saving technologies, development of safe and human-oriented transport system, suitable from an environmental point of view;

- Attraction of investments into the development of alternative routes, buildup of infrastructure, introduction of new management systems based on modern information technologies;

- Strengthening the position of Kazakhstan in the international arena through bilateral and multilateral agreements in the field of transport.

In this regard, first of all it is necessary to mention the beginning of a large-scale project «New Silk Road». In 2012, at a meeting of the Foreign Investors Council President N. A. Nazarbayev announced that Kazakhstan should revive its historical role and become the largest business and transit hub of the Central Asian region, a bridge between Europe and Asia. Accordingly, Kazakhstan by 2020 has set definite goals (Pic. 1).

The need for the project is justified by, firstly, the possibility of using transit to the fullest. Secondly, location on «artery of trade» is very advantageous for the country. To repeat the positive experience of the ancient trade route, Kazakhstan has all prerequisites. Of course, over time the conditions and products have changed, but not the requirements for transportation: speed, service, cost, safety and stability. Kazakhstan has no access to the open sea, therefore, the equivalent is required: access to a major trade route. As a result, by 2020 transit flows through Kazakhstan from Southeast Asia to Europe and from there to Central Asia will increase almost twice.

A key role in the organization of supply chains involving multiple modes of transport is assigned to JSC «National Company» Kazakhstan Temir Zholy» [3]. As the main coordinator of the national transport system development, «KTZ» is working hard to improve the efficient use of the country's transit potential. In particular, the company «KTZ Express» has been created, which task is to coordinate traffic flow at all levels [4]. The appearance of such a company on the market will help to radically change the philosophy of doing transport business, to move from competition between modes of transport within the

Table 1

SWOT-analysis of transit-transport potential of Kazakhstan

Internal factors			
Strong points(S)		Weak points (W)	
1.	Advantageous geographical location.	1.	Low quality of service(e.g. low speed, lack of additional services).
2.	Developed transport communication network.	2.	High wear of production assets of transport sector.
3.	Transit potential.	3.	Deficit of rolling stock fleet.
4.	Opportunity to offer a lower tariff at the market due to scale effect.	4.	Low level of innovations and automation of processes.
5.	Reserves of carrying capacity.	5.	Costly and nonproductive technologies and production management methods.
6.	Developed partner relationship in freight transportation.		
7.	Availability of required production capacities to render transportation services.		
8.	Technological compatibility with transport systems of other states.		
9.	High-skilled personnel.		
External factors			
Opportunities (O)		Threats (T)	
1.	Stable demand for transportation and services.	1.	Non-stable demand for raw products at global markets.
2.	Use of international experience in innovation and technology management.	2.	Change in directions of transport flows and decrease in transportation volumes.
3.	Creation of international transport corridors.	3.	Influence of suppliers, repairing rolling stock and transport infrastructure, on the market.
4.	Entry into transportation markets of other countries.	4.	Emergence of new alternative routes on the territory of neighbor countries, focused on transit transportation.
5.	Application of flexible tariffs.	5.	Non-stable prices for energy resources and corresponding inflation growth.
6.	Development of PPP mechanisms.		
7.	Increase in economic responsibility and interest of all employees.		
8.	Stability of economic system.		
9.	Improvement of legal base related to transport services and tariffs.		

country to competition with global transport companies at the international level.

In connection with the projected increase in transit traffic in June 2013 at the initiative of railway administrations of the participating countries of the Customs Union Integrated transport and logistics company (ITLC) was established, which aims to consolidate some of the assets of railways of Kazakhstan, Russia and Belarus in the framework of transit container competence [5]. The company will have a positive impact both on the development of local container market in general, and on the activities of private players. It is understood that the tripartite cooperation will assist the emergence of a competitive transport product, addressing infrastructural problems, harmonization of infrastructure tariffs for transit transportation, etc.

The positive impact on increasing the share of transit through Kazakhstan, have:

1) Construction of a logistics terminal in the sea port of Lianyungang (China). Its main function is to organize transportation of foreign trade goods for the countries of Central Asia, Japan, South Korea, Australia and South-East Asia, with the possibility of finished container trains formation, reducing delivery time, increase in trade turnover and reduction of logistics costs. Terminal characteristics are shown in Pic. 2.

2) The construction of new railway lines Almaty –Altynkol, Uzen–Bolashak, Zhezkazgan –Saksaulskaya and Shalkar –Beineu; Arkalyk–Shubarkol (Pic. 3).

3) The operation of a new railway crossing Altynkol (Kazakhstan) –Khorgos (China). The part of the crossing on Kazakhstan territory is the line Zhetygen–Altynkol, construction of which was completed in 2011.

4) The project of a free economic zone «Khorgos–Eastern Gate». Strategic facilities of FEZ, which acts as a kind of a center for international cross-border cooperation between Kazakhstan and China, should be airport, dry port, railway Zhetygen–Khorgos, highway and direct connection to the sea port of Aktau.

5) The opening of direct railway communication (2013) between two countries on border crossing Bolashak (Kazakhstan) and Serhetyaka (Turkmenistan), followed by the commissioning (2014) of an international railway main line Kazakhstan–Turkmenistan–Iran.

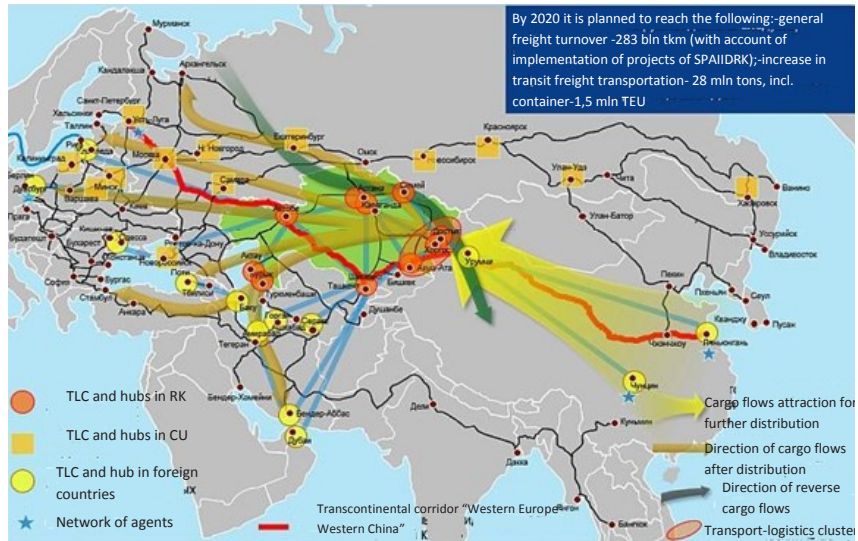
6) Construction of a highway Western Europe–Western China. This transport corridor is the shortest way that connects Central Asian countries of South-east Asia and Europe. The total length of the corridor is 8445 km, on the territory of Kazakhstan – 2787 km. It is planned that the project will be fully completed in 2015.

7) Increase by 2,5 million tons in production capacities in the port of Aktau on the shipment of oil and general cargo (Pic. 4).

8) Launch of Marmaray tunnel, which connects Eastern and European sides of Istanbul, construction of a railway line Akhalkalaki –Kars, cooperation between Kazakhstan, Azerbaijan and Georgia in the framework of the Trans-Caspian transport corridor.

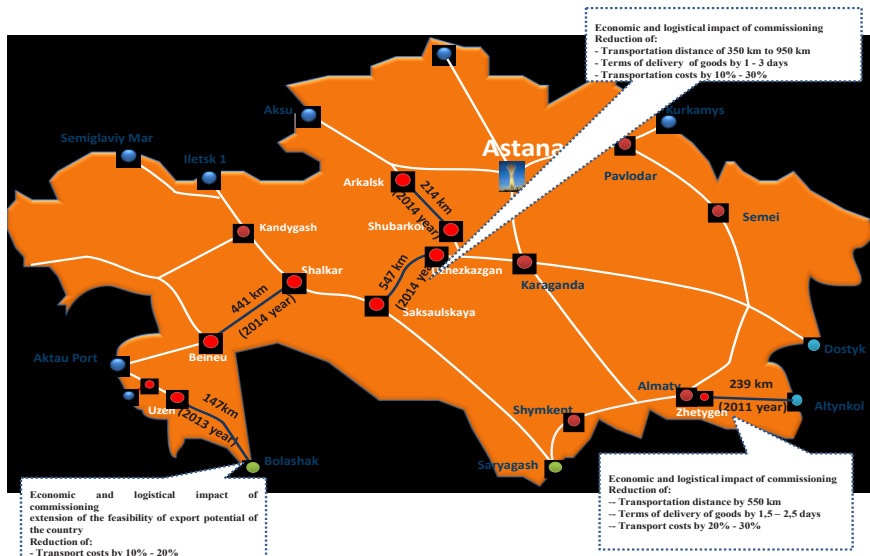
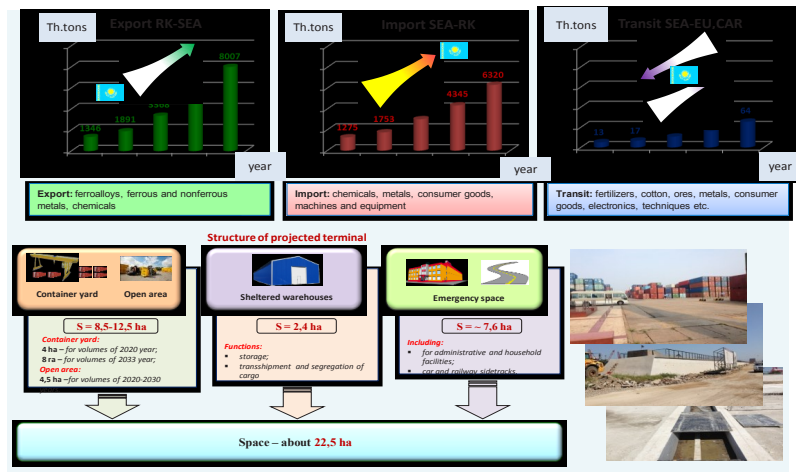
Another innovative idea that requires attention is launch of scheduled freight trains (starting point – 2013 year). Scheduled model involves the departure of such trains on a set schedule as passenger trains. This experience of Russia, Canada, USA, Germany and Sweden indicates that the economic effect of the introduction of innovation is manifested in the reduction of the period of delivery and the turnover of cars almost twice. The system has already been tested on



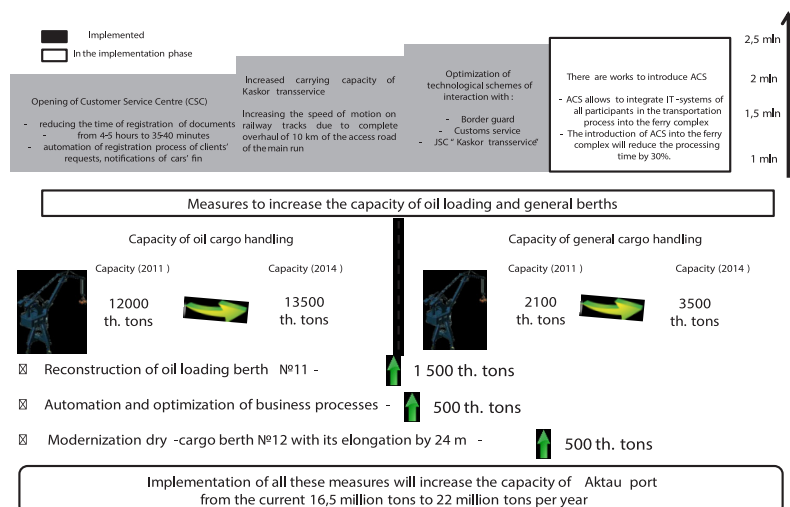


Pic. 1. Map of strategic positioning of Kazakhstan.

Pic. 2. Planned volumes and structure of the terminal in the port of Lianyungang.



Pic. 3. Construction and commissioning of new railway lines in the Republic of Kazakhstan.



Pic. 4. Measures to increase production capacities of Aktau port.

a railway site Arys–Kandyagash with the length of 1300 km, the economic effect of 23 days experiment was 40,8 thousand \$.

In general, the relevance of the use of country's transit and transport potential is dictated by national interests of the Republic. Properly using its location, Kazakhstan will be able not only to receive income from transit, but also to develop regions on the basis of their involvement in the exchange of goods, expansion of production of those goods which are in demand in foreign markets [6].

Implemented set of measures must integrate economic, technological, industrial, transport, information and foreign policies of Kazakhstan. In this context, the following areas of transit and transport potential are of particular importance [7, 8]:

- Overcoming physical and non-physical barriers to the promotion of transit traffic through the territory of Kazakhstan, which requires further analysis of the technical condition of main networks and border crossings to identify bottlenecks that reduce bandwidth and speed of vehicles, their compliance with international standards and requirements;
- Improvement of the investment system in the transport sector, infrastructure projects;
- Acceleration of transport infrastructure modernization, support for local transport organizations, promotion of vehicles' renovation;
- Coordination of principles of tariff, tax and customs policies of states in the area of transport for the formation of a common transport space and common market of transport services;
- Improvement of transport safety system.

Conclusion. Summing up, the transit development strategy can be generally defined as the creation of the country's high-tech, competitive transport in-

frastructure, which enables to successfully implement the transit potential of the Republic.

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Information about the authors:

Kuanyshev, Bakhytzhon M. – D. Sc.(Eng.), President – Rector of Kazakh Academy of Transport and Communications n.a. M. Tynyshpayev, Almaty, Kazakhstan, info@kazatk.kz.

Kisselyova, Olga G. – Ph.D.(Eng.), associate professor of Kazakh Academy of Transport and Communications n.a. M. Tynyshpayev, Almaty, Kazakhstan, kisaolya.77@mail.ru.

Badambayeva, Saltanat E. – external Ph.D. student of Moscow State University of Railway Engineering (MIIT), Moscow, Russia, saltasha77@mail.ru.

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