

Dear meeting participants!

Implementing an effective trade policy is an important pillar of industrial and innovative development of the Republic of Kazakhstan. Under the conditions of globalization and competition, Kazakh exporters have to retain the current and achieve new stronger positions in global markets at the same time adhering to international trade rules.

Due to this an objective condition is integration of Kazakhstan into the global economy by acceding to the World Trade Organization and the Customs Unions.

Currently the basic legal framework of the Customs Union has been prepared. By end of 2010 all 19 agreements have been signed out of 19 planned ones.

Since January 1 of the current year the Customs Union participants (the Republic of Belorussia, the Republic of Kazakhstan and the Russian Federation) pursue a uniform foreign trade policy in relation to third countries. The Single Customs Tariff (SCT) and the Uniform Non-Tariff Regulation System are applied to third countries from the specified date. From July 1 of the current year customs clearance for trade operations among member countries of the Customs Union has been abolished.

When embarking practical implementation of the Customs Union, a decision has been made that the Customs Union participant countries shall accede to WTO based on coordinated positions on the issues related to the competence of the Customs Union, as well as further coordinated actions have been developed for accession to the WTO given the obligations under the Customs Union.

To ensure sustainable and balanced growth of the country's economy by diversifying and enhancing its competitiveness, the National Program on Augmented Industrial and Innovative Development of the Republic of Kazakhstan for 2010-2014 (NP AIID) has been developed.

The key priority in the augmented industrialization policy will be implementation of large investment projects in traditional export-oriented sectors of the economy.

At the same time the leadership of the country nowadays focuses its efforts on establishment and development of logistics centers.

Thus, the Working Group on development of transport and logistics systems (hereinafter – the Working Group) has been established by instructions of the Prime Minister of the Republic of Kazakhstan.

The Working Group consists of representatives from government agencies (ministries of industry and new technologies, transport and communications, economic development and trade), as well as organizations and public associations.

An Action Plan has been prepared for development of transport and logistics systems in the Republic of Kazakhstan, which reflects the most important issues aimed at improving and developing transport infrastructure and logistics of Kazakhstan.

Further, the Working Group shall make proposals for establishing a center or a council under the Government to specify the goals and objectives of the draft Conceptions for Logistics Development in the RK till 2015-2020”.

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The initial stage for development of a large logistics system near the Khorgos BCP in Almaty oblast was the presentation of the project for establishment of the International Cross-Border Cooperation Center “Khorgos” made in 2002.

The International Cross-Border Cooperation Center “Khorgos” is one of the largest joint projects established on the initiative of leaders of the Republic of Kazakhstan and the People’s Republic of China, and is aimed at developing the transit capacity of the republic contributing to implementation of the Western Europe – Western China Transport Corridor Project.

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The Center consists of two parts: the Kazakh and the Chinese ones. The communication between the parts of the Center will be provided through a special vehicle and pedestrian passage. The total area of the Center is 528 ha, of which 185 ha is the Kazakh part and 343 ha is the Chinese part.

There will be a visa-free regime in the territory of the Center. The citizens of the Republic of Kazakhstan and the People’s Republic of China can stay in the territory of the ICBCC “Khorgos”, both on the Kazakh and Chinese sides, without visas for a period up to 30 days on the basis of valid documents agreed and recognized by competent authorities of the Parties’ states, and the citizens of third countries – based on the documents required for international travels.

The construction of the Center’s infrastructure is expected to be completed in 2012, and the Center is planned to become fully operational in 2018.

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For further development of cross-border cooperation, the production sector and transport and logistics infrastructure, there are plans to establish a special economic zone “Border Trade and Economic Zone Khorgos – East Gate” with the total area of about 6,000 ha. Industrial enterprises, a residential area, a zone of transport and transshipment terminals and a dry port are expected to be constructed there taking into consideration

implementation of the Western Europe – Western China international transit corridor and Jetygen – Khorgos railway line projects.

As of today, implementing the instructions of the Prime Minister, the OJSC “ICBCC Khorgos” is revising the Concept for further development of the International Cross-Border Cooperation Center Khorgos and the special economic zone “Border Trade and Economic Zone “Khorgos – East Gate” to be established.

The planned FEZ will provide a number of benefits to investors as envisaged by the new draft Law “On Special Economic Zones”.

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According to the Ministry of Transport and Communications of the Republic of Kazakhstan, an important point or the West Gate as of today can be the transport and logistics center in Aktobe city, which has been implemented by the CPA “Aktobe Center”, as the TLC is actually situated at the end of the international transit corridor “Western Europe – Western China” under reconstruction and in future it will be able to provide for cargo transport development in this region.

As it is known projects in the transport and communication sectors are expected to establish and provide logistic services, therefore, to fill-in the project “Western Europe – Western China” with the content, logistics systems are considered to be established in all large cities along the corridor, which is planned to be reconstructed.

Besides, currently TLCs are considered to be established in Taraz city (Jambyl oblast) and Shymkent, which can become intermediate points for establishment of logistics systems.

Also a logistics system in the vicinity of the Aktau sea port is being considered for construction using the benefits of the existing FEZ.

In October of 2010 the European Community TRASECA Program for Central Asia has prepared a draft feasibility study under the EU-financed project “International Logistics Centers in Central Asia” for establishment of the Aktau international logistics center.

The existing Aktau port is a key port reconstruction site, which is situated on the shore of the Caspian Sea in a strategically important location from the viewpoint of trade and prospecting, mining and transportation of oil.

The Beyneu station is planned to be developed in future.

The Beyneu station can be objectively considered as a strategic transport hub in the system of international transport corridors “North-South”, TRASECA and the Central Asian Transport Corridor.

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One of the important areas of the sectoral transport program under the NP AIID is development and materialization of the transit capacity of Kazakhstan by enhancing infrastructure quality, in particular:

1) implementation of the Western China – Western Europe road project (reconstruction of 2,452 km of roads),

2) construction of new railway lines:

- “Korgas – Jetygen” (293 km),
- “Uzen – Turkmenistan border” (146 km),
- “Eralievo – Kuryk” (14.4 km),
- “Beineu – Jezkazgan” (988 km).

These measures will enhance the transit and transport capacity of the country.

Further upgrading of Kazakhstan airport infrastructure and air navigation equipment is expected in future. On the whole 15 airport reconstruction and construction projects are expected to be implemented.

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At the same time, the Republic of Kazakhstan, being an equal participant of global economic relations, is taking active measures to facilitate the development of international trade, increase its business competitiveness, and improve transparency and efficiency of customs operations.

Thus, the customs bodies of the Republic of Kazakhstan, in order to apply new technologies in delivery control, to remove administrative barriers, to accelerate and facilitate road BPCs crossing by goods and vehicles, **have established the Operational Administration Center** of the Customs Control Committee under the Ministry of Finance of the Republic of Kazakhstan.

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Using the capabilities of information technologies, specifically using software applications of the Operational Administration Center is based on scanning shipping documents at a border crossing point and their further stage-by-stage processing.

Also, to minimize the human impact factor in executing customs control, information systems and technical devices are integrated into a single software and hardware complex – **the electronic check point**.

At the electronic check point a vehicle has to undergo through the following stages:

1. Arrival of the vehicle to the check point
2. Execution of radiation control
3. Measuring weight and dimension parameters of a vehicle
4. Scanning a vehicle by using an inspection and screening complex
5. Clearance

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Scanning of documents in the OAC alongside with the application of e-seals and safe-packets exclude a possibility for replacement of shipping documents en route, prevents the transporter and staff of other law-enforcement bodies from taking illegal actions and ensure the integrity of transported goods from the moment they enter the customs territory till their customs clearance or transit are completed.

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Also due to the accession of the Republic of Kazakhstan to the Customs Union and the related need to tighten control over movement of goods and strengthen technical equipping of border crossing points at the Kazakh section of the external Customs Union border, some activities are undertaken to upgrade the OAC infrastructure by establishing 3 regional centers for border monitoring (RBMC) in Aktau, Shymkent and Almaty cities.

According to the approved plans of the CCC under the MoF of the RK, border crossing points for all transport modes are being equipped with modern automated customs control systems.

Under the Program "Counteracting Drug Addiction and Drug Trafficking in the RK for 2009-2011", by the end of 2011 border crossing points at the Kazakh section of the external Customs Union border will be 100% provided with scanning equipment.

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Apart from upgrading technologies at the border, technologies at the key customs clearance stage require further improvements.

A Single Window is a mechanism enabling the parties engaged in trade and transport operations to submit standardized information and documents by using a single transmission channel to comply with all regulatory requirements. If this information is in an electronic format, then some data elements shall be submitted only once to the agency, which issues one or other permit.

Having studied international experience, the Customs Control Committee has developed its own Single Window design.

The Single Window implementation can bring great benefits both to the Government and traders.

As under this arrangement a special focus is placed on the issues of the advance analysis of information and risks, its value for government agencies and traders in the context of new requirements in the area of regional security is increasing.

Thank you for your attention.