



KAZAKHSTAN FREIGHT FORWARDERS ASSOCIATION

КазАПО

KAZAKHSTAN ASSOCIATION OF CARRIERS AND WAGON (CONTAINER) OPERATORS

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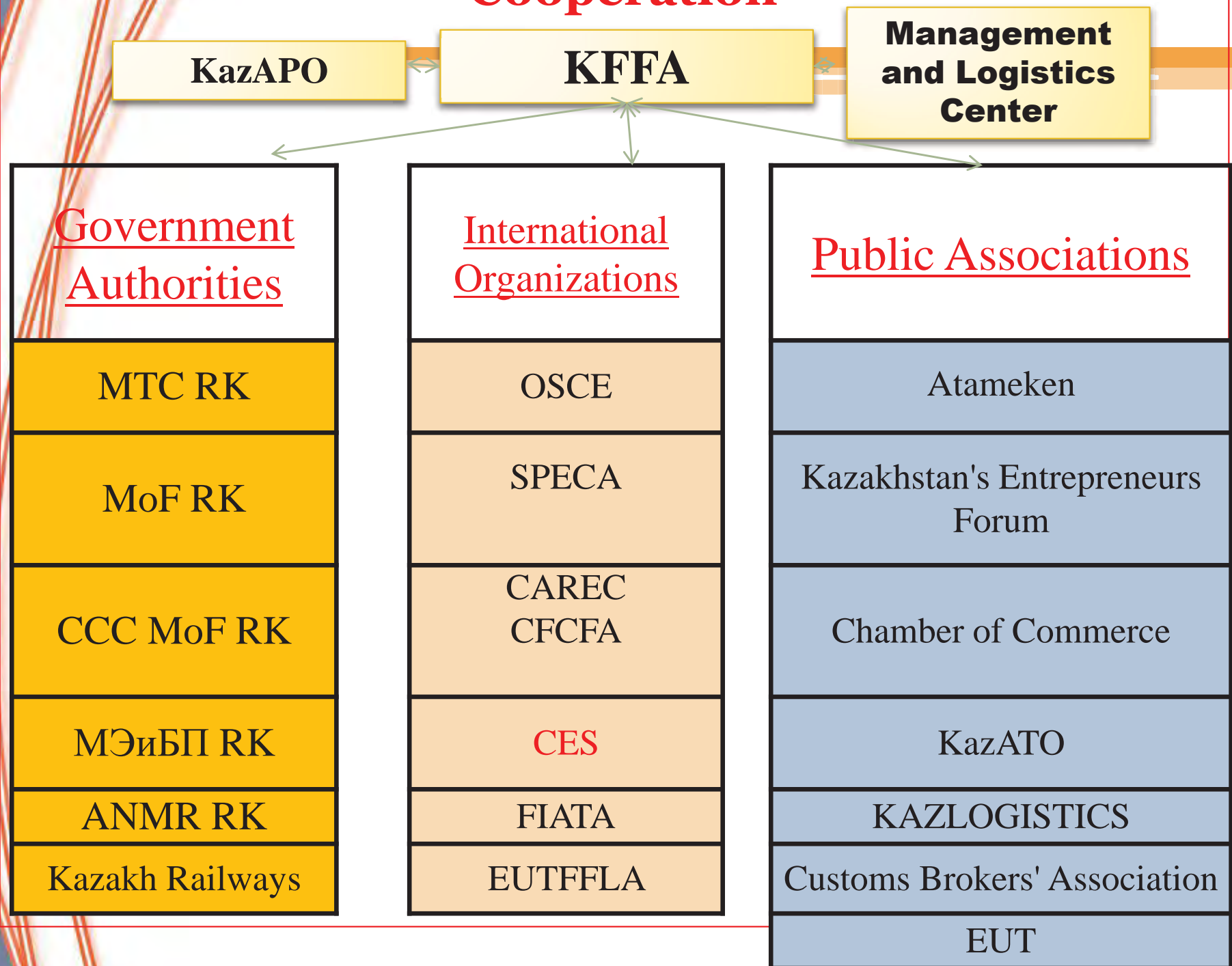
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Corridor Performance Measurement and Monitoring:
CAREC Experience and International Prospects

- KFFA associates 78 freight-forwarder and logistics companies, 3 transport companies, 3 insurance and 1 customs brokerage company.
- KazAPO associates 20 large companies that are in possession of more than 27,000 wagons or 64% of the private rail wagon fleet in Kazakhstan.
 - KFFA and KazAPO are:
 - Accredited Members of the Expert Boards of the Ministry of Transport and Communications and Agency for Natural Monopolies and Markets Regulation, and of the Advisory Council of the RK Customs Control Committee;
 - Founder Members of the CAREC Federation of Carrier and Freight-forwarder Associations (CFCFA) and Kazlogistics Transport and Logistics Association.
- In 2012:
 - KFFA and KazAPO representatives have become members of the Rail Transport Subcommittee of the Transport and Infrastructure Advisory Committee of the RUS-KAZ-BEL Customs Union.
 - KFFA is a founder member of:
 - Eurasian Union of the Transport, Freight Forwarder and Logistics. Organizations EUTFFLA.
 - member of the Board of the Central Asian Regional Economic Cooperation (CAREC) Federation of Carrier and Freight-forwarder Associations.
 - 10 KFFA companies operate in compliance with International Management Quality Standards ISO 9001.2000;
 - 30 KFFA companies provide services in compliance with the requirements of the KAZ Freight Forwarder Services Standard for Rail Transport ST RK 1294-2004;
 - 10 KFFA companies are individual members of FIATA.

Cooperation



Activities in 2012

1. Management and specialists of both Associations took part in a series of activities of CAREC CFCFA.
2. As a result of participation in 16 meetings of MTC RK Working Group, our proposals were incorporated in 15 draft laws, including:
 - the Law On Transport in the Republic of Kazakhstan;
 - the Law On Rail Transport;
 - Tax Code of the Republic of Kazakhstan of 10 December 2008.
 - Rules of Freight-forwarder Activities in Rail Transport (approved);
 - Rules of Service Provision by Wagon (Container) Operators (approved).
3. A Memorandum of Interoperation signed with the National Railways Company, which establishes specific tasks for each of the parties
4. New model of services was tested in practice by the domestic freight forwarders on haulage of container cargoes from PRC to Europe.
5. KazAPO participates in the work of the Commission of the CIS Railroad Transport Council.
6. Chairman of Kazlogistics Association became a member of the Interagency Commission on Kazakhstan Logistics System Development, chaired by the Prime Minister.
7. Negotiated and put into effect an agreement on wagon operation services for international cargo transportation via border crossing point Dostyk, and agreement on operation of wagons with JSC Kaztemirtrans, the owner of more than 40% of the entire wagon fleet of Kazakhstan.
8. Concurrence achieved on an agreement on container platforms operation for international container transportation via border crossing point Dostyk and Altynkol With JSC Kedentransservice, the owner of the entire container carrier flat-car fleet of Kazakhstan.

Systemic Problems

- **Continuously changing market rules and interrelation conditions.**
- Lack of uniform standards and forms for harmonization of information exchange between the involved government agencies, both on country level and between the states;
- Businesses lack access to the necessary information, and capabilities to submit it in the format required by regulatory agencies
- Lack of clear rules in government regulation or relations between different transport market participants.
- Most transport companies are not prepared to provide end-to-end high quality services with door-to-door delivery;
- Technological and customs problems, related with the arrangements for cross-border clearance of trade flows in round-the clock mode;
- Lack of shippers' preparedness to accommodate changes in the existing transportation patterns involving only a single mode of transport;
- Lack of an efficient system of government support to international transport development;
- Lack of objective assessment of various transport market components.

Factors Complicating Rail Transport Operation

1. Lack of acceptable and understandable rules of cargo transportation management and operation of the private wagon fleet, and regulating interaction between KTT, KTS, wagon operators, freight forwarders and clients, and the long-haul rail network and carriers.
2. Lack of rules for private fleet operations planning.
3. Lack of rules of the own empty wagons haulage.
4. Discordance between the existing Procedure of Carriage Documents Completion and the new conditions of operation.
5. Discordance between the existing Procedure of Own Empty Wagons Reconsigning and the new conditions of operation.
6. Different conditions of private wagons provision to KTT and other domestic wagon operators for the customers of rail transport services.
7. Lack of flexible tariff policy.
8. Cases of compulsion of clients to employ only the companies affiliated with NC KYJ for haulage of cargoes, or empty wagons or containers.
9. Difficulty or, at times, impossibility, to obtain operational information from NC KTJ (Processing and Carriage Settlements Administration) on movement of freight forwarder's funds in transfer.
10. Lack of preparedness of the middle-level professionals to work under the new conditions;

What Do We Need?

- Accelerate implementation of the agreed projects.
- Promote use of CPMM data for removing obstacles for movement of goods.
- Consider expanding CPMM scope to incorporate studies of obstacles to freight forwarder trading activities, caused by changes in the legislation of the Customs Union.
- Research into new areas of IT and logistics implementation in CAREC corridors.
- Develop tools that would allow meeting specific requirements of the customers regarding the speed and pace of goods delivery in an efficient manner, and measures for the private sector to support their implementation.

TRANSPORT CORRIDORS' DEVELOPMENT PROSPECTS



THANK YOU FOR ATTENTION!



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