

**Fourth Ministerial Conference on  
Central Asia Regional Economic Cooperation  
5-6 November 2005, Bishkek, Kyrgyz Republic**

**Opening Statement by  
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Dear Participants,

On behalf of the Republic of Kazakhstan delegation, let me welcome all the participants of the Conference.

I am happy to note that in addition to the representatives of the Azerbaijan Republic, the Chinese People's Republic, the Republic of Kyrgyzstan, the Republic of Mongolia, the Republic of Tajikistan and the Republic of Uzbekistan, respectable representatives of Afghanistan and the Russian Federation are also present at the Conference. I hope that this will expand possibilities for economic integration and strengthen social and economic regional cooperation.

Let me also thank the Government of the Republic of Kyrgyzstan for the hospitality and express our gratitude to the Asian Development Bank for organizing this event.

Holding this event, important for further development of the economic cooperation in the priority sectors, shows the state governments' interest in strengthening the integration processes among our countries. Moreover, these processes become very significant for ensuring both the national and regional security.

As you know, in November this year the 3-rd Ministerial Conference on the Central Asian Regional Cooperation was held in Astana, and based on its results, a decision was made to develop an interim complex action plan for the priority sectors, and key indicators for the CAREC Program performance. In this regard, I believe that we should not limit ourselves by our achievements but develop further the cooperation.

For the past period there has been progress in the activities of the Trade Facilitation Committee in implementing joint customs control initiatives. I would also like to note the progress in the activities of the Transport Coordination Committee in reducing the current barriers for transit trade in Central Asia.

Establishing the CAREC Energy Regulators Forum, and developing a Memorandum of Understanding which is expected to be signed at this meeting, have been positive factors as well.

One should note the importance of the CAREC Program being aimed at promoting the economic growth and improving the life standards through supporting economic cooperation in the sectors of transport, trade, and energy. In its turn, Kazakhstan attaches special significance to the regional cooperation and supports this segment of the ADB activities.

At the Senior Officials Meeting held in Bishkek on 14 October 2005, a number of key aspects have been identified in order to expand and deepen the CAREC Program, develop a strategic basis for the CAREC complex action plan, effective involvement of the private sector in the Program, and an integral approach to highlighting transport, trade and water and energy issues. Kazakhstan intends to support those initiatives in the regional cooperation framework.

In this regard, the need for developing a single policy for the regional cooperation priority sectors by the CAREC member countries, and unification and harmonization of the legal and regulatory framework of those sectors is evident.

As for the regional cooperation in the energy sector I would like to note that the CAREC member countries are the main petrochemical product suppliers for the Asian and Pacific region and have a considerable potential to increase their petrochemical production capacity.

In this regard, taking into account considerable growth of the petrochemical products consumption in the Asian and Pacific region projected by international experts, we propose that activities, such as review of possibilities for joint implementation of some investment projects aimed at establishing the petrochemical production for the CAREC member countries' regional needs, addressing the issues of selection of the most optimum raw material sources, exchange of information on the status of the petrochemical production, and plans for commissioning new capacities should be included into the CAREC Program Objectives.

At the same time, under the present circumstances, one of the major Central Asian states' problems is the issue of joint use of the transboundary water flows and effective protection of water resources. Based on the analysis of the situation in Central Asia, one can state that the trend for the environmental deterioration due to both economic activities (irrational use and pollution of the regional water resources), and lack of proper consideration of this problem by the governments of the countries in the region has not been reversed.

As for the trade facilitation, the issues of customs procedures simplification, sharing information and harmonization of approaches to risk management<sup>1</sup> and post-entry audit<sup>2</sup> still need to be resolved.

In the overall, complex CAREC activities are developed taking into account the current program documents adopted in the framework of the regional integration activities of the Shanghai Cooperation Organization and Commonwealth of Independent States. We think it necessary to continue these activities.

In conclusion, I would like to note that integration of the Central Asian economies is an objective and natural process brought about by the national interests of every country in the region, and its necessity is based mostly on the deep inter-dependence and mutual complementing of the region countries' economies.

Thank you for your attention.

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<sup>1</sup> Risks related to the probability of the customs legislation infringements.

<sup>2</sup> Inspection of foreign economic activity participants after the release of goods.