al-Farabi Kazakh National University Institute for Security and Cooperation Studies Fondation SEFACIL

LOGISTICS AND DIPLOMACY

Almaty - Le Havre, 2018

УДК 658 ББК 65.40 Л69

Рекомендовано к изданию Ученым советом факультета международных отношений КазНУ им. аль-Фараби, протокол №5 от 26 января 2018 г.

Ответственный редактор:

доктор исторических наук, профессор Байзакова К.И.

Л69 Логистика и дипломатия. Сборник материалов международной научно-практической конференции от 25 августа 2017 г.. - Алматы - Гавр, 2018.-138 с.

ISBN 978-9965-29-544-7

Данный сборник статей подготовлен по итогам международной конференции. В сборнике отражены некоторые вопросы развития логистики в Центральной Азии, роль Казахстана, Китая и других стран в развитии транспортной инфраструктуры с учетом геополитических реалий, геополитических интересов, а также задач дипломатии этих стран.

Сборник представляет интерес для широкого круга читателей интересующихся вопросами логистики, геополитики, интеграции, развития стран Центральной Азии.

УДК 658 ББК 65.40

Сборник издан при финансовой поддержке Фонда SEFACIL (Франция)

The collection of articles is published with financial support of SEFACIL Foundation (France) ISBN 978-9965-29-544-7

TABLE OF CONTENTS	
Preface	9
Yann Alix	
Kazakhstan as the Future Global Eurasian Inland Hub?	10
F. Kukeyeva	
«Belt & Road»: Perspectives from Kazakhstan	19
Pierre Chabal	
A propos some origins of «neo»-systems of «cooperation» in	
Hurope and Asia	24
K. Baizakova, A. Utegenova	
Formation of the «Silk Road Economic Belt» initiative in the	
context of cultural interaction between nations	31
N. Igembayev	
CILT Kazakhstan - new horizons of international education in	
the field of logistics and transport	42
S. Aydarbayev, B. Uderbayeva , Zh. Zhunisov	
Features of the new Customs Code of the Eurasian Economic	
Union	46
M. Augan, M. Bolat	
Goals and objectives of the «New Silk Road» concept	63
K. Makasheva, E. Konuspayev	
Eurasian Economic Union - Silk Road Economic Belt: start of	
the conjunction dialogue	71
D. Zhekenov	
One Belt and One Road: What it will give for Kazakhstan?	78
D. Dyusebayev China's One Belt - One Road Initiative: Perspe	ctives for Kazakhstar
85	
M. Qadirolla, M. Augan	
The development of countries located along Kazakhstan's case	94
LiuQi	
China's role in the «One Bert- One Road» project 101	
Zh. Zhunisov, S. Aydarbayev	
The Court of the Eurasian Economic Union and its acts 107	
A. Savchuk	
Silk Road Economic Belt and Eurasian Economic Union:	
changes in the regional balance of power and consequences	
for Central Asia 125	
About the authors 135	

GOALS AND OBJECTIVES OF THE «NEW SILK ROAD» CONCEPT

The relevance of a subject of a research is determined by the fact that modern political processes in the 21st century are in many respects created under the influence of development of transport and logistic potentials. The growing political value of ITC is also confirmed by the fact that such world leaders as China, the USA and the EU, are trying to develop their alternative routes of the land international transport corridors connecting Europe and Asia. China tries to promote the "Silk Road Economic Belt" transport project. The European countries develop a cooperation on ITC TRACECA with other countries of Eurasia. The USA persuades the interests through the project implementation of ITC on the territory of Afghanistan.

One of key trends of development of modern international relations is the shift of the political and economic center of the world from Atlantic to the Pacific Ocean, from the USA to China. The main production capacities in the world are created and promptly moving to the Asian-Pacific region (APR), and the market of the EU remains the most attractive market of the world so far. Because of China's breakthrough to the leading economic positions comparable to ones of the USA, competition for the market of the EU increases. In this competitive struggle the USA is persuading EU countries to join Transatlantic Trade and Investment Partnership for integration of the markets of the USA and the EU. At the sametime, China is trying to construct the international transportation route that is meant to be alternative to a sea route through the Suez Canal and connect APR to the European and Mediterranean markets for more effective sale of its own goods

Between the countries of the European Union and the APR about six million containers ply annually. Now the main part of this stream – about 98% – is transported by navy through foreign ports. At the same time, the transit overland route through Kazakhstan is much shorter than a seaway. Now transportation of goods is possible within two weeks. This strategic advantage is a key condition for the creation of transnational transit and transport alliance between Astana and Beijing.

China is trying to create the transportation route to the European market through the implementation of the "Silk Road Economic Belt" project (丝绸之路经济带 . Unless China will create an alternative European route.

cargo transportation to the market of the EU will depend on maritime transports through the Suez Canal.

Establishing such railway service has not only an economic, but also strategic importance for China. If the conflict between the USA and China breaks out, Americans can send the fifth fleet into the Strait of Hormuz and, having blocked sea lanes between Europe, the Arab countries and China, crush it economically. The country won't be able to receive Middle Eastern oil and send goods to Europe.

Already in the 1st century B.C. in the valley of the Yellow River in the Central Asia there was a road known as the Hansui corridor. Thanks to the trading, the Han Empire in China, the lands of Transoxiana, Baktria, Parthian Empire, and the Roman Empire united in the one belt of states that interacted with each other. That was a transcontinental trade route from China to the European countries that soon was called the Silk Road. The name of the Silk Road (Seiden Strasse) was implemented in the academic field by the German scientist Ferdinand Freiherr von Richthofen in the classic work called "China" which was published in 1877 [1].

Appearance and the essence of "The Silk Road Economic Belt" conception.

On September 7th, 2013, China's Chairman Xi Jinping at the Nazarbayev University announced his idea on the "The Silk Road Economic Belt (世纪海上丝绸之路, the "Belt)" [2] and asked Kazakhstan to support and proceed with realization of this important initiative [3].

Soon, on October 3rd 2013, during his trip to Indonesia, the China's Chairman Xi Jinping at the session of the Indonesian Parliament declared China's readiness to realize an initiative on "The 21st century Maritime Silk Road" (21世纪海上丝绸之路)with ASEAN [4].

It is possible to separately note an initiative "the "Silk Road Economic Belt", for the realization of which such steps as operation of the logistic terminal in, the port of Lianyungang are already taken (through it already there pass about 250 thousand containers, and in the near future it is planned to double these volumes), construction of the highway "The Western China — Western Europe", functioning of the dry port "Horgos" and others.

Following the results of 2016 the movement throughout an automobile corridor "Western Europe — the Western China" was opened. The constructed roads will increase the capacity of cars by 1,5 times, transport and transit transportations will accelerate twice, time of stay in a way will be reduced by 1,5 times.

Total length of a corridor "Western Europe -western China" will make 8,445 thousand km. 2,233 thousand km will pass across the territory of Russia,

2,787 thousand km — through Kazakhstan, 3,425 thousand km — through China. The highway has to improve transport relations between Europe and Asia. Construction of the road began in 2009. Today intensity of a corridor increased by 2,5 times, already, including freight traffic grows [5].

According to expert estimates of the United Nations Conference on Trade and Development (UNCTAD), trade volume between the main markets on the Eurasian continent by 2020 will grow by 1,5 times — from 800 billion dollars in 2014 to 1,2 trillion dollars.

It is expected also that by 2020 commodity turnover between China and the countries of the European Union will grow from 615 to 800 billion US dollars, between China and India — from 66 to 92 billion dollars. At the same time, now in intercontinental freight transportation between Asia and Europe the marine transport which share is more than 98% prevails. So, according to experts, transition to midland corridors creates great opportunities for Kazakhstan.

As a result of repeated consultations China and Russia signed the agreement on transit road haulage of freights through Kazakhstan at the end of 2015 in Beijing. The arrangement allowed to significantly simplify the procedure of passing of customs check points.

According to the representative of the Chinese transport company, earlier the road to Russia took week for trucks, and now time in way was reduced to two days.

Now in Xinjiang 17 check points of the first state category and 12 check points of the second category among which the largest on commodity turnover - Alashankou - which is on border with Kazakhstan are opened. The transport system of the autonomous area is presented by aircraft, highways, railway tracks and pipelines.

These two initiatives entitled "The Silk Road Economic Belt" and "The 21st century Maritime Silk Road" represent an important step made by China in order to deepen reforms and openness and facilitate cooperation with the neighboring countries. Documents of the 3rd Plenum of the CC of the CPC of the 18th Convocation, the Discussion on the diplomatic work and the Discussion of the CC of the CPC on the economic functioning led to the public attention and was approved in the country and abroad [6].

The roads of the OBOR. The Silk Road Economic Belt is considered as a giant economic project aimed at the development of the West China, as well as the broadening of the ties with the foreign states, especially with the Central Asian countries through the creation of the Trans-Eurasian terrestrial bridge and development of the several economic corridors [7].

China's leaders hope that OBOR strategy will promote the country's image in the world and will contribute to modernization of the country to take leading positions in the world.

First results. In 2015 the Chairman of the PRC Xi Jinping at the opening ceremony of the annual meeting of the Boa forum made a speech, where he declared that within the next five years the volume of import products in China will reach \$10 trillion, volume of the foreign investments will be more than \$500 billion, the volume of the external tourism will reach more than 500 million of people [8].

According to the data of the State statistics of the PRC 1,04 trillions Yuan was already spent to create the basic infrastructure of the "One belt, one road", including those spend on the railway roads -500 billion Yuan, automobile roads -123,5 billion Yuan, airports -116,7 billion Yuan and sea ports -170 billion Yuan [9].

Activity of the Silk Road foundation. "Silk Road Foundation" JSC was created in December 2014. The Chairman Xi Jinping has announced creation of this foundation before the APEC summit that took place in November 2014. The Foundation's budget is about \$40 billion being based on the golden reserves of China, as well as the assets of Chinese Investments Corporations (CIC) , Development Bank, and Export-Import Bank of China.

China dedicated \$40 billion to the "Silk Road" project [10]. The Foundation is designed to finance infrastructure and elaborate projects throughout Asia. At least \$16 billion are destined to the Central Asian projects.

The "Silk Road" foundation has showed an interest in the financing of such priority fields as information technologies and other innovation projects for the total sum of \$3 billion.

Besides the SRF there are also other channels of the Chinese investments in the projects developed within OBOR such as the State Investment Corporation of China CITIC Group, Peoples' Bank of China, Asian Bank of the Infrastructural Investments, China Investment Corporation (CIC) and other big private investors

The volume of investments from the countries located within the "belt and road" to the Chinese economy has increased almost 20%. In accordance with the data of the Ministry of the Commerce of the PRC, in January-September 2015 the volume of the investments to the Chinese economy by the countries situated within the the Silk Road Economic Belt and the 21st century Maritime Silk Road equalled \$6,12 billion which is 18,4% more compared with the same period of the 2014[11].

According to the statistical data of the PRC, the Chinese entrepreneurs have invested \$12,03 billion into the economy of the 48 countries located within the "belt and road" which is 66,2% more than in the previous year [11,3].

Main targets of the Chinese investments were the enterprises in Singapore, Kazakhstan, Laos, Indonesia, Russia and Thailand.

According to the customs services, the volume of the trade cooperation between China and countries located within the "belt and road" reached \$742,8 billion which is 10% more and is equal to 25,6% of the whole volume of the external Chinse trade in 2015 [11,4]. At the same time, the volume of import has decreased for 21% which is equal to \$287,8 billion [11,5].

According to the view of the Chinese experts the creation of "One Belt, One Road (OBOR)" will facilitate economic flourishing of the countries along the Silk Road as well as regional cooperation in general, exchange and contacts between different civilizations, fostering peaceful development on the planet. In a word, the "OBOR" project is a great project working for the benefit of the people's welfare from all over the world.

The PM of the State Council of PRC Li Keqiang at the China – ASEAN exposition emphasized the necessity to broaden further cooperation by deepening strategic mutual trust and improvement of mutually beneficial economic relations. Li Keqiang suggested to commence negotiations on "updated version" of the China – ASEAN free trade zone . By 2020 the volume of two side trade between China and ASEAN countries should reach one trillion dollars. Thus, ASEAN countries will take an advantage from the regional integration and the growth of the Chinese economy.

EU – China. China takes an active position in the development of its relations with Europe in consistent way.

New vision of the relations between China and EU appeared in 2014. While visiting EU in the spring of 2014, Xi Jinping suggested to build the China-EU partnership for peace, growth, reformation, and civilization, and by doing so combine Chinese dream with the European one. During the meeting and the phone call with the EU leadership, Xi Jinping has emphasized once more the approaches and visions for the China – EU relations. That was a year of cooperation expansion to a higher level. Both sides have started more than 70% initiatives within the framework of "China – EU-2020" [12].

Trade between China and EU has exceeded \$615 billion, with growth of 9,9% in 2013. The Chinese investments to the EU have reached \$9,42 billion in eleventh month of 2014 which amounted to a threefold increase. EU-China relations improved both quantitatively and qualitatively. Partnership of civilizations started to take root in the people's minds.

The concept of the "The Silk Road Economic Belt" is aimed at establishing connections between subregions of Eurasia that is going to facilitate mutually beneficial exchange of advantages such as logistics and production within the region. Thus, Asian and Eurasian regional cooperation will improve.

The Silk Road Economic Belt is fully different from the Eurasian union. The China's Chairman Xi Jinping has introduced an initiative to establish the Silk Road Economic Belt during his visit to Kazakhstan in September, while the Eurasian Economic Union proposed by Russia has come into force in the beginning of 2015. For China it is important to attract the countries of the Central Asia into the orbit of its policies. Some researchers suppose this can lead to the conflicts. Though Russia has weakened its control over the region after the collapse of the Soviet Union, the Central Asia has again become important when Putin came into power in 2000. Russia has reacted very attentively to the Chinese attempts. Some Russian experts supposed that China is trying to interfere into the Russian sphere of influence when China has proposed the idea of the creation of the Silk Road Economic Belt.

In fact, the Silk Road Economic Belt and Eurasian Union are two different things. The Silk Road Economic Belt is multi-sided and open initiative aimed at common development. This does not exclude participation of other countries and cooperation with other countries in order to develop and flourish together. Eurasian economic integration is different. It is a close system that rejects participation of the external countries out of the Customs Union between Belarus, Russia and Kazakhstan. It holds true in the Eurasian Economic Union and even in the Eurasian Union that is planned to be above national level with countries loosing their sovereignty. Union is like the European Union or The North-Atlantic Free Trade Agreement and Association of South East Asian Nations and dramatically differs from the Silk Road Economic Belt.

Control of the markets and shipping routes of goods and raw materials becomes the reason of political confrontation between great and regional powers, and also various integration associations.

In Central Asia there are already several transportation projects which are promoted by the leading world powers that bypass the territory of Russia, one of the main members of EEU.

The USA promotes the construction of the "New Silk Road" project that connects Afghanistan, China, India and Europe. The territory of Afghanistan is unique from the transit point of view, but the complicated internal situation in Afghanistan makes an obstacle for the project implementation of the international transport corridors (ITC).

The People's Republic of China builds ITC through several Central Asian states also passing existing transport corridors of Russia. However, China will develop alternative ways through Central Asia for reasons of economic security and to decrease dependence on the transit countries. Diversification of routes for the People's Republic of China is is important for its economic development.

The Chinese project, as well as the project of the USA on revival of the Silk Road through the territory of Afghanistan, will compete with the Russian corridors such asthe Trans-Siberian Railway and BAM.

Actually, despite partnership within SCO, Russia and the People's Republic of China are competitors both in the Asian-Pacific region, and in Central Asia. The project of creation of "Silk Road Economic Belt" allows China to solve two problems. First, it will strengthen the China's positions in Central Asia. Second, it creates China's own transeuroasian transport corridor.

However alternative international transport corridors bypassing Russia will do much harm to economic, internal political, military and foreign policy positions of Russia.

Kazakhstan can use its advantageous geographical location and act as a binding continental link of the Pacific and Euro-Atlantic integration. And the infrastructure communications connecting two main economic regions of the planet can provide Kazakhstan with a special role in a global economy.

In world politics the role of transportation and transit ways have an independent value like economy, natural resources, and military potential. Possession of transport and transit ways determines the place of the country in the region, and sometimes control over the region.

The meaning of transport corridors for the countries of Central Asia is huge because they have no exit to the World Ocean. Transport corridors inevitably give an impulse for development of integration processes. Through development of transport corridors with the countries of Central Asia China is also trying to promote the integration along the "Silk Road Economic Belt".

REFERENCES

- 1. Ferdinand von Richthofen China. Ergebnisse eigener Reisen und darauf gegründeter Studien. 5 Bände, Band 1: Einleitender Theil. Dietrich Reimer, Berlin 1877.
- 2. Chen Yue. Danjian Zhongguo waijiao de xin zouxiang he xin tedyan [New vectors and features of Chinese foreign policy at the present time]. // Zhongguo waijiao. Beijing, 2011, N 10. P. 4. Originally, the paper was published in the journal «Jilin dashueh shahui keshue suebao "(Changchun). 2011. N 3. P. 5-29
- 3. To develop the spirit of the Silk Road and work together to accomplish great things. 11.03.2014 «People's Daily» Online http://russian.people.com.cn/95181/8562290.html
- 4. "The establishment of an "economic corridor of the Silk Road" conforms to the fundamental interests of China and Kazakhstan". President of the People's Republic of China Xi Jinping. URL: http://russian.news.cn/china/2013-09/07/c_132700808.htm
- 5. Transcontinental corridor "Western Europe Western China" is a new road to Europe: from dream to reality"// http://kazlogistics.kz/en/chain_cluster/road_west
- 6. To develop the spirit of the Silk Road and work together to accomplish great things. 11.03.2014 «People's Daily» Online http://russian.people.com.cn/95181/8562290.html

- 7.鲁长军:《一带一路》系列知识普及专辑. (Lu Changjun: «Yidai Yilu»Xilie Zhishi Puji Zhuanji). // http://search.10jqka.com.cn/snapshot/news/32f56df79e5e83db.html
- 8.习近平: 《迈向命运共同体 开创亚洲新未来》(Asia's New Future: Towards a Community of Common Destiny), 新华网. (Xi Jinping: «Maixiang Mingyun Gongtongti Kaichuang Yazhou Xinweilai», Xinhuawang.) // http://news.xinhuanet.com/politics/2015-03/29/c_127632707.htm
- 9.福蒙蒙: 《一带一路拟建在建工程规模达万亿 项目清单内部传阅》, 《华夏时报》, 03.04.2015. (Fu Mengmeng: «Yidai Yilu Nijian Zaijian Gongcheng Guimo Da Wanyi Xiangmu Qingdan Neibu Chuanyue», «Huaxia Shibao») // http://finance.sina.com.cn/china/hgjj/20150403/231721886155.shtml
- 10. Where exactly is the "economic corridor of the Silk Road Economic Belt"? URL:http://rassian.china.org.cn/exclusive/txt/2013-10/24/content_30273750.htm;
- 11.福蒙蒙:《一带一路拟建在建工程规模达万亿 项目清单内部传阅》,《华夏时报》,03.04.2015. (Fu Mengmeng: «Yidai Yilu Nijian Zaijian Gongcheng Guimo Da Wanyi Xiangmu Qingdan Neibu Chuanyue», «Huaxia Shibao») // http://finance.sina.com.cn/china/hgjj/20150403/231721886155.shtml
- 12.EU-China 2020 Strategic Agenda for Cooperation //http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf