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Proceedings

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Innovative Mechanisms in the Procurement Logistics of Kazakhstan

Erzhan B. Zhatkanbaev*, Ernur S. Mukhtar**, Maiya M. Suyunchaliyeva***

Abstract

Nowadays the innovations in the procurement logistics are very popular in Kazakhstan. There are a lot of documents for transport infrastructure and Kazakhstan logistic system and they are developing more and more. Procurement logistic is the direction where you can count on it. Sometimes you can buy some products or transport equipments. As logistics in Kazakhstan are new direction, there are a lot of young people who choose this specialty and will stay demanded. Our president said a lot of words about strategies for the development in logistics, and new methods will appear and be used here. Innovations are new technologies that are used in different spheres so this structure as procurement logistic will develop in Kazakhstan and every citizen of our republic will support it. Transport systems are used for transitions different products so there are a lot new transition roads for example Western China - Western Europe; Astana - Almaty; Astana - Ust - Kamenogorsk; Astana - Aktobe, Atyrau; Almaty - Ust - Kamenogorsk; Karaganda - Zhezkazgan - Kyzylorda; Atyrau - Astrakhan, it helps Kazakhstan to get international links between other countries.

Keywords: Transportation Demand, Transportation Supply, Travel Time, Government And Private Investment Analysis, Transportation Planning, Transport System.

1. Introduction

Innovations, innovation processes, using of innovative mechanisms are slowly beginning to make sense and be practical. The President of the Republic of Kazakhstan, N. A. Nazarbayev noticed the development and innovation in transport & logistics infrastructure as the first thing. It will be implemented through the formation of

macro-regions on the basis of hubs. In this framework infrastructure will connect with Astana and interconnected macro-regions trunk road, rail and airlines from the radial principle. First of all, you need to implement major road projects. This Western China - Western Europe; Astana-Almaty; Astana-Ust-Kamenogorsk; Astana - Aktobe, Atyrau; Almaty - Ust - Kamenogorsk; Karaganda - Zhezkazgan - Kyzylorda; Atyrau - Astrakhan (Government Program, 2014).

The priority should still developing and improving transport routes, the development of such areas as logistics. Procurement logistics is one of the areas of logistics, the main purpose of which is directed to materials management in the process of enterprise material resources, and includes the following tasks: identification of the need for material resources; market research procurement; choice of supplier; procurement; control of supply; procurement budget preparation; coordination and system procurement relationship with the production, marketing, storage and transportation, as well as with suppliers. The relevance of this study, namely the study of the mechanisms of innovation in procurement logistics has its own prerogatives. No such thing as logistics is already gaining your target audience. The President of the Republic of Kazakhstan, N. A. Nazarbayev raised his speech as the main question about application of new methods for investigation, settlement analysis in the areas of procurement and supply of material resources (Government Strategy, 2012).

Comparing the foreign experience of development in this direction, in many foreign countries Logistics has long since become a practical business tool. The gross of national product of leading industrialized countries receive 20-30%, which is associated with logistics systems. As international experience shows, a decrease of 1% of logistics costs equivalent to an increase in sales of the company by almost 10%.

2. Main Part

There are several dozen freight forwarding companies provide transport and logistics functions in Kazakhstan. However, the logistics structure in Kazakhstan is underdeveloped and cannot always cope with the increasing traffic, a number of reasons, among them - scattered and uncoordinated actions of participants in the freight market, especially in the regions. Working in the new economic environment, Kazakh business has solved their own problems using local solutions. Manufacturing and trading companies are developing their own logistics structure, disproportionately increasing the cost and reducing their competitiveness. If you go this route, then the costs will only increase. Only a systematic approach from all the market participants

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transport and logistics services help to solve common problems for everyone. One of the reasons for the low competitiveness of domestic products is the cost of freight forwarding software delivery, the value of which is 2-3 times higher than in developed countries. The explanation lies in the presence of deficiencies in the transport, customs, poor transport network, the existing artificial administrative barriers, etc.

The index of efficiency of logistics systems of the World Bank in 2010, Kazakhstan has the 62nd place. Forecast to 2020 - 40th place. LPI - the index of the World Bank, considering the ease of implementation of the supply of goods and the state of trade logistics and trade at the national level. Lack of Kazakhstan transport and logistics infrastructure, well-functioning system of forwarding service, based on the internationally accepted practice of terminal technology, complicates the process of barter, and reduces the efficiency of transport rolling stock, which generally adversely affects the development of the entire economic complex, not allowing full use of its potential. According of the assessments of companies - Cominfo Logistics Solutions (Russia) and Kazakhstan Innovation Agency (Kazakhstan) the modern potential of Kazakhstan market of logistics favors is approximately 10-11 billion dollars USA. Building a modern transport and logistics infrastructure will integrate Kazakhstan into the international global transport and logistics system "Western China - Western Europe". This can be achieved by using a multi-modal container service that ensures the formation and transport of transit flows (Ovcharenko & Tityukhin, 2013).

The GDP due to logistics formed 20-25% in EU. The development in the integration process in recent years has opened a clear perspective for Kazakhstan to make logistics quite profitable segment of the economy. Within two years - 2014-2015, fully formed network of transport and logistics centers (TLC) with the participation of the private sector. Today the combined capacity of warehouses of this type is 800 sq. meters. Lack of space in 2012 amounted to 2 million sq. meters and by 2020 will require more than 4 million sq. m. meters of storage capacity. The total investment is about 500 million dollars, USA. The share of private sector in the implementation of the project - about 70% of the TLC network configuration will provide complete coverage of the domestic needs of logistics service and reach the neighboring markets Ural-Siberian region, Central Asia as distribution centers (Mamin, 2013).

Kazakhstan's position among the major trading partners China and the countries of the European Union dictates the main challenge for the development of transport and logistics system. In 2011, the trade volume between China and the European Union amounted to 567.2 billion. Dollars, the volume of traffic - 12.6 million. Twenty-foot equivalent (hereinafter - TEU). The share of Kazakhstan in providing transit of this volume is less than half percent, and the vast majority of imports from China into the European Union should be by sea through the Suez Canal. Accelerated development of China's western provinces will increase traffic through Kazakhstan. By the results of 2012 Kazakhstan took 86th place in the World Bank index effective procurement logistics and planned comprehensive measures to improve the quality of procurement, as well as the removal of physical and non-physical barriers provide Kazakhstan rise to 40th

position in this ranking. With regards to the development of Kazakhstan innovative activities during 2013-2014 years, it has increased by almost 2 times. Significant improvement in the position of Kazakhstan is observed by a factor of "Innovation potential," according to which Kazakhstan improved its ranking by 19 positions and took the 84th place. At the same time, the sub-factors "The ability to innovate" as the country rose to 74th place, increasing the ranking by 18 positions (<Table 1>).

<Table 1> Dynamics of change in the position of Kazakhstan in the context of sub-factors of Innovation and Technology

Subfactors for Innovation and Technology	2011-12	2012-13	2013-14
Availability of latest technologies	103	90	88
Development of technologies at the company level	113	91	78
Innovation potential	101	92	74
Government purchases of high-tech products (procurement logistics)	93	71	58

Source: author's development resources

Gradually unfolds in Kazakhstan strategy of innovative breakthrough. Concrete steps for the implementation and promotion of innovative programs are made with the adoption of the Strategy of Industrial and Innovation Development of Kazakhstan till 2015, the laws "On innovation activity", "On Science", the State program for accelerated industrial and innovative development of Kazakhstan for 2010-2014 . Its initial stage is connected with the problem of overcoming the technological backwardness and modernization of basic sectors. This involves the development and implementation of high technologies, increasing returns of important sectors of the economy (Government Report, 2013a).

Also, the important factor in logistic operations analyzes the supply resources and their management. Given the data statistical agencies, the state of this factor is significantly improved compared to previous years. It says only that Kazakhstan begins to introduce new techniques, innovative mechanisms for the promotion and implementation.

3. Discussion

The program for the development of transport infrastructure, as well as works on them operations in the Republic of Kazakhstan for 2010-2014 years. Investments provided a total of 1.8221 trillion. tenge (12.1 billion US dollars), which recalculation on the length of the road network will be about 125 thousand US dollars at the average cost of reconstruction of 1 km of roads 2.7 million (that is, at best, will be financed by only about 4.6% of the existing needs) (Transport Statistics, 2015).

Over the last decade, the development in road transport infrastructure in Kazakhstan in the field of equipment (including local road networks) allocated more than \$ 6.5 billion (995 billion. Tenge), with the volume of financing for increased almost 8 times. However, this does not mean that the development in logistics infrastructure is at a proper level. Kazakhstan seeks to gradually realize its goals and

objectives. The study indicates that even in terms of hard budget constraints phenomena in the field of investment in infrastructure and transport development such direction in Kazakhstan as procurement logistics are a necessary component of public policy, as they contribute to accelerate socio-economic development of the regions (Government Report, 2013b).

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