

**The Trade potentials of the ECO Member States at a Glance
(Republic of Kazakhstan)**

**Compiled by:
the Iranian National Committee of ECO Chamber of Commerce and Industry**

(INC of ECO CCI)

(Public Relations and Publications)

November 2015



The Geographical –Economic Specifications:

Kazakhstan is a country in Central Asia. In 1998, the capital Almaty in the south, the largest city of the country moved to Astana in the north.

Kazakhstan's population was 17 million and 950 thousands in 2014, and Kazakh and Russian languages are spoken and its official currency is Tenge.

Kazakhstan is the largest landlocked country in the world, and the population density is low. The country has borders in the north with Russia, in the East with China, in the southeast with Kyrgyzstan, in the south with Uzbekistan and in the southwest with Turkmenistan. The northeast coast of the Caspian Sea lies on the territory of this country.

Kazakhstan has an area of 27,024,900 square kilometers and is as large as Western Europe. The country is extended from the Caspian Sea in the West to the Altai Mountains in the East. Kazakhstan's northern borders are in the Western Siberia and its southern borders in the deserts of Central Asia. Despite the large size of the country as the ninth largest one in the world, most of it comprises of deserts and steppes.

Kazakh plain with an area of 804,500 square kilometers comprises one third of the country's area and is the largest dry steppe region in the world. Wide sands are characteristic of grasslands and plains.

The country has hot summers and cold winters. It is of relatively low rainfall as the lands are in dry to semi-arid conditions. Extensive land and availability almost all kinds of climatic and soil conditions, has made Kazakhstan a country suitable for the development of forestry, hunting, fishing and agriculture.

The major cities of Kazakhstan include Astana, Almaty, Karaganda, Chymkent, Atyrau and Askman. Large cities are Almaty with a population of about 1.5 million, Astana and Karaganda with a population of about 700 thousand. Except the mentioned cities, Octau, Pavlodar, Petropavlesk as well as ost Kamengorsk are worth mentioning.



Kazakhstan has the highest GDP and per capita income among the newly independent republics and is also an important member of the Shanghai Cooperation Organization.

In 2013, the country had a GDP equal to US\$ 224.9 billion, as the fourth-largest economy among the ECO member states (after Turkey, Pakistan and Iran).

Gross investment made in the country in 2013 exceeds US\$ 9739 million, which is about 40 per cent of 4/24 billion investment made in the ECO region.

The commercial potential of Kazakhstan in the ECO region is high. For example, the country is an exporter of oil and gas and on the other hand, Turkey, Pakistan and Afghanistan are the buyers of energy.

The above points demonstrate more evidently Kazakhstan's importance among regional organizations such as the ECO.

However, in Kazakhstan there is no limit for capital investment, but is subject to certain rules. Kazakhstan is one of 20 countries in the world in terms of investment and one of 13 innovative economies in the world with an economic growth at around 8% recorded in recent years. The country's economy relies heavily on agriculture, especially wheat. Livestock, fruits, vegetables and rice are among other sources of revenue for the country. Production of industrial machinery, agricultural and construction machinery in Kazakhstan make up an important part of the country's industry. Today industrial agriculture in Kazakhstan with continuing economic growth ensures food security and export of agricultural products to abroad.

In Kazakhstan there are various factories such as: machinery, tools, steel, copper, cement, chemicals, fertilizers, electronics, mining, and rubber and light industries such as clothing, footwear, equipment and food.

Table 1; the Basic Information on Kazakhstan 2013

| Gross domestic product (Billions of dollars) | Per capita income (US Dollar) | Inflation Rate (percent) | Foreign Investment volume (US\$M) | Major crops | Major industrial products | Most significant natural resources |
|--|-------------------------------|--------------------------|-----------------------------------|---------------------------------------|--|--|
| 224.9 | 14,100 | 5.8 | 9739 | Cereals (wheat), cotton, live animals | Tractors and industrial machinery, electric motors, construction materials | Oil and gas, coal, iron ore, manganese, chromium, lead, zinc, copper |

Source:

<http://eng.tpo.ir/>

<https://www.cia.gov/library/publications/the-world-factbook/>

<http://data.worldbank.org/indicator/>

The following table represents some of the important items produced in Kazakhstan and the amount for each of them:

Table 2 -Some of Kazakhstan's Industrial Products in 2013

| Row | Item | production rate (In million tons) |
|---------------------------------|----------------------|--------------------------------------|
| Oil, gas and byproducts | | |
| 1 | Coal | 119 |
| 2 | Oil | 82 |
| 3 | Gas extraction | 42 billion Cubic meters |
| 4 | Gas (ready to use) | 23 billion Cubic meters |
| 5 | Gasoline | 2.688 |
| 6 | Diesel | 4.075 |
| 7 | Heavy oil | 3.473 |
| 8 | Avgas | 0.408 |
| 9 | liquid gas | 2.5 |
| Metallurgical and Mining | | |
| 10 | iron ore | 25 |
| 11 | Iron Pellets | 6.9 |
| 12 | copper mine | 42 |
| 13 | Copper and zinc mine | 4.9 |
| 14 | bauxite | 5.2 |
| 15 | Lead concentrate | 0.041 |
| 16 | Zinc Concentrate | 0.361 |
| 17 | Manganese Mine | 2.8 |
| 18 | Chrome Ore | 5.2 |
| 19 | Chrome Concentrate | 4.2 |
| 20 | gold mine | 14 |
| 21 | Gold Concentrate | 0.178 |
| 22 | Steel | 3.4 |
| Other | | |
| 23 | Marble | 0.652 Cubic meters |
| 24 | Granite | 4.6 Cubic meters |
| 25 | Plaster | 13 |
| 26 | Sulfur | 2.4 |
| 27 | Edible salt | 519 |
| Food products | | |
| 28 | Canned food | 0.058 |
| 29 | Fresh fish | 0.021 |
| 30 | Canned fish | 0.01 |
| 31 | Canned vegetables | 0.004 |

| | | |
|--------------|---------------------------|------------------|
| 32 | Fruit and vegetable juice | 172 Cubic meters |
| 33 | Vegetable oil | 0.275 |
| 34 | Butter | 0.13 |
| 35 | Cheese | 0.22 |
| 36 | Flour | 3.4 |
| 37 | Bread | 0.075 |
| 38 | Cakes and pastries | 0.028 |
| 39 | Macaroni | 0.151 |
| 40 | Sugar | 0.331 |
| 41 | Chocolate and sweets | 0.093 |
| 42 | Tea and coffee | 0.021 |
| 43 | Ketchup and sauces | 0.005 |
| 44 | Mayonnaise | 0.031 |
| 45 | Leaven | 0.004 |
| Other | | |
| 46 | Passenger car | 370000 vehicles |
| 47 | Cargo car | 2000 vehicles |

The use of external capital resources as one of the main policies in different countries, constitute an important part of economic exchanges.

Due to the effects of foreign investment, particularly foreign direct investment (FDI) in addition to internal capital resources, on the development of the country, the FDI has been popular among different countries. Third World countries, both developed and developing are exerting extensive efforts to direct these funds to countries of their own.

The most important measures of countries to attract foreign investment are providing investment climate and economic activities in a safe and easy environment, amending related laws and regulations; facilitate the process of implementation of investment projects and other similar actions. Experience has shown that countries which have proved prosperous in providing appropriate context and legal framework and regulations have also been successful in attracting foreign investment.

The annual need of Kazakhstan to import all kinds of imported goods, attracting foreign investment and open-door policy in the country has led to active presence of hundreds of trade, manufacturing foreign investor companies including commercial companies and technical and engineering services firms from Iran in the country.

Priority projects for investment in Kazakhstan are of advantages such as tax exemptions and exemptions from payment of customs duties for the import of equipment for launching the respective projects.

Kazakhstan has large reserves of fossil fuels and minerals such as metals, uranium, copper and zinc. It also has a large agricultural sector featuring livestock and grains. In 2002, Kazakhstan was the first country among the republic of the former Soviet Union which succeeded to receive an investment credit rating grade.

The main traded items of Kazakhstan for neighbor countries are oil and grain. Caspian Sea ports, oil pipelines and rail transport, have been updated, but air and land transport still need attention.

Prime Minister of Kazakhstan meanwhile has stated that his respective country is developing a new strategy for development in the industrial sector of economy between 2013 and 2020.

Kazakhstan is located in the heart of Asia and through this country large parts of Asia and the Pacific are connected to the Middle East, Central Asia and Europe. After independence, a top priority of the government of Kazakhstan was to create a suitable environment and encouragement of foreign investment into the country.

The volume of investment in Kazakhstan's economy, demonstrate the favorable investment atmosphere in the country. Today, Kazakhstan is the leading country among CIS ones in terms of foreign investments.

Factors affecting investment in Kazakhstan can be summarized as following:

1. The suitable business environment, which is formed and influenced by favorable investment laws, measures to support investment attraction and economic and political stability.
2. Abundant Natural resources and minerals. The Intelligence sources estimate that Kazakhstan is the world's sixth largest country in terms of natural resources.
3. Kazakhstan is located in the heart of Eurasia as through the country large areas of Asia and the Pacific are connected to the Middle East, Central Asia and Europe.

Three countries, namely Russia, China and India out of four BRICS member states are near Kazakhstan and the Customs Union of Russia, Belarus and Kazakhstan with a population of 170 million consumer market will allow investors to take the opportunities and new horizons have been opened for effective implementation of investment projects in the country.

Today, all the necessary legal frameworks have been created to invest in Kazakhstan. In 2003, the "Law on Investment" was adopted, which includes legal and economic frameworks for foreign investment. According to the international experts "Law on Investment" is one of the best laws in the field of investment in developing countries. The law guarantees the protection of investors and specifies the stability of contracts to be quite clear and the relationship between state institutions and foreign investors (free investment, return on investment, free use of the profits, the right to private ownership of land to foreign companies, etc.). It is worth mentioning that the actions of government in support of foreign investors are the same treatment conducted towards the domestic investors.

In this country the legal framework for the protection of intellectual property has taken place. For this purpose, an institution created and registered for legislation to protect intellectual property rights and laws necessary to ensure the effectiveness of their rights (civil, criminal, administrative codes, copyright and related rights). The law also provides support to investment, especially investments that are in priority.



Kazakhstan in recent years has significantly changed their fiscal policies in order to reduce the tax rate have changed. The low electricity tariffs in the Republic of Kazakhstan as well as low electricity prices and railway fares can partially compensate the problems of the investors who are away from urban centers. The tax code of Kazakhstan includes signing 44 international agreements on avoidance of double taxation, which in general will reduce the tax burden on business and will in turn be efficient in the development and prosperity of investment.

It was decided that during 2010- 2014 industrial and investment development programs be implemented in the country by the government, where an attractive environment for investors

will be provided in which investors who are willing to implement projects in the following sectors will be treated in priority:

- Refining and oil and gas related infrastructure, mineral complexes, nuclear and chemical industries and a conglomeration of primary production of raw materials and advanced technologies.
- Mechanical engineering, construction, medicine and so on.
- Agriculture, light industry and tourism.
- ICT, technology, alternative energy and space industries.

It should be noted, only in the first year of implementation of the program, 152 companies were formed through investment, including foreign investment. A total of about 800 different industries are also planned in the country.

A program to support small and medium businesses under the "road map business 2020" is planned to consider the following:

- Subsidies for raw.
- Loan guarantees.
- Supporting the development of production infrastructure (industrial).
- Business support services (consulting, legal and accounting services, etc.).
- Training of staff required.

Also in order to initiate and develop direct dialog with investors operating in Kazakhstan, Foreign Investment Council has been established under the support of President of Kazakhstan. During the Council meetings, the economic development issues or issues related to investment activities are discussed. The organization related the council is the investment and new technologies committee of the Ministry of Industry of the Republic of Kazakhstan.

Thus, Kazakhstan has provided all conditions for investment, including a market economy, favorable tax and customs regime as well as laws for protection foreign investment. Therefore, with circumstances mentioned, the gates of Kazakhstan are always open to new opportunities and investors in modern technology, production and management are welcome.

More than forty countries, including ECO member states such as Iran, Pakistan, Turkey, Kyrgyzstan, Azerbaijan, Tajikistan and Uzbekistan signed mutual investment support agreements with the country.

According to Kazakhstan's investment law, an investor can be exempted from customs duties for the import of equipment, spare parts needed for investment projects and investment

priorities in the sector, according to the list approved by the Government of the Republic of Kazakhstan No. 436 dated 8 May 2003.

Government assistance, include land, building, machinery and equipment, computer equipment, measurement and control devices and equipment, vehicles, excluding motorcycles, and household equipment. Investors, who wish to get government assistance, should visit and sign the contract at the investment committee of the Ministry of Industry and New Technologies of the Republic of Kazakhstan.

The volume of foreign investments in Kazakhstan in 2013 exceeded to US\$ 9739 million dollars in different parts of the country which demonstrates growth of about 30 percent compared to foreign investment in 2010.

As seen in Table 3, Kazakhstan is one of the major exporters of oil and gas in the world and mainly vehicles, medicines and equipment are imported from other countries.

Table 3 - Major traded items and major partner countries of Kazakhstan in 2014

| | |
|---|---|
| The main items for export to the world: | Oil and petroleum products, gas, oil, grains (wheat), zinc, copper, silver |
| The main items imported from the world: | Passenger cars, freight cars, oil and petroleum products, drugs and data processing devices |
| Kazakhstan's export partners: | China, Russia, Italy, Netherlands, France |
| Kazakhstan's Import partners: | Russia, China, Ukraine, Germany, U.S |
| The main items of export of Iran to Kazakhstan | Pistachio, cement, palm, paint and coatings, potato and fresh apples |
| The main items imported to Iran from Kazakhstan: | Wheat, barley, products of iron / steel, cotton and sunflower seed meal |

Source: <http://eng.tpo.ir/> <https://atlas.media.mit.edu/en/profile/country/kaz/>

With a view of figures in Tables 4, 5 and 6 it is observed that Kazakhstan's trade volume with the world fluctuated constantly. With a positive growth in 2012 by about 9% compared to 2011, Kazakhstan's trade with the world reached about US\$ 14 billion, while from 2012 to 2014, the country's trade with the world has decreased.

Trade between Kazakhstan and the ECO region in 2013 was US\$ 8.8 billion, and with a growth of 4% reached US\$ 9.2 billion in 2014. On the other hand the Republic of Kazakhstan's trade with Iran in 2014 compared to 2013 grew more than 60 percent.

The total import volume of Kazakhstan in 2014 was US\$ 41,213 million, as out of this figure, the highest imports were from Russia, China, Germany, U.S, Ukraine, France, Korea, Italy, Turkey, Uzbekistan, Japan, Belarus, England, Netherlands , Spain, Czech Republic, Kyrgyzstan, Tajikistan, Turkmenistan and Iran.

Table 4 - Kazakhstan's trade with the world from 2008 to 2014
(million dollars)

| Year | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Exports | 71172 | 43196 | 57245 | 88108 | 92282 | 82511 | 78237 |
| Imports | 37816 | 28409 | 24024 | 38011 | 44539 | 48872 | 41213 |
| Total | 108988 | 71605 | 81269 | 126119 | 136821 | 131383 | 119450 |

Source: <http://www.trademap.org>

Table 5 – Kazakhstan’s trade with ECO from 2008 to 2014
(million dollars)

| Year | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Kazakhstan's exports to ECO | 6990 | 4226 | 4927 | 6387 | 7310 | 6214 | 6383 |
| Kazakhstan's imports from ECO | 2219 | 1255 | 1429 | 1987 | 2298 | 2680 | 2856 |
| Total | 9209 | 5481 | 6356 | 8374 | 9608 | 8894 | 9239 |

Source: <http://www.trademap.org>

Table 6 - Value of trade between Iran and Kazakhstan from 2008 to 2014
(million dollars)

| Year | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------|---------------|---------------|---------------|---------------|------------|--------------|------------|
| Kazakhstan’s Imports from Iran | 58.8 | 24.1 | 26.4 | 34.9 | 51.1 | 81.6 | 93.9 |
| Kazakhstan’s Exports to Iran | 2040 | 1280 | 1094 | 1078 | 626.9 | 538.9 | 893.1 |
| Total | 2098.8 | 1304.1 | 1120.4 | 1112.9 | 678 | 630.5 | 987 |

Source: <http://www.trademap.org>

Kazakhstan as a member of the Economic Cooperation Organization (ECO):

The Economic Cooperation Organization (ECO) is a regional inter governmental organization. Establishment history of the ECO dates back to 1962 when Iran, Turkey and Pakistan formed the Regional Cooperation for Development (RCD) which was active until 1979. In 1985 with cooperation of Iran, Pakistan and Turkey, ECO was founded and in 1992 by joining Uzbekistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Afghanistan to the Organization, the number of member countries rose to 10.

Despite the ECO being new, the organization has achieved success in the region and the world, but ECO has faced numerous problems in achieving its planned objectives.

Several agreements have been signed within this organization which have faced problems in the process of implementation and have not been operationalized. In the framework of regional cooperation, Kazakhstan has signed the following agreements but has not been implemented so far:

- ECO Agreement on Visa Facilitation
- ECO Transit Trade Framework Agreement

Investigation of the potentials to increased trade between Kazakhstan and ECO:

As seen in the figures contained in the report, the total volume of trade of Kazakhstan in 2014 stands at 119, 450 million dollars as out of this figure only US\$ 9,239 million was transacted with the ECO region, which is less than 8%.

Certainly the business potential of Kazakhstan (in our review of the country's import potential of the ECO region) is more than the figure achieved in 2014. In this study, the potential of Kazakh trade in the ECO region is considered through country's main import items.

Therefore, in each of these items, the total value of imports of Kazakhstan has been separated with respect to the value of imports from ECO and the rest of the world and in contrast the value of exports of other ECO member countries of these items has been mentioned.

Then, by comparing the imports of Kazakhstan from ECO member countries and the export of ECO countries to the world in each of the considered items , it can be concluded that by giving priority to ECO member countries as the exporters to Kazakhstan instead of non ECO countries , it will be possible to increase intra-regional trade.

By commercial-need assessment study in the ECO region, reviewing of 20 top imported items of Kazakhstan in 2014 (in terms of value of imports), it became known that the total imports in 2014 in the top 20 imported items is almost "equal to US\$ 27843 million, which as out of this

figure, only US\$ 1,990 million (about 7%) has been imported from the ECO region. On the other hand, other ECO member countries have exported the US\$ 63 659 million worth of the 20 mentioned items to the world as should Kazakhstan utilize the commercial potential of the ECO region, 100% of its trade in the top 20 imported items would have been done with the ECO region.

Table 7 - Top 20 imported items of Kazakhstan in 2014
(Thousands of dollars)

| Code | Notes | Kazakhstan's import value | ECO Countries Exporting to Kazakhstan | Non ECO Countries Exporting to Kazakhstan | Other capabilities of ECO Countries to replace (US\$ m) |
|------|---|---------------------------|--|---|--|
| 84 | Machinery, nuclear reactors, boilers, etc | 6,806,716 | Turkey (179,350), Iran (5,288), Kyrgyzstan (4,364), Azerbaijan (3,043), Tajikistan, Afghanistan (93), Pakistan (11) Total: 192,264 | China (1,974,638), Russia (1,208,190), Germany (651,626), U.S (576,842), Italy (322,429), Ukraine (192,352), Korea (182,216), England (167,621), Japan (139,638), Czech (102,212) Total: 5,517,164 | Turkmenistan (12,052), Uzbekistan (34,232) Total : 46,284 |
| 87 | Vehicles other than railway or tramway rolling stock, and parts and accessories thereof | 4,394,368 | Uzbekistan (205,418), Turkey (42,774), Kyrgyzstan (7,129), Turkmenistan (560), Iran (120), Afghanistan (39) Total: 256,040 | Russia (1,701,452), Japan (517,156), Korea (396,186), China (359, 975), Uzbekistan (205,418), U.S (204,399), Germany (194,644), Belarus (156,521), Czech Rep.(115,624), Slovakia (75,335) Total: 3,926,439 | Azerbaijan (6,486), Tajikistan (11,661), Pakistan (59,656) Total: 77,803 |
| 85 | Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles | 3,972,002 | Turkey (113,268), Uzbekistan (6,556), Kyrgyzstan (5,274), Azerbaijan (2,077), Afghanistan (179), Iran (111) Total: 127,465 | China (1,161,360), Russia (888,781), Germany (259,516), Vietnam (182,874), U.S (143,650), France (142,929), Korea (132,263), England (93,268), Spain (86, 151), Italy (68,279) Total: 3,159,071 | Pakistan (95,371), Tajikistan (4,278), Turkmenistan (2,948) Total: 102,597 |
| 73 | Articles of iron or steel | 2,458,243 | Turkey (71,850), Kyrgyzstan (4,524), Iran (3,801), Azerbaijan (2,742), | Russia (793,472), China (555,323), Ukraine (176,208), Germany (139,372), | Afghanistan (597), Pakistan (199,652), Turkmenistan (784), Tajikistan (278) |

| | | | | | |
|-----------|---|-----------|---|---|---|
| | | | Uzbekistan (1, 741) Total: 84,658 | Italy (132,808), U.S (88,599), Japan (67,314), Mexico (61,079), England (53,255), Korea (27,088) Total:1, 094, 520 | Collection: 201, 311 |
| 27 | Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes | 2,302,449 | Uzbekistan (192,316), Turkmenistan (93,362), Kyrgyzstan (8,110), Azerbaijan (1,707) Total: 295,495 | Russia (1, 697,002), Belarus (81,724), China (42,962), Finland (36,180), Germany (29,771), Italy (23,640), Korea (14,846), U.S (14,018), Lithuania (10,463), Belgium (7,928) Total:1,958,534 | Afghanistan (88,568), Iran (50,717,190), Pakistan (647,584), Turkey (6,126,953), Tajikistan (8,059) Total: 57,588,354 |
| 39 | Plastics and articles thereof | 1,482,135 | Turkey (86,386), Kyrgyzstan (13,246), Uzbekistan (12,123), Iran (9,511), Azerbaijan (501), Pakistan (108) Total: 121,875 | Russia (599,736), China (340,972), Korea (104,137), Germany (66,316), Belarus (22,822), U.S (22,073), Italy (18,561), Ukraine (18,412), Poland (17,645), France (16,603) Total: 1, 227, 277 | Afghanistan (1,473), Tajikistan (2,550), Turkmenistan (104,541) Total: 108,564 |
| 30 | Pharmaceutical products | 1,420,177 | Turkey (10,759), Pakistan (6,725), Uzbekistan (1,323), Kyrgyzstan (41) Total: 18,848 | Germany (222,315), France (149,090), Russia (140,729), India (89,326), Belgium (69,288), Australia (62,099), U.S (56,364), Hungary (56,331), Estonia (53,359), Italy (50,424) Total: 949,325 | Azerbaijan (8,597), Afghanistan (1,039), Iran (57,606), Tajikistan (4,490), Turkmenistan (70) Total: 71,802 |
| 90 | Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof | 1,116,385 | Turkey (16,869), Kyrgyzstan (1,527), Azerbaijan (682), Uzbekistan (551), Iran (300), Pakistan (249) Total: 20,178 | U.S (195,593), Germany (181,820), Russia (169,975), China (162,981), Japan (50,114), Korea (32,286), England (20,833), Italy (30,649), France (29,924), Ireland (27,908) Total:902,083 | Afghanistan (1,796), Tajikistan (481), Turkmenistan (845) Total: 3,122 |

| | | | | | |
|----|--|-----------|--|---|---|
| 72 | Iron and steel | 1,043,206 | Uzbekistan (12,822), Turkey (3,954), Kyrgyzstan (3,047), Iran (69) Total: 19,892 | Russia (828,926), China (118,607), Korea (37,296), Ukraine (16,955), England (3,186), Brazil (3,045), Sweden (2,743), Germany (1,942), Italy (1,415), Canada (1,132) Total: 1,015,247 | Azerbaijan (9,075), Afghanistan (784,569), Pakistan (55,308), Tajikistan (97,823), Turkmenistan (1,034), Total: 947,809 |
| 86 | Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electromechanical) traffic signaling equipment of all kinds | 890,685 | Uzbekistan (1,321), Kyrgyzstan (357), Turkey (241), Azerbaijan (52), Iran (26) Total: 1,997 | Russia (383,673), France (229,427), Ukraine (75,390), China (61,119), Spain (37,327), Australia (27,839), U.S (23,112), Italy (15,772), Belarus (13,299), Germany (3,572) Total: 870,530 | Afghanistan (57), Pakistan (490), Tajikistan (43), Turkmenistan (1,011) Total: 1,601 |
| 94 | Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings | 875,839 | Turkey (70,824), Kyrgyzstan (3,401), Uzbekistan (1,360), Azerbaijan (779), Iran (467), Pakistan (174), Turkmenistan (64) Total: 77,069 | Russia (189,673), China (162,309), Ukraine (69,472), Belarus (63,131), Italy (49,831), Korea (23,414), Germany (20,336), U.S (12,879), Malaysia (12,710), Spain (11,146) Total: 614,901 | Afghanistan (4,403), Iran (5,620), Tajikistan (136) Total: 10,159 |
| 88 | Aircraft, spacecraft, and parts thereof | 682,205 | Turkey (162), Afghanistan (91) Total: 253 | U.S (232,411), Germany (151,190), France (84,398), Brazil (74,058), Spain (67,623), | Iran (2,333), Azerbaijan (50,829), Tajikistan (681), Turkmenistan (43,377), Pakistan (6,992), |

| | | | | | |
|----|---|---------|--|---|--|
| | | | | Ukraine (28,139), Italy (20,072), Russia (11,741), Canada (4,799), Netherlands (4,618) Total: 679,049 | Kyrgyzstan (8,776), Uzbekistan (6,440) Total: 119,428 |
| 64 | Footwear, gaiters and the like; parts of such articles | 636,059 | Turkey (15,031), Uzbekistan (5,329), Iran (243), Pakistan (152) Total: 20,755 | China (462,577), Russia (85,769), Italy (16,923), Vietnam (8,140), Ukraine (5,652), Portugal (4,391), India (4,385), Spain (3,335), Belarus (2,574), Bangladesh (2,444) Total: 596,190 | Azerbaijan (491), Afghanistan (321), Kyrgyzstan (5,525), Tajikistan (393), Turkmenistan (40) Total: 6,770 |
| 40 | Rubber and articles thereof | 613,003 | Turkey (11,358), Iran (1,438), Uzbekistan (152), Afghanistan (20) Total: 12,968 | Russia (229,312), China (142,359), Belarus (39,466), Japan (30,940), Ukraine (22,813), Germany (20,834), U.S (16,644), Korea (15,032), Poland (13,850), Spain (9,369) Total: 540,619 | Azerbaijan (302), Pakistan (14,924), Tajikistan (1,997), Turkmenistan (409), Kyrgyzstan (26,446) Total: 44,078 |
| 08 | Edible fruit and nuts; peel of citrus fruit or melons | 606,343 | Uzbekistan (284,185), Iran (30,965), Tajikistan (30,907), Kyrgyzstan (24,468), Pakistan (12,400), Turkey (3,591) Total: 386,516 | China (84,054), Netherlands (30,858), Ecuador (19,765), Russia (16,345), Belarus (9,025), U.S (7,569), Georgia (4,694), Spain (4,608), Belgium (4,194), Italy (4,115) Total: 185,227 | Turkmenistan (666), Afghanistan (260,674), Azerbaijan (192,165) Total: 453,505 |
| 38 | Miscellaneous chemical products | 563,474 | Turkey (8,991), Uzbekistan (676), Iran (64), Kyrgyzstan (39) Collection: 9,770 | Russia (132,751), U.S (68,995), China (66,946), Germany (59,616), France (48,884), Ireland (26,274), Ukraine (21,338), Belgium (18,829), England (18,011), Italy (16,089) Total: 477,733 | Azerbaijan (4,773), Afghanistan (105), Tajikistan (36), Turkmenistan (822), Pakistan (19,569) Total: 25,305 |
| 26 | Ores, slag and ash | 530,913 | Tajikistan (135,027), Kyrgyzstan (36,727), | Russia (286,370), Guatemala (40,793), | Afghanistan (526), Iran (2,192,667), |

| | | | | | |
|--------------|---|-------------------|--|--|---|
| | | | Azerbaijan (1,278) Total: 173,032 | Ukraine (9,440), U.S (4,454), Congo (4,249), Peru (2), Argentina (1,410), Chile (1,324), Mexico (878), Zimbabwe (841) Total: 349,779 | Turkey (1,398,770), Turkmenistan (1,584), Uzbekistan (993), Pakistan (102,389) Total: 3,696,929 |
| 62 | Articles of apparel and clothing accessories, not knitted or crocheted | 521,438 | Kyrgyzstan (70,328), Turkey (52,448), Pakistan (2,804), Uzbekistan (992), Tajikistan (81), Iran (24) Total: 126,677 | China (215,628), Russia (72,182), Bangladesh (20,608), Italy (18,363), India (9,656), Vietnam (6,739), Belarus (5,240), Germany (5,201), Egypt (3,535), Romania (2,921) Total: 360,073 | Azerbaijan (690), Afghanistan (314), Turkmenistan (24,058) Total: 25,062 |
| 48 | Paper and paperboard; articles of paper pulp, of paper or of paperboard | 514,746 | Turkey (14,924), Kyrgyzstan (6,583), Uzbekistan (1,143), Azerbaijan (42), Iran (16) Total: 22,708 | Russia (245,739), China (57,038), Ukraine (48,536), Germany (25,270), England (21,919), Finland (18,252), Australia (13,453), Italy (10,905), Korea (7,618), Lithuania (5,924) Total: 454,654 | Afghanistan (320), Pakistan (66,830), Tajikistan (280), Turkmenistan (27) Total: 67,457 |
| 44 | Wood and articles of wood; wood charcoal | 502,511 | Turkey (13,837), Uzbekistan (780), Kyrgyzstan (199), Iran (51) Total: 14,867 | Russia (303,515), China (33,623), Ukraine (33,544), Belarus (27,863), Korea (16,593), Italy (12,969), Poland (9,152), Germany (8,419), Romania (8,145), Lithuania (6,359) Total: 460,182 | Afghanistan (496), Tajikistan (4,489), Turkmenistan (16), Pakistan (54,366), Azerbaijan (1,411) Total: 60,778 |
| | | | | Total imports of the top 10 non- ECO countries: 25,739,197 | |
| Total | | 27,842,870 | 1,989,372 | Total imports from non-ECO Countries: 25,853,543 | 63,658,718 |

Source: <http://www.trademap.org/>

It is noteworthy that the 20 major items of import of the Republic of Kazakhstan comprise about 70 percent of total imports of the country in 2014.

By examining the data in Table 7, it is observed that Kazakhstan acquires its top 20 imported goods mainly from China, Ukraine, Germany, Italy, Russia, U.S, Japan and in a scattered manner from the ECO countries.

Surely, the choice of the trade partners is affected by factors such as the cost of transportation, roads, goods, the existence of preferential trade agreements, the intra-banking relationship etc. The following are some of the reasons for the selection of business partners of Kazakhstan in brief:

In the first place, one can mention the membership of Kazakhstan in the CIS, ECO, SCO and the Customs Union of Belarus-Russia-Kazakhstan. Membership in these organizations has led the country to expand its relations with other members of these organizations.

Diversity of different ethnic groups and minorities in Kazakhstan, especially large Russian minority, play an important role in the country's foreign policy. The government of Kazakhstan, unlike the other former Soviet republics where there is an absolute majority because of the fact that a great part of its nationals are of Russian origin, always holds an equal role for Russians in its policies and takes into account their opinions.

Relations with Russia have also been affected by the issues and interests of the ethnic Russian population of Kazakhstan. This led to higher dependence of the republic on Russia compared to other former Soviet republics, and even the foreign policy in Kazakhstan is influenced by the policies of Russia.

Among Commonwealth of Independent States, relations with Russia to Kazakhstan is of particular importance. Kazakhstan's high dependence on Russia in different aspects of economic areas is undeniable; Russia is the main trading partner of Kazakhstan among the CIS countries.

By closer ties with Russia, Kazakhstan can provide its own security and the country will be able to secure itself as in order to defend its boundaries alone it needs a long time and Russia's assistance in this field is a must.

For various reasons, relations with China is of particular importance for the Kazakhs; as maintaining and development of relations with China is one of the most important principles of Kazakhstan's foreign policy. The reasons for the above significance include:

1- The particular situation of the People's Republic of China neighboring Kazakhstan to as one of the major economic and military powers of the region (and the world) which for a country like Kazakhstan has strengths and weaknesses as the country's many efforts focus on strengthening the strengths and diminishing weak point of lack of coordination with China.

2- While in the military point of view China can be a permanent potential threat against the country and on the other hand as a powerful ally will be able to guarantee the security of Kazakhstan.

3- In terms of having a large consumer market, China is able to meet its needs of a wide range of raw materials, from Kazakhstan who is rich in such resources and this can be a very factor in economic exchanges.

To enhance the intra-regional trade of ECO and expand imports of Kazakhstan from member states, given the cultural affinity and proximity of these countries, the emphasis on the implementation of bilateral and multilateral trade agreements between Kazakhstan and these countries are issues that should be considered as a prerequisite for increasing trade relations. The following are some important factors in the development of ECO member states commercial and collaborations with Kazakhstan.



Proposals to enhance cooperation between Kazakhstan and other ECO member states:

- Establishment of the ECO Exported and Manufactured Goods Exhibition, especially for goods that have a history of competitiveness in the market of Kazakhstan.
- Creating suitable conditions to identify the capable businessmen in the ECO region and transporting their goods to the markets in Kazakhstan.
- A better understanding of ECO and Kazakh sides of each other for the development of business relations.
- Timely announcements of tenders in Kazakhstan and goods required in the country through the ECO member states' embassies.
- Coordination for the establishment of flights between Kazakhstan and other ECO countries.
- Promoting the ECO member states' goods marketing in Kazakhstan through international exhibitions.
- Strengthening the ECO-business information website in English.
- Preparation of the necessary conditions to attract funds such as banking relations by acceptance of bank guarantees of ECO member states by Kazakh banks.
- Encouraging companies to set up production lines of various commodities by participation of Kazakhstan investors.
- Relying on the presence of consulting firms in the country.
- Reduce the levies on the transport and alleviating transit problems at the customs.
- Simplification of Visa Procedures for Businessmen of the ECO region.

- Providing appropriate grounds to convert opportunities into commercial transactions.
- Joint collaboration in increasing the efficiency trade facilitation procedures and processes.
- Modernizing and improving the quality of roads, rail and communication networks (telecom, post, etc.) and increasing their capacity.
- Standardizing, rationalizing and harmonization of the technical specifications of vehicles as well as road and rail transport and loading capacity.

Conclusion:

The development of relations between Kazakhstan and other ECO member states given to geographical proximity, cultural and neighborhood in the Caspian Sea is very necessary and will help establishment of security in the region. Among the Central Asian countries, Kazakhstan as one of the main exporters of energy has a special situation.

The wide extent of land, long borders with the two powers, Russia and China and more than 2320 kilometers of coast in the eastern and northern Caspian Sea, is a special feature of the Republic.

The Republic as a bridge between Central Asia, Europe and East Asia holds a significant role in international relations.

The Republic of Kazakhstan is going through a transformation from state-run economy to a free economy. In order to develop the country in the political, economic, social areas a long-term program entitled "Kazakhstan 2030" is set to include three 10-year each comprising of two 5-year programs. The first decade is dedicated to providing the infrastructure and economic infrastructure. Production and export of oil and hydrocarbons are among the priorities of the program, and thus the development of the West Kazakhstan (the oil-rich area of the country) as well as transmission and oil exports have drawn particular interest.

In the current situation where regional cooperation as a small scale experience of economic liberalization has been on the agenda of many governments, the Economic Cooperation Organization (ECO) in terms of economic potential and rich resources as the most important regional cooperation organization has drawn due consideration.

The ECO foreign trade sector is of key importance, and can play a decisive role in determining the position and orientation of the economic development of the region.

In line with the promotion of intra-regional trade in the ECO, in this study we have examined the main items imported by Kazakhstan as a member of ECO have been discussed in this study, and it was concluded on 20 top items that if at least top imported Kazakhstan would have been imported from within the ECO region rather than, given the potential of the ECO, the volume of trade Kazakhstan with the ECO region will grow by \$ 26 billion.

The increase in the volume of intra-regional trade in Kazakhstan, can lead to the growth of ECO intra-regional trade in total trade of the region. In this regard, it is recommended that the Chamber of Commerce and the officials of Kazakhstan with infrastructures provided by the authorities of the country, help to achieve these goals.

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