

## **Remarks by Deputy Minister of Foreign Affairs of Kazakhstan Roman Vassilenko at “The EU-Eurasia-China Business Summit” (Athens, October 9, 2017)**

### **“Role of the Republic of Kazakhstan in the creation of the Eurasian transport corridor”**

Your excellency, dear Mr. President,

Your excellencies, ladies and gentlemen,

First of all, let me thank deeply the organisers of this important conference on a subject that is truly of global significance.

It is very fitting that the subject of building bridges from East to West is being discussed at the initiative of Greece that gave the world one of its first civilizations, that has been one of the world's first sea-faring nations and that remains one of the most important nations in the world in terms of global transportation.

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One of the main priorities of Kazakhstan, a land that was in the heart of the Great Silk Road of the past, in the context of globalization is to promote the transit and transport potential and ensure the connectivity of our country as well as the region, with the rest of the world.

Kazakhstan is the largest country on the planet that has no access to the open sea. But rather than accept this as a disadvantage, we have decided to use our location in the heart of Eurasia to unlock trade routes for the benefit of our nation and the world.

Thanks to projects like the New Silk Road and the Eurasian Economic Union, major transit routes now run straight through Kazakhstan.

Our aim is to enhance our own transport and transit capabilities, stimulate the growth of trade flows across the country and ensure our competitiveness in the global services market. This will in turn make it easier and quicker to trade between east and west, to create employment and opportunity along the route and spread regional and global prosperity.

This is why Kazakhstan has been actively implementing its Nurlı Zhol programme, which is aimed at modernizing our transport infrastructure.

Nurlı Zhol is designed to turn Kazakhstan into a key Eurasian transport and logistics hub, connecting the North, South, West and East. It most notably includes leading global economies in the EU, the Middle East and South-East Asia. This, I believe, presents unprecedented opportunities.

Another major project that shares similar goals and ambitions to the Nurlı Zhol programme is, of course, China's Belt and Road initiative. Both projects are aimed at facilitating trade, eliminating barriers, ensuring transit transport and developing a reliable transport and logistics infrastructure.

I'm happy to inform you that tangible results have already been achieved in this regard. Over 2,500 kilometres of new railways and 4,000 kilometres of new roads, including the Western China – Western Europe highway, which will be completed this year, have been or are being built across our country.

This has been coupled with the new logistics infrastructure needed for a massive increase in freight. Container traffic across Kazakhstan from China westwards and from Europe eastwards has increased by 100 times in five years, to 2016. Around 25 massive freight trains every week now pass through our country, reaching from China to Europe.

Rail container traffic from China to Europe and backwards across Kazakhstan has already doubled between 2015 and 2016 but is expected to increase almost eight fold again by 2020. Kazakhstan already accounts for 70 percent of transit traffic passing from China to Europe and vice versa, as well as in other directions across the centre of Eurasia. I would like to note that sending freight by train is half the cost of air transport and also two to three times faster than moving goods by sea. And I should note that the projected cargo freight across Eurasia is such that there will be enough for all the stakeholders involved.

We are encouraged that in 2016 Kazakhstan rose from 77th to 40th place in the world ranking of logistics performance. Our goal is to become one of the top 40 countries with the best logistics climate by 2020.

An important element of the Eurasian transcontinental corridor is the Kazakh-Chinese terminal in the seaport of Lianyungang. The port is the main point of consolidation of cargo flows to and from Kazakhstan and the key transit port for shipment of goods to and from East and South-East Asia.

In addition, special economic zone Khorgos in the east of our country on the border with China and Aktau seaport in the west on the Caspian Sea are important logistic gates for the new Silk Road. From Aktau, raw materials and goods flow not just to Europe but also Russia in the north and Iran to the south. As well as facilitating international trade, these hubs are also attracting industry and creating jobs in our local communities.

As this growing infrastructure brings the ability to move goods in all directions, Kazakhstan resembles something of a land-based ocean, which more than compensates for not having a seaport on the open waters.

In fact, Kazakhstan, because of our geography but also our outlook and values, is crucial to the success of the Silk Road of the 21st Century. Kazakhstan has been described as "the buckle" of the Belt and Road Initiative and it is hard to disagree. Without our active participation, it will prove almost impossible to achieve its full potential, and that is why we are perhaps among the strongest supporters of this initiative that will benefit all involved.

I would also like to add that the New Silk Road complements the objectives of the Eurasian Economic Union and other regional organisations, such as the Shanghai Cooperation Organisation, which is to create a region of prosperity. Kazakhstan has worked purposefully throughout the years of its independence to not only create a network of multilateral organisations aimed at fostering dialogue, cooperation and, ultimately, prosperity, but also to build bilateral relations of mutual benefit and understanding with all partners, near and far. It is part of the success of a multi-vector foreign policy that we have excellent political and economic relations with our closest and largest neighbours, Russia and China, strong partnerships with the European Union, our largest trade and investment partner as well as the United States and the rest of the world.

But our top priority has always been to build a region of peace and harmony and development in the heart of Eurasia. And we believe there is also another benefit to a more interconnected Eurasia that is often overlooked – that is security. Increased prosperity and regional development will go a long way towards enhancing stability in the region, including in Afghanistan. Kazakhstan and our regional neighbours have been actively working towards integrating Afghanistan into the economic activities of the region as we strongly believe this will play a key role in ensuring security in the whole of Central Asia and beyond.

In conclusion, I would like to emphasize that Kazakhstan will continue to work to improve the legal framework and conditions for the transportation of passengers and goods across Kazakhstan and Central Asia, including tariffs, preferences and benefits.

We hope that international transport and logistics companies will carefully consider cooperating with Kazakhstan and its national companies, including on the joint construction of logistics terminals.

It is our desire to continue to work constructively with our partners in order to ensure prosperity for our countries and peoples.

Thank you for your attention!