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KAZAKH-TURKISH RELATIONS: TRADE AND ECONOMIC ASPECT

Abstract

The article examines the trade and economic cooperation between the two countries at the present stage. Given the fact that Turkey is actively expanding its presence not only in Kazakhstan, but also in Central Asia, this issue is of urgent importance. Turkish business is represented in various sectors of the Kazakh economy: construction, transport, and communications. At the same time, we note that Turkey invests in the strategic sectors of our economy. Joint-stock companies and joint ventures have been established that produce products for domestic and international markets.

Over the years, a legislative and legal framework has been formed in all areas of cooperation. The Turkish presence is noticeable not only in Kazakhstan, but also in Central Asia. Ankara has managed to put economic and humanitarian cooperation between our countries on a solid foundation. Among the priorities of Turkey's "soft power" are joint projects in the oil and gas industry, education and culture.

Keywords: Kazakhstan, Turkey, economic relations, investments.

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ҚАЗАҚСТАН-ТҮРІК ҚАТЫНАСТАРЫ: САУДА-ЭКОНОМИКАЛЫҚ АСПЕКТ

Аңдатпа

Мақалада қазіргі кезеңдегі екі ел арасындағы сауда-экономикалық ынтымақтастық қарастырылады. Түркияның өзінің қатысуын тек Қазақстанда ғана емес, Орталық Азияда да белсенді түрде кеңейтетінін ескере отырып, бұл мәселенің өзекті мәні бар. Түрік бизнесі Қазақстан экономикасының түрлі секторларында: құрылыста, көлікте, коммуникация саласында қызмет етеді. Сонымен қатар, Түркия біздің экономикамыздың стратегиялық секторларына инвестициялар салып жатқанын атап өтеміз. Ішкі және халықаралық нарықтарға өнім шығаратын Акционерлік қоғамдар, бірлескен кәсіпорындар құрылды.

Осы жылдар ішінде ынтымақтастықтың барлық бағыттары бойынша заңнамалық-құқықтық база қалыптастырылды. Түркияның қатысуы тек Қазақстанда ғана емес, Орталық Азияда да байқалады. Анкара біздің елдеріміз арасындағы экономикалық және гуманитарлық ынтымақтастықты берік негізге ала алды. Түркияның "жұмсақ күші" басымдықтарының ішінде мұнай-газ индустриясындағы, білім беру мен мәдениеттегі бірлескен жобаларды атап өтуге болады.

Түйінді сөздер: Қазақстан, Түркия, экономикалық байланыстар, Инвестициялар.

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КАЗАХСТАНСКО-ТУРЕЦКИЕ ОТНОШЕНИЯ: ТОРГОВО-ЭКОНОМИЧЕСКИЙ АСПЕКТ

Аннотация

В статье рассматривается торгово-экономическое сотрудничество между двумя странами на современном этапе. Учитывая тот факт, что Турция активно расширяет свое присутствие не только в Казахстане, но и в Центральной Азии, этот вопрос имеет актуальное значение. Турецкий бизнес представлен в различных секторах казахстанской экономики: строительстве, на транспорте, в сфере коммуникации. Вместе с тем, отметим что Турция вкладывает инвестиции в стратегические сектора нашей экономики. Созданы акционерные общества, совместные предприятия, выпускающие продукцию на внутренний и международный рынки.

За эти годы сформировано законодательно-правовая база по всем направлениям сотрудничества. Турецкое присутствие заметно не только в Казахстане, но и в Центральной Азии. Анкаре удалось поставить на прочную основу экономическое и гуманитарное сотрудничество между нашими странами. Среди приоритетов «мягкой силы» Турции можно отметить совместные проекты в нефтегазовой индустрии, в образовании и культуры.

Ключевые слова: Казахстан, Турция, экономические связи, инвестиции.

Introduction

The modern history of Kazakhstan includes fundamental reforms, socio-economic changes, as well as the transformation of the political system. The multi-vector course of our Republic's foreign policy allows us to pursue a balanced strategy with the international community. The first President of Kazakhstan N. Nazarbayev defined the long-term goal of forming and maintaining constructive relations with the countries of the near and far abroad. Among the states, Turkey occupies a certain place in the foreign policy of Kazakhstan and participates not only in our country, but also in the regional economy. In this regard, the relevance of trade and economic relations is a priority in the multilateral contacts between our countries.

The relevance of this article is determined by the need to study the main aspects of relations between Kazakhstan and Turkey in the new geopolitical and geo-economic conditions. These include the issues of Kazakhstan's entry into the international community, as well as the study of economic priorities between our Republic and Turkey.

Materials and methods

The article uses a historical method that reveals the process of formation and development of relations between Kazakhstan and Turkey. Cooperation between the two countries has various aspects: political, economic and humanitarian spheres. The system method considers the relations between two countries, the elements of which are closely interrelated with each other, which allows us to study phenomena over time. The paper also uses statistical and analytical methods that allow us to analyze the dynamics of trade and economic cooperation between the two countries in the new conditions

Discussion

The historiography of this topic is quite extensive, and it is difficult to give a complete analysis of the sources in one article. This question is being studied by foreign and domestic researchers. For example, among Russian authors, we note Troitsky E. F., Safonkina E. A., Mavrin Yu. V. and others.

The article by N. Ulchenko analyzes certain achievements, mistakes and painful points of the social and economic policy of the Turkish government after coming to power in 2002 of the Justice and Development Party (AKP). Taking into account the Kurdish factor and the dynamics of the party and political system as a whole, programs, statements, speeches by individual leaders and the results of extraordinary parliamentary elections in June and November 2015 are considered. Although the AKP eventually managed to once again become the ruling party unanimously, the price of victory was

high, and the country and its government had to face a number of challenges and serious problems in the field of economy, domestic and foreign policy.

Recently, a lot has been said and written about Turkey, about Erdogan, but mainly in the aspect of the Russian-Turkish conflict over the downed aircraft. Meanwhile, even in this regard, the internal affairs of this country, the social and economic policies of its government, their perspectives deserve serious attention. The article presents the analysis of economic relations between Turkey and Kazakhstan since 1991 and the problems of bilateral contacts. Kazakh-Turkish relations have a long history, based on a common culture, mutual understanding, similarity of positions on many issues of international policy. Turkey provided military-technical and financial assistance on gratuitous terms. Every year, Kazakh military officers are trained in Turkey. Economic relations between Turkey and Kazakhstan show that, despite the well-developed nature of contacts, compared with other Central Asian countries, there is still a need for greater activation of economic, political and humanitarian ties with great potential[1].

Turkish authors include Ozge Nur Ogutcu in the article "the current state of relations between Kazakhstan - Turkey" analyzes the relations between Kazakhstan and Turkey in the new geopolitical conditions.

There are two main factors in bilateral relations; first, over the past couple of years, Kazakhstan has been more active in the international arena and is seeking support from the international community; second, Turkey, aware of the changes in the global economic sphere, seeks to resolve issues, taking into account the current international situation.

Currently, Kazakhstan and Turkey, along with Azerbaijan and Kyrgyzstan are members of regional organizations that are promoting unity through historical, linguistic and ideological ties, such as the international organization of Turkic culture TURKSOY, the parliamentary Assembly of Turkic-speaking countries (AVIM, Avrasya Incelemeleri Merkezi), Center for Eurasian studies[2].

Kazakh researchers Shilibekova A., Chebotarev A., Iskalieva A.M., and others analyze in their works the multilateral relations between the two republics.

In the dissertation of Isaliev A.M. " Қазақстан Республикасы мен Парсы Шығанағының елдері арасындағы ынтымақтастықтың қарқыны, мәселелері мен келешегі"(1991-2019 жж.) The attraction of Turkish investments in the economy of Kazakhstan is also being investigated. For example, the Islamic Corporation for the Development of the Private Sector (ICD) has allocated \$ 160 million.US for financing of small and medium-sized business projects. And the International Islamic Trade and Finance Corporation (ITFC), in turn, attracted grain exporters in the amount of \$ 800 million. The Islamic Investment Insurance and Export Credit Corporation (ICIEC) has financed foreign investments from Turkey to Kazakhstan in the amount of more than \$ 32 million[3,p.99].

Results of the study

At the present stage, the Republic of Turkey is increasingly trying on the role of a regional leader and using its favorable geopolitical and geographical location at the junction of two civilizations, seeks to strengthen its influence in global politics. In the economic sphere, the Turkish leadership has set an ambitious goal - to enter the top ten most developed countries in the world by 2023 (100th anniversary) and become a regional leader in technological modernization. Such aspirations are quite real and feasible: the successful development of the country's economy in the last decade with the highest average annual growth rates in Europe (5.1 %); the 16th place in the world and the 6th in the European economy; a good demographic situation – a very young population; half of the population of 76 million people (its working – age part-52 million), younger than 30 years; the country has 139 universities (94 – public, 45 – private), where about 3 million students study and 400 thousand graduates annually; 25 million Internet users. The country's economy not only meets the needs of the population in food, consumer goods, including durable goods, but also supplies them for export to Europe, America, the CIS, Africa, the Middle East [4].

The process of establishing diplomatic relations between Kazakhstan and Turkey took the period from 1992 to 1999. The signing of a package of important interstate agreements and treaties by Ankara and Astana gave a certain opportunity for the consistent development of both diplomatic contacts and trade and economic relations, including within the framework of the Summits of the Turkic-speaking states.

In Kazakhstan, about two thousand enterprises with the participation of Turkish capital work in various industries. They cover the chemical and light industry, mechanical engineering,

construction materials production, mining, and metallurgy. Among our major partners there are such companies as "Anadolu", "Yildirim", "Urker", "Abdi Ibrahim", in addition, Ziraat Bank has been providing its services in Kazakhstan since the 1990s.

Turkey was one of the first countries to organize joint ventures and joint stock companies in Kazakhstan. JV "Kazfen", created by the Turkish company "Tekfen", "Kazakhstanneftegazstroy" and the Japanese company "Mitsubishi", has started the construction of the Kenkiyak-Kumkol oil pipeline, with a length of 765 km. The issue of participation of the joint venture "Kazfen" in the reconstruction of the Astrakhan-Mangistau water pipeline, the Zhetybai-Uzen oil pipeline, the construction of protective dams in the oil fields located on the coast of the Caspian Sea was also considered.

VESNET telecommunications enterprises successfully operated, in which the shares of the Turkish company NETASH were 51%, and Kaztelecom-49%. "Coca-Cola Almaty Botler" with 50% participation of the companies "Efes Yatyrym" and "Anadolu Industry Holding", the construction company "BEKHTEL-YON" with 50% participation of the largest Turkish construction company "YON", etc.

In June 1993, in Almaty, the state electric power company "Kazakhstanenergo" and the German-American-Turkish consortium "Siemens-Babcock-BMB", in the presence of the Presidents of Kazakhstan and Turkey, signed a contract for the construction of a "turnkey" combined cycle power plant with a capacity of 954 MW in Aktyubinsk. The total amount of capital investment was planned to be about \$ 800 million. However, due to the inconsistency of the position of the three republican ministries of geology, energy, oil and gas, the project did not receive proper development for a number of years and at the end of July 1996. it was annulled by the government.

Kazakhstan and Turkey have established close business contacts on technical, scientific and economic cooperation. The Turkish side was offered a list of priority investment projects in the field of agriculture and the creation of joint ventures. Ties in the banking sector were strengthened: the largest banks in Turkey, "Zirat Bankasy" and "Emlak Bankasy", established joint banks in Almaty with Kazakh partners, and the Kazakh-Turkish Almaty International Bank was opened, which operated in the financial market of the republic. One of the main tasks was to serve unsecured direct state guarantees for investment projects of both the public and private sectors of Turkey in Kazakhstan[5]

New prospects for Kazakh-Turkish cooperation in the 21st century are directly related to the implementation of the Turkish leadership's concept of creating an energy and transport corridor between the West and the countries of Central Asia, which is openly and actively supported by the United States and other leading countries of the world. This is especially important in the run-up to the implementation of grandiose projects related to the development of the oil and gas resources of the republic. In this regard, it becomes relevant to develop its own concept and long-term program for the development of trade, economic, scientific and technical cooperation between the Republic of Kazakhstan and the Republic of Turkey and to focus the government's efforts on its implementation [6].

Trade and economic cooperation between Kazakhstan and Turkey, despite the objective difficulties, developed successfully and had a steady tendency to expand. This was evidenced by statistical data (hereinafter the data of the State Institute of Statistics of Turkey are given). If in 1996 the trade turnover between Turkey and Kazakhstan amounted to \$ 255.9 million (including Kazakhstan's exports - \$ 93.6 million, imports - \$ 162.3 million), then in 1997 It reached a level of \$ 341.5 million (including Kazakhstan's exports of \$ 131.1 million, imports - \$ 210.5 million), i.e. there was an increase in turnover of 33.4%.

In 1997, Turkey accounted for 25.9% of the total trade turnover of Turkey with the five Turkic-speaking states of the CIS. In 1997, in terms of the volume of foreign trade of Turkey with the CIS countries, Kazakhstan ranked fourth, letting Russia, Ukraine and Azerbaijan pass ahead. The structure of Kazakhstan's exports over the years has not undergone any major changes and had a pronounced raw character. Consumer goods, construction and food products, medicines, cars and buses, cars and equipment, automatic telephone exchanges, detergents, etc. were bought in Turkey. An important place in the development of bilateral trade and economic relations was occupied by the 200 line opened in 1992 mln. dollars. Of the total credit allocated in the amount of 240 mln. dollars by the end of 1997, the commodity credit was 55.7 mln. dollars, and the investment loan for various

projects - 184.3 mln. The use of the credit line allowed the construction of the Ankara and Astana hotels, the children's rehabilitation center in Almaty, the Alem Bank buildings, the pasta factory in Petropavlovsk, the copper wire rod plant in Zhezkazgan, the dairy plant in Zaisan, and the leather processing and soap production and reconstruction plants. hotels - "Medeu" and "Alatau", the construction of the cadet corps in Schuchinsk and others continued. During the elaboration in the Eximbank of Turkey there was a project to open a new credit line in the amount of \$ 300 million to support a little about and medium-sized businesses in Kazakhstan [7].

Transport and communications have a decisive impact on the development of trade and economic relations. In the Kazakh-Turkish trade, almost the entire volume of foreign trade turnover was carried out by road. Although the possibilities of road transport are not fully used and have large reserves, the seasonal nature of this type of transport, due to the sharp reduction in cargo transportation in winter, negatively affected the dynamism and stability of mutual deliveries of foreign trade goods. In this regard, good prospects for increasing and expanding bilateral trade and economic ties were opened with the commissioning of the Tejen-Serakhs-Mashhad railway crossing on May 13, 1995, which provides through traffic on the Trans-Asian railway from the Pacific coast to the Mediterranean with a total length of 10.5 thousand km.

Thus, analyzing the overall state of bilateral trade and economic relations between Kazakhstan and Turkey in the 90s, we can note the following: bilateral relations did not fully meet the opening opportunities and had common negative factors. These included the crisis phenomena in the economy as a whole, the imperfection of the regulatory framework, the lack of proper state control, etc. In general, negative factors led to a decrease in their activity.

The development of bilateral business ties was also hindered by poorly established direct contacts between the ministries and departments of the two countries. Meanwhile, significant prospects for cooperation could be realized by attracting both Turkish and foreign capital through Turkish companies.

Great opportunities and prospects for expanding business contacts and ties opened up with the transfer of the capital to Astana. Turkish companies and firms had extensive experience in the CIS, especially in Russia, Ukraine and Turkmenistan, where funds from third countries and international financial organizations were successfully attracted for the construction of housing, socially significant objects, hotels, and communications.

It is worth adding that Turkey is one of the most important trade and economic partners of Kazakhstan. In 2011, the trade turnover between the two countries reached \$ 3.3 billion. For the first half of 2012, this figure amounted to \$ 2.46 billion, and by 2015, the trade turnover was planned to increase to \$ 10 billion. About 150 Kazakhstani companies operate in Turkey [8].

It should be noted that the trade turnover between our countries in 2017 increased by 27% and amounted to almost \$ 2 billion, and in the first half of 2018 - \$ 820 million. Over the years of independence, Turkey has invested more than 3bn in Kazakhstan. direct investment, Kazakhstan to Turkey - \$ 940 million.

Despite the coronavirus pandemic, the bilateral trade turnover between Kazakhstan and Turkey exceeded \$3 billion. Despite the coronavirus pandemic, the bilateral trade turnover between Kazakhstan and Turkey exceeded \$3 billion. Turkish investors are ready to invest \$ 160 million in Kazakhstan projects[9].

Conclusion

Analyzing the trade and economic aspect of the Kazakh-Turkish relations, we come to the following conclusions: in 1996-1997, intergovernmental agreements were signed on trade and economic, technical, military-industrial cooperation, as well as in the field of science and technology, environmental protection, medicine and health care. Over the years of development of relations between the two countries, the volume of participation of Turkish capital in the Kazakh economy has also increased. If in 1994 there were 200 relevant companies operating in the country, then in 2012 there were 3,422 of them. For 1993-2012. The gross inflow of direct investment from Turkey to Kazakhstan amounted to almost 1.8 billion US dollars. In early 2011, a number of Turkish companies began implementing investment projects in Kazakhstan totaling more than \$ 5.5 billion. A new area of work was the creation of joint industrial zones on the territory of Kazakhstan.

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