

**ADDRESS BY ABZAL SAPARBEKULY, DEPUTY SECRETARY GENERAL OF
THE TURKIC COUNCIL ON THE OCCASION OF THE TURKIC
COUNCIL_UNECE-EATL JOINT SESSION
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Dear Mr. Jovanovic,

Distinguished delegates,

First of all, I would like to welcome you all to the First Preparatory meeting for the 14th session of the Group of Experts on the Euro-Asian Transport Links (EATL). As the Cooperation Council of Turkic Speaking States (in short known as the Turkic Council), we are very happy to take part in this process and jointly prepare the meeting with the UNECE-EATL.

Let me first introduce myself. My name is Abzal Saparbekuly. I am a diplomat of Kazakhstan and currently holding the post of the Deputy Secretary General of the Turkic Council. Turkic Council is an international organization founded in 2009 with the overarching purpose of promoting comprehensive cooperation among its members. Currently, Azerbaijan, Kazakhstan, Kyrgyzstan and Turkey are the members of the organization.

Since its establishment in 2009 as a regional cooperation mechanism, Turkic Council has been fully involved in increasing the level of connectivity among its members and along the region through various means. For us, the term “connectivity” refers first and foremost to promotion of economic and trade relations through region-wide transport networks. Being situated between the eastern and western sides of the Caspian Sea as well as between the Black Sea and Mediterranean basin, Turkic Council Member States are located at the epicenter of strategic routes. Thanks to their geographical reach into three major regions, Turkic Council countries carry a big transport linkage potential not only among themselves but also along the entire east-west transport corridor.

As you all know, intensification of east-west trade relations has brought new impetus to the transport networks in our region. In the course of last decades, European and Asian markets have become further liberalized. This multiplied and diversified the goods transported through our member states and rendered the historic path passing through our member countries yet again a viable alternative for the movement of goods and people.

In the last decade, the trade volume of the Silk Road countries had quadrupled and there is a noticeable shift in the growth rate of these countries in contrast to other regions. According to estimates, average economic growth rate in the West stands at 3% while it is approximately 10% in the East. Turkic Speaking States having a population of 150 million, spanning an area of 5 million square km and with a GDP over 1.5 trillion dollars constitute a significant part of

this economic potential. In this picture, Trans-Caspian (or Central) Transport Corridor has a considerable capacity to shorten the distance from Beijing to London. However, we all know that bringing this potential into life requires more attention and effective partnership of the countries along the path.

With this motivation, transport has always been high on the agenda of the Turkic Council. As a token of significance our member states attach to transport, the 3rd Summit of the Turkic Council held in 2013 was dedicated to the theme of “**transport and connectivity**”. We have established **Working Groups** on Transport and Customs comprising the experts of the Member States to eradicate the existing barriers against effective transport cooperation among the Member States and facilitate trade. We convened the **Transport Ministers** twice and the **Heads of Customs Authorities** four times. A **Joint Cooperation Protocol on Transport** was signed by the Transport Ministers. In order to address the practical problems faced by the transport operators on the spot, we set up a **Coordination Council** at the level of Deputy Ministers. Being aware of the existing bottlenecks hampering effective transportation, Member States assigned officials from different modes of transport, along with representatives of other relevant institutions, to attend the said body. We inked an MoU on the establishment of **Sister Seaport Relations** and Cooperation among Baku, Aktau and Samsun Sea Ports. The MoU has intensified the relations among the said Ports. Now, we invited the Turkmenbashi Port of Turkmenistan into the process.

Moreover, we are working on a draft **Agreement on the International Combined Transport of Goods** among the Member States. We place a lot of emphasis on this initiative. We believe that once entered into force, it will streamline transport operations among the member states. Another initiative aimed at connecting the countries in the Trans-Caspian Transport Corridor produced the **Agreement on the Establishment of the Coordination Committee on the Development of the Trans-Caspian International Transport Route**. Signed among the Railway and Sea Port authorities of Kazakhstan, Azerbaijan and Georgia in 2013, the agreement aimed to redirect the bulk of rail transportation between Central Asia and Europe through the Caspian Sea. Through the activities of the Turkic Council Secretariat, Turkey (TCDD-Turkish State Railways) acceded to the agreement in 2014. Later, China also became a party to the agreement and by the joint efforts of its Parties to the agreement a demonstration run of the first container train from Northwest China to Azerbaijan through Kazakhstan was successfully carried out. Preparations for a second leg of the test run that will pass through Turkey for Europe are underway.

In all documents signed or approved by Transport Ministers of the Turkic Council, a particular emphasis is placed on role of **Caspian Sea Crossing**. We believe that the Caspian Sea Crossing constitutes the keystone for the efforts aimed at revitalizing the Central Corridor. It offers a significant short-cut to the trade and transport between east and west. Today, the main freight between Asia and Europe is transported through Suez Canal which can take around 35-40 days (around 23.000 km). The shippers and consignees prefer sea line because of low cost, established relationships and good logistics infrastructure although shipment time of the freight by sea is very long, the routes are overloaded (the number of containers to be transported from East to West in 2015 is estimated to be 10 million) and the

ports are paralyzed by congestion problem. Nevertheless, the new transportation networks utilizing the Trans-Caspian Corridor could cut transport time to 12-13 days (around 10.000 km).

To provide such a shortcut is off course possible by taking some actions. Removal of non-physical barriers such as lengthy procedures at border crossings is essential to this end. We need a change in mentality and practice. Customs should no longer be seen as income generating instruments but should be rather considered a trade facilitating instrument. We should also keep in mind that decreased bureaucracy will leave less room for abuse. In this regard, Turkic Council closely cooperates with World Customs Organization (WCO) in using international instruments, as well as technical assistance and training services. We signed an MoU with the WCO to this end. Promoting the emergence of an honest, transparent and predictable Customs environment will effectively contribute to the economic and social well-being of our Member States.

Developing harmonized and unified rules for transport modes, such as utilization of a common consignment note in railway cargo transport, optimization of tariffs, simplification of bureaucratic procedures and dissemination of online practices remain as some of the measures to be taken to benefit from the advantages of the Trans-Caspian Corridor.

For instance, at the moment, because of mainly non-physical barriers, such as lengthy procedures at border crossings, the average speed of a commercial truck between Central Asia and Turkey is lowered down to some 20 km per hour. We do not have the luxury to lose such a time. According to a study of OECD conducted in 2011, every extra day required to ready goods for import or export decreases trade by around 4%. A decrease of 4 days to ready goods for import and export increases GDP per capita growth rate by 0,1%. Similarly, the costs of paperwork account for 3,5-7% of the value of the goods and even can be as high as 10-15% if there are typing and other errors, according to OECD 2002 and UNCTAD 1994 statistics.

Distinguished participants,

Before I conclude, I would like to stress once more that geographical constraints and low logistic performances of the regional states require formulating a multi-modal transport strategy with developed and connected rail, land and sea road infrastructure in the region. To reveal this potential, we believe that the following four points are critical:

First, realization of this potential requires formulation of a legally enforced and strong multi-modal approach. The future of Central Transit Corridor is pretty much linked to the establishment and implementation of such an approach.

Second, ensuring involvement of private sector and enhancing public-private partnership on transport and customs is essential for the revitalization of the Central Corridor.

Third, achieving more transparent and streamlined customs formalities, modernizing facilities at border crossing points, providing acceleration and standardization of customs procedures, utilization of a common consignment note and dissemination of online practices for custom issues are among measures to minimize the time spent at border crossings and thus to render the Central Transit Corridor more attractive.

Last but not least, we need to focus on harmonization of the existing individual transport projects of the countries along the Central Corridor in an efficient way.

I once more wish to thank UNECE-EATL for accepting our invitation to convene the meeting with us in Istanbul. We are very glad to cooperate with such an expert body. I am sure this cooperation will provide guidance to our ongoing undertakings in the field of transport. I also wish to thank the valuable participants for being with us today. I wish a successful meeting.

Thank you very much.