The «One Belt, One Road» policy has brought economic and trade relations between China and Kazakhstan closer in the field of agricultural products, adding new opportunities for development, and the volume of trade has become stable and growing. Bilateral trade between China and Kazakhstan has shown new positive dynamics, where a unified trade structure is also noted.

There are great development prospects in the field of agricultural products of the two countries. In this regard, the author points to a mega-project called the Belt and Road Initiative, which focuses on the current situation and characteristics of Sino-Kazakh agricultural trade.

The article indicates some problems in the bilateral cooperation of the two states. Among these problems, the most important are noted. For example, the author notes that the situation with a large number of trade barriers prevents more Chinese and Kazakh enterprises from entering the market.

As a starting point based on an analysis of the obstacles facing the development of bilateral agricultural trade, countermeasures should be taken to further deepen bilateral cooperation in agricultural trade. A set of proposals to mitigate the problems of economic cooperation between Kazakhstan and China are offered in the conclusion of the article.

**Key words:** trade and economic cooperation, agrarian complex, dynamics of agricultural production growth, trade volume, trade turnover, trade barriers, RK, PRC.

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**DEVELOPMENT OF CHINESE-KAZAKHSTAN TRADE IN AGRICULTURAL PRODUCTS WITHIN THE FRAMEWORK OF «ONE BELT, ONE WAY»: FEATURES, FORMS OF COOPERATION AND PERSPECTIVES**
Development of Chinese-Kazakhstan trade in agricultural products within the framework ...

**Introduction**

Kazakhstan is the first stop on the ancient Silk Road. In 2013, Chinese President Xi Jinping first proposed the Belt and Road Initiative during his visit to Nazarbaev University in Kazakhstan (Astana). Over the past seven years, the Sino-Kazakh economic and trade cooperation has demonstrated high development dynamics and potential. So, in 2019, the volume of bilateral trade between Kazakhstan and China exceeded 20 billion US dollars.

The question of how to effectively use the dividends of the “One Belt, One Road” policy, gradually removing barriers to trade in agricultural products between the two sides, effectively release the potential for trade development and effectively increase the level of trade in agricultural products between the two countries is an urgent need for the Chinese-Kazakh trade-economic cooperation. At the present stage, resolved practical problems are also the meaning of the intensive and detailed development of the “One Belt, One Road Initiative” and are of greater practical importance for the sustainable development of Sino-Kazakh trade in agricultural products and the all-round promotion of economic and trade pragmatic cooperation.

Within the framework of the “One Belt, One Road” concept, the author of the article indicates the ways of solving problems that will contribute to the implementation of effective directions in the relationship between the two parties – between Kazakhstan and China.

In order to strengthen bilateral cooperation in the agricultural sector and promote the in-depth development of bilateral cooperation between Kazakhstan and China in the field of trade in agricultural products, it is important to implement effective measures, including: activation of investment policy in agriculture, development of cooperation in the field of agricultural technologies, export of agricultural machinery, intensification of cooperation in the field of labor and contract agriculture, as well as other important areas.

**Literature review**

State government documents are devoted to the problematic issues of the development of trade and economic cooperation between the two regions of the world – Kazakhstan and the PRC – the development and implementation began in 1996. The list of intergovernmental program documents includes the Joint Declaration of the PRC and the RK, the Agreement between the Government of the RK and the Government of the PRC on economic, scientific and technical cooperation, the Beijing Declaration...
of the RK and the PRC, the Agreement between the Government of the RK and the Government of the PRC on the joint deployment of cooperation in the energy sector, 1996 and other documents of state importance (Beijing Declaration of the RK and PRC, 2000; Message from the President of the Republic of Kazakhstan N. Nazarbayev to the people of Kazakhstan, 2012; Strategy “Kazakhstan-2050.” New political course of the established state, 2012; Joint declaration of the PRC and the RK, 2003; Joint statement of the RK and PRC, 2004; Agreement between the Government of the RK and the Government of the PRC on economic, scientific and technical cooperation, 2000; Agreement between the Government of the Republic of Kazakhstan and the Government of the PRC on the joint deployment of cooperation in the energy sector, 1996; other). The listed intergovernmental agreements reflect the chronology of events related to the development of interstate cooperation since the 90s, including the modern period.

Other foreign intergovernmental documents developed by individual states should also be noted. These include the Agreement on the Mutual Reduction of Armed Forces in the Border Area. Moscow, 1997, Agreement on mutual reduction of armed forces in the border area, International Logistics Performance Index, Information Digest of the Union of Transport Workers of Kazakhstan “KAZLOGISTICS”, Kazakhstan and the New Silk Road. The Importance of a Common Vision Towards New Opportunities, 2017, Russia on the New Silk Road. The listed international projects to one degree or another affect the issues of interstate cooperation in the field of economy, trade, transport logistics, as well as other important aspects (Agreement on the mutual reduction of armed forces in the border area. Moscow, 1997; International Logistics Performance Index, 2018; Information Digest Union of Transport Workers of Kazakhstan “KAZLOGISTICS”, 2018; Agreement on Mutual Reduction of Armed Forces in the Border Area. Moscow, 1997; Rahul Gupta, Yevgeny Orlovsky. Kazakhstan and the New Silk Road. The Importance of a Common Vision on the Path to New Opportunities, 2017; Russia on the New Silk Road ways, 2015 and others).

Russian scientists did not stand aside, who are actively investigating this problem, which is reflected in such works as Analysis of Economics. Country, Market, Firm, Tectology: Global Organizational Science, Asia-Pacific in the Context of Globalization, Belt and Road Project 2. 0 – Strategy to Stimulate China’s Global Expansion, Economic Review: The Role of the Belt and Road Initiative in as a force for the recovery of the global economy and the plan for world development. Xinhua News Agency and other works (Asia-Pacific region in the context of globalization, 2001; Analysis of the economy. Country, market, firm, 1999; Bogdanov AA Tectology: General Organizational Science, 1989; Izhu Liu, Avdokushin EF Project “One Belt, One Road “2. 0 – A Strategy for Stimulating China’s Global Expansion”, 2019; Economic Review: The Role of the Belt and Road Initiative as a Force for Global Economic Recovery and Global Development Plan. Xinhua News Agency, 2017; and other works).

Of interest are the studies of Kazakhstani authors, including: B. Zhurkabaeva, V. V. Mozharova, B. K. Nurgaliev, and other scientists – experts (Zhurkabaeva B. Look into the future, 2013; Mozharova V.V. Transport in Kazakhstan: modern situation, 2011; Nurgaliev B.K. Chinese “Belt-way”: Kazakhstan and geopolitics / KAZINFORM. – Nur-Sultan, 2.06.2020 and other studies).

Research methodology

The author of the scientific article used the program documents of official state bodies and non-governmental organizations, economic and statistical data, monographic works and research of expert scientists, scientific publications and data from Internet resources.

The research methodology is based on the use of a systematic approach and system analysis, scientific-theoretical, informational material of economic and legal nature, including the works of foreign and domestic scientists-experts, legal acts.

The article used such scientific research tools that can be attributed to general scientific and special methods, such as: comparative analysis, economic and statistical method, methodological analysis, marketing and chronology.

Discussion and results

The scientific article reveals the main provisions and chronology of the development of trade and economic cooperation between two regions of the world – Kazakhstan and China. The author has structured the content of the article according to key problem areas.

1. The status quo and features of the development of trade in agricultural products between China and Kazakhstan.

In terms of the volume of bilateral trade in agricultural products, agricultural exports from China to Kazakhstan in 2009 amounted to about USD 131 million, and in 2018 the export value was about USD
Development of Chinese-Kazakhstan trade in agricultural products within the framework ...

The dynamics of indicators is estimated at about 10%. Figure 1 clearly shows that trade in agricultural products between China and Kazakhstan (whether export or import) is generally positive.

Agricultural export trade data for the last ten years can be roughly divided into three stages:

The first stage (from 2009 to 2014) of trade in agricultural products developed at a relatively fast pace, of which the growth rate of trade from 2009-2010 was relatively stable. It was the global financial crisis of 2008 that led to the economic downturn in the past two years, which has kept agricultural exports relatively stable over the past two years. After that, until 2014, China’s agricultural exports to Kazakhstan gained momentum and continued to grow rapidly.

In the second phase (from 2014 to 2016), the value of agricultural exports fell from USD 236 million to USD 218 million, i.e. by about 7%. The reason for this analysis may be that the price of crude oil fell sharply under the influence of the international environment. The downturn in the trading market and the unstable political environment in Kazakhstan have led to certain restrictions on the export of Chinese agricultural products.

The third stage (from 2016 to the present) is associated with the further implementation of innovation policy in agricultural science and technology (production equipment), which was reflected in the “Bright Road” program proposed by the Kazakh side, which happened after the successful docking of the “One Belt, One Road” and Bright Road “China”. Export trade in agricultural products returned to the first stage and subsequently developed at a relatively fast pace.

2. Obstacles to the development of Sino-Kazakh trade in agricultural products.

Let’s list the main obstacles to the possible effective development of trade and economic relations between Kazakhstan and the PRC:

- firstly, restrictive measures on imports and exports. Since 2007, Kazakhstan has introduced strict restrictions on the import of livestock products to China;
- secondly, there are a number of problems with customs declaration, such as complex procedures, high costs, long time and the need for multiple and duplicate inspection documents.
- thirdly, there have been technical barriers in trade for a long time. For a long time, China and Kazakhstan have had a low degree of mutual recognition of technical standards, rules and procedures for assessing the conformity of agricultural trade between the two countries. Especially with the integra-
tion of common European technical standards within the Eurasian Economic Union, Kazakhstan exported Kazakh agricultural products to China, creating a strong technical barrier.

- Fourth, trade protection measures such as animal and plant health inspections, as well as quarantine policy barriers and “double reverse” investigations are also important factors hindering the expansion of China’s agricultural exports to Kazakhstan.

- Fifth, green trade barriers are becoming more visible. With the increase in quality control standards for Kazakh agricultural products, many quality and characteristic agricultural products have emerged that have been rejected by Kazakhstan due to excessive drug residues, poor quality, inconsistent use of additives and potential hazards.

3. Strategies for the development of trade in agricultural products between China and Kazakhstan within the framework of the “One Belt, One Road” initiative.

(1) Actively create a long-term cooperation mechanism in the field of agricultural trade, and effectively improve the level of bilateral trade in agricultural products.

The long-term limited level of development of agricultural trade between China and Kazakhstan is mainly due to the lack of long-term high-level development and strategic communication on cooperation in the field of agricultural trade.

In this regard, it is necessary to accelerate the creation of a high-level intergovernmental meeting and a dialogue mechanism for bilateral agricultural trade cooperation, agree on the priorities and directions of bilateral agricultural trade cooperation at a high level, jointly negotiate and solve problems and difficulties in cooperation, and assist both parties to reach a consensus about cooperation and implementation of appropriate policies to achieve profit sharing and win-win situation.

To actively improve the framework of the bilateral cooperation system in agricultural trade and accelerate the signing of relevant memorandums of cooperation and trade agreements in relation to agricultural trade types, tariffs and prices. Strengthen communication and consultation between the customs services and quality control departments of the two countries, clarify the quality certification, inspection and quarantine standards of various agricultural products of both sides, standardize trade rules, ensure trade security and reduce trade frictions.

(2) Make full use of the opportunities and economic priorities of the SCO, WTO and other framework agreements to promote the development of bilateral trade in agricultural products.

Both China and Kazakhstan are within the SCO and WTO, which provide a platform for cooperation in agricultural trade between the two countries and lay a solid foundation for enhanced cooperation between the two countries. How are China’s Belt and Road and Kazakhstan’s Bright Path connected?

The two countries reached a consensus on the main directions of national development. In the future, they should take full advantage of the political advantages of the existing platform to promote horizontal and vertical development of agricultural trade between the two countries and develop towards liberalization and facilitation.

On the one hand, it is necessary to fully use the function of the SCO platform and promote the development of China-Kazakhstan trade in agricultural products on a multilateral and bilateral basis. At present, the SCO has signed a number of documents on agricultural cooperation policy, including an economic and trade cooperation plan, an agricultural cooperation agreement, a quality inspection agreement, a trade facilitation plan, etc.

On the other hand, it is necessary to effectively use the WTO framework agreement to maximize the elimination of obstacles to the development of agricultural trade between the two parties. With Kazakhstan’s accession to the WTO, its internal tariffs on agricultural products are high, trade procedures are not standardized, dispute resolution is difficult, “gray customs clearance” and other issues are gradually being resolved, which will undoubtedly have a positive impact on development, trade in agricultural products between China and Kazakhstan.

(3) Promote the development of trade in agricultural products through agricultural cooperation and fully exploit the potential for the development of bilateral trade in agricultural products.

Strengthening bilateral cooperation in the agricultural sector and promoting deeper development of bilateral cooperation in agricultural trade through effective measures such as active investments in agriculture; development of cooperation in the field of agricultural technologies, export of agricultural machinery; intensification of cooperation in the field of labor and contract agriculture and other important areas.

It should be noted that actively direct the two countries to implement investment cooperation in the agricultural sector closely related to bilateral agricultural products. Therefore, it becomes important to invest in profitable agricultural products of the two countries through cooperation on projects and exchange of improved varieties such as fruits, vegetables and aquatic products to China, and in Kazakhstan—grain and livestock products.
It is also necessary to encourage domestic agro-industrial enterprises, institutes of agricultural sciences, etc. In order to actively integrate with the Republic of Kazakhstan, it is necessary to combine its own industry, technology, capital and advantages in management with the advantages of agricultural resources in Kazakhstan, as well as attract foreign investment to create and develop factories and processing bases in the field.

There is a need to ensure that processing trade is free of trade barriers and actively unleashes the potential of bilateral agricultural production. It is important to increase the scale of exports of agricultural machinery and equipment from China to Kazakhstan and focus on improving the level of agricultural production and the efficiency of agricultural production in Kazakhstan. To actively develop talents for bilateral trade in localized agricultural products and effectively raise awareness of the Kazakh language, administrative rules, trade rules and cultural customs through training courses and workshops.

Relying on Internet + technology, it is important to actively create a platform for the exchange of agricultural electronic information, which generally contributes to the promotion of bilateral cross-border e-commerce in specialty agricultural products, combining custom farming and online sales. It is also necessary to fully exploit the potential of mutually complementary and profitable trade in goods of the two sides, while rational planning the structure of the division of labor in agricultural trade.

From the Chinese side, it is necessary to actively develop profitable and efficient agricultural sectors, increase the export of profitable products, such as fruits and vegetables, supplied to Kazakhstan. It is necessary to constantly optimize the structure of exports of products, improve their quality, use the effectiveness of well-known brands and reduce (mitigate) the likelihood of obstacles to the export of Kazakh agricultural products.

Conclusion

The author of the scientific article highlighted the main obstacles to effective cooperation between China and Kazakhstan. Among these obstacles:

1) The absence of a cooperation mechanism in the field of agricultural trade does not contribute to the long-term and stable development of bilateral trade in agricultural products.

2) The presence of non-tariff trade barriers hinders the development of bilateral trade in agricultural products.

In the most generalized form, the further development of the Chinese-Kazakhstan trade in agricultural products within the framework of the “One Belt, One Road” concept will be facilitated by the implementation of the following strategic directions in relations between the two countries – China and Kazakhstan:

1) activation of the creation of a long-term cooperation mechanism in the field of trade in agricultural products and an effective increase in the level of bilateral trade in agricultural products.

2) full use of economic opportunities and advantages in the development of international integration unions of the SCO, WTO and other framework agreements to promote the development of bilateral trade in agricultural products.

3) promoting the development of trade in agricultural products through agricultural cooperation and fully exploiting the potential for the development of bilateral trade in agricultural products.

Kazakhstan has a long history of trade exchanges with China. Under the guidance of the “One Belt, One Road” initiative, the continuous development of agricultural trade between the two countries not only inherits the history of trade exchanges between the two countries, but also complements the shortcomings in the economic and trade fields. In recent years, the two countries have achieved satisfactory results in economic and trade cooperation in many fields.

Among them, agricultural product trade, as an important area of bilateral trade, has developed rapidly. In the past ten years, China-Kazakhstan agricultural product trade has grown at an average annual rate of 10%. The total trade volume has increased by 2.4 times. With the smooth opening of the China-Europe Express train in 2013, Kazakhstan straddles Europe and Asia. In recent years, Kazakhstan has continuously increased investment, improved infrastructure conditions, and improved overall customs clearance efficiency. So far, it has exceeded 90% of the China-Europe train passes through Kazakhstan, thanks to the blessing of the China-Europe train, the future of China-Kazakhstan agricultural trade will enter a new stage of development.
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