

ADDRESS BY H.E. HALIL AKINCI
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On the role of Turkic Council in New Silk Road: Perspectives and
Challenges

Mr. Chairman,

Thank you for your introduction.

Excellencies,

Distinguished participants,

Ladies and gentlemen,

It is an honour to be here at the 6th Astana Economic Forum and address the Panel session dedicated to transport. I would like to express gratitude to the Government of the Republic of Kazakhstan for their kind invitation and Ministry of Transport and Communications of the Republic of Kazakhstan for the excellent organization of this session.

Ladies and gentlemen,

At the outset, I would like to give you brief information about our organization. The Turkic Council is a very young and dynamic organization with headquarters in Istanbul. It was established in 2009 in Nakhchivan by Azerbaijan, Kazakhstan, Kyrgyzstan and Turkey.

The main objective of the Turkic Council is to further deepen comprehensive cooperation amongst Turkic states, at the same time try to seek and foster common interests and in this way build the capacity to jointly contribute to peace and stability in the region and in the world as a whole.

Being situated between the eastern and western sides of the Caspian Sea as well as between the Black Sea and Mediterranean basins, the organization is located at the epicenter of strategic routes. Also due to its geographical reach into three major regions, it carries a big transport corridor potential not only for the member states but also to the whole Eurasian continent.

Dear participants,

As you are aware to this day maritime transport is the most convenient for shippers and consignees. The fact is that, traditionally, transit cargo is carried by sea because of low cost, established relationships and good logistics infrastructure. The shipment time of the freight by sea is very long, the roots are overloaded (the number of containers to be transported from East to West in 2015 is estimated to be 10 million) and hence, can pose a serious safety problem (risk of pollution following accidents). So today we are actively considering the development of multimodal transport corridors that would cut the intensity of sea lines.

To give an example, the main freight between Asia and Europe is realized by means of Suez Canal which takes around 45 days, while the new links utilizing the Caspian Sea connection could cut transport time to 11 days.

First we should eliminate the obstacles to free and secure access. In these areas, economic connections face tougher restrictions. If these countries fail to develop the necessary physical and administrative infrastructure, they may not fully benefit from international cooperation.

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 17.5 km per hour.

On the other hand, the Caspian Sea crossing, which is the central transport corridor linking Turkic states, is not used efficiently.

Nevertheless, there are such projects as “Silk Wind” initiated by Kazakhstan, “Keravan Saray” and “Middle Corridor” initiated by Turkey that bear similarity in terms of aiming to utilize the potential of the Caspian crossing.

According to information provided by Turkey and Azerbaijan the huge railway project Baku-Tbilisi-Kars is estimated to be finalized at the end of 2013 or at the first quarter of 2014 and the railway connection under the Istanbul Strait, namely the Marmaray, is planned to be completed in October 2013. Also the enlargement of the Aktau sea port and the construction of the new Baku sea port have already begun. Hence, the infrastructure of the corridor in near future might be finalized.

In this regard, there might arise a concern about the congestion and saturation of this corridor. So if without doing any forecasts just redirect the current land freight transport between Asia and Europe that are transported by a longer way comparing to the Middle Corridor (New Silk Road), the minimum amount of the freight to be transported by this corridor is expected to be over 10 million tons per year.

In addition, H.E. Nursultan Nazarbayev stated that Kazakhstan is ready to provide a transport corridor for withdrawal of ISAF Forces from Afghanistan on the Istanbul process that was held on 26 April 2013 in Almaty.

Therefore, it can be obviously stated that there is already enough freight to feed this corridor.

Nevertheless, this is of course with the assumption that non-physical barriers to trade are also eliminated. Furthermore, according to the information provided by the Associations of Freight Forwarders the main problems on the Middle Corridor (New Silk Road) is unoptimized tariffs, high entrance fees (entrance fee, transit document fee, highway utilization fee, assurance fee, etc.), a long time consumed by registration of cargo and

accompanying documents and undeveloped transport infrastructures on certain areas of the corridor as terrible highway between Aktau – Beyneu increases the cost and time of transportation.

In this regard, Turkic Council established two working groups on the development of transport and customs to conduct joint efforts for removing barriers in customs among member states and for the improvement of coordination and cooperation in the field of transportation.

To this end, we have conducted 3 meetings of working group on transport and 1 on customs. And in upcoming month next meetings of these working groups are planned to be convened.

Also a bilateral meeting of transport agencies and customs authorities under the coordination of Turkic Council on development of Ro-Ro ferries and cargo-passenger transportation between Aktau and Baku sea ports was conducted last week in Aktau.

As a result, the Parties agreed on necessity to use a single window clearance in registering transport and accompanying documents. Also attention was paid to the necessity of optimization of tariffs in order to create competitive conditions for movement of goods. And the Parties reported that the work on development of transport infrastructure is in progress and the construction of new highway on connection Aktau-Beyneu has already begun. Hence, the elimination of major problems on this corridor is underway, but there is still a lot of work to do.

Moreover, last year on 2nd Summit of Turkic Council on 23 August in Bishkek Heads of States of Turkic Council with the aim of dealing with these challenges, instructed us to conduct the meetings of Ministers of Transport and Heads of Customs Administrations of Turkic Council from this year on; consequently, it can be stated that Turkic Council has a strong support in member states concerning transport issues. So in upcoming months prior to the 3rd Summit of Turkic Council the meetings of Ministers

of Transport and Heads of Customs Administrations are planned to be convened.

Furthermore, Turkic Council pays high attention to cooperate with other regional initiatives and organizations. With this in mind on 2-3 May 2013 participated at the Special Program for Economies of Central Asia (SPECA) participants of which namely Azerbaijan, Kazakhstan and Kyrgyzstan are also members of Turkic Council.

Issues deliberated in the framework of SPECA are also of an interest to Turkic Council and discussed among our member states. Hence, in order to avoid duplication of the work done cooperation between other regional organizations and initiatives is pertinent step to effectiveness of our organization.

Distinguished participants,

To conclude, there exists a demand for this corridor, a political zeal and support at the highest level. Therefore, this initiative of multimodal corridor from China through Kazakhstan to Azerbaijan then to Georgia and further to Europe by the territory of Turkey, despite the difference in naming, has the necessary ground for success.

Mr. Chairman,

Before I finish, I would like to express my gratitude to the organisers of Astana Economic Forum. This has been a good occasion to broaden our horizons, and a source of inspiration for the present and future work of the Secretariat as well.

I am confident that the participants of Astana Forum will reach a cooperative and inclusive approach with concrete recommendations. It is obvious that these recommendations should be observed and embedded into the global deliberations ahead.

Thank you for your kind attention.