



PARLIAMENTARY ASSEMBLY OF TURKIC STATES

COMMISSION ON ECONOMIC COOPERATION

TENTH MEETING

20 April, 2023, Astana (online)

REPORT

INTEGRATION OF THE TRADE AND ECONOMIC POTENTIAL OF THE TURKPA MEMBER COUNTRIES: THE FUTURE TRANSPORT CARCASS IN THE NEW REALITY

I. INTRODUCTION

1. In accordance with the Plan of Activities for the year 2023 of the Secretariat, adopted during the 11th Plenary Session of the TURKPA, held in Cholpan-Ata, Kyrgyzstan, it was decided to take up subject “Integration of the trade and economic potential of the TURKPA member countries: the future transport carcass in the new reality” as a main item of the Agenda for the Tenth Meeting of the TURKPA Commission on Economic Cooperation.
2. Globalization of world markets, the formation of global supply chains, current economic trends allow us to count on further growth in world trade. The main challenge to the transport complex of the TURKPA member states is the realization of the possibilities for reorienting part of the transported goods between the largest world markets for transportation through the territory of the TURKPA. It should be noted that the attraction of transit freight traffic will remain relevant even with a decrease in world trade due to any economic changes, as it is not only about attracting additional freight traffic due to an increase in trade volumes, but also the redistribution of the structure of the existing freight traffic due to an

increase in the share of the TURKPA. All TURKPA member states are interested in developing the transit transport market in Europe-Asia traffic and vice versa.

3. Broadening international trade links have brought a greater volume of good, moving further and in increasingly complex and interdependent ways. The cost of transporting goods affects the volume, direction and pattern of trade. Barriers to trade and transport have a significant effect on international trade and therefore growth, OECD analysis shows that a 1% reduction in transaction costs could increase world income by 40 billion USD. All components of trade logistics impact trade more significantly, by several magnitudes, than distance or freight costs do.
4. The task of the TURKPA member states is to ensure an increase in transit traffic between China and the Europe Union (EU), following the land route through the territory of the TURKPA. Because 19% of the world market of transport and logistics services is covered by European countries and 15% by China. In addition, China and the EU are the second and third largest economies in the world in nominal terms, and their share in the global economy is approaching 40%. And in recent years, China's contribution to global economic growth has remained at about 30%, which makes the country the largest engine of global economic recovery. The transit route from China to Europe through the TURKPA has several advantages: it is faster than the sea route via the Suez Canal and cheaper than air transportation from China to Europe. Thus, there are all the prerequisites for the reorientation of part of the cargo flow to transportation through Eurasian transit corridors.
5. The development of international transport corridors is closely linked to the processes of economic integration and trade liberalization, which facilitate the simplification of procedures for mutual commodity exchange. In the context of increasing global risks, political aspects are added to the transport and logistics aspects of the activities of international transport corridors, which to a certain extent turns them into an instrument of geopolitical influence. Thus, an additional impetus to the development of the flow of Chinese transit through the territory of TURKPA towards the EU is given by a number of initiatives of China, which is making considerable efforts to implement the Silk Road Economic Belt project to create a central Trans-Eurasian economic corridor "China - Central and Western Asia - the Persian Gulf and the Mediterranean Sea".

6. An alternative to it is Transport Corridor Europe-Caucasus-Asia (TRACECA), a program of international cooperation between the EU and partner countries for the organization of the “Europe - Caucasus - Asia” transport corridor, funded by the EU. The main activity of the program is the development of a transport corridor from Europe to Central Asian countries through the Black Sea, the Caucasus and the Caspian Sea. From a technological point of view, the program focuses on the transportation of cargo according to a single transport document for the entire route when using various modes of transport.
7. In turn, the TURKPA member countries proposed their initiative to build a Trans-Caspian International Transport Route (Middle Corridor). The main goals of this organization are attraction of transit and foreign trade cargo, development of integrated logistics products, implementation of an effective tariff policy, reducing costs and optimization of the cost of services, creation of a unified technology for the transportation process, assistance in reducing administrative barriers related to border and customs procedures and cargo and container processing in ports and docking stations.
8. In this regard, in order to deepen the integration of the trade and economic potential of the TURKPA member countries, it is important to look for opportunities for the development of these international transport corridors in the context of the new geopolitical and economic reality.

II. CURRENT STATE OF THE TRADE AND ECONOMIC RELATIONS AMONG THE TURKPA MEMBER COUNTRIES

Azerbaijan

9. In 2021, the volume of trade turnover of Azerbaijan with Kazakhstan was 135.8 million USD, including the import volume of 95.91 million USD, export volume 39.89 million USD, and the foreign trade balance was minus 56.02 million USD. Compared to 2020, trade turnover with Kazakhstan in 2021 decreased by 4.39%, including import decreased by 17.4%, and export increased by 53.91%. In 2021, the share of Kazakhstan in the foreign trade turnover of Azerbaijan was 0.4% (31st place), including 0.82% (20th place) in imports, and 0.18% (32nd place) in exports.

10. In 2021, the volume of trade turnover of Azerbaijan with Kyrgyzstan was 9.02 million USD, including the import volume of 3.0 million USD, export volume 6.02 million USD, and the foreign trade balance was positive 3.02 million USD. Compared to 2020, trade turnover with Kyrgyzstan in 2021 increased by 66.47%, including import decreased by 16.44%, and export increased by 3.29 times. In 2021, the share of Kyrgyzstan in the foreign trade turnover of Azerbaijan was 0.03% (72nd place), including 0.03% (72nd place) in imports, and 0.03% (52nd place) in exports.
11. In 2021, the volume of trade turnover of Azerbaijan with Türkiye was 5.02 billion USD, including the import volume of 2.34 billion USD, export volume 2.68 billion USD, and the foreign trade balance was positive 338.76 million USD. Compared to 2020, trade turnover with Türkiye in 2021 increased by 10.02%, including import increased by 12.37%, and export increased by 8.05%. In 2021, the share of Türkiye in the foreign trade turnover of Azerbaijan was 14.08% (2nd place), including 19.65% (2nd place) in imports, and 11.26% (2nd place) in exports.

Kazakhstan

12. The trade turnover between Kazakhstan and Azerbaijan for 2021 amounted to 332 million USD, which is 0.3% of the country's share in the total volume of trade, while export amounted to 287 million USD, which is 0.5% of the country's share in total export, and import amounted to 44 million USD, which is 0.1% of the country's share in total import. Due to the fact that the volume of trade between Kazakhstan and Azerbaijan has almost tripled in recent years, at the meetings of the Heads of States in August and October 2022, the task was set to bring the volume of bilateral trade to 1 billion USD in the very near future.
13. The trade turnover between Kazakhstan and Kyrgyzstan for 2021 amounted to 1.05 billion USD, which is 1% of the country's share in the total volume of trade, while export amounted to 674 million USD, which is 1.1% of the country's share in total export, and import amounted to 375 million USD, which is 0.9% of the country's share in total import. Due to the fact that the trade turnover between Kazakhstan and Kyrgyzstan increased by 17.7% and exceeded 1 billion USD over the past period, at the meetings of the Heads of States in May and October 2022, the task was set to systematically bring the volume of bilateral trade to 2 billion

USD by expanding the mutual export nomenclature, improving throughput Kazakh-Kyrgyz borders, including the introduction of digital solutions in customs procedures.

14. Türkiye is one of the five leading trade partners of Kazakhstan. The mutual trade turnover between the countries in the last period exceeded 5 billion USD. In 2021, Kazakhstan's export to Türkiye amounted to almost 3 billion USD, and import amounted to more than 1 billion USD. At the meetings of the Heads of States in May and October 2022, the task was set to bring the volume of bilateral trade to 10 billion USD. Türkiye is also one of the 10 largest investors in Kazakhstan, having invested over 4 billion USD in the Kazakh economy. Kazakhstan has already invested more than 1 billion USD in the Turkish economy. Over the past 2 years, Turkish investors have implemented 16 investment projects in Kazakhstan.

Kyrgyzstan

15. In 2021, the trade turnover between Kyrgyzstan and Azerbaijan amounted to 10.0 million USD, which is 1.4 times more than in 2020. Imports increased 3 times and amounted to 75.7 million USD, while exports decreased by 14.6% and amounted to 4.3 million USD. In order to promptly resolve trade and economic issues, an Agreement on Trade and Economic Cooperation between the Governments of Kyrgyzstan and Azerbaijan was signed on April 23, 1997, on the basis of which a Joint Intergovernmental Commission on Economic and Humanitarian Cooperation is doing its work.
16. More than 200 interstates, intergovernmental, interdepartmental and other bilateral agreements have been concluded between Kyrgyzstan and Kazakhstan. According to the results of 2021, Kazakhstan ranks 3rd in trade and economic cooperation with Kyrgyzstan after Russia and China. The trade turnover for 2021 amounted to 1044.3 million USD, which is 29% more than in 2020. Exports in 2021 increased by 33.6% and amounted to 382.2 million USD, while imports increased by 26.5% and amounted to 662.1 million USD. The Intergovernmental Council and the Working Group on Trade and Economic Issues are working to quickly resolve issues of a trade and economic nature.
17. During 2017-2021, the trade turnover between Kyrgyzstan and Türkiye increased by 15.7%, while imports increased by 1.4 times, and exports decreased by 1.4 times. In 2021, Türkiye's share in the trade turnover of

Kyrgyzstan was 4.9%, while the share in total exports was 3.3%, and the share in total imports was 5.8%. Thus, in 2021, the trade turnover between Kyrgyzstan and Türkiye amounted to 412.2 million USD, having increased by 1.5 times compared to 2020, while exports increased by 21.3% and amounted to 90.6 million USD, and imports increased 1.7 times and amounted to 321.6 million USD.

Türkiye

18. In 2021, the trade turnover between Türkiye and Azerbaijan amounted to more than 5.025 billion USD, while exports from Türkiye to Azerbaijan amounted to 2.343 billion USD, having increased by 12.3% compared to 2020. At the same time, imports from Azerbaijan to Türkiye in 2021 amounted to 2.682 billion USD, having increased by 8.05% compared to 2020. In addition, Turkish contractors are currently implementing 363 projects in Azerbaijan worth about 12 billion USD.
19. In 2021, Türkiye's exports to Kazakhstan amounted to about 1.3 billion USD. Exports increased by 31% compared to the previous year. The main export products were medicines, ready-made clothing and equipment. In the same year, imports amounted to 1.6 billion USD and increased by 35% compared to the previous year. The main import products were refined crude copper and copper alloys, untreated aluminium, petroleum gases and other gaseous hydrocarbons, coal, briquettes obtained from coal, pellets and other solid fuels and cotton. In general, the trade turnover between the two countries amounted to 2.883 billion USD in 2021.
20. In 2020, the trade turnover between Türkiye and Kyrgyzstan was 509 million USD and Türkiye's exports to Kyrgyzstan were 418 million USD. The main exported goods were jewelry, medicines, building materials and textiles. In addition, imports from Kyrgyzstan to Türkiye in 2020 amounted to 91 million USD. The main products were cotton, gold, dry peas and precious metals. In 2021, trade turnover increased to 836 million USD, exports increased by 79.4% to 749 million USD, and imports decreased by 5.1% to 86 million USD.

III. PROSPECTS FOR DEVELOPMENT OF THE TRANSPORT CARCASS IN THE NEW REALITY TO STRENGTHEN THE INTEGRATION OF THE TRADE AND ECONOMIC POTENTIAL OF THE TURKPA MEMBER COUNTRIES

Azerbaijan

21. Azerbaijan, located in the Middle Corridor in a favorable geographical position – at the intersection of the East-West and North-South international transport corridors, has a wide transit potential. In this direction, important local and regional level projects have been implemented in order to realize this potential by attracting additional cargo flows, increasing the volume of transportation and delivery, and optimizing transport operations. Appropriate measures have been taking to cancel the taxes and duties collected from foreign freight vehicles, including the road carriers of the TURKPA member states. A package of proposals for making changes to the national legislation in the direction of the abolition of taxes and fees charged for the transportation of dangerous goods, entry into large cities, as well as the optimization of the road tax for the duration of the stay of foreign vehicles in the territory of the country and for each kilometer of the road traveled by the vehicles weighing more than 38 tons entering the territory of Azerbaijan has been prepared. Also, in order to create conditions for fast passage of motor vehicles at border crossing points, to prevent additional time loss, as well as to adapt the national legislation to international practice, amendments were proposed to the legislation regarding the cancellation of issuing “Permit” forms outside the quota at border crossing points of the country.
22. In order to increase the transit potential and cargo flows, Azerbaijan applied discounts on transportation and transit fees even before the pandemic. These concessions were important in terms of simplifying transport operations and reducing transportation costs for carriers of TURKPA member states. Also, the participation of TURKPA member states’ companies in investing in TIR transportation in the Caspian Sea, as well as cooperation in the field of joint operation of Ferry/Ro-Ro shippers, can serve to meet increased transportation volumes and optimize costs.
23. Currently, one of the most important tools for ensuring transparency in transit transport and equal conditions between participants of the transport

process is the digitization of the Middle Corridor. In this direction, Azerbaijan with adopting of the relevant Law dated October 21, 2022 has joined the Additional Protocol on electronic waybills (E-CMR) of the UN Convention on the Agreement on the International Carriage of Goods by Road. Also, the new 11th Annex of the customs convention “On international freight transportation with the application of the International Freight Transport Booklet” was adopted, which forms the legal framework for e-TIR transportation.

24. At the same time, the Coordinating Council for Transit Cargo Transportation has set out uniform tariffs for cargo transportation, border crossing procedures, cargo transportation rules and work is underway to create an electronic portal that reflects the terms and conditions of contracts, including the terms and conditions of contracts and the procedure for concluding them, accepting electronic applications for administrative procedures when crossing the state border of Azerbaijan and the possibility of concluding contracts by electronic methods in the field of cargo transportation, cargo tracking and other issues related to transportation processes.
25. Azerbaijan continues to take an active part in the implementation of a number of regional projects. One of these projects is the “Digital Route” project. The main goal of the project is the creation of a single digital platform which provides for the facilitation of transport operations and trade between Caspian Sea ports (Baku International Sea Trade Port, Aktau port, Kuryk port, and Turkmenbashi port). Within the framework of CAREC, Azerbaijan cooperates with Georgia and Kazakhstan on the implementation of the Enhanced Transit System (CATS). The project will serve the purposes of organizing the chain of customs guarantees for transit operations, minimizing the number of documents, speeding up the analysis and assessment of risks through the advance electronic exchange of information, and reducing stops at customs checkpoints.

Kazakhstan

26. Kazakhstan and Azerbaijan are making great efforts to modernize and develop transit and transport potential, logistics, including the Caucasus route, playing an important role in the delivery of goods on the Asia-Europe route and vice versa. In this context, the stabilization of the situation around Karabakh in Azerbaijan creates new conditions for more extensive

trans-regional integration of the South Caucasus and Türkiye with Kazakhstan and Central Asian countries, unlocking the growing potential of the Caspian port infrastructure. Therefore, it is necessary in the current conditions to correctly build the Middle Corridor into the world system of trade, transit and supplies. Today, more than 80 Kazakhstani companies are permanent exporters of their products to Azerbaijan. At the same time, there is a potential to increase exports from Kazakhstan by 105 commodity items in the amount of 272 million USD, including metallurgical products, food and beverages, products of the engineering and chemical industries. Among 15 thousand companies with foreign capital operating in Azerbaijan, 159 were created with Kazakh capital. These companies work in such sectors of the economy as industry, construction, trade, agriculture, transport and services. In 1995-2021, Azerbaijan's investments in the non-oil sector of Kazakhstan amounted to more than 200 million USD, and Kazakhstan's investments in the non-oil sector of Azerbaijan amounted to about 100 million USD.

27. During the meetings of the Presidents of Kazakhstan and Kyrgyzstan on May 26, 2022 in Bishkek, a number of important decisions were made regarding the development of trade and economic ties and transport and logistics services. In particular, it was proposed to improve the capacity of the Kazakh-Kyrgyz border, including the introduction of digital solutions in customs procedures, while it was decided to create a modernized checkpoint "Kordai – Ak Zhol". The importance of establishing full-scale cooperation between the regions, including the organization of interregional cooperation forums between Kazakhstan and Kyrgyzstan, was separately noted. In order to work effectively on the exchange of electricity, Kazakhstan proposed the joint construction of hydropower facilities in Kyrgyzstan, in particular, the Kambarata HPP-1. Agreements have been reached on the construction of the Industrial Trade and Logistics Complex "Alatau" in the area of the checkpoints "Karasu" and "Ak-Tilek". The creation of this complex will reduce the number of intermediaries, reduce the cost of products for the end user and increase the speed of deliveries.
28. During the meeting of the Presidents of Kazakhstan and Türkiye in Ankara on May 10, 2022, agreements were reached to strengthen the transport and transit partnership and make fuller use of the potential of the Middle Corridor. An Agreement on International Combined Cargo Transportation

and an Agreement on the organization of Information Exchange and Simplification of Customs Control Procedures, as well as 30 commercial documents with companies of the two countries were signed. The volume of direct investments from Türkiye to Kazakhstan over the past 16 years has amounted to more than 4.2 billion USD. In 2021, a highest level of foreign direct investment from Türkiye was recorded, which reached 680 million USD. Currently, about 4 thousand companies with Turkish capital are successfully operating in Kazakhstan. With the participation of Turkish business, 61 major projects worth more than 2 billion USD have already been implemented in Kazakhstan. Today, 25 projects worth more than 2.5 billion USD are being implemented. At the stage of implementation – 54 promising projects worth more than 1.3 billion USD. At the same time, Kazakhstan can offer Turkish investors 5 ready-made projects in the field of exploration of precious and non-ferrous metals. In addition, it is proposed to open joint ventures for processing flax and other oilseeds in the agro-industrial sector of Kazakhstan.

29. Kazakhstan has begun to diversify oil export routes to China and Europe, including using Turkish transport corridors. Work has begun to increase the capacity of oil pipelines and modernize the seaports of Aktau and Kuryk. Also, after the Kuryk seaport joined the Trans-Caspian Corridor, the time of cargo transportation from Khorgos to Istanbul was reduced by 5 times. The cargo, which used to take 60 days, now arrives in just 13 days.

Kyrgyzstan

30. Kyrgyzstan's location in the heart of Central Asia, from the point of view of geographical location, is one of the main advantages that can bring considerable economic benefits to the State, and primarily due to the realization of transit potential. Kyrgyzstan has high transport costs due to insufficiently developed transport infrastructure, difficult climatic and geographical conditions, especially in winter. According to experts, transportation costs for export-import products in Kyrgyzstan amount to 25%, while in countries with access to the sea their share is about 10%. Export-oriented business in agriculture and industry requires fast, reliable and affordable transport and telecommunications links. In recent years, the country has significantly improved its transport infrastructure through the development of regional trade with China and other Asian countries. At the

regional and international levels, Kyrgyzstan defines its transport policy in accordance with the TRACECA and CAREC programs, within which regional activities in the field of freight and passenger transportation are coordinated.

31. To date, Kyrgyzstan, together with Kazakhstan, is developing a joint project to create a Kyrgyz-Kazakh Industrial Trade and Logistics Center. A joint action plan for the creation and operation of an Industrial Trade and Logistics Complex at the “Ak-Tilek” and “Karasu” road checkpoint is being considered. The parties and the company “Joint Technologies” signed a Memorandum on the creation of a concept and a joint action plan for the creation and operation of the complex, as well as attracting investments in the infrastructure of the complex. At this stage, negotiations are underway on a draft Intergovernmental agreement on the operation of the complex.
32. For the transit of Chinese goods to the EU and the Middle East through the territory of Central Asian countries, Kyrgyzstan, together with Uzbekistan and China, signed an Agreement on the construction of the China-Kyrgyzstan-Uzbekistan railway. It is planned to build a 280 km highway on the territory of Kyrgyzstan along the combined route Torugart - Arpa - Makmal - Jalal-Abad. The cost of the road is estimated at about 5 billion USD. The potential of the highway is estimated at 7 to 13 million tons of cargo per year. It is estimated that 80% of them are transit, and 20% are Kyrgyz trade. The role of the project is to create a unified transport network in Central and Western Asia. The implementation of the project will expand the geography of trade and transportation in Asia. It will carry cargo from China to Kyrgyzstan, Uzbekistan and through these countries to Europe, as well as through the Southern Corridor to the Persian Gulf countries.
33. In April 2022, Kyrgyzstan launched the construction of the Balykchi – Kochkor railway, with a length of 63 km. Geographically, the railway of Kyrgyzstan is divided into two sections – “Northern” with a length of 323.4 km and “Southern” with a length of 101.2 km, which provide access to the railway network of Kazakhstan and Uzbekistan, respectively. In order to connect the “Northern” and “Southern” parts of the country, it is necessary to build the Balykchi – Kochkor – Kara-Keche – Makmal – Jalal-Abad railway. According to experts, the cost of the project will be almost 1 billion USD with the construction of 1 km of railway for 5.3 million USD. Now in Kyrgyzstan, a railway runs directly from Osh, Batken and Jalal-Abad to Uzbekistan, which connects with Iran through Turkmenistan. Upon

completion of the Balykchi – Jalal-Abad project, another Southern Corridor through Kyrgyzstan and Uzbekistan will open for the TURKPA member countries.

Türkiye

34. “Trans-Caspian International Transport Route” (Middle Corridor), which started in Türkiye, is one of the most important components of the efforts to revive the ancient Silk Road. It passes through Georgia, Azerbaijan and the Caspian Sea (via the Caspian transit corridor) by rail and road, respectively, and reaches China by following the Turkmenistan-Uzbekistan-Kyrgyzstan or Kazakhstan route. On this route, Baku/Alat (Azerbaijan), Aktau/Kuryk (Kazakhstan) and Turkmenbashi (Turkmenistan) ports constitute the main points of multimodal transport on the Middle Corridor. In addition to these countries, the Middle Corridor initiative is also supported by Afghanistan and Tajikistan.
35. The purpose of container transportation, which regularly runs between China, Türkiye and Europe along the Middle Corridor and the Baku-Tiflis-Kars railway line; in the medium term, to bring up to 200 trains per year, and in the long term up to 1,500 trains per year, and reduce the total transportation time between China and Türkiye to 10 days. At the same time, the Baku-Tiflis-Kars railway line has been using a joint transport document since September 10, 2021 for rail freight traffic carried out along the railway line of the Middle Corridor. A joint transport document is used in customs clearance in simplified procedures in transit mode, being processed as a “Transit Accompanying Document”, which saves time and costs.
36. Over the past period, the Azerbaijani side has taken important steps to cross the Caspian Sea, and discounts on travel have been provided. During the negotiations between Türkiye and Azerbaijan, it became known that work on larger ships will also begin in the near future. The improvements that will be made in these areas will further make the Caspian Crossings/Middle Corridor the best alternative route for all carriers. Also, at the request of the Azerbaijani side, an agreement was reached to extend the current Agreement on Road Transport signed between Türkiye and Azerbaijan in 1992. The complete abolition of road tolls and the liberalization of bilateral/transit traffic in accordance with the

new Agreement will make a significant contribution to the further development of transportation and trade between the countries, as well as will allow international transportation to be maintained at the proper level.

37. In recent years, the territory of Kazakhstan has become the only route for automobile traffic and transportation of Turkish goods to the countries of Central Asia, since the alternative route through Turkmenistan was closed during the pandemic and does not show activity in the post-pandemic period. The main breakthrough in solving the problems of Kazakh-Turkish transit documents that have been arising for a long time was the agreements made on May 9-10, 2022 in Ankara. Within the framework of these meetings, amendments were made to the Agreement on Combined Transport signed in 2022, as well as quota issues were resolved. In the future, it will be possible to count on the full liberalization of bilateral and transit transport, which would be useful for ensuring the sustainable growth of bilateral and multilateral trade.
38. In Kyrgyzstan, the fare for Turkish carriers is not charged on a reciprocal basis. Quotas for transit documents remained sufficient for Turkish carriers for a long time, and requests for additional documents from the Kyrgyz side were satisfied taking into account the current situation with the use of transit documents. On the other hand, in 2019, with the increase in the quota for obtaining Uzbek transit documents, transportation to Kyrgyzstan also increased, and additional documents were requested. During the negotiations held in Bishkek on September 15-16, 2021, the parties agreed on the liberalization of bilateral and transit transport.

IV. CONCLUSIONS

39. In conclusion, it should be noted that specific measures are being carried out to develop transit potential in the TURKPA member states. Each country has unique experience in this area, and further cooperation of the TURKPA member countries should be aimed at significantly improving the efficiency of these existing transit corridors, promoting their development centers in the TURKPA region to the pace of global cargo transportation.
40. It should be noted that the TURKPA member states are geographically advantageously located on cross routes between West and East, North and South. Therefore, in the current difficult period of geopolitical and

socio-economic instability, it is important to increase the potential of transport and transit communications and maximize the use of their capabilities. The Middle Corridor and TRACECA may become one of such communication hubs for TURKPA member countries. In this context, it is important to identify priorities for the development of the transport and logistics industry in these areas. Each TURKPA member country should be interested in increasing the number of transport routes and developing logistics, since it is planned to attract investments in the amount of 20 billion USD only for the development of the Middle Corridor by 2025. Special attention should be paid to the development of internal transport and transit corridors between the Turkic states. To do this, it is necessary to modernize border checkpoints and form a “digital transport system”. It is important to form air links between all the capitals of the TURKPA member countries, for example, between Baku – Astana, Astana – Bishkek, Bishkek – Baku. It is necessary to study the formation of a “bottleneck” at the junction of transport and transit routes, synchronize the activities of port hubs and jointly find solutions to overcome the shortage of rolling stock and locomotive traction fleets.

41. The “Agreement on International Combined Freight Transport” and “Agreement on Establishment of Simplified Customs Corridor” among the member States of the Organization of Turkic States, the Trade Facilitation Strategy and Transport Connectivity Program of the Organization of Turkic States, which provide for the promotion of mixed transportation between the TURKPA member States and the strengthening of the normative legal framework in this field, are of great importance.
42. The TURKPA member countries recognize the need to improve the transport framework in order to stimulate the integration of their trade and economic potential as an important element of sustainable growth and economic development. International cooperation is the one of the main informational platforms in promoting research and development in this area. Therefore, it is necessary to expand cooperation and interaction between the TURKPA member countries through joint events and actions, such as seminars, conferences or experience exchange programs. The organization of such events will contribute to the development and preparation of model laws, which is one of the main activity directions of the TURKPA.