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REGIONAL INTEGRATION IN CENTRAL ASIA

Abstract. In this article are considered a role of integration of Kazakhstan in Central Asia. Not political motives, but the strong mutually advantageous strategy of economic development. The of positive and have to be a basis of integration of the countries of Central Asia with the Eurasian Economic Unionnegative factors impacting the integrationprocesses in the region. For example, the good reasons are the following: the common historical past, cultural affinity, ethnical roots and so on. Thereare also the obstacles in integrationprocesses as a rivalry between Uzbekistanand Kazakhstan, disputes among allthe states over the hydro-energy resources,the continuing building of thenation-states in the region and others. The main advantage of new negotiations is openness for dialogue and communication and an opportunity to achieve notable results in integration.

Key words: integration, cooperation, resources.

Аннотация. В этой статье считаются ролью интеграции Казахстана в Средней Азии. Не политические побуждения, но сильная взаимно выгодная стратегия экономического развития. Положительных и должно быть основание интеграции стран Средней Азии с негативными факторами Евразийского экономического союза, влияющими на процессы интеграции в регионе. Например, серьезные основания следующие: общая историческая прошлая, культурная близость, этнические корни и так далее. Есть также препятствия в процессах интеграции как конкуренция между Узбекистаном и Казахстаном, спорами среди всех государств по гидроэнергетическим ресурсам, продолжающегося здания этнических государств в регионе и других. Главное преимущество новых переговоров - открытость для диалога и коммуникации и возможности достигнуть значительных результатов в интеграции.

Ключевые слова: интеграция, сотрудничество, ресурсы.

Аннотация. Бұл мақалада Қазақстанның Орталық Азиядағы интеграциясының рөлі қарастырылады. Саяси себептер емес, экономикалық дамудың өзара тиімді стратегиясы. Оң және Орталық Азия елдерінің Еуразиялық экономикалық одақпен интеграциялануының негізі аймақтағы интеграциялық үдерістерге әсер ететін теріс факторлар болуы керек. Мысалы, жақсы себептер: жалпы тарихи өткен, мәдени ұқсастық, этникалық тамырлар және тағы басқалар. Интеграциялық үдерістерде Өзбекстан мен Қазақстан арасындағы бәсекелестік, сондай-ақ барлық мемлекеттердің гидроэнергетикалық ресурстарға қатысты келіспеушіліктері, өңірдегі ұлтаралық мемлекеттердің құрылысы және басқалары сияқты кедергілер бар. Жаңа келіссөздердің негізгі артықшылығы - диалог пен қарым-қатынастың ашықтығы және интеграцияда маңызды нәтижелерге жету мүмкіндігі.

Кілт сөздер: интеграция, ынтымақтастық, ресурстар.

After disintegration of the Soviet Union by her active initiators two largest republics of the region — Kazakhstan and Uzbekistan, besides have acted that the first attempts to it were made in 1990 by Presidents of Kazakhstan and Uzbekistan on January 10, 1994 in Tashkent the Contract on creation of the Common economic space between these states in which the main directions of cooperation were defined has been signed. On January 16, 1994 Kyrgyzstan has joined him. It, according to a number of experts, also became the real beginning of process of Central Asian integration. Participation of the third country has led to the fact that on April 30, 1994 in of Cholpon–Ata the Contract on creation of the Common economic space between Uzbekistan, Kazakhstan and Kyrgyzstan has been signed The purpose of integration of this sort is defined in the first article of the Contract. According to her the common economic space is created for development and implementation of joint programs for deepening of economic integration between the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Uzbekistan and assumes free movement of goods, services, the capitals, labor and provides the coordinated credit and accounting, budgetary, customs and currency policy. Originally this integration association has received the name Central Asian Union (CAU).

The next step on the way of integration of three states was creation of working bodies of new integration association. In 1994 Interstate council of CA has been founded. In its structure the main working bodies in the form of Council of prime ministers, Council of ministers of foreign affairs, the Council of Ministers of Defense of the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Uzbekistan have been defined. The permanent working body of Interstate council has defined Executive committee. Coordination and advisory, expected and analytical, information functions and also control over

the implementation of decisions of Interstate council and its institutes have been assigned to him. The little later, on August 5, 1994, at a meeting of heads of states in Bishkek has founded Central Asian bank of cooperation and development (CABCaD) with the authorized capital of 9 million US dollars. In Bishkek on March 17, 1998 there has taken place the meeting of Council of prime ministers of three states — Uzbekistan, Kazakhstan and Kyrgyzstan. On him questions of creation of the international consortiums and also drafts of intergovernmental agreements on use of hydro-electric resources of a river basin of the Syr Darya, environmental protection and rational environmental management, programs of cooperation in population shift, health care and medical science have been considered. The central Asian Union — the unrealized project of political and economic association which the president of Kazakhstan NursultanNazarbayev has suggested to create on April 26, 2007 [1].

Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan had to be a part of the union. Implementation of the project hasn't come further signing of «The contract on eternal friendship» between Kazakhstan, Uzbekistan and Kyrgyzstan and also plans about formation of the free trade zone. The project has been winded down due to the lack of support from the president of Uzbekistan Islam Karimov. Not political motives, but the strong mutually advantageous strategy of economic development have to be a basis of integration of the countries of Central Asia with the Eurasian Economic Union. The states of the Central Asia (CA) unite the characteristics connected with transitivity of social and economic basis, a geographical location (lack of an outlet to the sea) and also partly with monolevel of culture of the structure of export reflecting their last system of managing.

The geographical location forces all countries of TsA to find an outlet to the sea (to seaports), directing a vector of the trade and investment relations to the north and/or the South. The solution of this question often leads to a certain imbalance in the mutual political relations, in particular, with strategic partners. Therefore in structure of attraction of investments into economy of the countries of CA stability in strategic partnership with the countries investors isn't traced. The economy of the Central Asian states strongly differs on the outputs. So, to Kazakhstan in 2013 67% of common regional GDP, were the share of Uzbekistan – 16,4%, to Turkmenistan – 11,8%. It is significantly less share of Kyrgyzstan and Tajikistan – 2,2% and 2,6% respectively.

In structure of GDP of many countries of CA agriculture and/or mining industry prevails [2].

Table 1

Resource and export potential of the countries of Central Asia

The country and the status in the WTO	Export production	Hydro energy resources	Reserves of oil, one	Reserves of gas, billion

		one billion kW. h/year	million tons	cubic meters
Kazakhstan (member of the WTO)	Oil and oil products, gas, uranium production, copper, ferroalloys, ores iron, wheat, flour, zinc	40,2	4000	6800
Kyrgyzstan (member of the WTO)	Inorganic chemicals, grapes, textile goods, cotton raw, copper and his scrap, cherry, apricots, electric power, haricot	142,5	5	6
Turkmenistan (I didn't submit the application for membership)	Natural gas, bitumen oil, oils lubricant, yarn cotton, electric power, sulfuric acid, wheat	2	300	23000
Tajikistan (member of the WTO)	Aluminum and products from him, cotton-raw, nuts and fruit dried, vegetables and root crops, grapes, ores mineral and metal, textile goods and clothes, the electric power	527	2 (53**)	- (3000**)
Uzbekistan (observer)	Oil and oil products, natural gas, cotton-fiber, chemical production and plastic, ferrous and non-ferrous metals, gold, uranium ore, food products	15	250	5900
In total on CA		726,7	4557	37706
The place in the World		8	11	2

The table is made by the author on the basis of statistical these countries of CA.

Apparently from the table, the resource capacity of the countries of CA continues to remain rather big. Considering that these countries are focused generally on export of raw materials and semi-finished products, huge investments into the region for industrialization and diversification of export as problems of a transition period, achievement of sustainable development and increase in mutual trade are necessary.

* Top ten of commodity export in recent years

** According to preliminary estimates prospecting companies

So far in a total amount of foreign trade of Kazakhstan from the countries of CA only Uzbekistan (2,0%), in foreign trade of Kyrgyzstan, Tajikistan and Uzbekistan – only Kazakhstan (17,2%, 11,7% and 11,5% respectively), and in trade relations of Turkmenistan – Tajikistan (2,3%) prevails.

The volume of commodity turnover of Kazakhstan with the countries of Central Asia following the results of 2017 was more than 3,6 billion US dollars. These statistical data show openness of our state to development of economic and trade cooperation. As it develops with the Central Asian countries, read in analytical material of news agency. The countries of Central Asia are one of the first states with which Kazakhstan has established diplomatic relations. According to the Ministry of Foreign Affairs of RK diplomatic relations between the Republic of Kazakhstan and Turkmenistan have been used on October 5, 1992, with the Kyrgyz Republic – on October 15, 1992, with the Republic of Uzbekistan – on November 23, 1992 and with the Republic of Tajikistan – on January 7, 1993.

The Minister of Foreign Affairs of RK KayratAbdrakhmanov considers that the positive tendencies observed recently in development of the region confirm lack of unsolvable problems in the relations between the countries of Central Asia. At the same time, Kazakhstan adheres to the principle of equality and mutually beneficial cooperation in the relations between the states of Central Asia [3].

The key purpose – to make Kazakhstan a pole of economic growth and stability in the region. Joint ventures According to data of Committee on statistics of the Ministry of national economy of RK, for March 1, 2018 in the territory of Kazakhstan about 4,2 thousand enterprises with participation of the Central Asian states have been registered, from them more than 2 thousand are the operating enterprises. On dimension most the companies are small (4 138 or 99,3%), 18 averages and 10 large companies are also registered. In a country section the greatest share of the foreign enterprises is the share of Uzbekistan: 56,6% registered and 54% of the operating companies, are the enterprises with the Kyrgyz participation in the second place: 34,1% registered and 37,2% of the operating companies.

The remained share (about 10%) totally is the share of the enterprises with the Tajik and Turkmen participation. Joint ventures with the Kyrgyz, Tajik and Uzbek participation are registered practically in all areas of Kazakhstan, mainly in the cities of republican value. Besides, joint ventures are distributed in border areas of RK and the countries of Central Asia. So, most the Kazakhstan-Kyrgyz enterprises is concentrated in the Jambyl region – 22,8%; the Kazakhstan-Uzbek companies are generally registered in the Southern Kazakhstan area – 25,5%. The enterprises with the Turkmen participation are available only in several regions of Kazakhstan, mainly in Almaty – 51,4%, in Mangystau Region – 20% and in Astana – 14,3%. Trade cooperation Following the results of 2017 the volume of commodity turnover of Kazakhstan with the countries of Central Asia was more than 3,6 billion US dollars (export – 2,3 billion dollars, import – 1,3 billion dollars), and the specific weight of the Central Asian states in a total amount of commodity turnover was 4,7%. In comparison with 2016 commodity turnover of

Kazakhstan with the countries of Central Asia has increased by 564,2 million US dollars or for 18,5%.

In 2017 the Kazakhstan export to each of the countries of the region has made up to 35%. According to statistical the given main trade partner of Kazakhstan among the Central Asian states is Uzbekistan, the specific weight of the country in a total amount of commodity turnover reaches 2,6%. In January-December, 2017 commodity turnover between the countries has grown by 31,2% in comparison with the same period of previous year. The volume of trade of Kazakhstan with Kyrgyzstan and Tajikistan has reached approximately identical values and following the results of 2017 is more than 750 million US dollars from each of the countries. In comparison with 2016 commodity turnover volume between the countries has grown by 13,4% and for 31,5% respectively. At the same time Kazakhstan and Kyrgyzstan are partners in the Eurasian Economic Union. The smallest commodity turnover is observed between Kazakhstan and Turkmenistan – for January-December, 2017 its volume was 99,3 million US dollars. At the same time development of trade with Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan is one of priorities for Kazakhstan, following the results of 2017 growth of commodity turnover was 18,5% [4].

Besides, in Kazakhstan joint ventures are created and function – now there are more than 4,2 thousand companies with the Kyrgyz, Tajik, Turkmen and Uzbek participation. The countries of Central Asia have ample opportunities in economic and trade cooperation, more than 70 million people have high potential with the market. For Kazakhstan the Central Asian market plays an important role – his size reaches 52 million people that practically by 3 times exceeds the population of RK. Active cooperation will promote economic prosperity of all region in the future [5]. It should be noted that the working advisory meeting of leaders of the Central Asian countries which has taken place in Astana recently became a new starting point in development of regional cooperation. Not casually on the agenda special attention has been paid to development of economic and commercial relations between the countries of Central Asia. «Kazakhstan always sought for close economic cooperation with neighbors, especially with the countries of Central Asia», - the Head of state Nursultan Nazarbayev has told during the meeting with leaders of the Central Asian countries. According to the research associate of Institute of economy of the Russian Academy of Sciences Alexander Karavayev, the advisory meeting became a considerable step towards to the new level of regional social and economic interaction. In turn, it leads to formation of new geopolitical and geoeconomic reality in Central Asia [6].

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FACTORS AFFECTING FINANCIAL RISK AT SMALL AND MEDIUM ENTERPRISES IN KAZAKHSTAN

Abstract. The purpose of following research was to identify the factors that affect financial risk in SME on the example of enterprises. The relevance of the topic of this study was determined by the fact that modern business is impossible without identifying risk. To achieve aim author chooses quantitative analysis by using regression model with financial risk as dependent variable and debt structure, solvency, performance, operation ability, capital structure as independent variables. Considering the particularity of the small and medium-sized enterprises, Alexander Bathory model was used to measure the size of the financial risk. The research data of this study was based on 2016 annual reports of 80 enterprises, which were selected from small and medium enterprises of all cities of Kazakhstan. Regression analysis showed that solvency and performance have positive impact on financial risk and they were the main factors affecting financial risk.