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## **KAZAKHSTAN: A GROWING RAIL HUB**

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Amidst China's Belt and Road Initiatives (BRI) and other international rail projects, Kazakhstan has growing potential to be a crucial global rail hub as long as the many challenges it faces don't allow the country's plan to be derailed.

The country occupies land that is indispensable to two of the BRI's rail routes: one goes through Russia, Belarus, and greater Europe, while the other goes across the Caspian Sea to Azerbaijan, then Georgia, Turkey, Europe, and to Iran through Turkmenistan. Another leads to Iran through Turkmenistan.

Despite there being another route that traverses Mongolia, Russia, and greater Europe, those that travel through Kazakhstan are shorter and are parallel to oil pipelines. Furthermore, taking multimode transportation across the Caspian Sea avoids Russian sovereignty – a significant geopolitical interest for Beijing.

Though the China-Kyrgyzstan-Uzbekistan rail project may provide an alternative route to Kazakhstan, the mountainous terrain through which it is supposed to travel may prove difficult and result in high construction costs. This may discourage participant countries – especially Kyrgyzstan that has relatively limited finances – to wholeheartedly invest in the project. As such, this route may take longer to build, leaving the path through Kazakhstan as a more viable option.

An additional complication is that Kazakh and Chinese rail networks have different track gauges – 1520 millimetres and 1435 millimetres – which makes direct transport impossible. As such, both sides have established a dry port in Khorgos, a town on the bilateral border, with large-scale facilities used to transfer cargoes between trains on the different rails. Though this system has its own inefficiencies, its usefulness is demonstrated in the increasing frequency of transportation across the border.

Lianyungang port in China also serves as Kazakhstan's gate to sea transport. Apart from receiving considerable BRI funds from Beijing, the port's infrastructure receives investment from Astana – as seen in the cases of the Aktau port and the modernisation of its rail lines – to accommodate the increasing freight flow through its territory. Based on such bilateral achievements, Kazakhstan is a major BRI partner to China.

Geographically, there are other directions from which Astana can approach the sea – not just the East. Russias ports are much closer to Kazakhstan than to China and have the same 1520 millimetre track gauge – something of a Soviet legacy – that allows for direct routes.

Furthermore, these two countries and Belarus have formed the Eurasian Economic Union that covers issues relating but not exclusive to customs and rail alliance.

Despite some bilateral quarrels between Astana and Moscow, like the bans they put on certain types of wagons from each others side, the BRI projects and the International North-South Transport Corridor (INSTC) give these two countries no choice but to cooperate.

The Kazakh rail industry differentiates the landlocked country from its neighbours. Thanks to its oil money, Astana has sufficient capital to develop its own industry and introduce foreign technologies such as Alstom, General Electric, and Talgo. Astanas involvement in the INSTC also opens southward routes to the sea through Turkish and Iranian ports.

Due to historical and economic relations, various Russian and Chinese rolling stocks are still in service in the Kazakh rail network. Potentially more advanced national locomotives and passenger carriages that use French, American, and Spanish technologies have been supplied to modernise its rail fleets.

Furthermore, as most central and inner Asian countries currently still require much work in increasing their railway capacity, Kazakhstan stands out as the best alternative for China and Russia for rolling stock transportation.

Mongolia, Azerbaijan, Turkmenistan, Kyrgyzstan, and other regional countries have become regular users of the Kazakh rail industry. Along with increasingly developed rail connections in the region, demand for the Kazakh rail industry is only expected to grow.

There are, however, a few factors that may constrain Kazakhstans development in international rail transport, such as external political conflict and breaks of gauge – where incompatible rails meet – between border crossings. Since Kazakhstan has to rely on ports in other countries, such issues are inevitably of concern.

For instance, tighter sanctions on Iran or Russia by Western countries would decrease – if not deny – Kazakhstans access to sea transport. By the same token, terrorist attacks and civil wars in the countries along the routes could also disrupt normal operations.

Another external factor is the size of Chinas subsidy for land transport – a significant drive for the recent increase in regional railway development. With its slowing economic growth and trade war with the United States, however, this amount might be subject to change.

Despite resources being poured into building international rail connections, not enough efforts have been put into solving issues that arise from breaks of gauge. Ultimately, this will be the bane of further development after a certain point.

Kazakhstan no doubt plays an important role in Asia serving both as a pathway to China within the continent, as well as being a major transporter of goods. As it gradually becomes a hub of rail transport, greater and more concerted efforts must be made to tackle the geographic and technical obstacles that still remain.

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