

BILATERAL ECONOMIC RELATIONS BETWEEN KAZAKHSTAN AND CZECH REPUBLIC

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In 1993 after establishment of diplomatic relations, economic ties between Kazakhstan and Czech Republic were not so dynamic, but after the year 2000 interest of Czech firms and entrepreneurs about setting up business in Kazakhstan grew up very quickly.

In recent years (from 2002 to 2006) the volume of bilateral trade has continued its growth. If in 2002 the total turnover amounted to \$76,833 mln., by the end of 2006 it projected to be more than \$400,963 mln., according to Czech statistic data. Although, both Kazakh and Czech statistical authorities have differences in figures, they admit tangible growth in bilateral trade development between two countries. There are more than 70 Kazakh-Czech joint ventures operating in Kazakhstan and 16 Czech companies have their representatives in Kazakhstan [1].

Kazakhstan's main export commodities to the Czech Republic are: oil, petroleum products, minerals, metals, cotton, radioactive materials, chemical products etc. The main Czech export commodities to Kazakhstan are: equipment, heavy industry machinery, pharmaceuticals, agricultural products, and supplies Kazakhstan companies with equipment and technology (manufacturing lines, electric equipment, etc.) as well.

The areas of potential and perspective Kazakhstan-Czech cooperation especially for Czech investment activity in Kazakhstan are: energy, tourism, food, agricultural sector, textile, and

construction, transport projects, financial sector, and manufacturing industry, technological sector, co-operation perspectives in participation in Kazakh state projects such as projects directed for solving ecological problems (sewage treatment plant, radioactive waste treatment, industrial wastewater treatment etc.).

The main perspective trends for Czech investors are:

Machinery manufacturing industry – delivery of technical equipment for metallurgical area, chemical industry, oil industry, creation of joint mechanical engineering industry is concerned as perspective projects as well;

Oil and gas branch – delivery of equipments for oil and gas branch, participation of Czech investors in assimilation of oil and gas deposits;

Agricultural area – delivery of technical equipment for Kazakhstan food industry, creation of small canneries, development of SMEs in agricultural area;

Light industry – provision with textiles, development of joint projects in the given area;

Heavy industry – cooperation in metallurgical are;

Infrastructure – participation of Czech companies in reconstruction of city infrastructure, and working out of Kazakhstan transport system reconstruction;

Financial market – financial products (loan, etc.);

Pharmaceuticals – delivery of Czech medicines and scientific cooperation on pharmacy sector;

Innovation – participation in processing of new technology products;

Ecology – Czech state and private research centres and educational institutions could share supplies of technology for water pollution control; technology for environment.

Moreover, Czech factories may supply Kazakhstan with such consumer goods as vitreous and pottery products, house wavers, jewellery (garnet ware), cosmetic articles (Dermacol), food products (mineral waters as Mattoni), leather shoes (Bata) and furniture.

The one of perspectives must be opening Kazakh-Czech Chamber of Commerce with branches in Almaty and Prague, to help and to facilitate the Kazakhstan and Czech business enterprises, thus promoting and expanding partnership between countries.

Authors' next motive concerning future of Kazakh-Czech economic co-operation growth is activation of economic departments of Kazakhstan and Czech Embassies for granting

assistance and disclosure of information for potential entrepreneurs, whose aim is doing business within the framework of partnership state. That is the reason of establishing close contacts with Kazakh and Czech diplomatic authorities.

The main problems in Kazakh-Czech bilateral co-operation take place in juridical area, for example, existing official agreements does not work completely, and matters sometimes depend on ratification procedure. There are more than 200 students from Kazakhstan in Czech Republic, and the number of potential students grows every year, but up to present between Kazakhstan and Czech Republic agreement on bilateral education remains unsigned, signing of the agreement may solve problems such as recognition of the diploma received in one of the countries of the agreement.

The present status of bilateral economic cooperation between Kazakhstan and Czech Republic, still does not exploit all existing potential of both countries, so for new perspectives Kazakhstan-Czech economic relations need only to find right way, because both sides are interested in long-term contacts.

Literature:

[1] www.businessinfo.cz

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