

KAZAKHSTAN – PAKISTAN: BILATERAL TRADE AND OPPORTUNITIES

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Abstract. Memorandums and agreements on the main areas of cooperation were signed between Kazakhstan and Pakistan. The contractual and legal basis of bilateral cooperation is based on the Agreement on the establishment of diplomatic and consular relations between the Republic of Kazakhstan and the Islamic Republic of Pakistan and the Declaration on the principles of relations.

The main goal is to develop cooperation in new international conditions. Pakistan is one of the important states for the Republics of Central Asia, as it has access to the sea which serves to expand trade integration in general. The two countries are successfully cooperating in the multilateral format primarily in the industrial, energy, and trade sectors. In the future, they may have the character of long-term interests in the sphere of economy and energy. Kazakhstan and Pakistan have created a solid legislative and conceptual framework that allows for building a strategic partnership and finding new areas for mutually beneficial cooperation.

Keywords: Kazakhstan, Pakistan, foreign trade, dynamics of relations, integration, investments.

Аңдатпа. Қазақстан мен Пәкістан арасында ынтымақтастықтың негізгі бағыттары бойынша меморандумдар мен келісімдерге қол қойылды. Екіжақты ынтымақтастықтың шарттық-құқықтық негізі Қазақстан Республикасы мен Пәкістан Ислам Республикасы арасында дипломатиялық және консулдық қатынастар орнату туралы келісімге және Қарым-қатынас қағидаттары туралы Декларацияға негізделген.

Басты мақсат – жаңа халықаралық жағдайларда ынтымақтастықты дамыту. Пәкістан Орталық Азия республикалары үшін маңызды мемлекеттердің бірі болып табылады, өйткені оның теңізге шығу мүмкіндігі бар, бұл жалпы сауда интеграциясын кеңейтуге қызмет етеді. Екі ел көпжақты форматта, ең алдымен, өнеркәсіп, энергетика және сауда салаларында табысты ынтымақтастықта. Болашақта олар экономика мен энергетика саласындағы ұзақ мерзімді мүдделер сипатына ие болуы мүмкін. Қазақстан мен Пәкістан стратегиялық серіктестік құруға және өзара тиімді ынтымақтастықтың жаңа бағыттарын табуға мүмкіндік беретін берік заңнамалық және тұжырымдамалық базаны құрды.

Түйін сөздер: Қазақстан, Пәкістан, сыртқы сауда, қарым-қатынас динамикасы, интеграция, инвестиция.

Аннотация. Между Казахстаном и Пакистаном подписаны меморандумы и соглашения по основным направлениям взаимодействия. В основе договорно-правовой базы двустороннего сотрудничества лежат Соглашение об установлении дипломатических и консульских отношений между Республикой Казахстан и Исламской Республикой Пакистан и Декларация о принципах взаимоотношений.

Главной целью является развитие сотрудничества в новых международных условиях. Пакистан является одним из важных государств для Республик Центральной Азии, поскольку имеет выход к морю, что служит расширению торговой интеграции в целом. Две страны успешно сотрудничают в многостороннем формате, прежде всего, в промышленной, энергетической и торговой сфере. В перспективе они могут иметь характер долгосрочных интересов в сфере экономики и энергетики. Казахстан и Пакистан создали прочную законодательную базу и концептуальную основу, которые позволяют выстраивать стратегическое партнерство и находить новые направления для взаимовыгодного сотрудничества.

Ключевые слова: Казахстан, Пакистан, внешняя торговля, динамика отношений, интеграция, инвестиции.

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Introduction

The relevance of the topic is determined by the need to study trade and economic relations which are driving factors of multilateral cooperation between the two states. Foreign trade is the basis of foreign economic relations in the integration processes in which many countries are involved.

This study aims to analyze trade and economic relations between the two states and their transformation, as well as the main trends and prospects. Kazakhstan and Pakistan have passed the most important path of integration into the world economy - participation in the global exchange of goods and services. The most important aspect is the commodity and geographical structure of foreign trade and the trend of strengthening the two countries' positions in world trade.

The bibliographic apparatus of the article is not rich in scientific monographs that are still waiting to be written. The main emphasis is on the analysis of factual sources - government documents, analytical articles, and the media as well as reports from ministries and departments.

Research Methodology

The sources of information used in the study were the data of the Agency of the Republic of Kazakhstan on statistics and analysis, and the World Bank. The objects of the study are individual indicators of the socio-economic level of development of countries and their trends. During the study of this topic, the following methods were used: historical, comparative and interdisciplinary approaches.

Kazakhstani studies on economic relations between countries are published in scientific journals "Kazakhstan-Spectrum", "Bulletin" of Universities, and collections of conferences among them we note Kasteeva M., Kukeeva F., Azimkhanova K.N., Sankhaeva Zh., Baykushikova G.S., Mekembaeva A.B. in the article «Үндістан-Пәкістан Кашмир территориясындағы қауіпсіздік мүдделері» reasons of the Kashmir conflict and modern political position of this region which in the present is divided between three states are considered. so, the opposition of India and Pakistan lasted more than 60 years, and the main reasons were disputes about the accessory of the historical

area Kashmir. Kashmir was historically occupied by adherents of Islam and in 1846-1947 was a semi-independent state (with a great influence of Britain). For the last few years, the parity of forces in the region strongly changed. It is connected with intervention in the conflict of the third party - China which in the course the Indo-Chinese war of 1962 occupied the territory Aksay-Shin in the Indian part of Kashmir. Thus, the territory of Kashmir is divided now between three countries - India, Pakistan and China. The section of Kashmir is considered a temporary phenomenon and according to UN resolutions in the former principality, it was necessary to carry out a plebiscite which would define what structure of the state will include all Kashmir. Now all negotiation processes across Kashmir anyway are broken. Modern experts recognize a problem of Kashmir is one of the oldest territorial problems of the world and emphasize that its permission in the next years is improbable. It is unlikely that this issue will be resolved in the medium term [1].

Among Russian scientists involved in the study of Pakistan's trade and economic relations with other countries one can name Belokrenitsky V.Y., Serenko I.N., Prokhorov R.E., Volkov S. The scientists analyze the dynamics, trade flows, the main directions of Pakistan's multilateral cooperation with the states of the international community. Belokrenitsky V.Y. in the article "Current State of the Pakistan Economy" notes that the growth rate of the economy in 2018-2020 slowed down significantly. The current state of the Pakistani economy and its future depend on many factors: it is influenced by foreign policy, foreign economic and climatic conditions. The pandemic has become another factor that has complicated the economic situation meanwhile the country has a huge labor force resource - two-thirds of its population are working-age people (15-64 years old) and with sensible policies that significantly encourage education they could propel the economy forward [2].

Main Part

The processes of globalization affect international relations, activating them and giving the interdependence of states an all-encompassing and universal character. The development of integration ties in the post-Soviet space is of great importance. The

Pakistani port of Gwadar is of particular geostrategic importance. Due to its location it is the most important transport hub for the transit of hydrocarbons from the Middle East and Central Asian regions. Gwadar can also play an important role in the development of regional trade: it is a kind of "sea gate" for trade with Afghanistan, with the Central Asian countries, with the landlocked provinces of Western China. This port is extremely important for the transportation and storage of transcontinental cargo. An important problem of interaction between Pakistan and Kazakhstan as well as other Central Asian countries is the geographical factor: the absence of common borders (with the exception of a small border area with Tajikistan). That is why the development of trade and economic cooperation between Pakistan and the Central Asian countries requires reliable "Afghan transit". We note the need to strengthen cooperation between Pakistan and countries of Central Asia in the context of solving regional problems. So the states are interested in stability in Afghanistan.

The legal framework between Kazakhstan and Pakistan began to take shape in the 90s and contains memorandums, communiqués, treaties and agreements relating to almost all spheres of the economy, politics, and humanitarian relations. One of the important areas of cooperation is transport.

At present the main mechanism for the implementation of interstate cooperation in the trade and economic sphere is the Kazakh-Pakistani Intergovernmental Commission on Trade, Economic, Scientific, Technical and Cultural Cooperation.

The deep-water port of Gwadar makes Pakistan an indispensable link for the Shanghai Cooperation Organization (SCO) member states when it comes to the economic development of the SCO region. Energy corridors through Afghanistan have important potential. Pakistan wants the speedy implementation of projects such as the Turkmenistan-Afghanistan-Pakistan-India (TAPI) and The Central Asia-South Asia power project CASA - 1000. Such projects will strengthen interdependence and create economic prerequisites for strengthening relations between Pakistan and the SCO states. This will pave the way for Pakistan to start importing much-needed gas from Turkmenistan. Pakistan is an energy-deficient country and these supplies are vital. TAPI is a main gas pipeline under construction since

2015 with a length of 1,735 km and a design capacity of 33 billion cubic meters of fuel per year for the supply of gas from the Turkmen field "Galkynysh" to Afghanistan, Pakistan and India. The estimated cost of the project is 8-10 billion USD.

On June 9, 2023, Pakistan and Turkmenistan signed a joint plan for the implementation of the TAPI gas pipeline project which provides for the completion of its feasibility study and the acceleration of construction work as soon as possible.

The document was signed in Islamabad by the State Minister of Oil of Pakistan, Mr. Musadik Malik and the Head of Turkmenogas, Mr. Maksat Babayev. In accordance with the joint plan, the parties will create a supreme coordinating committee to accelerate the design of TAPI and control the implementation of the project.

At the meeting with Mr. Babayev, Pakistani Prime Minister Mr. Shahbaz Sharif stressed that the pipeline would ensure energy security, economic growth and prosperity for Pakistan and the entire region. He said that the TAPI project is a testament to the strategic cooperation between Pakistan and Turkmenistan in the energy sector and countries have a strong desire to the further development of a mutually beneficial partnership in the economy and trade.

Sharif suggested that Ashgabat explore the possibility of building a TAPI section from the Pakistani border to the port of Gwadar on the coast of the Arabian Sea which would allow delivering Turkmen gas to Europe and world markets from there. The cost of the TAPI project is estimated at 7 billion dollars. Within the framework of the project, it is planned to supply natural gas to Afghanistan, Pakistan and India from the Turkmen Galkynysh field and its surrounding areas.

The project is coordinated by the Asian Development Bank. TAPI provides for the construction of a gas pipeline with a length of 1680 km from Turkmenistan to Afghanistan, Pakistan and India. The design capacity is 33 billion cubic meters of gas per year [3].

Relations between Pakistan and Kazakhstan are based on the implementation of strategic and economic interests. Since Pakistan does not have enough energy resources it is looking for alternative ways to obtain them in Central Asia. One of the first documents is the Trade Treaty first signed by Kazakhstan, Kyrgyzstan, China and Pakistan in 1995 which agreed on the rules and

regulations that ensured transit trade between the four countries. Kazakhstan which has raw materials along with basic infrastructure such as roads, railways, and telecommunications, presents an attractive opportunity. However, over the past six years, Pakistan has had unfavorable trade relations with the Republic of Kazakhstan [4].

Both countries are taking steps to increase bilateral trade and investment. In 2018, Pakistan and Kazakhstan signed a Memorandum of Understanding (MoU) to enhance cooperation in the areas of trade, investment and economic development. The MoU aims to promote and facilitate trade and investment, develop business contacts, and create favorable conditions for entrepreneurs in both countries. Pakistan has also expressed interest in importing wheat, cotton and other agricultural products from Kazakhstan. Kazakhstan has expressed interest in importing textiles, pharmaceuticals and other goods from Pakistan.

At the end of 2020, the volume of bilateral trade between Kazakhstan and Pakistan amounted to 45 million 556.8 thousand USD of which Kazakh imports amounted to 29 million 410.1 thousand USD, and exports - 16 million 146.7 thousand USD.

The basis of Pakistani exports to Kazakhstan are precious stones and jewelry, textiles, chemical and pharmaceutical products, agricultural and food products, vegetables, fruits, shoes, leather goods, sports and medical goods, building materials, etc. Pakistani imports from Kazakhstan include construction and paint materials, raw materials, foodstuffs, machinery and equipment, fertilizers, coal, ferrous and non-ferrous metals, vegetable oils, etc.

Currently for the delivery of cargo from Pakistan to Kazakhstan and back by rail through Turkmenistan, mainly the Iranian port of Bandar Abbas is used, and for transportation by road, Afghanistan through Uzbekistan, Tajikistan, Kyrgyzstan or the Xinjiang Uyghur Autonomous Region of China through Kyrgyzstan.

More than 70 enterprises with participation of Pakistani capital are registered in Kazakhstan. In addition, there is a trade representation of Pakistan in Almaty.

In Astana on November 11, 2022 representatives of KAZAKH INVEST NC JSC held a meeting with the Pakistani delegation headed by the Ambassador of Pakistan to Kazakhstan, Mr.Sajjad Ahmed Sihar. The

subject of negotiations was the implementation of joint projects in the agro-industrial and mining and metallurgical complexes, the chemical industry as well as renewable energy. Pakistan is an important partner of the Republic of Kazakhstan in South Asia. There are a number of intergovernmental agreements between the countries aimed at deepening trade and economic cooperation, encouraging and mutual protection of investments. Since 2011 entrepreneurs from Pakistan have invested over 16.7 million USD in Kazakhstan. The trade turnover between the countries in 2021 amounted to more than 95.1 million USD. Over the past 10 years Kazakhstan has simplified the rules for attracting foreign investment in various sectors of the economy which makes it possible for foreign partners to invest financial resources since the government of the Republic of Kazakhstan guarantees support. Pakistani companies see certain advantages: prospects of the market, convenient geographical location, favorable conditions that contribute to joint work [5].

On December 22, 2022 Islamabad hosted the 11th Intergovernmental Commission on Trade, Economic, Scientific, Technical and Cultural Cooperation between the Republic of Kazakhstan and the Islamic Republic of Pakistan.

For 30 years the two countries have gone through the stage of formation and development of multilateral relations including in the trade and economic sphere. Pakistan plays an important role in Central Asia as it is a promising trading partner for the region's republics. Kazakhstan exports grain, soybeans, beans, confectionery, manufactured goods, and imports fruits and vegetables. In the future, our Republic has the opportunity to offer a friendly country more than 80 types of industrial, technological, agricultural products of various industries worth more than 411 million USD.

As a result of negotiations, 9 documents were signed, among them:

- Memorandum of Understanding between the aviation authorities of the Republic of Kazakhstan and the IRP;
- Memorandum of Understanding between the Punjab Bank and Bank Center Credit JSC;
- Memorandum of Understanding between KAZAKH INVEST NC JSC, QazTrade CRTP JSC, Trade Development

Authority of Pakistan (TDAP) and Pakistan Investment Council;

- six memoranda on the supply of potatoes to Kazakhstan in the period from March to June 2023 with a total volume of 120 thousand tons.

The Pakistani logistics company NLC (National Logistic Cell) will help solve the problem of road transit through Afghanistan and is ready to ensure the transportation and delivery of goods from Pakistan to Kazakhstan and back along the shortest route.

The Kazakh-Pakistani Business Council also took place. The practical result was the signing of a memorandum between the domestic transport and logistics company Dala Trans LLP and the Pakistani Haroon Brothers and Co on mutual cooperation in attracting cargo traffic for goods from Pakistan to Kazakhstan as well as for transit through the territory of the states of passage through the territory of Pakistan by railway transport and other most advantageous routes.

Kazakhstan is ready to transport 2,500 tons of flour from Kostanay to Hairatan and about 50,000 tons of potatoes a year from Pakistan. From the Pakistani side, Kazakh businessmen were offered cooperation in growing rice, manufacturing confectionery products, and processing raw materials [6].

The two republics have the potential for constructive cooperation and mutually beneficial dialogue. These include the development of transport, light and food industries, ecology, and agriculture. Kazakhstan is interested in exporting and supplying its goods to the markets of South Asia in order to enter the southern seaports.

Kazakhstan and Pakistan are discussing the issue of opening a Kazakh trade house in Islamabad. Its main task should be to increase trade between our countries. In the current geopolitical conditions, food security problems are relevant for many countries and cooperation can help find acceptable solutions. Pakistan is interested in purchasing up to 5 million tons of flour and wheat products from Kazakhstan as well as in the supply of raw sugar and rice to the Kazakh market. In addition, the Pakistani business is ready to supply the Kazakh buyer with potatoes, tangerines, cabbage, carrots, and exotic fruits of good quality and at an attractive price. Kazakhstan exports to Pakistan mainly hot-rolled and cold-rolled flat-rolled steel from unalloyed steel, waste and scrap of ferrous metals, mineral fertilizers, onions, garlic, flax

seeds, legumes, buckwheat, millet and other cereals. The main goods of Pakistani imports are citrus fruits, potatoes, medicines, clothes and others. At the end of 2022, the trade turnover between Kazakhstan and Pakistan decreased by 23.1% compared to the previous year and amounted to 73.1 million USD [7].

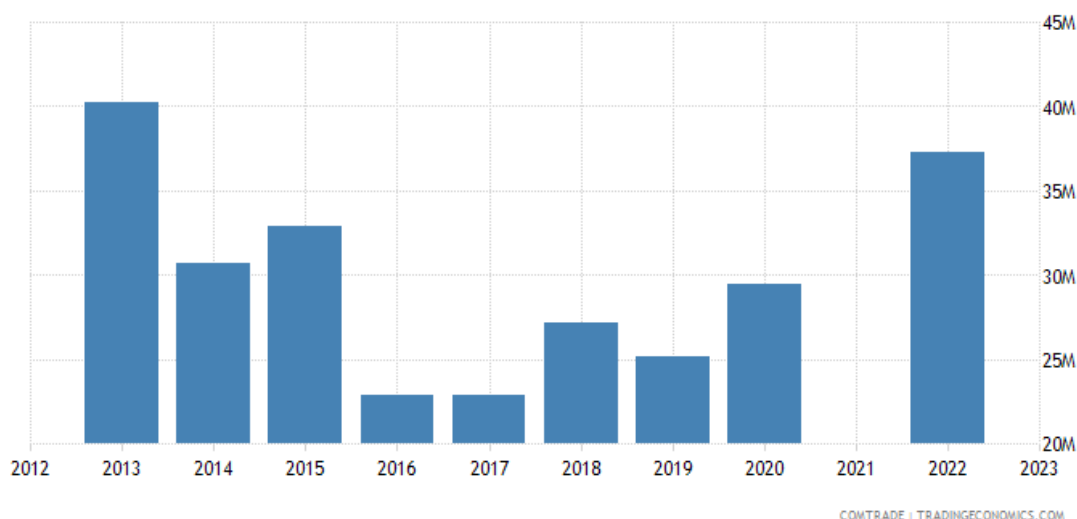
Pakistan attaches particular importance to economic partnerships and takes initiatives to attract investment to the country. Pakistan is taking steps, especially in the energy sector. In this context, Islamabad, which economically turns to the countries of the Persian Gulf, strengthens cooperation with Kazakhstan in energy terms. The parties take care of each other in geopolitical terms as well. For Kazakhstan, the ports of Pakistan facilitate Astana's access to the Arabian Sea. Pakistan is seen in Astana as a gateway to the world for energy exports, accelerating the rapprochement in bilateral relations. It can be said that deepening cooperation between the two countries is also important for economic integration between South Asia and Central Asia. Because the partnership of these two states, one of which is beneficial in terms of resources, and the other in terms of logistics, accelerates regional and interregional cooperation. For this reason, it can be said that the number of projects that the parties will carry out together will increase in the future. It can also be argued that other states of the region will also participate in this cooperation. Relations between Islamabad and Astana tend to expand and deepen. In this context it can be said that cooperation in the spheres of economy and energy is the driving force of bilateral relations [8].

Speaking with business representatives at the Karachi Chamber of Commerce and Industry on February 12, 2023, the Ambassador of Kazakhstan to Pakistan? Mr.Yerzhan Kistafin said: that Kazakhstan intends to sign the Transit and Trade Agreement (TTC) with Pakistan which is very important as it will provide a legal framework. business of both countries for the development of trade relations. TTA will accelerate bilateral trade. The Mission of Kazakhstan in Pakistan is establishing the Kazakhstan House in Lahore to offer one-stop-shop services related to visa, trade, tourism, culture, education, and other areas. In general, there has been an increase in business activity in recent years. Negotiations were held between the leadership of the leading Kazakh retail chain Magnum and the

Pakistani company Nimir Chemicals which is a leader in the production of household chemicals and detergents as well as personal hygiene products. Herbion Pharma is one of the largest pharmaceutical manufacturers in Pakistan with popular products such as Insty and Linkus. It also discussed further expansion of its products in Kazakhstan. The invited delegation of Pakistani business representatives met with regional authorities and representatives of the Atameken

Chamber of Commerce and Industry, the Shymkent Chamber of Entrepreneurs, the Turkestan Industrial Zone, and the Tassay Industrial Zone [9].

According to the United Nations COMTRADE database on international trade, Kazakhstan Imports from Pakistan was US\$37.26 million in 2022. Kazakhstan Imports from Pakistan - data, historical chart and statistics - was last updated on June of 2023.

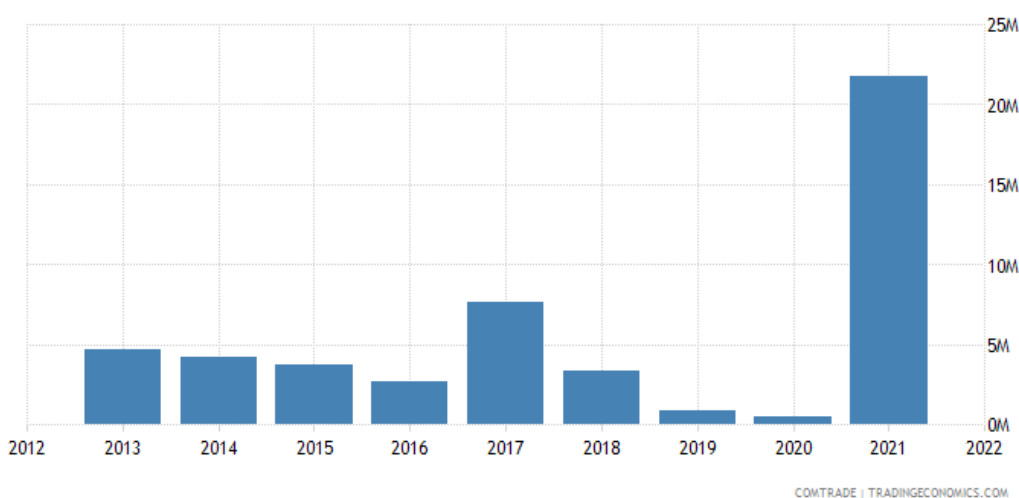


Source: <https://tradingeconomics.com/kazakhstan/imports/pakistan>

Picture 1 - Kazakhstan Imports from Pakistan

According to the United Nations COMTRADE database on international trade, Pakistan Imports from Kazakhstan was US\$21.73 Million during 2021. Pakistan

Imports from Kazakhstan - data, historical chart and statistics - was last updated on June of 2023.



Source: <https://tradingeconomics.com/kazakhstan/imports/pakistan>

Picture 2 - Pakistan Imports from Kazakhstan

Table 1 - Bilateral imports of Pakistan and Kazakhstan (during 2022)

Pakistan Imports from Kazakhstan (2021)	Value	. Kazakhstan Imports from Pakistan (2022)	Value
Iron and steel	18,60 mln USD	Edible fruits, nuts, peel of citrus fruit, melons	9,51 mln USD
Inorganic chemicals, precious metal compound, isotope	1,95 mln USD	Pharmaceutical products	6,99 mln USD
Copper	1,13 mln USD	Edible vegetables and certain roots and tubers	6,41 mil USD
<u>Plastics</u>	12,28 thsd USD	<u>Articles of apparel, not knit or crocheted</u>	3,56 mln USD
Articles of iron or steel	12,01 thsd USD	Articles of apparel, knit or crocheted	2,92 mln USD
Coffee, tea, mate and spices	10,49 thsd USD	Explosives, pyrotechnics, matches, pyrophorics	1,62 mln USD
Optical, photo, technical, medical apparatus	10,07 thsd USD	Soaps, lubricants, waxes, candles, modelling pastes	1,27 mln USD

Source: <https://tradingeconomics.com/pakistan/imports/kazakhstan>

Table 1 lists the main imports of both countries and their value, which shows the interest of the parties in exporting these goods to their markets. Meanwhile, we believe that the potential for mutually beneficial

cooperation in the trade and economic sphere has not been fully tapped. Kazakhstan, for example, can export energy and agricultural products to Pakistan and increase exports of the textile and pharmaceutical industries [10].

Strategic prospects for the multilateral cooperation between Kazakhstan and Pakistan

Pakistan	Kazakhstan
Energy: According to Federal Ministry of Energy, Pakistan offers 100US\$ investment opportunities which Kazakhstan's private sector must avail for a win-win proposition	Vision 2050: It provides unlimited opportunities of investments in diverse fields which interested Pakistani businessmen & investors should avail.
Construction: Mega infrastructural development is on the rise in the country, interested Kazakhstan companies may take advantage of it	Free Economic Zones: Construction of Free Economic Zones provide ample opportunities (exempted from all taxes) to invest in Kazakhstan.
Agro-Industry/Economy: It provides huge scope for Kazakhstan's business communities	Halal Food: Although it is an emerging industry but still it has multiplier dividends

Recommendations for improving cooperation

Based on the analysis of bilateral relations, it is necessary to take the necessary measures in the medium term for successful cooperation and achieving the desired goals in the field of trade, business, investment in the future:

- the special attention should be paid to "preferred areas" such as trade, economy, energy, science and technology, education, air communication between Pakistan and Kazakhstan;
- the analysis of possible risks hindering the increase in trade and investment volumes;
- the creation of joint ventures in the field of energy, oil and gas, petro chemistry can

become a "strategic step" and the organization of an investment company and an investment bank can become a real idea;

- the formation and activation of "Joint Business Councils" in various sectors of the economy, communications, and other areas will create real conditions for improving multilateral contacts; as you know, Eurasian integration attracts many countries, in this regard, the inclusion of Pakistan in the EurAsEC can be an additional advantage for further strengthening bilateral relations; a quadripartite transit transport agreement could be a trade agreement between China, Pakistan, Afghanistan and Kazakhstan that could also be useful in this regard. It will connect South China and Pakistan with the Central Asian region;

- the Kazakhstan-Turkmenistan-Iran rail link could be extended to Pakistan to develop bilateral trade and people-to-people contacts.

In the energy sector, Pakistan has traditionally been interested in the resources of Central Asia. However, despite the fact that two key projects in this area have decades of history, their implementation still remains in the area of untapped potential. The importance of Pakistan for the energy sector of Central Asian countries must be considered in the context of Islamabad's interest in the consumption and transit of Central Asian energy resources. In contrast to Central Asia, there is a chronic energy shortage in South Asia. India and Pakistan need affordable and reliable energy to sustain economic growth. Moreover, the countries are ready to implement lower cost projects such as the construction of power lines or the development of road links through Afghanistan, which is also a good basis for increasing cooperation. Pakistan sees Central Asia as an important but largely untapped potential area of its foreign policy. Relations are quite stable although modest for the participants in the scale. At present against the background of the lack of international recognition of the Taliban government it is not possible to implement large-scale projects due to the limited resources of Pakistan and the states of Central Asia. Nevertheless, the persistent attempts of Uzbekistan and Pakistan to use the opportunities provided to establish peace in Afghanistan indicate the likelihood of some positive changes in the implementation of those projects and initiatives that these countries are able to implement without

attracting funds from international financial institutions [11].

In April last year, a political crisis occurred in Pakistan which ended with a vote of no confidence to the Prime Minister, Mr. I. Khan. The new Prime Minister, Mr. Sh. Sharif intends to lead the Islamic Republic out of a long economic and energy crisis. The researcher notes that internal political tension in the Islamic Republic has not been overcome. Former Prime Minister Mr. I. Khan has a large following of his Justice Movement (PTI) party and is well positioned to regain power in new elections, given additional victories in regional parliaments in Punjab and Karachi, Sindh. The tense socio-political situation will last until the next national elections. The economic crisis and the COVID-19 pandemic are having a significant impact on Pakistan's energy sector. Lack of energy resources, disruption of LNG contracts from European companies in the fall-winter 2021/2022 season, unmodernized or absent gas transmission infrastructure from the south to the northern densely populated provinces (mainly Punjab and partly Khyber Pakhtunkhwa) lead to power outages which do not contribute to the economic development of the population. The construction of the Pakistani Stream gas pipeline which will bring the Islamic Republic to a qualitatively new level of energy consumption, will serve to overcome the economic crisis. At present, Pakistan and Russia are finalizing negotiations on the implementation of the Pakistani Stream project, and Russia and Iran have also signed a memorandum on gas supplies to Pakistan and Oman. In the medium term, Pakistan can count on Russia, Iran and China through the main gas pipeline at an affordable price, taking into account the phased implementation of the China-Pakistan Economic Corridor (for example, the joint construction of hydroelectric power plants), while the United States and the Persian Gulf monarchies are not fully interested in social economic development of the country, but only in maintaining the economic status quo [12].

Results

In the course of the study of trade and economic relations between Kazakhstan and Pakistan we note that a legal framework has been formed which is the basis of relations. Over the past three decades there have been dramatic changes in the commodity structure

of Kazakh and Pakistani exports. For example, as a result of the rapid development of the clothing industry, working on imported raw materials, equipment and even patterns commissioned by Western firms but using local cheap labor, ready-made clothing, including knitwear, has become Pakistan's most important export item. In 2020-2021 it accounted for 25.2% of the country's exports.

During this period, Pakistan has evolved from a supplier primarily of raw materials and foodstuffs to the world market to an exporter of manufactured goods. The share of industrial exports in Pakistan's total exports has averaged about 80% over the past two decades. Pakistan is actively trying to expand its influence in the global pharmaceutical market, including in Kazakhstan. It is obvious that the Pakistani economy, once one of the most closed in the world, is now rapidly globalizing, and Pakistan itself is recognized as a fairly important player in the South Asian region and in the international arena due to its significant human potential, advantageous geographical position and de facto possession of nuclear weapons.

Kazakhstan is also improving its rating in integration processes actively expanding its export opportunities. Interaction not only among themselves but also in Central Asia, both countries participate in international economic processes.

Conclusion

The main constraints on the development of bilateral cooperation were a number of factors: the lack of an active policy in the field of bilateral trade relations and direct transport routes, the small amount of Pakistani investments in Kazakhstan, the unreformed banking and financial sector, and the high level of tax burden and administration. Pakistan can become a major transit country for Uzbekistan and other Central Asian countries.

In recent years' agreements have been reached to strengthen cooperation in various fields including the economy and investment, defense and security, science and technology, culture and education. The parties believe that the strengthening of traditional friendship and mutually beneficial cooperation is in the interests of the peoples. There is an understanding to develop priority areas of cooperation, guidelines for joint work in the future as well as steps to resolve existing problematic issues, have been outlined. Joint projects are being implemented in the energy, food and light industries, transport, and new technologies are being introduced. Both countries are ready to cooperate on a mutually beneficial basis on many issues and make real efforts to strengthen and expand the dialogue.

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ҚАЗАҚСТАН-ПӘКИСТАН: ЕКІ ЖАҚТЫ САУДА ЖӘНЕ МҮМКІНДІКТЕР

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