POSITION OF KAZAKHSTAN IN THE RATING OF GLOBAL COMPETITIVENESS OF WORLD COUNTRIES

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Abstract. The article reviews the rating of Kazakhstan in the global competitiveness of world countries in the year of 2016. 12 indicators were defined, according to which the position of every country in the world rating is defined. A young country like Kazakhstan after gaining the independence started to develop dynamically by attracting the foreign capital investments into the economy. By creating the investments climate Kazakhstan faced opening of additional work places, implementation of new projects, growth of macroeconomic indicators, as an example, the GDP per capita raised from 700 dollars to 6722 dollars (with the rate 341.43 KZT per dollar), socioeconomic indicators raised from year to year.

As per the results of the investigation of WEF the position of Kazakhstan in the rating of the global competitiveness of the world countries in 2016-2017 belongs to the 53rd place. As compared with 2015-2016 the rating of the Kazakhstan was lowered to the 9th position, and from 2014-2015 it fell to 3 positions.

The actual meaning of indicators gives the chance to see the advantages and disadvantages of some macroeconomic indicators, and also the government gets the chance to get higher results, exactly by engaging more resources into the undeveloped industries.

Keywords: competitiveness, index, rating, position, indicators, macroeconomic indicators.

The competitiveness of the human capital in the XXI century in more and more degree defines its readiness to accept new time requirements and its tendencies, requirement to learn forming competences. Consequently, the requirements for the human capital rise.

Competitiveness of governments – means an ability of national manufacturers to sale their products, an ability to change the market shares itself, to increase the gross national income of the country, to expand the growth of population life and well-being level. And it is necessary to understand that for competing and competitiveness it is possible to reach only on the long-term perspective, and profits and incomes, which are gained by selling low quality goods, might be only on short-term [1].

The theory of countries’ competitiveness is discussed in the works of such researchers, as Chaptsov R.P. and is reviewed in the reports of Worldwide Economic Forum, World Bank and International Monetary Fund.

In the year of 2014 by the Decree of the Republic President the Conception was accepted to take Kazakhstan into the 30 top most developed countries of the world, and with the aim to assure the entering into the 30 top most developed countries of the world, young Kazakhstan had to raise the indicators according to world competitiveness index (WCI), as per which the position of the country is defined [2].

World competitiveness index (WCI) is the world research, which accompanies the rating of the country all around the world, according to the indicators of economic competitiveness.

WCI is calculated in accordance with the methodic of the World Economic Forum. The research was made for 113 variable indicators, there indicators are joined into 12 main indicators. Based on these 12 indicators the world’s countries’ ratings are defined. 12 indicators are listed below, they demonstrate the competitiveness of the national economy of the country [3].

These indicators can give complete information about country potential, every indicator can change the dynamics of any government’s development dynamics.

Kazakhstan is a young government with large territory and natural resources. After the Union collapsed, Kazakhstan started to invite the foreign investments into the internal market. In 1992 the overall volume of investments constituted 38.720% of GDP.

According to IMF data dated April 12, 2016 the value of indicator “Overall volume of investments” in Kazakhstan in 2016 became 27% of GDP. Internal Monetary Fund evaluates the indicator value in 2017 in the level of 26% of GDP. The table 1 demonstrates the overall volume of investments in Kazakhstan: future forecasts (% of GDP).

### Table 1. Overall volume of investments in Kazakhstan

<table>
<thead>
<tr>
<th>Year</th>
<th>meas. unit %</th>
<th>Year</th>
<th>meas. unit %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>35,527</td>
<td>2014</td>
<td>24,207</td>
</tr>
<tr>
<td>2008</td>
<td>25,506</td>
<td>2015</td>
<td>26,801</td>
</tr>
<tr>
<td>2009</td>
<td>29,415</td>
<td>2016</td>
<td>27,21</td>
</tr>
<tr>
<td>2010</td>
<td>25,374</td>
<td>2017</td>
<td>26,476</td>
</tr>
<tr>
<td>2011</td>
<td>22,503</td>
<td>2018</td>
<td>26,366</td>
</tr>
<tr>
<td>2012</td>
<td>24,76</td>
<td>2019</td>
<td>26,222</td>
</tr>
<tr>
<td>2013</td>
<td>23,927</td>
<td>2020</td>
<td>25,554</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2021</td>
<td>26,988</td>
</tr>
</tbody>
</table>

Remark: table data source [4]

The table 1 demonstrates that within the period of 2007 – 2013 the overall volume of investments in Kazakhstan changed to negative for 10.021% from GDP, and within the period of 2014 – 2017 the volume of investments came to +3.033% from country GDP. International Monetary Fund made a forecast for future of Kazakhstan for the periods of 2016 – 2021 years and gives data for possible reduction of entering into Kazakhstan of investments capital for minus 0.222% of GDP [6].

Despite the IMF forecasts, Kazakhstan in future plans to attract more investments into the internal market. Kazakhstan strives to raise its rating in the world market, effectively solving the social-economic issues and export the competitive products. As of today the republic keeps the certain position to the world rating.

According to the results of the world competitiveness index the competitive advantage and failures of our country are published in the WEF report. The weak and strong indicators, printed in the report, give the country an ability to define the disadvantages of the current reforms or accepting other.

As per the rating of global competitiveness of the world’s countries in 2016 – 2017 Kazakhstan keeps the 53rd position with 4.4 index in education of 188 world’s countries. Kazakhstan keeps 37 position, the index of which constitute – 0.798, Kazakhstan population growth rating – 107 place with – 1.1 index, life length rating – 123 place with Kazakhstan citizens life duration 69.4 years, terrorism rating – 83 place with index – 88.1, corruption – 123 with index 28 [4].

The index ranges the countries and territories on a scale from 0 (the highest level of corruption) to 100 (the lowest level of corruption) on the basis of the corruption level of the governmental sector.

The world rating according to GDP position – Kazakhstan keeps 48th place, GDP size is $217,871 mln.

According to GNP per capita rating – 60th position, population income represents $11,850 [4].

And as per the rating “Doing Business” Kazakhstan keeps 35th place from 185 countries of the world. Indicators according to the listed ratings give the information that the republic needs an effective application of tools, which can give the raise of the position.
Further in the table 2 the rating of Kazakhstan is indicated between the countries of world according to the indicator “Doing Business”. Doing Business is evaluated according to ten indicators, which regulates the entrepreneurship activities and they are as follows: [5]

1. Registration of enterprise,
2. Receiving the permission for construction,
3. Connecting the power supplying system,
4. Registration of property, 5. Crediting,
6. Protection of investors,
7. Taxation,

The indicators are specified in the table 2 with their numbers, from 1 to 10 correspondingly.

As per the data of the table 2 it is possible to see the weak and strong sides of the young republic, but from CIS countries in some positions we can see the rises.

Table 2. Indicators, regulating the entrepreneurship activities

<table>
<thead>
<tr>
<th>Rating of Kazakhstan 2016</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>position</strong></td>
<td>45</td>
</tr>
</tbody>
</table>

Remark: table data source[5]

From table 2 it is clear that as per the indicators “Doing Business” the sixth indicator for “Protection of investors” the best position from all specified indicators.

One of the most important directions of the investments attractiveness of the Republic of Kazakhstan is the perfecting of the international legislative basis in the area of appraisal and mutual protection of investments. Kazakhstan signed 48 two-parties and 1 multiple-party (EAEA) agreements for appraisal and protection of investments with countries, which are the world leaders for the involvement of foreign investments inflow. [7]

According to the reports Doing Business 2017 of the World Bank the Republic of Kazakhstan improved its position of 2016 in “Protection of investors” for 3 points in protecting the minor investors. As of today there are more than 20 draft Agreements are under development phase and around 6 agreements are under approval [5].

And we hope that in the nearest future these projects after implementation will raise the positions “Doing Business” and “Protection of Investors” higher.

Since Kazakhstan tries to improve the income of the foreign capital with the aim to resolve social-economic issues inside of the country, to expand the sales market, to produce the competitive products, to improve the export of the local goods and to raise the low indicator, meaning the eighth indicator on “International trade”, the position which we see is 119.

As we can see the 8th indicator is one of the failing positions of our republic and for it we have to ease some trade barriers and to take the following actions:

1. Support of local manufacturers with subsidies and grants;
2. Giving by the second tier banks of the low interest rate loans (with or without warrants) and to reinforce the control over the usage;
3. Supporting the agriculture sphere, meaning subsiding the agricultural complex of the republic, to assist the local firms to go for the external market;
4. Stimulating the local and foreign companies for investing in the free-economic zones for development of these regions.

Further there is a picture 1, where the CIS countries and the far foreign countries values are output for the position of “Doing Business”.

According to the indicator of doing business we can see the motion of five leaders, who effectively do the business as in internal and external markets, and also the results of doing business of the countries of independent governments.
Within the countries of the customs union (Kazakhstan, Russia and Belarus) according to the rating “Doing Business” of the World Bank report; the Republic of Kazakhstan keeps 35th place, the Republic of Belarus keeps 37th place and Russian Federation keeps 40th place.

Introduction of sanctions by the USA and Europe affected doing business in Russia, according to this indicator Russia keeps 40th place. The leaders of this rating including top five countries are New Zealand, Singapore, Denmark, Hong Kong and South Korea.

To increase the indicators in Kazakhstan there are many national projects under implementation every year. As an example, the Projects of governmental program for the industrial-innovative development of the Republic of Kazakhstan. In line with the program in the Moinink district in Zhambyl region the Mynaralsk cement factory was constructed with manufacturing of two types of the cement. This product is exported to Kyrgyzstan, Tadzhikistan, Uzbekistan and other regions. The investments included 12 billion KZT.

In Ekibastuz in Pavlodar region the project was implemented, the factory to manufacture the wheeled pairs and the railways axis was constructed. The products under production belong to the category of products, which was not earlier produced in Kazakhstan. The factory uses the metal of Kazakhstani production. The investments included 12 billion KZT.

In Ekibastuz the greenhouse complex to grow the Holland roses was constructed. The capacity of the production is 10 million roses per year, out of them 75% are supplied to the internal market of Kazakhstan and the balance goes to the border regions of Russia. The investments included 3.2 billion KZT.

In Almaty the production and packing of the bottled vegetable oil were launched. The investments included 30 million KZT.

In Astana there was a factory opened to produce the paper products for the sanitary hygiene purposes. The investments included 14 million KZT [6].

These projects were launched in 2016 only, but they belong to the part of what was done in the country; there is another list of projects, which already have been giving the results.

The Message of the RoK President N.A.Nazarbayev to the people of Kazakhstan in 2017 “Third modernization of Kazakhstan: global competitiveness” highlighted that our task is to save what we reached in sovereignty years and to maintain the sustainable development in the XXI century”.

In the XXI century the Republic of Kazakhstan shall reinforce its position of the regional leader and become the bridge for dialogue and interaction of the East and West. And for economic growth in Kazakhstan it is necessary to create new economy sectors, to
be created within the frames of the innovative industrialization [8].

Kazakhstan shall enter the top 30 developed countries of the world by the year of 2050.

And to achieve the new targets the Republic shall develop further, this is dictated by the market, these are the new requirements of the time. In the world market there are the fluctuations of the market prices for all resources, specifically the last changes for the strategic products of Kazakhstan: oil and gas. In the world market the price of oil dropped in the past year of 2016 to the level of 30.7 dollars per barrel, and this negatively affected the filling of the country’s government budget. Change of prices in the world market of black gold affected the change of prices for other products too. And this resulted in additional expenses from the governmental budget. Consequently this interrelation resulted in another change, that is the reduction of the main indicators, which are demonstrated in the rating. But there are other parameters, which might have affected the main indicators, such as ineffective distribution of financial resources, ineffective application of provided money, unused money of the budget, high corruption, different barriers for doing business and etc.

Conclusion. Due to economic policy of Kazakhstan “NurlyZhol” and Nation Plan “100 Specific Steps” the country passes the first stage of complicated global transformation in a dignified order. Within the period of 2014 – 2016 for the support of the economy the government additionally issued 1.7 trillion KZT [7].

All this created ability for economic growth and business support, creation of more than 200 thousand new work places. [8] And for the further development and raising the position the republic will put efforts and powers into new innovative industrial projects in future.

According to the results of the WCI rating as of today for the year of 2016 there were new main indicators defined, every government was defined in the world rating and its position.

The received results of the global competitiveness index indicators give an understanding that the indicators for the 2016 – 2017 went down compared with the period 2015 – 2016. The long-term conception, accepted in 2014, shall be implemented considering all the internal and external factors, flexibly reacting on changes, happening in the world market and considering the world tendencies.

For the rise it is necessary for Kazakhstan to develop on the basis of these results new modernized projects and programs to raise the delayed indicators. And the new challenges were announced in the last Message to the people of Kazakhstan of our Republic President dated January 31, 2017 “Third modernization of Kazakhstan: global competitiveness”.

One of the required for the country jobs is an effective implementation of the joint international investing programs, and also it is necessary to activate the export based on the principle of “one window”, the industrialization is required with the attention on development of the competitive productions to go for the external market.

Stated five challenges in the Message of the President of the Republic of Kazakhstan after the effective implementation will bring the country to the economic growth and this new peak will be reached.

For use and for the country as a whole, achievement of these specified targets will bring the government to the rise in some delayed indicators in WCI and we hope that other indicators will rise after the implementation of the set targets.

This new stage of development, government strategy and Nation Plan “100 Specific Steps” shall give the push to the economic growth and these staged steps on plan implementation shall be our following new steps in future.
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POZICIJA KAZAHSTANA V REYTINGE MIROVYY KONKURENTOSPOSOBNOSTI

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Аннотация. В статье рассматривается рейтинг Казахстана в глобальной конкурентоспособности стран мира 2016 года. Определены 12 индикаторов, по которым определяются позиция каждой страны в мировом рейтинге. Молодая страна как Казахстан после получения независимости начала динамично развиваться, привлекая в экономику иностранному капитал. Создавая инвестиционный климат, в Казахстане начали открываться дополнительные рабочие места, реализовываются новые проекты, макроэкономические показатели начали расти, например, ВВП на душу населения от 700 долларов до 6722 долларов (по курсу 341,43 за доллар), социально-экономические индикаторы начали подниматься из года в год.


Актуальное значение индикаторов дает возможность увидеть преимущества и недостатки некоторых макроэкономических показателей, а также государствам дается возможность достичь высоких результатов, именно привлекая большие ресурсы в отстающие отрасли.

Ключевые слова: конкурентоспособность, индекс, рейтинг, позиция, индикаторы, макроэкономические показатели.