



HISTORICAL DYNAMICS OF THE QUALITY OF RAILWAY SERVICES IN THE COUNTRIES OF CENTRAL ASIA (ON THE EXAMPLE OF THE REPUBLIC OF KAZAKHSTAN)

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Abstract: *This scientific article analyzes the historical dynamics of the development of the quality of services provided by railways in the countries of Central Asia, in particular, on the example of the Republic of Kazakhstan. Indicators of service quality - the convenience of passenger and freight transportation, the state of infrastructure, technical and modernization processes, management mechanisms and improvement of service services were studied as the main criteria. The impact of state policy, institutional reforms, and international transport projects on the quality of railway services is also highlighted. The research results have scientific and practical significance for summarizing the historical experience of the development of railway transport services in the Central Asian region and improving future transport policy.*

Keywords: *Central Asia, Republic of Kazakhstan, rail transport, service quality, historical dynamics, transport infrastructure, passenger transportation, freight transportation, transport policy, modernization.*

In the Republic of Kazakhstan, 59% of the railway transport network is specialized in domestic freight transportation, 30% in export deliveries, less than 10% in import and transit transportation[1]. From this, it can be concluded that the transit potential of the Kazakhstan mainline railway network is low. This is due to the high level of obsolescence of railway equipment and wagon composition in the republic, as well as the low quality of repairs. Depreciation costs of the railway network constitute 60% of the total budget.

The Northern, Central, and Southern branches of the Trans-Asian Railway, as well as the TRACECA and North-South railway transport corridors, pass through the territory of Kazakhstan. These transport corridors are aimed at attracting transit cargo, and the advantage of the current corridors is that they significantly save time on cargo transportation from East, Southeast, and Central Asia to Europe. However, existing small restrictions on the implementation of international transportation, differences in the dimensions of railway rails, which require additional time for the transshipment of containers, are circumstances that somewhat complicate the process. From the point of view of infrastructure development, Kazakhstan, which does not have a sea route, plans to make every effort to get out of this "traffic trap." The Government of Kazakhstan has developed institutional measures related to the development of logistics and the simplification of paperwork when crossing borders.

According to the results of the structural analysis, in terms of passenger traffic growth, Kazakhstan Railways lag behind aviation and road transport in 2017–2021. The decrease in passenger traffic on Kazakhstan's railways is mainly observed on suburban trains, while the number of trains and passenger traffic on high-speed lines have increased. Kazakhstan Railways strives to develop every section of the railway in the country, launch new modernized transport networks, repair railways, create new jobs, and minimize the negative impact on the environment.

"2015–In 2020, particularly active growth was recorded in the activities of the company for transcontinental container transportation from Europe to China via Kazakhstan's railways. In particular, in 2016, 105 thousand containers were transported, which is almost 2 times more than in 2014. The total number of container shipments also increased. In 2018, compared to 2017, the growth was 55%, and the number of shipments amounted to 537.4 thousand containers. During the same period, transit transportation increased by 22%. Kazakhstan Railways are increasingly being drawn to continental networks"[2].

There are several factors contributing to this growth, and China's Belt and Road Initiative, connecting Europe and Asia, is aimed at developing transport infrastructure and trade relations, which has defined Kazakhstan as an important transit region. Within the framework of this project, significant investments were made in railway routes passing through Kazakhstan, which facilitated transit cargo flows and significantly increased container transportation. Also, the railway route passing through Kazakhstan is much shorter and faster than sea routes. Maritime delivery from Europe to China takes an average of 40-50 days, while railway delivery can take 12-15 days. This time-saving opportunity has become attractive for companies that require fast delivery.

Overall, in 2015-in 2020, e-commerce grew globally, and the volume of high-demand products requiring short-term delivery (electronics, car parts, clothing) increased. The route through Kazakhstan has become the most convenient route for e-commerce companies and suppliers, since rail transport provides fast delivery.

Economic cooperation and interstate agreements between China, Kazakhstan, and European countries contributed to increasing transport capacity. Joint programs have been implemented to simplify customs and transit procedures for goods passing by rail, and to optimize fares. This reduced unnecessary stops in cargo transportation and ensured fast and efficient delivery of goods.

"At the same time, special activity was noted in servicing cargo flows in Central Asia. For this purpose, in 2010, the construction of the Zhetigen-Khorgos highway connecting Kazakhstan and China, as well as 10,000 kilometers of roads and infrastructure facilities on the Uzen state border with Turkmenistan, was completed and commissioned in 2016. The establishment of infrastructure in the territory of the "Khorgos - Eastern Gate" free economic zone opened up broad opportunities for citizens of the Republic of Kazakhstan and third countries to conduct business and cultural activities. It creates conditions for unimpeded and

high-quality service for visitors at a modern checkpoint, ensuring accelerated border and customs control of their movement"[3].

The Government of Kazakhstan has implemented large-scale infrastructure projects to develop transit routes and increase logistics efficiency. For example, within the framework of Kazakhstan's "Nurly Zhol" program, railway lines were modernized and new logistics centers were created, including the aforementioned border logistics centers, such as Khorgos. This contributed to the rapid and efficient management of transit cargo. In turn, international trade and logistics companies felt the need to diversify transport routes. Developing alternative routes to sea transport increases security and stability for global trade. The railway line passing through Kazakhstan played an important role in meeting this need.

"In addition, there are special vehicles for transporting visitors' luggage. The Khorgos-Eastern Gate Free Economic Zone (FEZ) with an area of 5,740 hectares was created to develop the production of chemical products, steel, food, textile, and other goods for export to other countries.

It includes industry, residential area, as well as a dry port (logistics business). All elements of the FEZ, including the Khorgos Eastern Gate, the Khorgos International Cross-Border Cooperation Center, the Jetigen-Khorgos railway, and the Western Europe-Western China highway, have created real conditions for the formation and operation of modern logistics. In the Chinese part of the FEZ, there is a temporary trading platform, the Jiang Yuan shopping center, the SCO Ethnographic Park theater center, and the International Tourist Center. Currently, the Jian Yuan shopping center offers a wide range of goods for everyday use: clothing, footwear, tableware, furniture, electronic equipment (TVs, laptops, mobile phones), children's toys, car accessories. The transportation of all the above-mentioned products is carried out through the Kazakhstan Railways Organization.

Also, general data on such indicators as the number of passengers transported by rail, the volume of freight turnover transported by rail, and the volume of freight transported by rail can be found in the diagrams in the appendix to the work.

The Law of the Republic of Kazakhstan "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Energy, Transport, and State Awards" of November 9, 2020, partially amended the Law of the Republic of Kazakhstan "On Railway Transport." The definition of the concept of "cargo" and the rules for transporting cargo have been supplemented, the legal gap related to the establishment of transit traffic of cars by rail has been filled, and the extension of the validity period of the balance levy for transit traffic has been established"[4].

With a clarified definition of the concept of "cargo" in the law, various new types of cargo are also permitted for transportation by rail. These new types of cargo may include high-risk or bulky cargo requiring special care. Therefore, the range of services in the transport sector has expanded, and various products, in particular, industrial raw materials and finished products, can be delivered by rail. The change in the definition of the law made it easier to classify and manage cargo more precisely. This made it possible to automate logistics processes, effectively organize and consistently monitor each type of cargo. As a result, the efficiency of the transport system has increased and delays in the cargo transportation process have decreased. The amendment created new opportunities for entrepreneurs and enterprises engaged in freight transportation activities. The transportation of goods by rail has become easier, and new opportunities have appeared in the field of transport services. Therefore, unnecessary barriers for companies involved in freight transportation have been reduced, and the scope of their activities has expanded.

In turn, in order to ensure the implementation of the above-mentioned legislative acts, the Kazakhstan Railways Organization adopted 11 subordinate regulatory legal acts. According to these new norms, it should be noted that systematic work has been carried out to subsidize the new model of passenger

transportation, improve the practice of calculating and paying temporary balance sheet fees, adapt the company's activities to tax legislation, and declare bankruptcy of inactive, low-profit small organizations in the system. In the context of the unstable economic situation caused by the coronavirus pandemic, railway transport has maintained positive dynamics in freight traffic and has managed to maintain the status of the most stable transport in the industry.

Kazakhstan Railways Passenger Turnover in 2020
Compared to 2019, it decreased by 54.5 percent and amounted to 6,354.4 million passenger-km[5]. The main reasons for the decrease in passenger turnover are the restriction of train traffic due to the introduction of a state of emergency in Kazakhstan, a decrease in the mobility of the population in the context of the epidemiological situation.

"In 2020, a total of 8,150 thousand passengers were transported from the territory of the republic on trains organized by enterprises of the group of enterprises of JSC "Passenger Transportation" and other railway administrations, of which 6,281 thousand were on trains of JSC "Passenger Transportation," 1,803 thousand were on trains of JSC "Suburban Transportation"; 66 thousand passengers were transported on trains created by other railway administrations".

In 2020, income from core activities amounted to 1173.3 billion tenge, which is 3% more than in 2019. The growth is closely linked to a 9.3% increase in freight revenue, primarily due to a 3.5% increase in freight volume.

In 2020, revenue from passenger transportation amounted to 38.2 billion tenge, which is 46.6 billion tenge less than in 2019 due to a 55% decrease in passenger turnover. If we look at the figures, then in 2020 the net income of the organization amounted to 16.2 billion tenge, which is 86.4 billion tenge more than in 2019[6]. Factors influencing the growth of annual net income are associated with a 3% increase in freight turnover, a decrease in general and administrative expenses by 11.1%, and financing expenses by 21.7%. In turn, the tariff freight turnover of

the Kazuakhstan Railways Organization in 2021 amounted to 233.3 billion t-km, which is 0.7% higher than the 2020 level. The current positive surplus is associated with the growth of freight turnover in import and transit transportation.

The company's passenger turnover in 2021 increased by 49.9% compared to 2020, reaching 9,524.3 million passenger-km. The increase in passenger turnover was due to the easing of quarantine measures and the lifting of restrictions on train traffic related to the coronavirus infection. In 2021, the number of passengers transported by JSC "Passenger Transportation" amounted to 11,597 thousand passengers, of which 9,489 thousand were trains of JSC "Passenger Transportation," 2,108 thousand passengers were trains of JSC "Suburban Transportation."

Revenue from core activities for 2021 amounted to 1,328.5 billion tenge, which is 13.2% higher than in 2020. The growth was mainly due to an increase in revenue from freight transportation by 11.5% (due to a 0.7% increase in freight traffic) and passenger transportation by 50.0% (a 49.9% increase in passenger turnover).

In 2022, the company's tariff freight turnover amounted to 245.2 billion t-kilometers, which is 5.1 percent higher compared to 2021[7]. These growth rates are associated with the growth of freight turnover in export and transit communications.

The company's passenger turnover in 2022 increased by 29.7% compared to 2021 and amounted to 12,353 million p-km (in 2021 - 9,524.3 million p-km). The increase in passenger turnover was due to the lifting of restrictions on train traffic related to the coronavirus infection and the resumption of interstate and transit train traffic, as well as the transfer of separate schedules from socialized to commercial trains.

A brief analysis of the overall indicators of Kazakhstan's railways shows that over the years, a growth trend has been observed in all indicators due to the optimality of the organization's management, the correct implementation of foreign

experience and practice in the process, and the transparency of traffic and transportation processes.

It is worth noting the negative impact of the crisis associated with the coronavirus pandemic in 2020. However, due to numerous measures implemented in 2021-2022, the negative indicators of this difficult period were also overcome.

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