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Trade potentials of the ECO Member States at a Glance:
Republic of Azerbaijan
Islamic Republic of Afghanistan
Republic of Kazakhstan

In the Name of God

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Republic of Azerbaijan

Islamic Republic of Afghanistan

Republic of Kazakhstan

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Message by H.E. Eng. M. Jalalpour

President

ICCIMA & INC of ECOCCI

I am pleased to state that the efforts and achievements of the ECO member countries in the past 2 decades have proven the fact that the Organization with vast untapped resources of minerals, oil and gas as well as sufficient and experienced human resources enjoys a high capacity for cooperation.

For these ideas to be materialized we hope to take serious steps in order to see the fruitful results in promotion of economic, trade and cultural solidarity of member countries. This plan can prepare the grounds for the economic bouncing of the member countries.

Over the past decades the member countries of the Economic Cooperation Organization (ECO) have embarked on several projects in priority sectors of their cooperation including energy, trade, transportation, agriculture and so forth.

Through this path, the member countries with regard to their own economic components have taken major steps towards development and play a great role in paving the way for facilitation of intra-regional and global trade transactions.

In general, with implementations made in the recent years, the Organiza-

tion will be able to retrieve its fair share of the global economic transactions and step towards the illuminating horizons of development and advancement.

To mention the problems facing the promotion of intra ECO trade, one of the most important problems is that the region is lacking in appropriate understanding of its vast intra ECO Trade Potentials.

It is through this advance that the INC of ECO CCI has conducted a series of studies into the intra ECO trade potentials of the member states the first of which focuses on Afghanistan, Azerbaijan and Kazakhstan which we hope will help better understand and utilize the intra ECO trade capabilities to the benefit of the region's nations.

I sincerely hope that this analytical study on issue related to trade and development with a special focus on the intra-ECO trade, motivates these countries to promote intra-regional cooperation.

Message by Dr. M.R. Karbasi

Secretary General

INC of ECOCCI

The Economic Cooperation Organization (ECO) as a bloc rich in resources having a very strategic position as well as natural advantages, valuable potentials, widespread area and a huge capacity for cooperation also a population of 450 million, has been growing in line with the increase of its consumption and import needs.

Member countries, in the interim, have proven to have high capacity for being one of the world`s economic pivots.

In terms of commerce, ECO trade volume has demonstrated a relative fair increase in recent years as in contrast statistical data show that the share of intra-regional trade in total ECO-trade is less than 10%.

It is noteworthy that the ECO region is yet to reach its fair share of the intra-regional trade cooperation and the share of ECO`s intra-trade to its total trade is relatively low. The region has not been able to elevate economic cooperation level enough, as elevating the intra-regional trade in ECO is the highest priority on the way to become a powerful regional economic bloc.

it is thus necessary that the ECO member states convene in order to revise their trade policies and review the ECO`s plans on new trade arrangements

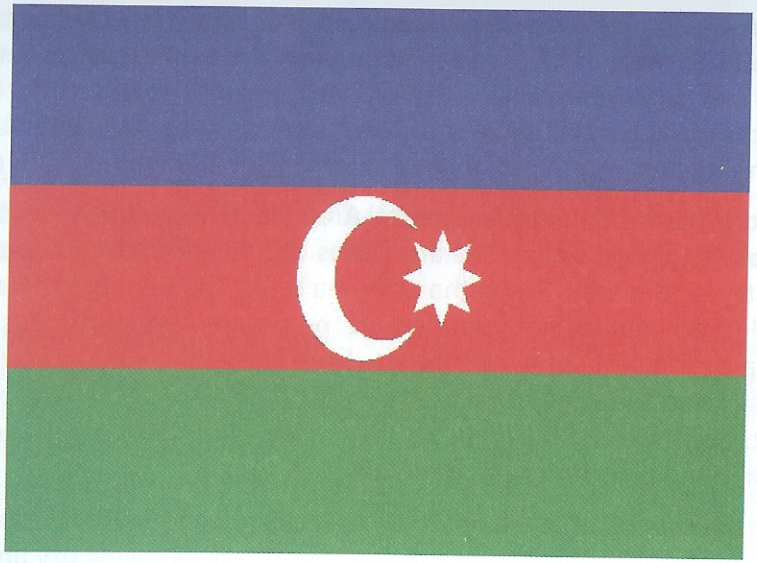
in order to promote the share of intra-ECO trade.

Currently there are more than 6000 items that each ECO country imports from non-ECO region while all these commodities are available within the region and it can be stated that nearly all ECO member countries can be the potential import- partners to each other.

To enhance intra-regional trade, encouraging the private sector companies and merchants involved in trade in the region can be adopted as a practical approach.

Taking into account these facts, in order to be able to utilize the vast potentials of economic and trade cooperation among the member states, one way forward is to put our hands together to follow up some plans to promote the intra-regional trade meant to bring about the ECO`s promotion of status on the global scale.

It is through this approach that we at the INC of ECO CCI have extensively studied the intra ECO trade potentials of three member states namely Afghanistan, Azerbaijan and Kazakhstan which is before you in this publication and will later publish similar studies on other member states which we hope will help better understand and utilize the intra ECO trade capabilities to the benefit of the region's nations.



Republic of Azerbaijan

★The Geographical –Economic Specifications:

Republic of Azerbaijan with an area of 86600 square km is the largest country in the Caucasia and the gate to Europe and South East and South West Asia on the shores of the Caspian Sea. The country's capital is Baku.

Iran in the south, Armenia and Turkey in the west, Georgia in North West as well as Russia in the North constitute the neighbors of the Republic of Azerbaijan; also this country enjoys water borders with Turkmenistan and Kazakhstan on the coasts of the Caspian Sea.

The population of the Republic of Azerbaijan in 2013 stood at 9.960 million. The Gross Domestic Product (GDP) of the country in the same year was equivalent to US$ 102.7 b (based on the purchasing power) while the GDP per capita is US$ 10800.

As it is seen the four ECO member states (Iran, Turkey, Turkmenistan and Kazakhstan) are neighbors of the Republic of Azerbaijan on the land and on the sea. The Republic of Azerbaijan enjoys the historical and ancient heritage. The Democratic Republic of Azerbaijan which was founded in 1918 was annexed to the United Soviet Socialist Republics (USSR) in 1920 and regained its independence in 1991.

The Republic of Azerbaijan is situated in the south of the Caucasia moun-

tain range, north of the Aras River and on the coasts of the Caspian Sea. The three mountain ranges of Greater Caucasia in the north, Lesser Caucasia in the west and Talysh Mountains in the south have surrounded the country. These mountains constitute 40% of the country's area while the Bazarduzu Peak is the highest mountain of the Republic with a height of 4466 meters.

The medial parts including the Central Aran Plain, Moghan and Mille as well as the Coasts of the Caspian Sea are flat as the height of the lowest parts of the country is 28 meters lower than the sea level. The Republic of Azerbaijan is a landlocked country and situated on the parameters of the Caspian Sea which is a closed body of water and its shore line is 800 kilometers long. The biodiversity and the vegetation multiplicity of the Republic of Azerbaijan are due to its vast climate diversity so that more than 4500 plant species are observed in the mountains of the country.

On climate aspects, the Republic of Azerbaijan is of multiple climates. In general, the north and south of the country are of relatively dry and mountain weather while the south east part is of humid and milder climate. Western, northern and southern parts including Qarabağ and the north east part of the Nakhchivan Autonomous Republic, the hillsides of the Caucasia Mountains and Lankaran-Astara region as well as Talysh mountains are very humid. The central parts including the vast plains are very potential for agriculture which are irrigated by the Aras and Kura rivers.

The Republic of Azerbaijan in the recent years has made tremendous efforts to boost its tourism. Also, 2011 was named as "the Year of Azerbaijan Tourism". The Republic in 2010 hosted more than 2.5 million tourists. In the recent years, the share of tourism in Azerbaijan is divided among Ukrain ,Kazakhstan, Iran, Georgia, Jordan, Bahrain, Germany, Australia, Bulgaria and Finland. In 2012, Azerbaijan received the majority of inbound tourists into the Caucasia region as in 2013 the number of arrivals to the country was over 2 million and the revenues gained from the arrivals was US$ 2365 m.

The cultural, architectural, national and Islamic heritages constitute the most important factors for the stability of the Azerbaijan Republic. This country with its architectural heritage, customs and traditions, cultural diversity, diverse clothing, handicrafts, traditional cuisine as well as geographical and natural landscapes is of tourism attractions and every year thousands of foreign tourists are being attracted to the country which highly improves the economic growth of the country.

The 2015 European Games, also known as "Baku 2015 European Games"

(Azerbaijani: Bakı 2015 Avropa Oyunları), an international multi-sport event for athletes representing the National Olympic Committees (NOCs) of Europe took place in Baku, Azerbaijan, from 12 to 28 June 2015, and featured almost 6,000 athletes from 50 countries competing in 20 sports.

Baku was awarded the right to host the first European Games at the 41st EOC General Assembly in Rome, on 8 December 2012. The European Games will take place every four years thereafter, with the next competition due to be held in 2019.

The Republic of Azerbaijan at present in comparison with other newly independent republics around it is among the superior exporters of natural gas and has sufficient resources as the investment in this area after the independence of the country has experienced more expansion. In 2013 the country held 7 billion barrels of crude oil and 991.1 billion cubic meters of natural gas reserves.

In order to achieve a more developed economy, some reforms have been conducted by Azerbaijan Republic. Devising the new law on investment, modification of the banking system, facilitation of imports by private institutions and government bodies is among these measures.

Nevertheless, in the initial years of independence, staggering inflation caused by the Qarabağ war and the free price policy as well as privatization of the economy imposed heavy pressures on the Azerbaijani nation and the purchasing power declined rapidly. But in 1996 increase in revenues gained by the petroleum related international contracts, the increasing pace of foreign investment, credits by the International Monetary Fund (IMF) and World Bank as well as aid from European countries improved the troubled economy of the country.

In 2008 the Azerbaijan Republic as reported by the World Bank, was the best country in terms of the implementation of the economic reforms program among 10 countries that had provided the World Bank with their detailed economic information.

The World Bank also regards Albania, Kazakhstan, Kyrgyzstan, Belarus, Tajikistan, Russia, Ukraine, Armenia and Georgia as countries who have managed to achieve major changes by modifying the laws and regulations that follow Azerbaijan in terms of ranking.

Although previously the development of semi-mechanized agriculture has been accentuated in the Azerbaijan Republic, but it seems that after the col-

lapse of the Soviet Union, the republics main focus is on development of petroleum related economic activities. Hence, by aid of experts from the World Bank and the IMF, by implementing the privatization programs and transfer of arable lands has been trying to revitalize the agricultural sector.

Despite the existence of suitable backgrounds for agriculture, at current situation, the Republic has been obliged to import more than US$ 0.5 b of foodstuffs in 2013.

The Azerbaijan Republic enjoys a diverse economy with agriculture, services, mines, tourism and limited industrial product sectors. In order to simplify the taxation structure, attraction of foreign investment and helping the growth of the privatization, the governments control over the economy has been compromised.

The growth of the oil prices boosts the Azerbaijani economy since it is a crude oil and petroleum materials exporting country. Since 2002 till now the ascending trend of the oil and by-products prices has made the Azerbaijan Republic face with an exceptional economic occasion which will impact all the aspects whether political, social and security. The hike in the oil related revenues has helped improve the people's living standards.

Table (1)-Republic of Azerbaijan, Basic Information

Gross Domestic Product (US$ b)	Income per capita	Inflation (%) rate	The volume of foreign investment (US$ m)	Major agricultural products	Major industrial products	Major mineral products
102.7	10800	2.4	2632	Cereals, sugar, cotton,vegetables,fruits	Petrochemicals, textile	Oil,gas

As it is seen in Table(1), the volume of foreign investment in Azerbaijan in 2013 equals US$ 2632 m in various sectors which shows a 31% growth compared to 2012. Major investors in Azerbaijan include U.K, U.S.A, Japan, Norway, Turkey, Czech Republic and France respectively.

Currently the most suitable sectors for investment in the Republic of Azerbaijan which are of relative potential comparative advantage include:

- Oil and Gas center
- IT (Information Technology)

- Petrochemicals
- Energy production
- Infrastructure
- Construction
- Water and agriculture
- Tourism (Health Tourism in Particular)

Since 2008, with the ratification of laws and regulations like compromise of the non-tariff limitations, creation of infrastructures including sea ports, facilitation and decreasing the number of stages of the business startups, online tax payment, alleviating the usual red tapes in government offices, development of up-to-date information utilization, shortening the required time to transfer assets from Azerbaijan Republic as well as the Assets Registration Act including the land and real estate, has made great achievements in absorbing due foreign investment.

As observed within table (2), Kazakhstan, Turkey and Iran in the ECO region are major partners of the Republic of Azerbaijan.

According to the available sources of the country, Azerbaijan is one of the major exporters of oil and gas in the world and its major imports are machinery and equipment, cement, chemical metals and consumer goods.

Table (2) - Major commodities and partners of Azerbaijan's Foreign Trade

Major exports of the world	Oil and gas, foodstuffs, iron and steel products
Major imports from the world	Machinery and equipment, foodstuffs, chemical metals
Azerbaijan's exports partners	Russia,Italy,India,Thailand,Romania,Indonesia,Turkey
Azerbaijan's import partners	Russia,Turkey,U.K,Germany,China,U.A.E<Ukraine<Italy,Japan,Kazakhstan,Iran
Major exports of Iran to Azerbaijan	Cement, consumer goods, plastic materials, foodstuffs
Major imports of Iran from Azerbaijan	Iron and steel, natural gas, electricity,fabrics,press cakes

Source: http:www.trademap.org / http://eng.tpo.ir / http:www.trademap.org

The figures of the tables 3, 4 and 5 show that the volume of trade of Azerbaijan with the world has always experienced fluctuations as specifically since 2011 the decreasing trend is seen. Of course in 2013 with roughly 3% of growth compared to 2012, the amount of the country's trade with the globe has grown to US$ 35 b.

Meanwhile between 2011 and 2013, the trade between Azerbaijan and the ECO region grew by 15%. It is remarkable that the imports of the country from Iran grew by more than 75% in 2013 compared to 2010.

The total volume of Azerbaijan's imports in 2014 was US$ 9179 m of which the highest amount of imports were conducted from Russia (US$ 1321 m), Turkey (US$ 1286 m), U.K (US$ 978 m), Germany (US$ 701 m), China (US$ 697 m), U.A.E (US$ 563 m), Ukraine (US$ 419 m), Italy (US$ 272 m), Japan (US$ 240 m), Kazakhstan (US$ 222m) and Iran (US$ 147 m).

Table (3) - Azerbaijan's Trade with the world (US$ m)

Year	2008	2009	2010	2011	2012	2013	2014
Exports	47757	14688	21278	26480	23827	23905	21740
Imports	7162	6120	6597	9641	9820	10764	9179
Total	54919	20808	27875	36121	33647	336669	30919

Source: http://www.tradmap,org

Table (4) - Azerbaijan's Trade with the ECO member states in 2008-2014 (US$ m)

Year	2008	2009	2010	2011	2012	2013	2014
Exports to ECO	47757	14688	21278	26480	23827	23905	21740
Imports from ECO	7162	6120	6597	9641	9820	10764	9179
Total	54919	20808	27875	36121	33647	336669	30919

Source: http://www.trademap.org

Table (5) - trade transactions of Azerbaijan Republic with the ECO member states 2088 till 2014 (US$ m)

Year	2008	2009	2010	2011	2012	2013	2014
Imports from Iran	98	78	118	160	176	208	147
Exports to Iran	355	91	124	144	87	74	133
Total trade between Iran and Azerbaijan	453	169	242	304	263	282	280

Source: http://www.trademap.org

★The Republic of Azerbaijan as a member of the Economic Cooperation Organization (ECO):

The Economic Cooperation Organization (ECO) is a regional intergovernmental organization. The background of the formation of the ECO dates back to 1962 when Iran, Pakistan and Turkey formed the Regional Cooperation Organization for Development (RCD) which was active till 1979 then in 1985 on the basis of collaboration among the three countries, the "Economic Cooperation Organization" (ECO) was founded and in 1992 with accession of Uzbekistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Afghanistan, the number of member states reached 10.

Despite the young age of the ECO, this organization has had successful accomplishments on the regional and global levels meanwhile facing several problems to achieve its objectives. Different agreements have been signed within this organization which have face difficulties in implementation and have not been put into action. The Republic of Azerbaijan, within the framework of the ECO regional cooperation has signed below agreements which are yet to be implemented:

- Agreement on Visa Simplification
- The ECO Transit Trade Framework Agreement (TTFA)
- The Agreement on Promotion and Protection of Investment (APPI)

★Studying the potentials to increase the trade between the Azerbaijan and the ECO coutries:

Once the figures in this report are reviewed, it will be known that the total trade of Azerbaijan in 2013 has exceeded to US$ 34669 m out of which only US$ 3005 m was transacted with the ECO region which is less than 9% of the total figure.

Obviously the trade potential of Azerbaijan Republic (in our studies, the potentials of the country to import from the ECO member states) is higher than the figure of 2013. In this Study, the trade potential of the country from the ECO in terms of major imports has been focused on and therefore for each item the value of the total imports of Azerbaijan from ECO member states and other countries have been extracted and in return the export value of other ECO member states in the mentioned goods categories have been mentioned.

Consecutively, comparing the imports of Azerbaijan from non-ECO countries and the exports of ECO member states to the world in each of the categories, it can be concluded that by prioritizing the ECO member states in place of the non ECO countries as exporter partners of Azerbaijan it will be possible to help elevate the level of intra regional trade.

During the studies of the trade requirements of the ECO region, considering 20 top imported items of Azerbaijan in 2013 (in terms of the import value) the total figure of imports of the country in 2013 for 20 items was almost US$ 8427 m of which only US$ 1640 m (20%) was imported from the ECO region. On the other hand, the other ECO member states exported US$ 11578 m worth of these items to the world whereas once Azerbaijan would utilize this potential of the ECO region, 100% of the trade of this country in its 20 top imports would have been done with ECO member states.

Table (6) - list of the 20 top imported items of the Azerbaijan Republic in 2013
(US $ thousands)

Code	Notes	Azerbaijan Import Value	ECO member states exporting to Azerbaijan	Figure of imports from top 10 non ECO exporting countries to Azerbaijan	Capabilities of other ECO member states
84	Machinery, nuclear reactors, boilers, etc	20250035	Pakistan (179 391), Tajikistan (7923) **Total: 314, 187**	U.S.A (151,485), the UK (221,154), China (178,185), Germany (263,115), Italy (111,265), Russia (112,803), the Netherlands (45,557), Australia (37,935), Korea (45,664), Japan (115,033) **Total: 1282196**	Turkey (273,177), Iran (4504), Kazakhstan (2536), Kyrgyzstan (208), Turkmenistan (372), Uzbekistan (257) **Total: 281654**

Code	Notes	Azerbaijan Import Value	ECO member states exporting to Azerbaijan	Figure of imports from top 10 non ECO exporting countries to Azerbaijan	Capabilities of other ECO member states
71	Pearls, precious stones, metals, coins, etc	902321	Kazakhstan(1118784), Kyrgyzstan (742 709), Pakistan (437 267), Uzbekistan (265 403), Turkmenistan (263043), Afghanistan (10,935), Tajikistan (6173) Iran (2182) **Total: 496,846,2**	The United Kingdom (797,806), Switzerland (55,174), Off the South Yqay (44760), France (1648), Italy (612), China (133), Georgia (185), U.S.A (576), Germany (434), Australia (322) **Total: 901 650**	Turkey (392)
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	888916	Kyrgyzstan (85,312), Pakistan (74,182), Turkmenistan (4275), Tajikistan (1544), Afghanistan (1276) **Total: 589, 166**	Germany (194,384), Korea (128,061), Japan (122,800), Czech (16580), Italy (19,284), the UK (25,829), Russia (110,826), China (48,212), U.S.A (44633), Belarus (27124) Total: 737 733	Turkey (70451), Uzbekistan (6694), Iran (3554), Kazakhstan (18) **Total: 80,717**
73	Articles of iron or steel	771457	Afghanistan (296), Tajikistan (266), Pakistan (180,416), Kyrgyzstan (6055) **Total: 033, 187**	China (69,185), Japan (39,924), U.S.A (28,416), Germany (26,742), Ukraine (128145), Russia (114,868), the UK (73,212), the Netherlands (8510), Italy (12702), Czech (20442) **Total: 522 146**	Turkey (172,254), Iran (2318), Kazakhstan (4880), Turkmenistan (201), Uzbekistan (1) **Total: 179,654**
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	74146	Turkey(21097),Kyrgyzstan(889), Iran(1571),Kazakhstan(1135), Uzbekistan(9), Turkmenistan(110), **Total:214684**	China (126154),England(53089), Germany(53165), Russia(36527),France(14674), U.S.A(22556), Netherlands(22310), Finland(205550,Czech Republic(197820,Ukraine(15431) **Total:394234**	Pakistan(114547), Afghanistan(6859), Tajikistan(1693) **Total:123099**
88	Aircraft, spacecraft, and parts thereof	440153	Afghanistan(89), Turkey(23) **Total:112**	U.A.E(2945),Russia(2131), England(719), France(271747),Brazil(150265), U.S.A(6800), Italy(4471), Germany(325), Netherlands(193), Luxembourg(160) **Total:439756**	Uzbekistan(6579), Pakistan (2514), Turkmenistan(1482), Tajikistan (936), Kazakhstan(192984), Iran(23702), Kyrgyzstan(8776), **Total:236673**
10	Cereals	434615	Kazakhstan (235920), Turkey (6183), Pakistan (461), Turkmenistan (8763), Uzbekistan (590) **Total: 251917**	Russian (173161), India (2871), Ukraine (2534), Georgia (1960), Thailand (738), China (732), Egypt (609), Italy (266), Vietnam (215), USA (80), **total: 182614**	Kyrgyzstan (309), Tajikistan (898), Afghanistan (281), Iran (798), **total: 2.,286**
72	Iron and steel	381297	Kazakhstan-22414), Turkey (28979), Iran (6,381), Afghanistan (56) **Total: 26251**	Luxembourg (4400), Korea (3665), Slovakia (2784), Germany (1833), Russia (135073), Ukraine (124645), Georgia (19595), United Kingdom (13369), Romania (4619), China (7,976) **Total: 318608**	Pakistan (41742), Kyrgyzstan (35417), Uzbekistan (5823), Tajikistan (725), Turkmenistan (8) **Total: 83, 831**
24	Tobacco and manufactured tobacco substitutes	338829	Iran(14)	Russia (166225), Ukraine (91493), Germany (54016), Switzerland (18933), Lithuania (3278), UAE (1968), the Netherlands (560), Spain (351), Lebanon (330), Romania (231) **Total: 337385**	Turkey (904792), Kazakhstan (93307), Pakistan (26397), Uzbekistan (20970), Kyrgyzstan (18975), Tajikistan (1596), Afghanistan (3) **Total: 1,066,040,**

Code	Notes	Azerbaijan Import Value	ECO member states exporting to Azerbaijan	Figure of imports from top 10 non ECO exporting countries to Azerbaijan	Capabilities of other ECO member states
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	313377	Turkey (48314), Iran (842), Kazakhstan (858), Pakistan (9), Turkmenistan (194) **Total: 50217**	Germany (60149), France (45463), United Kingdom (31214), USA (20497), China (14530), Switzerland (7249), India (5152), Russia (13797), Slovakia (10730), UAE (8655) **Total: 218167**	Kyrgyzstan (14042), Uzbekistan (8947) Afghanistan (1915), Tajikistan (410) **Total: 11, 237**
44	Wood and articles of wood; wood charcoal	285408	Turkey(23457)	Russia (191548), Belarus (27503), Ukraine (13095), Bulgaria (7182), China (3400), Poland (2345), UAE (2124), Germany (1846), Romania (1186), Vietnam (1235) **Total: 251211**	Pakistan (52681), Kazakhstan (861), Iran (2768), Uzbekistan (2011), Afghanistan (871), Kyrgyzstan (861), Tajikistan (40) **Total: 59, 233**
39	Plastics and articles thereof	278361	Turkey (92673), Iran (24860), Turkmenistan (7100), Kazakhstan (3160), Pakistan (5) **Total: 128084**	Korea (23544), Saudi Arabia (29092), USA (16389), Germany (15976), United Kingdom (9113), China (7739), Russia (7247), UAE (7009), the Netherlands (5626), Ukraine (5444), **Total: 126971**	Uzbekistan (55611), Kyrgyzstan (26640), Tajikistan (2263), Afghanistan (1969) **Total: 85, 868**
30	Pharmaceutical products	250049	Turkey (15433), Kyrgyzstan (567), Kazakhstan (70), Pakistan (211), Iran (600), Uzbekistan (11) **Total: 32325**	Switzerland (30011), Germany (20952), Russia (20235), Ukraine (11928), Georgia (21810), Hungary (12900), United Kingdom (9321), Italy (8682), Poland (8290), India (7043) **Total: 234606**	Afghanistan (1121), Turkmenistan (38), Tajikistan (28) **Total: 1, 187**
17	Sugars and sugar confectionery	228972	Turkey (2510), Kazakhstan (505), Iran (241) **Total: 3090**	Brazil (200924), Ukraine (12203), Russia (9011), Poland (1885), Finland (429), Belarus (258), Luxembourg (246), Italy (191), Iraq (135), Germany (94) **Total: 225241**	Pakistan (633568), Uzbekistan (1340), Kyrgyzstan (616), Afghanistan (32), Tajikistan(33) **Total: 635, 558**
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	204236	Iran (80842), Turkey (20693), Kazakhstan (13958), Turkmenistan (426) **Total: 115919**	Georgia (39728), Russia (32151), Ukraine (4725), China (4354), Spain (1670), Italy (1150), USA (1114), United Kingdom (663), the Netherlands (441), UAE (371) **Total: 86367**	Pakistan (722822), Uzbekistan (35985), Kyrgyzstan (21898), Afghanistan (17385), Tajikistan (90) **Total: 797380**
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings	150333	Turkey (69963), Kazakhstan (1447), Iran (83), Turkmenistan (12) **Total: 71505**	Italy (18302), United Kingdom (11968), Germany (8278), Ukraine (6296), China (4872), Russia (3424), the Netherlands (3341), UAE (3034), South Africa (2834), Spain (2099) **Total: 64170**	Pakistan (101573), Kyrgyzstan (5695), Uzbekistan (2476), Tajikistan (297), Afghanistan (116) **Total: 155, 110,**
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	143230	Kazakhstan (13191), Turkey (13691), Iran (14256), Turkmenistan (30,411) **Total: 71394**	Belgium (24363), Russia (13517), Korea (8032), the Netherlands (5608), Germany (4506), Ukraine (3834), UAE (3078), USA (2569), England (1481), Italy (718) **Total: 139099**	Uzbekistan (1283460), Pakistan (526781), Kyrgyzstan (166668), Afghanistan (55748), Tajikistan (121) **Total: 2, 778032**

Code	Notes	Azerbaijan Import Value	ECO member states exporting to Azerbaijan	Figure of imports from top 10 non ECO exporting countries to Azerbaijan	Capabilities of other ECO member states
38	Miscellaneous chemical products	113851	Turkey (17486), Iran (387), Kazakhstan (17), Uzbekistan (72) Total: 17962	U.A.E (22446), Germany (16609), United Kingdom (11644), Russia (10839), the Netherlands (7321), France (6595), China (5435), Switzerland (1795), Ireland (1034), Ukraine (1018) Total: 86105	Pakistan (19626), Kyrgyzstan (3248), Afghanistan (113), Turkmenistan (27), Tajikistan (62) Total: 116, 23
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	106290	Turkey (21372), Iran (859), Uzbekistan (124), Kazakhstan (38) **Total: 24837**	Brazil (15500), China (14342), Russia (11525), Ukraine (10017), India (5324), Venezuela (5025), USA (3217), United Kingdom (2852), the Netherlands (1016), Butter (671) **Total: 69532**	Pakistan (33243), Turkmenistan (21159), Kyrgyzstan (581), Tajikistan (204), Afghanistan (36) **Total: 55,223**
34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, 'dental waxes' and dental preparations with a basis of plaster	100489	Turkey (56555), Iran (412), Uzbekistan (5), Kazakhstan (25), Pakistan (5) **Total: 66002**	Russia (5900), United Kingdom (5779), Ukraine (5421), American (5195), France (4468), China (4533), Italy (2304), the Netherlands (2109), Germany (1738), Spain (35) **Total: 38447**	Kyrgyzstan (229), Afghanistan (75), Tajikistan (69), Turkmenistan (2) **Total: 375**
	Total	8426665	1639971	Total Azerbaijan imports of top 10 non ECO Countries 6656328 **Total Azerbaijan imports of non ECO Countries 6786694**	11578760

Source: http:// www.trademap.org

Interestingly the 20 major imported goods of Azerbaijan constitute about 85 percent of the total imports of the country in 2013.

In comparison to the information contained in the table (6), it is observed that the top 20 commodities imported by Azerbaijan are mainly from China, the United Kingdom, Ukraine, Germany, Italy, Russia, Iran, Turkey and Kazakhstan.

The presence of Russia and Ukraine among the major countries exporting to the Republic of Azerbaijan, due to the existence of free trade agreements of the community of independent States, with the Republic of Azerbaijan being a common wealth member state. Iran and Turkey are also among the

major countries exporting due to preferential trade agreements existing between the Economic Cooperation Organization member states (ECO), where the Republic of Turkey which is a member besides Azerbaijan. Therefore, the importance of membership in preferential trade agreements, and trade with other countries, in the field of exports of these three countries with Azerbaijan is evident.

In order to promote regional trade within ECO and to expand imports of Azerbaijan from the member states, with respect to the cultural, common points and proximity of these countries, the emphasis is on the implementation of bilateral and multilateral trade agreements between Azerbaijan and these countries and these are issues which shall be examined as the precondition for the boosting commercial relationships.

Consecutively we point out some strength points of Azerbaijan for promotion of trade and commercial collaborations with ECO member states:

★The strengths of Azerbaijan in order to attract foreign capitals:

- Rapid economic growth
- Unique geographical location
- Competitive production costs
- Expert and cheap work force
- Taking advantage of cheap and abundant energy sources
- The signing of the bilateral and multilateral agreements with the aim of promoting trade and investment

★The obstacles, problems and constraints of exports and investments of ECO coutries in Azerbaijan:

- Frequent changes of Import and export rules in Azerbaijan
- Obtaining import tax without clear legal basis
- Obtaining additional Levis from transit trucks
- The monopoly of imports of goods from other countries in the hands of certain people in Azerbaijan
- Poor quality of the country's infrastructure-and problems of goods transit

- High rate of government corruption
- Administrative procedures being lengthy and slow
- The lack of development of country groups (except oil)

★Proposals to enhance cooperation between Azerbaijan and other ECO countries:

- The reduction of the rate of customs tariffs in Azerbaijan
- The creation of a joint venture between the country and other ECO member states
- Decrease the effects in the sector of transport and transit problems at the country's customs
- Facilitating the issuance of visas for businessmen and merchants of ECO area
- Increase the transparency of the business among the countries and facilitate the exchange of business information among business enterprises
- Increased awareness of business opportunities in the area of joint exhibition by participation in ECO
- Provide suitable substrates to convert opportunities into business transactions
- Joint cooperation in increasing the efficiency of the methods and processes to facilitate trade
- Standardization and simplification of customs procedures and documentation
- Modernization and improve the quality of the roads, railways and communications networks (telecommunication, post, ...) and to increase their capacity
- Promoting the effective institutional mechanisms simultaneously and more efficient management techniques for the operation, management and monitoring of the performance of inland shipping systems
- Simplify the steps for testing and certification
- Standardization, technical specification and logical synchronization of road and rail vehicles, as well as carrying capacity and loading

- Preparing the necessary platform for funds such as bank relations, especially of eco bank guarantee acceptance by Azeri banks

- Taking necessary measures for transfer of land and proper facilities to investors and avoiding double taxes levied

★Conclusions:

Today that the regional cooperation and integration as a small experience of economic liberalization has been among the agenda of many Governments, the Economic Cooperation Organization (ECO) due to its economic potentials and rich resources, is considered as the most important cooperation organization in the region.

In the meantime, the foreign trade sector of ECO plays the key role and can be a decisive factor in determining the direction and position of the region's overall economic development.

In order to promote regional trade within ECO, in the meantime, research reviews the major items imported by Azerbaijan as one of the members of the ECO, it was concluded, if at least 20 superior goods imported in Azerbaijan this research have been referred, this country instead of importing these items from outside the ECO, according to the existing potential in the area of ECO, attempting to import them from other eco-region, Azerbaijan trade volume with ECO would grow about US$ 7 billion. This increase in the volume of trade within the region of Azerbaijan, can lead to the growth of the ratio of the volume of trade within the ECO region. In this regard, it is recommended that Azerbaijan Chamber of Commerce, through the authorities, assistance in preparing the ground, will help to the realization of these goals.

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Islamic Republic of Afghanistan

The Geographical –Economic Specifications:

The Islamic Republic of Afghanistan is a landlocked country located in South Asia; between Central Asia, Southwest Asia and the Middle East and its capital is Kabul.

Afghanistan's neighbors in the South and East include Pakistan, Iran in the West, Tajikistan, Uzbekistan and Turkmenistan to the north and China to the northeast.

Afghanistan with 652 thousand square kilometers, 41st largest country in the world with a population of over 31 million in 2013, which ranks forty-second most populous country in the world. Dari, Persian and Pashto are official languages of the country and Islam is the official religion.

The country has been located in an important geostrategic point, bringing East, South, West and Central Asia closer together. The country's major cities are Kabul, Kandahar, Mazar-e Sharif and Jalalabad.

Afghanistan's GDP in 2013, equals 45.3 billion dollars compared to the corresponding figure in 2012, which grew by more than 30 percent. The country's per capita income is equal to $ 1,100, while the average per capita income in 2012 was $ 13,100, demonstrating the low per capita welfare in

Afghanistan.

As in Table (1) can be seen, the volume of foreign investment in Afghanistan in 2013 amo unted to US$ 94 million in various sectors of manufacturing, services, mining, agriculture and the building.

Table 1 - Basic Information of Afghanistan in 2013

Major Mineral products	Major Industrial Products	Major agricultural products	(Foreign Investment (US$ n	(Inflation rate (percent	($Per capita income (US	Gross Domestic Product ($ Billion) per capita (US)
Coal, copper, chromium, nickel, gold, barite, iron, sulfur, salt, uranium, tin	Soap, furniture, shoes, fertilizer, clothing and textiles, food products	Wheat, fruits, nuts, wool, mutton, sheepskin	94	6.8	1100	45.3

Source: http://eng.tpo.ir / https://www.cia.gov/library/publications/the-world-factbook/ http://data.worldbank.org/indicator / http://www.afghan-web.com/facts.html

As observed in Table (2), both Pakistan and Iran are export and import partners of the Islamic Republic of Afghanistan in the ECO region.

Afghan export items include raw materials and imports of this country from the world comprise value-added materials. It should be noted that trade between Iran and Afghanistan majorly consists of foodstuffs.

Table 2 - major items of trade and major partners of Afghanistan

The main items for export to the world	Raisins, vegetables and juices, sesame, fresh or dried fruits, cotton, iron and steel, resin, gum
The main items imported from the world	Natural fuel, oil, automotive products, electrical and electronic equipment, machinery, boilers, optical products, footer, technical, medical, aircraft, wheat and flour
Afghanistan's export partners	Pakistan, India, Iran, China, Saudi Arabia, Germany
Afghanistan's import partners	Pakistan, China, Japan, Iran, Germany, India, England
The main items of exports from Iran to Afghanistan	Live animals, meat, fish, nuts, eggs, honey, animal products, plants, flowers, vegetables, fruits, seeds, coffee, tea, spices
The main items imported to Iran from Afghanistan	Sesame seeds, grains and fruits, plants and their components, sesame oil, hard-skinned fruits, gum and resin, juice, coffee, tea

Source: http://eng.tpo.ir / http://www.trademap.org

By observing the amounts indicated in the table below we can see that the volume of trade in Afghanistan was US$ 5.5 billion in 2010, with a growth of more than 50 percent reached US$ 8.4 billion in 2012, While in the same period (2012-2010), trade between Afghanistan and ECO region has decreased. Note that the volume of bilateral trade between Afghanistan and Iran's in 2012 compared to 2009 grew by more than 200 percent.

Afghanistan's total import volume in 2012 was equal to US$ 7.9 billion of this figure, the highest imports were from Pakistan (883 million dollars), China (713 million dollars), Japan (600 million dollars), Iran (498 million dollars), Germany (260 million dollars), India (118 million dollars) and the UK (30 million dollars).

The Islamic Republic of Afghanistan in 2012 conducted about US$ 6.1 billion worth of trade with the other ECO member states which has decreased considerably compared to the corresponding figure in 2011.

Table 3 - Afghanistan's trade value with the world from 2006 to 2012

(Million Dollars)

year	2006	2007	2008	2009	2010	2011	2012
Exports	416	454	545	403	388	473	**468**
Imports	2744	3022	3020	3336	5154	10477	**7969**
Total volume	3160	3476	3565	3739	5542	10950	**8437**
Trade Balance	-2328	-2568	-2475	-2933	-4766	-10004	**-7501**

Source: www.trademap.org

Table 4 - Afghanistan's trade value with the ECO member states from 2008 to 2012:

(Million Dollars)

year	2008	2009	2010	2011	2012
Exports to ECO	320	252	236	223	**228**
Imports from ECO	1085	1872	2613	3314	**1382**
Total volume	1405	2124	2849	3537	**1610**

Source: www.trademap.org

Table 5 - Afghanistan's trade value with I.R Iran from 2008 to 2012:

(Million Dollars)

year	2008	2009	2010	2011	2012
Afghanistan's Imports from Iran	176	117	387	582	**498**
Afghanistan's Exports to Iran	19	42	32	20	**27**
Total volume of trade between Iran and Afghanistan	195	159	419	602	**525**

Source: www.trademap.org

★Afghanistan as members of the Economic Cooperation Organization (ECO):

Economic Cooperation Organization (ECO), is a regional inter governmental organization. Establishment history of the ECO dates back to 1962, when Iran, Turkey and Pakistan formed Regional Cooperation for Development (RCD) which ran till 1979's, until in 1985 in cooperation with Iran, Pakistan and Turkey, the Economic Cooperation Organization was founded and in 1992 by accession of Uzbekistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Afghanistan the number of member countries raised to 10.

Several agreements have been signed in this organization which is still in the process of implementation facing operational problems. The Islamic Republic of Afghanistan has signed below agreements in the form of regional cooperation, but they are not yet implemented.

- ECO Trade Agreement (ECOTA)
- ECO Agreement on Visa Facilitation
- ECO Transit Trade Framework Agreement (TTFA)
- Agreement on the Promotion and Protection of Investments (APPI)

★Studying the potentials to increase trade between Afghanistan and ECO countries:

As presented in the beginning of the report, Afghanistan's total trade volume of 2012 was US $ 8437 million of which only US$ 1610 million was transacted with the ECO region comprising less than 20 percent of the figure.

Certainly the business potential of Afghanistan (Afghanistan import potential of the ECO region in our review) is more than the figure achieved in 2012. In this study, the potential of Afghanistan's trade in the ECO region, in terms of the country's main import items, are considered. Therefore, in each of these items the value of imports from ECO out of the country's total value of imports as well as the export value of these products from Afghanistan to ECO compared to the figure exported to other countries are mentioned Separately.

Then, by comparing the imports of Afghanistan from non ECO countries and the exports of these countries to the world in each of the selected items, it can be concluded that giving priority ECO countries instead of non member states as the exporting country to Afghanistan, may help increase the volume of intra-regional trade.

During the commercial needs assessment study in the ECO region, with

20 top imported items of Afghanistan (in terms of value of imports), the total imports in 2012 and the top 20 imported items, the equivalent of US$ 3799.87 was calculated out of which , only US$ 661.417 million (17 .44per-cent) have been imported from the ECO region. On the other hand, other ECO member countries have exported US$ 388.315 million of worth of these 20 items to the world demonstrating that if Afghanistan would utilize the commercial potential of the ECO region, it would have experienced a 13 per-cent increase of its trade in the top 20 items with the ECO region.

Table 6 - Top 20 imported items of Afghanistan in 2012

(Figures in thousand dollars)

Code	Notes	Afghanistan's import value	ECO Countries Exporting to Afghanistan	Non ECO Countries Exporting to Afghanistan	Other capabilities of ECO Countries to replace (US $ m)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	1517526	Pakistan (64041) Iran (51555) **Total**: 115 596	China (1345), Germany (1236), India (48), Other regions (1399301) **Total**: 1401930	Kazakhstan (64490), Azerbaijan (22 260), Turkmenistan (9955), Turkey (7708), Uzbekistan (355), Kyrgyzstan (330), Tajikistan (8) **Total**: 105 106
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	721789	0	Japan (500,658), Germany (220,044), Britain (1087) **Total**: 721 789	Turkey (16 178), Uzbekistan (730), Kazakhstan (41), Kyrgyzstan (122), Pakistan (71), Iran (55), Azerbaijan (2), Turkmenistan (2), Tajikistan (1) **Total**: 17202
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	536367	Iran (94324)	Other regions (442,043)	Turkey (1201), Azerbaijan (221), Pakistan (220), Kazakhstan (62), Turkmenistan (0.1), Uzbekistan (0.1), Kyrgyzstan (0.1) **Total**: 1,704.3
72	Iron and steel	345207	Pakistan (91,860), Iran (72,854) **Total**: 164 714	Other regions (169,070), China (10,276), India (1147) **Total**: 180 493	Turkey (11334), Kazakhstan (5891), Azerbaijan (58), Kyrgyzstan (33), Uzbekistan (2), Tajikistan (0.3), Turkmenistan (0.2) **Total**: 17,318.5
11	Products of the milling industry; malt; starches; inulin; wheat gluten	65498	Pakistan (52470)	Other regions (13028)	Turkey (1021), Kazakhstan(620), Pakistan (264), Iran (0.7), Azerbaijan (0.3), Turkmenistan (0.1), Uzbekistan (0.2), Kyrgyzstan (0.1), Tajikistan (0.1) **Total**: 1,906.5
68	Articles of stone, plaster, cement, asbestos, mica or similar materials	163334	Pakistan (162,918)	Other regions (416)	Turkey (1224), Kazakhstan (0.3), Iran (0.18), Azerbaijan (0.11), Turkmenistan (0.06), Tajikistan (0.04), Uzbekistan (0.019), Kyrgyzstan (0.017), Afghanistan (0.016) **Total**: 1224.75
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	110202	Pakistan (5428), Iran (1480) **Total**: 6908	China (74,760), India (19,885), Japan (1326), England (27) Other regions (7296) **Total**: 103 294	Turkey (1350), Turkmenistan (320), Kyrgyzstan (23), Uzbekistan (1), Kazakhstan (0.1), Azerbaijan (0.1), Afghanistan (0.1) **Total**: 1694
09	Coffee, tea, maté and spices	69064	Pakistan (3211)	China (5422), India (414) Other regions (60 017) **Total**: 65,853	Turkey (1180), Iran (105 e), Azerbaijan (0.04), Afghanistan (0.05), Kazakhstan (0.006), Uzbekistan (0.005), Kyrgyzstan (0.001) **Total**: 2570
30	Pharmaceutical products	36018	Pakistan (18403), Iran (7543) **Total**: 25,946	India (5742), China (4330) **Total**: 10072	Turkey (754), Kazakhstan (0.02), Uzbekistan (0.003), Azerbaijan (0.003), Kyrgyzstan (0.002), Afghanistan (0.001) **Total**: 755
40	Rubber and articles thereof	31077	Pakistan (2896)	China (22,159), Japan (4400), India (1130), Germany (492) **Total** : 28181	Turkey (2425), Kyrgyzstan (12), Kazakhstan (0.022), Pakistan (0.014), Iran (0.038), Tajikistan (0.001), Uzbekistan (0.001), Azerbaijan (0.001) **Total**: 2438
62	Articles of apparel and clothing accessories, not knitted or crocheted	20919	Pakistan (9761)	China (7209), India (3648), Japan (207), England (94) **Total**: 11158	Turkey (5435), Kyrgyzstan (115), Turkmenistan (0.018), Tajikistan (0.016), Kazakhstan (0.01), Uzbekistan (0.005), Azerbaijan (0.001), Iran (0.001) **Total**: 5550
64	Footwear, gaiters and the like; parts of such articles	19729	Pakistan (4892)	China (14776), Germany (61) Collection: 14837	Turkey (547), Kazakhstan (0.05), Uzbekistan (0.007), Kyrgyzstan (0.002), Iran (0.004), Tajikistan (0.001), Afghanistan (0.001), Azerbaijan (0.001) **Total**: 548
24	Tobacco and manufactured tobacco substitutes	13843	Pakistan (675)	Japan (8163), China (2,528), India (1074), Germany (968), England (435) **Total**: 13168	Turkey (843), Kazakhstan (0.08), Uzbekistan (0.02), Kyrgyzstan (0.01), Azerbaijan (0.008), Tajikistan (0.001), Iran (0.001) **Total**: 844

Code	Notes	Afghanistan's import value	ECO Countries Exporting to Afghanistan	Non ECO Countries Exporting to Afghanistan	Other capabilities of ECO Countries to replace (US $ m)
34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, 'dental waxes' and dental preparations with a basis of plaster	11192	Pakistan (7070)	China (2290), Germany (1052), India (780) **Total:** 4122	Turkey (854), Kazakhstan (0.032), Iran (0.033), Uzbekistan (0.001), Kyrgyzstan (0.001), Azerbaijan (0.001), Afghanistan (0.001) **Total:** 855
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	9334	Pakistan (103)	China (8945), Japan (286) **Total:** 9231	Turkey (9380), Kazakhstan (240), Uzbekistan (0.087), Kyrgyzstan (0.029), Iran (0.070), Azerbaijan (0.032), Turkmenistan (0.003), Tajikistan (0.002) **total:** 9620
17	Sugars and sugar confectionery	6919	Pakistan (6534)	-	Turkey (504), Azerbaijan (214), Kazakhstan (0.030), Iran (0.021), Uzbekistan (0.001), Kyrgyzstan (0.001) **Total:** 719
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	6111	-	China (5926), Japan (185) **Total:** 6111	Turkey (1033), Pakistan (0.040), Kazakhstan (0.017), Azerbaijan (0.012), Kyrgyzstan (0.009), Uzbekistan (0.003), Iran (0.003) **total:** 1034
81	Paper and paperboard; articles of paper pulp, of paper or of paperboard	2230	Pakistan (288)	China (1942)	Kazakhstan (332), Turkey (0.014), Uzbekistan (0.017), Iran (0.001), Pakistan (0.001) **Total:** 333
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	1973	Pakistan (1354), Iran (218) **Total:** 1572	China (287), Japan (4), other areas (110) **Total :** 401	Turkey (223), Kyrgyzstan (112), Iran (87) **Total:** 422
31	Fertilizers	1458	Pakistan (1458)	-	Iran (1106), Uzbekistan (212), Turkey (147), Kazakhstan (0.065), Kyrgyzstan (0.005), Azerbaijan (0.001) **Total:** 1466
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	81	Pakistan (81)	-	Kazakhstan (3533), Turkey (1267), Uzbekistan (327), Iran (536), Turkmenistan (0.020), Azerbaijan (0.049), Kyrgyzstan (0.003), Tajikistan (0.001) **Total:** 5664
Total		**3,799,870**	**661,417**	**3,138,453**	**388,315**

Source: http://www.trademap.org

By examining the data in Table 6, we see that Afghanistan has imported its top 20 items from China, Germany, Pakistan, India, Iran, Japan and the United Kingdom.

As we know, Afghanistan shares borders with Tajikistan, Uzbekistan, Turkmenistan, Iran, Pakistan and China which could affect the process of Afghanistan's imports from these countries. While amongst the ECO member states, Afghanistan has mainly imported from Iran and Pakistan.

On the other hand, by surveying the non ECO trading partners of Afghanistan, it is concluded that in some cases, such as China and India, such factors as common borders and geographical proximity and lower cost of imported goods and in other cases issues such as the signing of preferential trade agreements and other business political, and economic relations between Afghanistan and these countries are of the main reasons for the expansion of trade with the said countries.

For example, Afghanistan has a lot of interest in strengthening relations with China, Japan, Germany and the UK. The first advantage of an increase in the level of relations with these countries for Kabul is that Afghan leaders in this way can achieve greater independence. The second benefit is that investments of these countries can help Afghanistan provide crucially needed funds.

In order to promote intra-regional trade and the development of Afghanistan's imports from ECO member states , due to cultural affinity and proximity of these countries, the emphasis on the implementation of bilateral trade agreements between Afghanistan and these countries is one of the issues that should be considered as a precondition for promotion of trade relations.

The following are some important factors in the development of intra ECO commercial collaborations with Afghanistan:

★The most important investment priorities in Afghanistan:

- Light industry, food, building materials, pharmaceutical industry
- Labor- consuming and employment- creating industries
- Technological industries with the possibility to export to other countries such as petrochemical, textile and textile finishing industry (assembly)

- Export of Engineering Services with an emphasis on priority sectors of mining, water, energy and road building

- Agricultural processing industry, processing and packaging

- Livestock industry: slaughterhouses, cold storage, processing industry

- Supply of raw materials, carpet, plastic consumer goods, glass, cement, building health products

- Tourism: Construction and renovation of hotels and residential centers, restaurants and cultural heritage

★Obstacles, problems and limits of exports and investment of ECO countries in Afghanistan:

- Lack of roads

- Entry of smuggled goods and availability of multiple entry channels

- Lack of commercial guarantees

- Lack of opposite bilateral traffic truck (waste of time and other damages) in the field of investment

- Lack of proper infrastructure in: energy, roads, support systems, utilities, land

- Lack of security and the absence of major investment companies

- Strict conditions for use of Export Guarantee Fund facilities

- Short-term mindset of investors in this low-mobility market

★Proposals to enhance cooperation between Afghanistan and other ECO countries:

- Simplification of Visa Procedures for Businessmen of the ECO region

- Increasing the business transparency between the countries

- Raising awareness of business opportunities in the ECO region by holding joint meetings or exhibitions with participation of trade associations in Afghanistan

- Facilitation of the exchange of business information among business agencies

- Provision of appropriate backgrounds to convert opportunities into business deals

- Joint cooperation in increasing the efficiency of procedures and trade facilitation processes

- Standardization and simplification of customs documentation and procedures

- Promotion of joint investment in capacity of rail transport and communication hardware production

- Modernizing and improving the quality of roads, rail and communication networks (telecom, post, etc.) and increasing their capacity

- Promotion of effective mechanisms at institutional and managerial procedures to streamline operations, manage and monitor the performance of the inland transport system

- Simplification of the testing and certification procedures

- Standardization, rationalization and harmonization of the technical specifications of vehicles as well as road and rail transport loading capacity

- Preparation of the necessary conditions to attract funds such as banking relations, specially the acceptance of bank guarantees of ECO member states banks by Afghan banks

- Taking the necessary measures to transfer of land and facilities to investors and avoiding double taxation and duties

- Solving the customs transit problems in Afghanistan

- Reduction of high customs tariffs of Afghanistan

★Conclusion:

The regionalism that began in 1956 is a proper strategy for dealing with the negative phenomena of globalization.

It is expected that the Economic Cooperation Organization (ECO), which has past behind the decade of background preparation and entered the stage of stabilization and progress, can follow the promotion of intra- ECO regional trade through consultation and participation of all member states.

The development of intra-regional trade is one of the priorities of the organi-

zation and can have a great impact on elevating the living standards of people in the region. It is therefore essential to promote programs and seriously conduct implementations for development intra-regional trade.

In the present study, we have examined the main imported items of Afghanistan as a member of ECO, and it was concluded that if at least top 20 imported items of the country that have been mentioned in this study, given the existing potentials of the ECO region, Afghanistan can import them from member states rather than outside the region, the country's trade volume will grow by US $ 388.315 million (equivalent to 13% of the total trade volume of the country).

The increase in the volume of intra-regional trade of Afghanistan can lead to the growth of total intra-regional trade of the ECO region. As once Afghanistan imports its total required goods (up to 20 items referred to in this study) from within the ECO region, we will witness growth in intra-regional trade more the results expected according to this study. In this regard, it is recommended that the Afghanistan Chamber of Commerce with infrastructures which have been prepared by the authorities of the country shall help to achieve these goals.

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Republic of Kazakhstan

★The Geographical –Economic Specifications:

Republic of Kazakhstan is a country in Central Asia. In 1998, the capital Almaty in the south, the largest city of the country moved to Astana in the north.

Kazakhstan's population was 17 million and 950 thousands in 2014, and Kazakh and Russian languages are spoken and its official currency is Tenge.

Kazakhstan is the largest landlocked country in the world, and the population density is low.

The country has borders in the north with Russia, in the East with China, in the southeast with Kyrgyzstan, in the south with Uzbekistan and in the southwest with Turkmenistan. The northeast coast of the Caspian Sea lies on the territory of this country.

Kazakhstan has an area of 27,024,900 square kilometers and is as large as Western Europe. The country is extended from the Caspian Sea in the West to the Altai Mountains in the East. Kazakhstan's northern borders are in the Western Siberia and its southern borders in the deserts of Central Asia. Despite the large size of the country as the ninth largest one in the world, most of it comprises of deserts and steppes.

Kazakh plain with an area of 804,500 square kilometers comprises one third

of the country's area and is the largest dry steppe region in the world. Wide sands are characteristic of grasslands and plains.

The country has hot summers and cold winters. It is of relatively low rainfall as the lands are in dry to semi-arid conditions. Extensive land and availability almost all kinds of climatic and soil conditions, has made Kazakhstan a country suitable for the development of forestry, hunting, fishing and agriculture.

The major cities of Kazakhstan include Astana, Almaty, Karaganda, Chymkent, Atyrau and Askman. Large cities are Almaty with a population of about 1.5 million, Astana and Karaganda with a population of about 700 thousand. Except the mentioned cities, Octau, Pavlodar, Petropavlesk as well as ost Kamengorsk are worth mentioning.

Kazakhstan has the highest GDP and per capita income among the newly independent republics and is also an important member of the Shanghai Cooperation Organization.

In 2013, the country had a GDP equal to US$ 224.9 billion, as the fourth-largest economy among the ECO member states (after Turkey, Pakistan and Iran).

Gross investment made in the country in 2013 exceeds US$ 9739 million, which is about 40 per cent of 4/24 billion investment made in the ECO region.

The commercial potential of Kazakhstan in the ECO region is high. For example, the country is an exporter of oil and gas and on the other hand, Turkey, Pakistan and Afghanistan are the buyers of energy.

The above points demonstrate more evidently Kazakhstan's importance among regional organizations such as the ECO.

However, in Kazakhstan there is no limit for capital investment, but is subject to certain rules. Kazakhstan is one of 20 countries in the world in terms of investment and one of 13 innovative economies in the world with an economic growth at around 8% recorded in recent years. The country's economy relies heavily on agriculture, especially wheat. Livestock, fruits, vegetables and rice are among other sources of revenue for the country. Production of industrial machinery, agricultural and construction machinery in Kazakhstan make up an important part of the country's industry. Today industrial agriculture in Kazakhstan with continuing economic growth ensures food security and export of agricultural products to abroad.

In Kazakhstan there are various factories such as: machinery, tools, steel,

copper, cement, chemicals, fertilizers, electronics, mining, and rubber and light industries such as clothing, footwear, equipment and food.

Table 1; the Basic Information on Kazakhstan 2013

Gross domestic product (Billions of dollars)	Per capita income (US (Dollar	(Inflation Rate (percent	Foreign Investment volume ((US$M	Major crops	Major industrial products	Most significant natural resources
224.9	14,100	5.8	9739	Cereals (wheat),cotton, live animals	Tractors and industrial machinery, electric motors, construction materials	Oil and gas, coal, iron ore, manganese, chromium, lead, zinc, copper

Source: http://eng.tpo.ir/ https://www.cia.gov/library/publications/the-world-factbook/

http://data.worldbank.org/indicator/

The following table represents some of the important items produced in Kazakhstan and the amount for each of them:

Table 2 -Some of Kazakhstan's Industrial Products in 2013

Row	Item	production rate (In million tons)
	Oil, gas and byproducts	
1	Coal	119
2	Oil	82
3	Gas extraction	billion Cubic meters 42

Row	Item	production rate (In million tons)
4	(Gas (ready to use	billion Cubic meters 23
5	Gasoline	2.688
6	Diesel	4.075
7	Heavy oil	3.473
8	Avgas	0.408
9	liquid gas	2.5
Metallurgical and Mining		
10	iron ore	25
11	Iron Pellets	6.9
12	copper mine	42
13	Copper and zinc mine	4.9
14	bauxite	5.2
15	Lead concentrate	0.041
16	Zinc Concentrate	0.361
17	Manganese Mine	2.8
18	Chrome Ore	5.2
19	Chrome Concentrate	4.2
20	gold mine	14
21	Gold Concentrate	0.178
22	Steel	3.4
Other		
23	Marble	Cubic meters 0.652
24	Granite	Cubic meters 4.6
25	Plaster	13
26	Sulfur	2.4
27	Edible salt	519
Food products		
28	Canned food	0.058
29	Fresh fish	0.021
30	Canned fish	0.01
31	Canned vegetables	0.004

Row	Item	production rate (In million tons)
32	Fruit and vegetable juice	Cubic meters 172
33	Vegetable oil	0.275
34	Butter	0.13
35	Cheese	0.22
36	Flour	3.4
37	Bread	0.075
38	Cakes and pastries	0.028
39	Macaroni	0.151
40	Sugar	0.331
41	Chocolate and sweets	0.093
42	Tea and coffee	0.021
43	Ketchup and sauces	0.005
44	Mayonnaise	0.031
45	Leaven	0.004
Other		
46	Passenger car	vehicles 370000
47	Cargo car	vehicles 2000

The use of external capital resources as one of the main policies in different countries, constitute an important part of economic exchanges.

Due to the effects of foreign investment, particularly foreign direct investment (FDI) in addition to internal capital resources, on the development of the country, the FDI has been popular among different countries. Third World countries, both developed and developing are exerting extensive efforts to direct these funds to countries of their own.

The most important measures of countries to attract foreign investment are providing investment climate and economic activities in a safe and easy environment, amending related laws and regulations; facilitate the process of implementation of investment projects and other similar actions. Experience has shown that countries which have proved prosperous in providing appropriate context and legal framework and regulations have also been successful in attracting foreign investment.

The annual need of Kazakhstan to import all kinds of imported goods, at-

tracting foreign investment and open-door policy in the country has led to active presence of hundreds of trade, manufacturing foreign investor companies including commercial companies and technical and engineering services firms from Iran in the country.

Priority projects for investment in Kazakhstan are of advantages such as tax exemptions and exemptions from payment of customs duties for the import of equipment for launching the respective projects.

Kazakhstan has large reserves of fossil fuels and minerals such as metals, uranium, copper and zinc. It also has a large agricultural sector featuring livestock and grains. In 2002, Kazakhstan was the first country among the republic of the former Soviet Union which succeeded to receive an investment credit rating grade.

The main traded items of Kazakhstan for neighbor countries are oil and grain. Caspian Sea ports, oil pipelines and rail transport, have been updated, but air and land transport still need attention.

Prime Minister of Kazakhstan meanwhile has stated that his respective country is developing a new strategy for development in the industrial sector of economy between 2013 and 2020.

Kazakhstan is located in the heart of Asia and through this country large parts of Asia and the Pacific are connected to the Middle East, Central Asia and Europe. After independence, a top priority of the government of Kazakhstan was to create a suitable environment and encouragement of foreign investment into the country.

The volume of investment in Kazakhstan's economy, demonstrate the favorable investment atmosphere in the country. Today, Kazakhstan is the leading country among CIS ones in terms of foreign investments.

Factors affecting investment in Kazakhstan can be summarized as following:

1. The suitable business environment, which is formed and influenced by favorable investment laws, measures to support investment attraction and economic and political stability.

2. Abundant Natural resources and minerals. The Intelligence sources estimate that Kazakhstan is the world's sixth largest country in terms of natural resources.

3. Kazakhstan is located in the heart of Eurasia as through the country large areas of Asia and the Pacific are connected to the Middle East, Central Asia and Europe.

Three countries, namely Russia, China and India out of four BRICS member states are near Kazakhstan and the Customs Union of Russia, Belarus and Kazakhstan with a population of 170 million consumer market will allow investors to take the opportunities and new horizons have been opened for effective implementation of investment projects in the country.

Today, all the necessary legal frameworks have been created to invest in Kazakhstan. In 2003, the "Law on Investment" was adopted, which includes legal and economic frameworks for foreign investment. According to the international experts "Law on Investment" is one of the best laws in the field of investment in developing countries. The law guarantees the protection of investors and specifies the stability of contracts to be quite clear and the relationship between state institutions and foreign investors (free investment, return on investment, free use of the profits, the right to private ownership of land to foreign companies, etc.). It is worth mentioning that the actions of government in support of foreign investors are the same treatment conducted towards the domestic investors.

In this country the legal framework for the protection of intellectual property has taken place. For this purpose, an institution created and registered for legislation to protect intellectual property rights and laws necessary to ensure the effectiveness of their rights (civil, criminal, administrative codes, copyright and related rights). The law also provides support to investment, especially investments that are in priority.

Kazakhstan in recent years has significantly changed their fiscal policies in order to reduce the tax rate have changed. The low electricity tariffs in the Republic of Kazakhstan as well as low electricity prices and railway fares can partially compensate the problems of the investors who are away from urban centers. The tax code of Kazakhstan includes signing 44 international agreements on avoidance of double taxation, which in general will reduce the tax burden on business and will in turn be efficient in the development and prosperity of investment.

It was decided that during 2010- 2014 industrial and investment development programs be implemented in the country by the government, where an attractive environment for investors will be provided in which investors who are willing to implement projects in the following sectors will be treated in priority:

- Refining and oil and gas related infrastructure, mineral complexes, nuclear and chemical industries and a conglomeration of primary production of raw materials and advanced technologies.

- Mechanical engineering, construction, medicine and so on.

- Agriculture, light industry and tourism.

- ICT, technology, alternative energy and space industries.

It should be noted, only in the first year of implementation of the program, 152 companies were formed through investment, including foreign investment. A total of about 800 different industries are also planned in the country.

A program to support small and medium businesses under the "road map business 2020" is planned to consider the following:

- Subsidies for raw.

- Loan guarantees.

- Supporting the development of production infrastructure (industrial).

- Business support services (consulting, legal and accounting services, etc.).

- Training of staff required.

Also in order to initiate and develop direct dialog with investors operating in Kazakhstan, Foreign Investment Council has been established under the support of President of Kazakhstan. During the Council meetings, the economic development issues or issues related to investment activities are discussed. The organization related the council is the investment and new technologies committee of the Ministry of Industry of the Republic of Kazakhstan.

Thus, Kazakhstan has provided all conditions for investment, including a market economy, favorable tax and customs regime as well as laws for protection foreign investment. Therefore, with circumstances mentioned, the gates of Kazakhstan are always open to new opportunities and investors in modern technology, production and management are welcome.

More than forty countries, including ECO member states such as Iran, Pakistan, Turkey, Kyrgyzstan, Azerbaijan, Tajikistan and Uzbekistan signed mutual investment support agreements with the country.

According to Kazakhstan's investment law, an investor can be exempted from customs duties for the import of equipment, spare parts needed for

investment projects and investment priorities in the sector, according to the list approved by the Government of the Republic of Kazakhstan No. 436 dated 8 May 2003.

Government assistance, include land, building, machinery and equipment, computer equipment, measurement and control devices and equipment, vehicles, excluding motorcycles, and household equipment. Investors, who wish to get government assistance, should visit and sign the contract at the investment committee of the Ministry of Industry and New Technologies of the Republic of Kazakhstan.

The volume of foreign investments in Kazakhstan in 2013 exceeded to US$ 9739 million dollars in different parts of the country which demonstrates growth of about 30 percent compared to foreign investment in 2010.

As seen in Table 3, Kazakhstan is one of the major exporters of oil and gas in the world and mainly vehicles, medicines and equipment are imported from other countries.

Table 3 - Major traded items and major partner countries of Kazakhstan in 2014

The main items for export to the world	Oil and petroleum products, gas, oil, grains (wheat), zinc, copper, silver
The main items imported from the world	Passenger cars, freight cars, oil and petroleum products, drugs and data processing devices
Kazakhstan's export partners	China, Russia, Italy, Netherlands, France
Kazakhstan's Import partners	Russia, China, Ukraine, Germany, U.S
The main items of export of Iran to Kazakhstan	Pistachio, cement, palm, paint and coatings, potato and fresh apples
The main items imported to Iran from Kazakhstan	Wheat, barley, products of iron / steel, cotton and sunflower seed meal

Source: http://eng.tpo.ir/

https://atlas.media.mit.edu/en/profile/country/kaz/

With a view of figures in Tables 4, 5 and 6 it is observed that Kazakhstan's

trade volume with the world fluctuated constantly. With a positive growth in 2012 by about 9% compared to 2011, Kazakhstan's trade with the world reached about US$ 14 billion, while from 2012 to 2014, the country's trade with the world has decreased.

Trade between Kazakhstan and the ECO region in 2013 was US$ 8.8 billion, and with a growth of 4% reached US$ 9.2 billion in 2014. On the other hand the Republic of Kazakhstan's trade with Iran in 2014 compared to 2013 grew more than 60 percent.

The total import volume of Kazakhstan in 2014 was US$ 41,213 million, as out of this figure, the highest imports were from Russia, China, Germany, U.S, Ukraine, France, Korea, Italy, Turkey, Uzbekistan, Japan, Belarus, England, Netherlands , Spain, Czech Republic, Kyrgyzstan, Tajikistan, Turkmenistan and Iran.

Table 4 - Kazakhstan's trade with the world from 2008 to 2014

(million dollars)

Year	2008	2009	2010	2011	2012	2013	2014
Exports	71172	43196	57245	88108	92282	82511	78237
Imports	37816	28409	24024	38011	44539	48872	41213
Total	**108988**	**71605**	**81269**	**126119**	**136821**	**131383**	**119450**

Source: http//:www.trademap.org

Table 5 – Kazakhstan's trade with ECO from 2008 to 2014

(million dollars)

Year	2008	2009	2010	2011	2012	2013	2014
Kazakhstan's exports to ECO	6990	4226	4927	6387	7310	6214	6383
Kazakhstan's imports from ECO	2219	1255	1429	1987	2298	2680	2856
Total	**9209**	**5481**	**6356**	**8374**	**9608**	**8894**	**9239**

Source: http//:www.trademap.org

Table 6 - Value of trade between Iran and Kazakhstan from 2008 to 2014

(million dollars)

Year	2008	2009	2010	2011	2012	2013	2014
Kazakhstan's Imports from Iran	58.8	24.1	26.4	34.9	51.1	81.6	93.9
Kazakhstan's Exports to Iran	2040	1280	1094	1078	626.9	538.9	893.1
Total	**2098.8**	**1304.1**	**1120.4**	**1112.9**	**678**	**630.5**	**987**

Source: http//:www.trademap.org

★Kazakhstan as a member of the Economic Cooperation Organization (ECO):

The Economic Cooperation Organization (ECO) is a regional inter governmental organization. Establishment history of the ECO dates back to 1962 when Iran, Turkey and Pakistan formed the Regional Cooperation for Development (RCD) which was active until 1979. In 1985 with cooperation of Iran, Pakistan and Turkey, ECO was founded and in 1992 by joining Uzbekistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Afghanistan to the Organization, the number of member countries rose to 10.

Despite the ECO being new, the organization has achieved success in the region and the world, but ECO has faced numerous problems in achieving its planned objectives.

Several agreements have been signed within this organization which have faced problems in the process of implementation and have not been operationalized. In the framework of regional cooperation, Kazakhstan has signed the following agreements but has not been implemented so far:

- ECO Agreement on Visa Facilitation
- ECO Transit Trade Framework Agreement

★Studying the potentials to increase trade between Kazakhstan and ECO countries:

As seen in the figures contained in the report, the total volume of trade of Kazakhstan in 2014 stands at 119, 450 million dollars as out of this figure only US$ 9,239 million was transacted with the ECO region, which is less than 8%.

Certainly the business potential of Kazakhstan (in our review of the country's import potential of the ECO region) is more than the figure achieved in 2014. In this study, the potential of Kazakh trade in the ECO region is considered through country's main import items.

Therefore, in each of these items, the total value of imports of Kazakhstan has been separated with respect to the value of imports from ECO and the rest of the world and in contrast the value of exports of other ECO member countries of these items has been mentioned.

Then, by comparing the imports of Kazakhstan from ECO member countries and the export of ECO countries to the world in each of the considered items , it can be concluded that by giving priority to ECO member countries as the exporters to Kazakhstan instead of non ECO countries , it will be possible to increase intra-regional trade.

By commercial-need assessment study in the ECO region, reviewing of 20 top imported items of Kazakhstan in 2014 (in terms of value of imports), it became known that the total imports in 2014 in the top 20 imported items is almost "equal to US$ 27843 million, which as out of this figure, only US$ 1,990 million (about 7%) has been imported from the ECO region. On the other hand, other ECO member countries have exported the US$ 63 659 million worth of the 20 mentioned items to the world as should Kazakhstan utilize the commercial potential of the ECO region, 100% of its trade in the top 20 imported items would have been done with the ECO region.

Table 7 - Top 20 imported items of Kazakhstan in 2014

(Thousands of dollars)

Code	Notes	Kazakhstan's import value	ECO Countries Exporting to Kazakhstan	Non ECO Countries Exporting to Kazakhstan	Other capabilities of ECO Countries to replace (US$ m)
84	Machinery, nuclear reactors, boilers, etc	6,806,716	Turkey (179,350), Iran (5,288), Kyrgyzstan (4,364), Azerbaijan (3,043), Tajikistan, Afghanistan (93), Pakistan (11) **Total: 192,264**	China (1,974,638), Russia (1,208,190), Germany (651,626), U.S (576,842), Italy (322,429), Ukraine (192,352), Korea (182,216), England (167,621), Japan (139,638), Czech (102,212) **Total: 5,517,164**	Turkmenistan (12,052), Uzbekistan (34,232) **Total : 46,284**
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	4,394,368	Uzbekistan (205,418), Turkey (42,774), Kyrgyzstan (7,129), Turkmenistan (560), Iran (120), Afghanistan (39) **Total: 256,040**	Russia (1,701,452), Japan (517,156), Korea (396,186), China (359, 975), Uzbekistan (205,418), U.S (204,399), Germany (194,644), Belarus (156,521), Czech Rep.(115,624), Slovakia (75,335) **Total: 3,926,439**	Azerbaijan (6,486), Tajikistan (11,661), Pakistan (59,656) **Total: 77,803**
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	3,972,002	Turkey (113,268), Uzbekistan (6,556), Kyrgyzstan (5,274), Azerbaijan (2,077), Afghanistan (179), Iran (111) **Total: 127,465**	China (1,161,360), Russia (888,781), Germany (259,516), Vietnam (182,874), U.S (143,650), France (142,929), Korea (132,263), England (93,268), Spain (86, 151), Italy (68,279) **Total: 3,159,071**	Pakistan (95,371), Tajikistan (4,278), Turkmenistan (2,948) **Total: 102,597**
73	Articles of iron or steel	2,458,243	Turkey (71,850), Kyrgyzstan (4,524), Iran (3,801), Azerbaijan (2,742), Uzbekistan (1, 741) **Total: 84,658**	Russia (793,472), China (555,323), Ukraine (176,208), Germany (139,372), Italy (132,808), U.S (88,599), Japan (67,314), Mexico (61,079), England (53,255), Korea (27,088) **Total:1, 094, 520**	Afghanistan (597), Pakistan (199,652), Turkmenistan (784), Tajikistan (278) **Collection: 201, 311**

Code	Notes	Kazakhstan's import value	ECO Countries Exporting to Kazakhstan	Non ECO Countries Exporting to Kazakhstan	Other capabilities of ECO Countries to replace (US$ m)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	2,302,449	Uzbekistan (192,316), Turkmenistan (93,362), Kyrgyzstan (8,110), Azerbaijan (1,707) **Total: 295,495**	Russia (1, 697,002), Belarus (81,724), China (42,962), Finland (36,180), Germany (29,771), Italy (23,640), Korea (14,846), U.S (14,018), Lithuania (10,463), Belgium (7,928) **Total:1,958,534**	Afghanistan (88,568), Iran (50,717,190), Pakistan (647,584), Turkey (6,126,953), Tajikistan (8,059) **Total: 57,588,354**
39	Plastics and articles thereof	1,482,135	Turkey (86,386), Kyrgyzstan (13,246), Uzbekistan (12,123), Iran (9,511), Azerbaijan (501), Pakistan (108) **Total: 121,875**	Russia (599,736), China (340,972), Korea (104,137), Germany (66,316), Belarus (22,822), U.S (22,073), Italy (18,561), Ukraine (18,412), Poland (17,645), France (16,603) **Total: 1, 227, 277**	Afghanistan (1,473), Tajikistan (2,550), Turkmenistan (104,541) **Total: 108,564**
30	Pharmaceutical products	1,420,177	Turkey (10,759), Pakistan (6,725), Uzbekistan (1,323), Kyrgyzstan (41) **Total: 18,848**	Germany (222,315), France (149,090), Russia (140,729), India (89,326), Belgium (69,288), Australia (62,099), U.S (56,364), Hungary (56,331), Estonia (53,359,), Italy (50,424) **Total: 949,325**	Azerbaijan (8,597), Afghanistan (1,039), Iran (57,606), Tajikistan (4,490), Turkmenistan (70) **Total: 71,802**
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	1,116,385	Turkey (16,869), Kyrgyzstan (1,527), Azerbaijan (682), Uzbekistan (551), Iran (300), Pakistan (249) **Total: 20,178**	U.S (195,593), Germany (181,820), Russia (169,975), China (162,981), Japan (50,114), Korea (32,286), England (20,833), Italy (30,649), France (29,924), Ireland (27,908) **Total:902,083**	Afghanistan (1,796), Tajikistan (481), Turkmenistan (845) **Total: 3,122**
72	Iron and steel	1,043,206	Uzbekistan (12,822), Turkey (3,954), Kyrgyzstan (3,047), Iran (69) **Total: 19,892**	Russia (828,926), China (118,607), Korea (37,296), Ukraine (16,955), England (3,186), Brazil (3,045), Sweden (2,743), Germany (1,942), Italy (1,415), Canada (1,132) **Total: 1,015,247**	Azerbaijan (9,075), Afghanistan (784,569), Pakistan (55,308,), Tajikistan (97,823,), Turkmenistan (1,034,) **Total: 947,809**

Code	Notes	Kazakhstan's import value	ECO Countries Exporting to Kazakhstan	Non ECO Countries Exporting to Kazakhstan	Other capabilities of ECO Countries to replace (US$ m)
86	Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electromechanical) traffic signaling equipment of all kinds	890,685	Uzbekistan (1,321), Kyrgyzstan (357), Turkey (241), Azerbaijan (52), Iran (26) **Total: 1,997**	Russia (383,673), France (229,427), Ukraine (75,390), China (61,119), Spain (37,327), Australia (27,839), U.S (23,112), Italy (15,772), Belarus (13,299), Germany (3,572) **Total: 870,530**	Afghanistan (57), Pakistan (490), Tajikistan (43), Turkmenistan (1,011) **Total: 1,601**
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings	875,839	Turkey (70,824), Kyrgyzstan (3,401), Uzbekistan (1,360), Azerbaijan (779), Iran (467), Pakistan (174), Turkmenistan (64) **Total: 77,069**	Russia (189,673), China (162,309), Ukraine (69,472), Belarus (63,131), Italy (49,831), Korea (23,414), Germany (20,336), U.S (12,879), Malaysia (12,710), Spain (11,146) **Total: 614,901**	Afghanistan (4,403), Iran (5,620), Tajikistan (136) **Total: 10,159**
88	Aircraft, spacecraft, and parts thereof	682,205	Turkey (162), Afghanistan (91) **Total: 253**	U.S (232,411), Germany (151,190), France (84,398), Brazil (74,058), Spain (67,623), Ukraine (28,139), Italy (20,072), Russia (11,741), Canada (4,799), Netherlands (4,618) **Total: 679,049**	Iran (2,333), Azerbaijan (50,829), Tajikistan (681), Turkmenistan (43,377), Pakistan (6,992), Kyrgyzstan (8,776), Uzbekistan (6,440) **Total: 119,428**
64	Footwear, gaiters and the like; parts of such articles	636,059	Turkey (15,031), Uzbekistan (5,329), Iran (243), Pakistan (152) **Total: 20,755**	China (462,577), Russia (85,769), Italy (16,923), Vietnam (8,140), Ukraine (5,652), Portugal (4,391), India (4,385), Spain (3,335), Belarus (2,574), Bangladesh (2,444) **Total: 596,190**	Azerbaijan (491), Afghanistan (321), Kyrgyzstan (5,525,), Tajikistan (393), Turkmenistan (40) **Total: 6,770**

Code	Notes	Kazakhstan's import value	ECO Countries Exporting to Kazakhstan	Non ECO Countries Exporting to Kazakhstan	Other capabilities of ECO Countries to replace (US$ m)
40	Rubber and articles thereof	613,003	Turkey (11,358), Iran (1,438), Uzbekistan (152), Afghanistan (20) **Total: 12,968**	Russia (229,312), China (142,359), Belarus (39,466), Japan (30,940), Ukraine (22,813), Germany (20,834), U.S (16,644), Korea (15,032), Poland (13,850), Spain (9,369) **Total: 540,619**	Azerbaijan (302), Pakistan (14,924), Tajikistan (1,997), Turkmenistan (409), Kyrgyzstan (26,446) **Total: 44,078**
08	Edible fruit and nuts; peel of citrus fruit or melons	606,343	Uzbekistan (284,185), Iran (30,965), Tajikistan (30,907), Kyrgyzstan (24,468), Pakistan (12,400), Turkey (3,591) **Total: 386,516**	China (84,054), Netherlands (30,858), Ecuador (19,765), Russia (16,345), Belarus (9,025), U.S (7,569), Georgia (4,694), Spain (4,608), Belgium (4,194), Italy (4,115) **Total: 185,227**	Turkmenistan (666), Afghanistan (260,674), Azerbaijan (192,165) **Total: 453,505**
38	Miscellaneous chemical products	563,474	Turkey (8,991), Uzbekistan (676), Iran (64), Kyrgyzstan (39) **Collection: 9,770**	Russia (132,751), U.S (68,995), China (66,946), Germany (59,616), France (48,884), Ireland (26,274), Ukraine (21,338), Belgium (18,829), England (18,011), Italy (16,089) **Total: 477,733**	Azerbaijan (4,773), Afghanistan (105), Tajikistan (36), Turkmenistan (822), Pakistan (19,569) **Total: 25,305**
26	Ores, slag and ash	530,913	Tajikistan (135,027), Kyrgyzstan (36,727), Azerbaijan (1,278) **Total: 173,032**	Russia (286,370), Guatemala (40,793), Ukraine (9,440), U.S (4,454), Congo (4,249), Peru (2), Argentina (1,410), Chile (1,324), Mexico (878), Zimbabwe (841) **Total: 349,779**	Afghanistan (526), Iran (2,192,667), Turkey (1,398,770), Turkmenistan (1,584), Uzbekistan (993), Pakistan (102,389) **Total: 3, 696,929**
62	Articles of apparel and clothing accessories, not knitted or crocheted	521,438	Kyrgyzstan (70,328), Turkey (52,448), Pakistan (2,804), Uzbekistan (992), Tajikistan (81), Iran (24) **Total: 126,677**	China (215,628), Russia (72,182), Bangladesh (20,608), Italy (18,363), India (9,656), Vietnam (6,739), Belarus (5,240), Germany (5,201), Egypt (3,535), Romania (2,921) **Total: 360,073**	Azerbaijan (690), Afghanistan (314), Turkmenistan (24,058) **Total: 25, 062**

Code	Notes	Kazakhstan's import value	ECO Countries Exporting to Kazakhstan	Non ECO Countries Exporting to Kazakhstan	Other capabilities of ECO Countries to replace (US$ m)
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	514,746	Turkey (14,924), Kyrgyzstan (6,583), Uzbekistan (1,143), Azerbaijan (42), Iran (16) **Total: 22,708**	Russia (245,739), China (57,038), Ukraine (48,536), Germany (25,270), England (21,919), Finland (18,252), Australia (13,453), Italy (10,905), Korea (7,618), Lithuania (5,924) **Total: 454,654**	Afghanistan (320), Pakistan (66,830), Tajikistan (280), Turkmenistan (27) **Total: 67,457**
44	Wood and articles of wood; wood charcoal	502,511	Turkey (13,837), Uzbekistan (780), Kyrgyzstan (199), Iran (51) **Total: 14,867**	Russia (303,515), China (33,623), Ukraine (33,544), Belarus (27,863), Korea (16,593), Italy (12,969), Poland (9,152), Germany (8,419), Romania (8,145), Lithuania (6,359) **Total: 460,182** **Total imports of the top 10 non- ECO countries: 25,739,197**	Afghanistan (496), Tajikistan (4,489), Turkmenistan (16), Pakistan (54,366), Azerbaijan (1,411) **Total: 60,778**
Total		**27,842,870**	**1,989,372**	**Total imports from non-ECO Countries: 25, 853,543**	**63,658,718**

Source: http://www.trademap.org/

It is noteworthy that the 20 major items of import of the Republic of Kazakhstan comprise about 70 percent of total imports of the country in 2014.

By examining the data in Table 7, it is observed that Kazakhstan acquires its top 20 imported goods mainly from China, Ukraine, Germany, Italy, Russia, U.S, Japan and in a scattered manner from the ECO countries.

Surely, the choice of the trade partners is affected by factors such as the cost of transportation, roads, goods, the existence of preferential trade agreements, the intra-banking relationship etc. The following are some of the reasons for the selection of business partners of Kazakhstan in brief:

In the first place, one can mention the membership of Kazakhstan in the CIS, ECO, SCO and the Customs Union of Belarus-Russia-Kazakhstan. Membership in these organizations has led the country to expand its relations with other members of these organizations.

Diversity of different ethnic groups and minorities in Kazakhstan, especially large Russian minority, play an important role in the country's foreign poli-

cy. The government of Kazakhstan, unlike the other former Soviet republics where there is an absolute majority because of the fact that a great part of its nationals are of Russian origin, always holds an equal role for Russians in its policies and takes into account their opinions.

Relations with Russia have also been affected by the issues and interests of the ethnic Russian population of Kazakhstan. This led to higher dependence of the republic on Russia compared to other former Soviet republics, and even the foreign policy in Kazakhstan is influenced by the policies of Russia.

Among Commonwealth of Independent States, relations with Russia to Kazakhstan is of particular importance. Kazakhstan's high dependence on Russia in different aspects of economic areas is undeniable; Russia is the main trading partner of Kazakhstan among the CIS countries.

By closer ties with Russia, Kazakhstan can provide its own security and the country will be able to secure itself as in order to defend its boundaries alone it needs a long time and Russia's assistance in this field is a must.

For various reasons, relations with China is of particular importance for the Kazakhs; as maintaining and development of relations with China is one of the most important principles of Kazakhstan's foreign policy. The reasons for the above significance include:

1- The particular situation of the People's Republic of China neighboring Kazakhstan to as one of the major economic and military powers of the region (and the world) which for a country like Kazakhstan has strengths and weaknesses as the country's many efforts focus on strengthening the strengths and diminishing weak point of lack of coordination with China.

2- While in the military point of view China can be a permanent potential threat against the country and on the other hand as a powerful ally will be able to guarantee the security of Kazakhstan.

3- In terms of having a large consumer market, China is able to meet its needs of a wide range of raw materials, from Kazakhstan who is rich in such resources and this can be a very factor in economic exchanges.

To enhance the intra-regional trade of ECO and expand imports of Kazakhstan from member states, given the cultural affinity and proximity of these countries, the emphasis on the implementation of bilateral and multilateral trade agreements between Kazakhstan and these countries are issues that should be considered as a prerequisite for increasing trade relations. The following are some important factors in the development of ECO member

states commercial and collaborations with Kazakhstan.

★Proposals to enhance cooperation between Kazakhstan and other ECO countries:

- Establishment of the ECO Exported and Manufactured Goods Exhibition, especially for goods that have a history of competitiveness in the market of Kazakhstan.

- Creating suitable conditions to identify the capable businessmen in the ECO region and transporting their goods to the markets in Kazakhstan.

- A better understanding of ECO and Kazakh sides of each other for the development of business relations.

- Timely announcements of tenders in Kazakhstan and goods required in the country through the ECO member states' embassies.

- Coordination for the establishment of flights between Kazakhstan and other ECO countries.

- Promoting the ECO member states' goods marketing in Kazakhstan through international exhibitions.

- Strengthening the ECO-business information website in English.

- Preparation of the necessary conditions to attract funds such as banking relations by acceptance of bank guarantees of ECO member states by Kazakh banks.

- Encouraging companies to set up production lines of various commodities by participation of Kazakhstan investors.

- Relying on the presence of consulting firms in the country.

- Reduce the levies on the transport and alleviating transit problems at the customs.

- Simplification of Visa Procedures for Businessmen of the ECO region.

- Providing appropriate grounds to convert opportunities into commercial transactions.

- Joint collaboration in increasing the efficiency trade facilitation procedures and processes.

- Modernizing and improving the quality of roads, rail and communication

networks (telecom, post, etc.) and increasing their capacity.

- Standardizing, rationalizing and harmonization of the technical specifications of vehicles as well as road and rail transport and loading capacity.

★Conclusion:

The development of relations between Kazakhstan and other ECO member states given to geographical proximity, cultural and neighborhood in the Caspian Sea is very necessary and will help establishment of security in the region. Among the Central Asian countries, Kazakhstan as one of the main exporters of energy has a special situation.

The wide extent of land, long borders with the two powers, Russia and China and more than 2320 kilometers of coast in the eastern and northern Caspian Sea, is a special feature of the Republic.

The Republic as a bridge between Central Asia, Europe and East Asia holds a significant role in international relations.

The Republic of Kazakhstan is going through a transformation from state-run economy to a free economy. In order to develop the country in the political, economic, social areas a long-term program entitled "Kazakhstan 2030" is set to include three 10-year each comprising of two 5-year programs. The first decade is dedicated to providing the infrastructure and economic infrastructure. Production and export of oil and hydrocarbons are among the priorities of the program, and thus the development of the West Kazakhstan (the oil-rich area of the country) as well as transmission and oil exports have drawn particular interest.

In the current situation where regional cooperation as a small scale experience of economic liberalization has been on the agenda of many governments, the Economic Cooperation Organization (ECO) in terms of economic potential and rich resources as the most important regional cooperation organization has drawn due consideration.

The ECO foreign trade sector is of key importance, and can play a decisive role in determining the position and orientation of the economic development of the region.

In line with the promotion of intra-regional trade in the ECO, in this study we have examined the main items imported by Kazakhstan as a member of ECO have been discussed in this study, and it was concluded on 20 top items that if at least top imported Kazakhstan would have been imported from within the ECO region rather than, given the potential of the ECO, the volume of trade Kazakhstan with the ECO region will grow by $ 26 billion.

The increase in the volume of intra-regional trade in Kazakhstan, can lead to the growth of ECO intra-regional trade in total trade of the region. In this regard, it is recommended that the Chamber of Commerce and the officials of Kazakhstan with infrastructures provided by the authorities of the country, help to achieve these goals.

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In the Name of God

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Republic of Azerbaijan

Islamic Republic of Afghanistan

Republic of Kazakhstan

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