



The development of foreign trade in the era of globalization

El desarrollo del comercio exterior en la era de la globalización

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ABSTRACT:

The article deals with the issues of the state's inclusion in the global economic processes, which have become a necessary condition for the national development of each country seeking to the efficiency and competitiveness of its economy. The importance of the position of the Republic of Kazakhstan and the regions as full subjects of international economic relations (IEA), describes the economic relations with many developed and developing countries, expanding the range of partner countries.

Keywords: globalization, economic processes, foreign economic activity, economic relations

RESUMEN:

El artículo trata sobre los temas de la inclusión del estado en los procesos económicos globales, que se han convertido en una condición necesaria para el desarrollo interno de cada país que busca la eficiencia y la competitividad de su economía. La importancia de la posición de la República de Kazajstán y las regiones como sujetos plenos de las relaciones económicas internacionales (AIE), describe las relaciones económicas con muchos países desarrollados y en desarrollo, ampliando la gama de países socios.

Palabras clave: globalización, procesos económicos, actividad económica exterior, relaciones económicas.

1. Introduction

In the strategy "Kazakhstan-2050": a new political course of the established state and in his annual address to the people" NURLY ZHOL – the WAY to the FUTURE", President N. A. Nazarbayev noted: "The global system of the world economy is a well – established and well-established mechanism that works according to its own rules. According to these rules, we must work. We are not expected in the world markets, but we need to become popular and gain a foothold in them." To do this, it is necessary to create an innovative-oriented national economy, the level of openness of which should promote the attraction of new industrial and information technologies, the development of the export potential of the country and the provision of personnel trained at the level of international standards, etc. This is possible only if active and efficient conduct of foreign economic activity (FEA), especially in the context of globalization. The relevance of foreign economic processes that

contribute to the sustainability of the national economy (ne) is significantly increased in the global economic crisis.

1.1. Unsolved research problems

However, the low efficiency of cooperation, consisting in the insufficient implementation of economic agreements and arrangements, actualize the problem of improving foreign trade. In this regard, it is necessary to identify new priorities and directions of development of foreign trade of the state and to develop recommendations for improving its management.

Despite the fact that in recent years in the CIS countries this topic has received much attention, some important aspects of the problem are relatively poorly understood, which is due to the novelty for them of the processes of foreign trade development in the modern conditions of the world economy. These include increased globalization, crisis processes, certain structural features, geo-economic conditions, the selected models and ways of development of both national economies and regions of Our country (Asilbekov A. A., 2011).

The most important for the understanding of the studied problem were the works of both classical scientists A. Smith, D. Riccardo, A. Marshall, G. Haberler, E. Heckscher, B. Olin, P. Samuelson, and a number of others.

The purpose of the study is to develop scientific and practical proposals for improving the foreign economic activity of the Republic of Kazakhstan and at the regional level in the context of globalization.

2. Methodology

In the process of the study were used General methods of research: methods of analysis of financial statements: horizontal, vertical, ratio, comparison, and other.

The following methods were used to study the foreign economic activity of the Republic of Kazakhstan and its regions:

- review of the regulatory framework;
- analytical method;
- studying of foreign experience;
- the possibility of application of instruments of state - private partnership;
- collection and processing of statistics;
- economic-mathematical calculations.

2.1. Foreign experience

Mainly in developed countries, in the implementation of foreign economic policy, close attention is focused on opening up new markets for the sale of national goods, as well as on ensuring "even" rules of the game for domestic exporters and foreign participants. For example, in Finland, priority support is given to enterprises that are engaged in the field of science-intensive technologies and carry out direct non-economic activities (Blyahman L., Krotov M., 2011).

All attention is focused on the science and technology sector, where Finnish goods and services claim international leadership. These are information technologies, electronics, energy, telecommunications, shipbuilding, biotechnology, chemistry, metal and forestry (Bota D. Baitarakova, Rayhan K. Turysbekova, Farrukh A. Gajiyev, Zhuldyz K. Subebaeva, Makpal T. Syrlybaeva, Barkhudar Sh. Gussenov., 2018).

But there are two important points in the activities of organizations that specialize in assisting Finnish exporters. First, the activities of such organizations is indirect, and, second, the basis of this work lies the principle of repayment of funds received. The Ministry of trade and industry of Finland (ICC) is the main Agency directly responsible for the development and coordination of measures for the implementation of the state policy in the field of

support of Finnish exporters. The Ministry of trade and industry of Finland has the responsibility for the activities of the main specialized organizations and companies, which provides state support, using a wide range of tools, which in turn includes financing on a return basis (direct equity investments in companies, firms and enterprises, loans and credits). Finland is conditionally divided into three "development zones", and depending on the zone in which the enterprise is located, a certain amount of state aid is allocated (Danko Ya. V., 2015).

The first block includes the Northern territories, the amount of state aid is 30 %; the second block Eastern territories is 24 %, the third block southern territories is 30 %. There is another organization, Finpro (called the Finnish foreign trade Association until 1999), which assists Finnish companies in entering the world markets. Finpro provides Finnish organizations with a range of services:

- provides information support to Finnish companies on a wide range of issues in the field of international operations;
- organizes trips and presentations of company representatives in many regions of the world;
- performs comprehensive project consulting;
- develops effective models for firms to enter the world markets; - optimizes and predicts the risks of projects.

The us Administration pays great attention to supporting domestic exporters in the world markets. In order to increase exports of goods and services from us companies, the trade development coordination Committee, which is chaired by the us Secretary of Commerce, is implementing a variety of Federal programs. For the implementation of a number of programs to promote the development of American exports, including the promotion of exporters (small and medium businesses), recently in the United States, close attention is paid by the state to increase the volume of financial and information services. At the moment, an information scheme has been developed and implemented, which allows us economic departments to interact with the departments of national offices in Washington and foreign offices of the commercial service of the us Department of Commerce (Gussenov B.Sh.,2015). One of the most important parts of US national security remains economic security. Ensuring this security is implemented, including through a set of measures in the trade sphere. In the US, such protective measures in foreign trade are used as directed restrictions on the impact of competition from foreign suppliers on the interests of national producers. Compensation and anti-dumping duties are often used in the US. The liberalization of the foreign trade sphere of a number of countries, which is rapidly gaining momentum, has updated the processes of improving the mechanisms for protecting the national market from unfair competition. This process, in both developed and developing countries, involves the development of domestic import legislation. Which, on the one hand, must comply with international law and maintain a balance between free access to the national market of foreign suppliers of goods and services, and on the other hand, maintain a certain level of competitive environment for domestic producers. A distinctive feature is that protective measures are applied mainly to groups of raw materials and semi-finished goods, but playing a key role in increasing investment in the national economy, machines and equipment are not subject to protective or anti-dumping investigations.

Illustrative examples include the Turkish economy, in which there are different laws, which in turn regulates protective mechanisms and international regimes. The introduced anti-dumping restrictions are fixed by separate regulations in accordance with the documents "on prevention of unfair competition during import". Protective measures and monitoring of imports in Turkey is carried out in accordance with the package of documents "on monitoring and protective measures for exports". In the country are various protective measures of non-tariff nature in the form of a fee to the Fund of housing construction. Collection is made for all countries, including the EU, for individual product groups. Mechanisms and measures for financing foreign trade should be considered in the system of effective tools to support the active activities of domestic firms that are focused on investments in foreign markets and exports (Gussenov B.Sh.,2017).

In accordance with the Federal law "On export promotion" (AFG) in Austria at the enterprises which are export-oriented, in addition to providing guarantees of the government and the transfer of responsibilities, there are opportunities to Finance export activity. The Minister of Finance of Austria in particular has the responsibility, which is expressed in the form of guarantees for credit operations of the Austrian control Bank in connection with the financing of exports. As a return service, the Board of Directors of The Austrian control Bank pays a guarantee fee. The control Bank of Austria thanks to the guarantees of the government has the following features:

- to offer different types of financing;
- to accept the necessary financial means on favorable terms for the purposes of export financing, both on foreign and domestic financial markets, etc.

In Denmark, the main support instrument for exports is the provision of export credit guarantee and insurance services. This is done by the Danish export credit Council. The EU's General policy is to subsidize the export of food and agricultural products. An important mechanism for attracting investments and government regulation is the procedure for the return of some "green" taxes, namely, on CO₂, subject to the investment of returned funds in various industries in further environmental activities (Gussenov B.Sh.,2018).

In order to increase economic security by means of export promotion the state in South Korea, have introduced short-term export credit. The basis of this system is an automatic decision on the issuance of credit by commercial organizations in the delay of payment of the letter of credit. Exporters are also provided with preferential loans and tax breaks, the possibility of exemption has gone, losses are written off, etc.

In China, the key tool to stimulate exports is the VAT (value added tax) refund to exporters. There are several VAT rates in the country:

- 17 % — base rate;
- 13 % — preferential rate (for certain types of products);
- 6 % — rate for small volumes of production (designed for small businesses). When exporting goods and services, VAT is not charged from the country (Zaida A. Ilimzhanova, Venera R. Burnasheva, Barkhudar Sh. Gussenov., 2018).

VAT refund rates in China are provided quite often. There is also a specialized company for export credit insurance, established to stimulate the export of Chinese goods. Eximbank and the national insurance company are engaged in insurance of credits of exporters. All payments are reimbursed from the state budget.

The analysis of individual tools and mechanisms to stimulate foreign trade in international practice allows us to draw the following conclusions.

- 1) In a number of countries, despite the liberalization process, the programme for the reduction of regulation of foreign trade.
- 2) for developing countries, the challenges of protecting domestic firms in foreign markets and national security remain a priority (Gussenov B.Sh.,2018).
- 3) the main prerequisites for the protection of national organizations, firms, enterprises are the desire of governments to limit the impact of competition, sometimes unfair, from external suppliers on the interests of domestic producers.

3. Results

Commercial activity in the foreign market, in comparison with similar activity in the country, is characterized by many features which are defined by the General features of the international commercial activity inherent to the majority of the foreign markets (table. 1).

Table 1
General features of international business

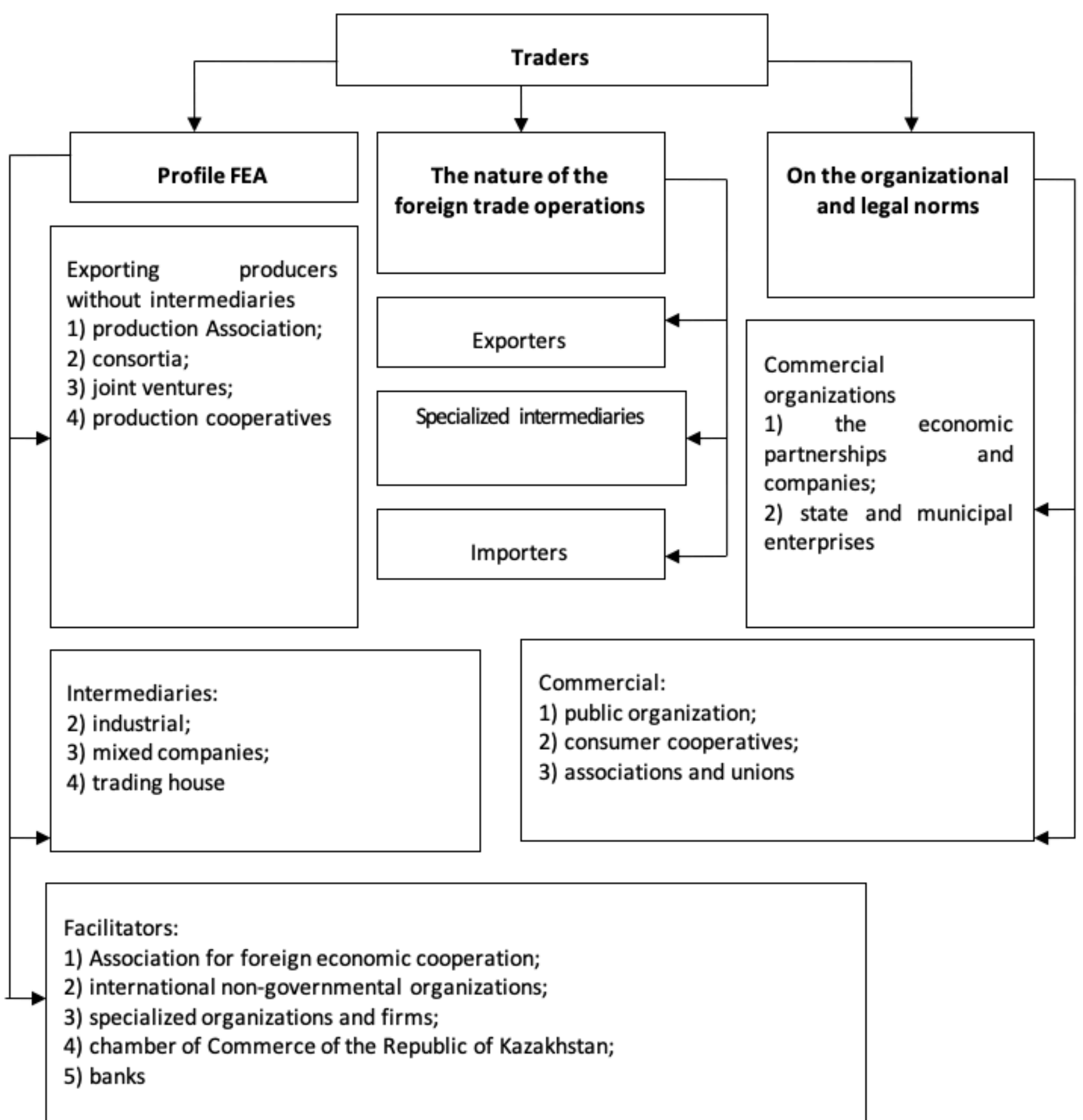
Characteristic	Content

Organizational and legal conditions	They are based on the national legislation of the Contracting parties, as well as the norms arising from international agreements, especially those that operate on a multilateral basis. It is necessary to take into account the established in foreign countries trade customs, established rules of commercial activity, existing trade practices.
Market capacity and competition between sellers	The world market is characterized by greater capacity and intense competition. Under these conditions, reputable sellers interested in the constant sale of their goods in a particular market, thoroughly examine potential buyers, their real needs, trying to find reliable customers, if possible permanent.
Marketing	The world market is not characterized by a commodity deficit, but more often by an abundance of goods. This encourages to carry out active marketing work.
Seller services	Foreign buyers and consumers are accustomed to receiving a wide range of services from sellers. Special emphasis is given to issues of technical service of products sold. The range of technical services includes pre-sale preparation of goods, after-sales maintenance during the warranty period and in the post-warranty period.
Pricing, determination of contract pen	Foreign businessmen at the conclusion of foreign trade transactions are guided by the level of world prices, which are formed on the basis of the prices of large transactions concluded in the leading centers of world trade. The fundamental price factor is the ratio of supply and demand for a particular product at the moment.
Corporate structure of commodity markets	Among the many companies operating in a particular product market, the strongest positions are those that have a high share in the market. As a rule, such firms achieve high prestige in the business world as a result of many years of productive commercial work.
Business reputation of the firms	The reputation acquired by the company - business reputation is the most important attractive side when choosing a foreign partner. Solid foreign firms seek to strengthen in every possible way the position in the market, to establish the authority in the business world, to win benevolent attitude, sympathies of the partners.

Source: compiled by the author

The structure of the basic participants of foreign trade activities is presented in the form of a diagram:

Figure 1
The structure of the major FEA participants



Source: compiled by the author

World practice knows more than twenty main forms of economic cooperation, which can be combined into five groups: 1) trade, 2) industrial, 3) scientific and technical, 4) financial and 5) cultural cooperation. Each form has its own economic and organizational features, the skillful use of which in specific situations can guarantee the greatest impact.

Forms of foreign trade, which are the most common in the Republic of Kazakhstan and their brief characteristics, are shown in the table. 2.

Table 2
Forms of foreign trade in the Republic of Kazakhstan

Form	Content
Foreign trade	Export and import of goods in material form. Commodity exchange operations. The provision of various services. Execution of works in cooperation with foreign

	contractors, etc.
Military-technical cooperation (MTC)	In the law of the Republic of Kazakhstan "on military-technical cooperation", dated December 24, 2013, the MTC is defined as " activities in the field of international relations related to export, including the supply or purchase of military products, as well as the development and production of military products".
Scientific-technical and scientific-production cooperation	Production cooperation. Joint venture. R & d performance. Providing high-tech services (including space services for launching satellites of foreign production into orbit, selling aerial photographs of their territory taken from Russian satellites with high-precision equipment to foreign countries, creating new materials under zero-gravity conditions). Trade in licenses, patents, registration of trademarks.
Construction and design services	Construction of facilities abroad with the assistance of Kazakh organizations and in our country with the participation of foreign companies. Design and survey work. Modernization and reconstruction of previously constructed facilities. Provision of engineering consulting services (engineering), etc.
Investment cooperation with foreign partners	Attracting foreign investment to our economy and investing abroad.
Cooperation in the monetary, financial and credit sphere	Obtaining and granting of credits, financing of various projects, payment and insurance operations.
Leasing	Leasing by Kazakh landlords of various machine-building products, vehicles and other objects to foreign tenants. Rent the Kazakh participants of foreign trade activities of technical and other products from foreign lessors, including on conditions of financial leasing.
Cooperation on a compensatory basis	Simple and complex compensation transactions, processing of raw materials (tolling) and other types of counter trade.
Cooperation in the field of transport	International transportation of export and import cargo. Transit transportation of foreign goods. Transport-forwarding services.
Cooperation in the field of communications and computer science with the use of modern electronic media.	TV. Broadcasting. Newspaper and magazine production. Documentary and cinematographic production.
Social and cultural services	Retailer. Catering. Hotel industry. Education. Health. Physical education and sport.

	Trade in copyright, etc.
Publishing and polygraphic activity.	Joint writing of scientific works of historical, philosophical, economic, sociological and other fields. Joint writing of General education and popular books. Publication of articles and books by Kazakhstan authors in foreign publishing houses. Publication of articles and books by foreign authors in the Republic of Kazakhstan.
Foreign tourism	Export and import of tourist services. The export of tourist services ensures the receipt of income from the stay of foreign tourists in our country, and imports entail expenses for the departure of tourists from Kazakhstan and their stay in foreign countries.
Foreign trade marketing	It is used for promotion of the Kazakhstan production to the foreign markets and realization of foreign production in the territory of our country.
Coastal and border trade	Are of great importance for many regions and subjects in the Republic of Kazakhstan and abroad.

Source: compiled by the author

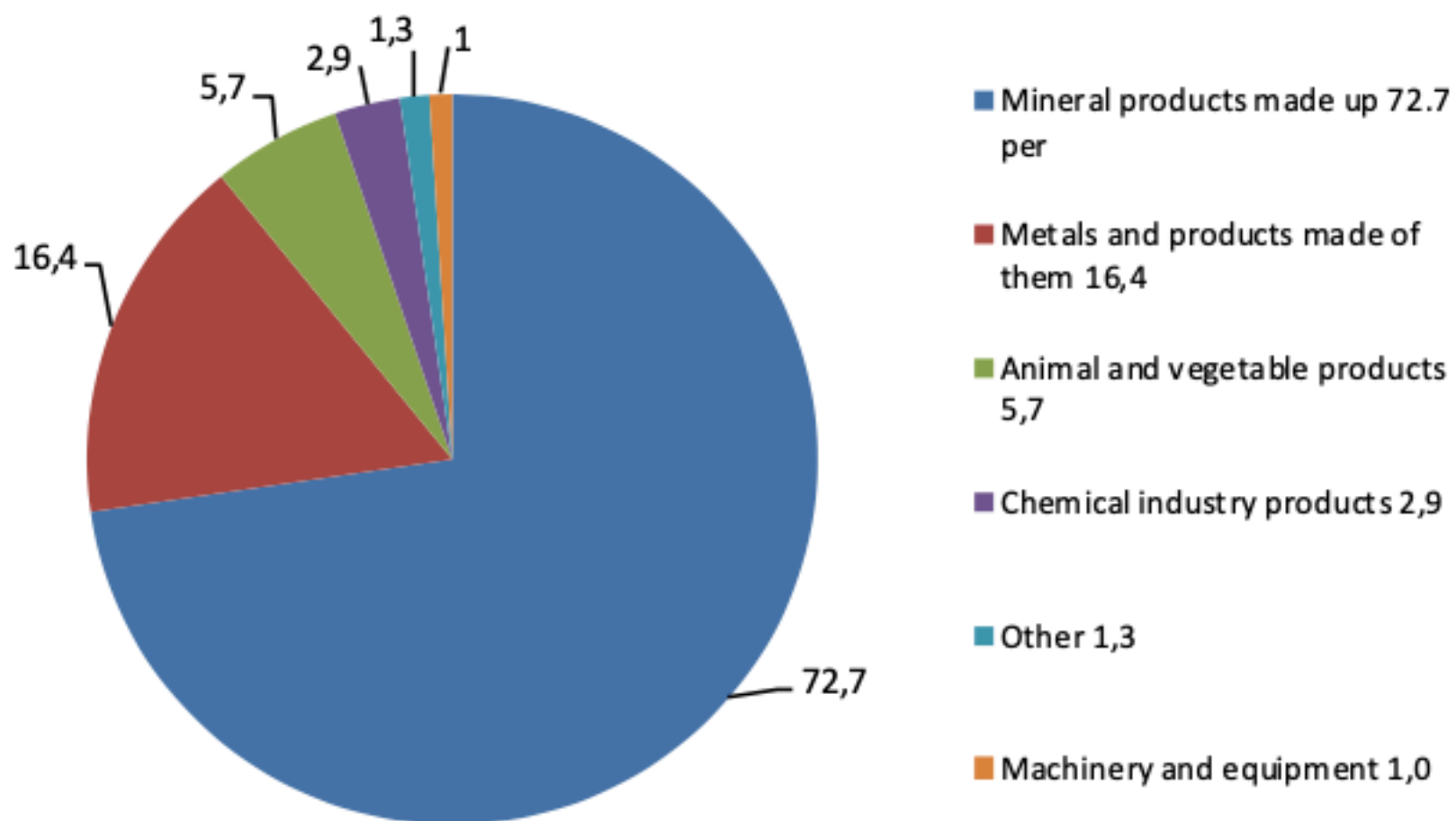
Forms of foreign trade are characterized by a high diversity and mobility. As the world economic ties intensify, new forms of foreign economic activity appear, which may eventually become its independent species, while the essence of the main types of foreign economic activity as a whole remains quite stable (Kaliaskarov B. M., 2010).

3.1. The analytical aspect

In the first quarter of 2018, the foreign trade turnover of the Republic of Kazakhstan amounted to 21 026.4 million US dollars and compared to January-March 2017 increased by 24.3%, including exports – 13 779.2 million us dollars (27.0% more), imports – 7 247.2 million us dollars (19.4% more) (The Committee on statistics, 2018).

Figure 2
Commodity structure of exports

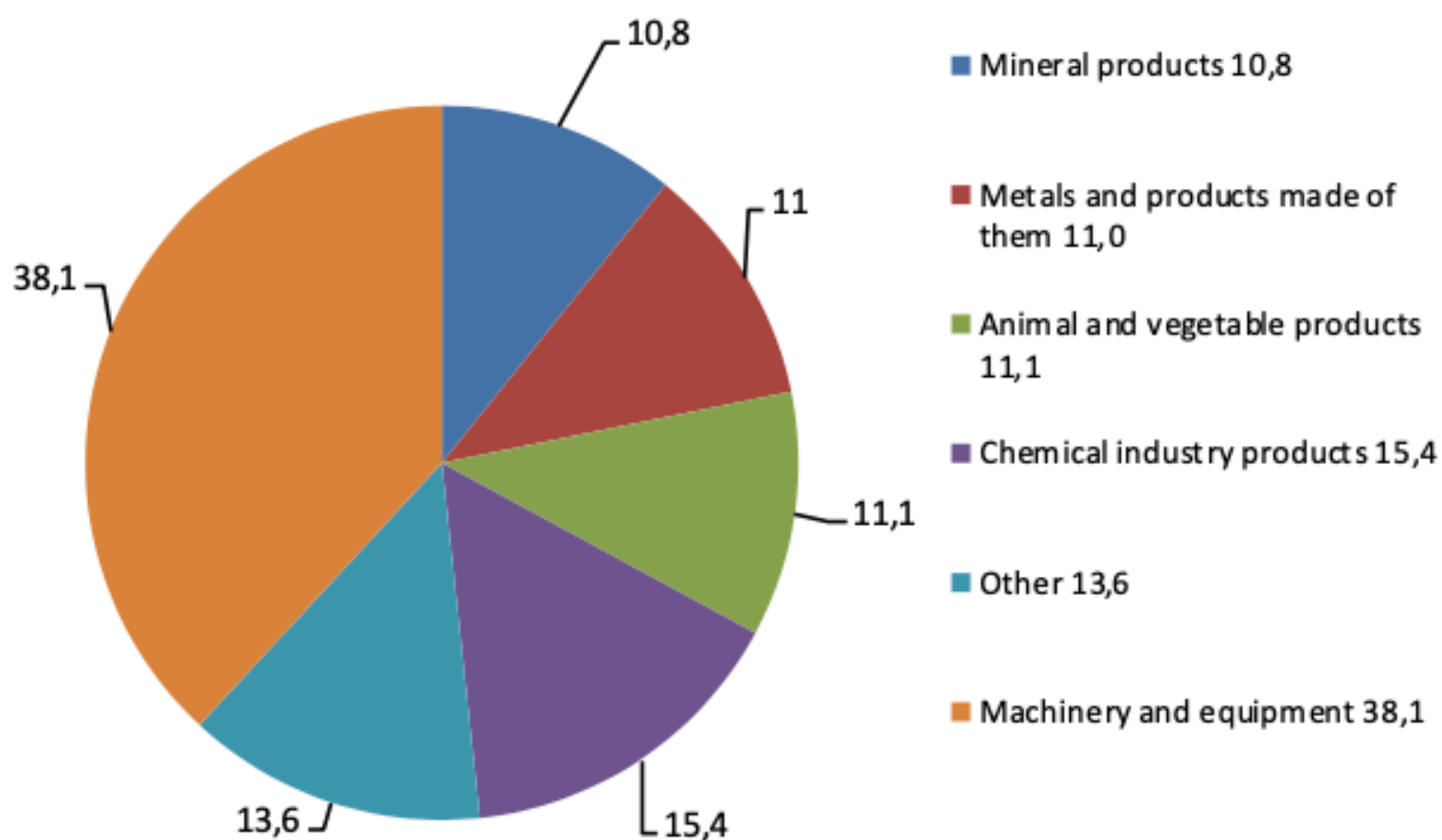
Commodity structure of exports, 1st quarter of 2018., in %



Note: compiled by the author on the basis of the statistics Committee of the Ministry of national economy of the Republic of Kazakhstan (The Committee on statistics, 2018).

Figure 3
Commodity structure of imports

Commodity structure of imports, 1st quarter of 2018, in %



Mutual trade of the Republic of Kazakhstan with the EAEU (Eurasian economic Union) countries amounted to 4 185.7 million US dollars or 9.1% more than in January-March 2017, including export – 1 328.1 million us dollars (8.5% more), import – 2 857.6 million us dollars (9.3% more).

Exports to the Russian Federation in January-March 2018 amounted to 1 170.9 million US dollars (compared to January-March 2017, more by 7.3%), imports – 2 684.8 million us dollars (8.7% more).

Exports to the Republic of Belarus in January-March 2018 amounted to 23.0 million us dollars (compared to January-March 2017, less by 22.1%), imports – 123.4 million us dollars (32.7% more).

Exports to the Republic of Armenia in January-March 2018 amounted to 2.5 million US dollars (compared to January-March 2017, 8.0 times more), imports – 1.7 million us dollars (compared to January-March 2017, 1.8 times more) (The Committee on statistics, 2018).

Exports to the Kyrgyz Republic in January-March 2018 amounted to 131.7 million us dollars (compared to January-March 2017, an increase of 27.9%), imports – 47.7 million us dollars (6.3% less).

4. Conclusions

Priorities of the state policy in the sphere of foreign economic activity are defined in accordance with the strategic documents of the concept of development of foreign economic activity Of the Republic of Kazakhstan in the context of regions until 2020, presented in the attached List, and include:

- formation (through institutions, mechanisms and instruments of international economic cooperation) of necessary and sufficient conditions for achieving the strategic goals of Kazakhstan in the world economy and increasing the contribution of the foreign economic sphere in solving the problems of innovation - oriented modernization of the national economy and the country's regions;
- development of an integrated Eurasian economic space (common market) member countries of the Eurasian economic Union, ensuring free movement of goods, services, capital and labour;
- establishment of competitive (compared to best international practice) and accessible to the broad masses of entrepreneurs of the national system of institutes and mechanisms of development of foreign economic activity;
- creation of effective for foreign trade participants, ensuring the interests of Kazakhstan and the Customs Union as a whole in the field of economy and security systems of customs administration and crossing the state border of the Republic of Kazakhstan.

4.1. Brief description

In Kazakhstan was created the international financial center "Astana" on the platform of the world exhibition "EXPO-2017". The center became the core of the financial infrastructure of Kazakhstan, and in the future will become the financial hub of the entire Central Asian region. Can be considered reasonable to consider the possibility of synchronization of joint measures to improve the investment and financial climate in the Asian infrastructure investment Bank, the Eurasian development Bank and the BRICS (a group of five countries: Brazil, Russia, India, China, South Africa.) development Bank.

Thus, systematization of the forms of foreign trade is characterized by a high diversity and mobility. As the intensification of world economic relations, new forms of foreign trade, which over time may become separate species, whereas the essence of the main types of foreign economic activity generally remains quite stable in terms of regions.

This reflects the impact of globalization processes on the development of foreign economic

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