Development of seamless rail-based intermodal transport services in Northeast and Central Asia

Report on Transport Facilitation procedures and documentation in Kazakhstan

1. Introduction

A mission to Kazakhstan was conducted by a staff member and a consultant of the UNESCAP Transport Division for the express purpose of collecting information on border crossing procedures and documentation in Kazakhstan.

The mission was conducted from 25-27 April 2016, during which period visits were made to:

- Three freight forwarding companies in Almaty;
- The Altynkol/Khorgos border region, including the Altynkol Station, the Khorgos Economic Zone, and the Khorgos Gateway Dry Port;
- The Kazakhstan Freight Forwarders Association

This report reviews the status of trade and transport across Kazakhstan’s borders and outlines the main points of discussion at all meetings.

1. Status of cross-border trade and transport

(i) Rail corridor developments

Kazakhstan forms a key part of the shortest of the rail corridors linking Northeast Asia with Europe. As such, the majority of the container block trains now moving between China and Western Europe transit via this corridor (rather than via the Trans-Siberia or Trans-Mongolia Railways).¹

The rail corridor through Kazakhstan also links major trade generating sources in Kazakhstan, such as Almaty and Astana, with seaports in China, most notably at Qingdao and Lianyungang.

Rail traffic to/from China now exits/enters Kazakhstan through 2 major border control points. The oldest of these (operating since 1992) is at Dostyk, opposite Alashankou in China (see Figure 1). In 2014, more than 15 million tonnes of international cargo was estimated to have passed through this border station.

In September 2012 with the completion of a new line of 293 km from Almaty, a second rail connection to the border with China was established at Altynkol, opposite Khorgos in China. This new line reduced the rail distance between Almaty and the border from 700 km at

¹ Regular rail services operate on a three per week frequency between Chongqing (China) and Duisberg (Germany) via Alashankou/Dostyk. The distance is 10,769 km and takes 14-16 days to complete. If these services were to be routed through Mongolia to join the TSR, the overall distance would be at least 12,000 km, and the transit time would be 16-19 days.
Figure 1: Railway transit corridors through Kazakhstan

Dostyk/Alashankou to 293 km at Altyndkol/Khorgos. Approximately 2 million tonnes of international cargo moved through Altyndkol/Khorgos in 2014.

Most transit containers conveyed by rail between China and Russia or Western Europe pass through the border station of Petropavlovsk on the northern section of their journey. Rapid transits through this border, and indeed through the border between Russia and Belarus, are made more likely by the operation of a customs union, or common customs zone, between Belarus, Russia and Kazakhstan, as documentation issues will be minimized accordingly.

Substantial investment has been undertaken for infrastructure provision in the Altyndkol/Khorgos border region, with the aim of making it the main gateway for trade between China, Central Asia and Europe. On the China side of the border, high rise hotels are beginning to appear and five wholesale market malls are already in operation. Development activity on the Kazakhstan side of the border is more restrained, although a major dry port is being developed by the Kazakhstan government as part of the SEZ Khorgos East Gate Gateway project. The dry port now under development was visited during the course of the UNESCAP mission and is described in detail in section…below.

Both eastern rail border posts also serve as border crossings for road transport.

(ii) Border crossing delays

Lengthy border crossing delays have been, and continue to be, experienced at Dostyk/Alashankou, due both to border control processes and to the need to tranship cargo between the differing rail gauges of China (1,435 mm) and Kazakhstan (1,520 mm). For containers, the transhipment process is relatively fast, involving as it does the lifting of containers between wagons of differing gauge, but for non-container cargo, requiring either bogie exchange or bulk-trans-loading, transhipment can be very time consuming.
In conjunction with the CPMM (Corridor Performance Measurement and Monitoring) project\(^2\), the Asian Development Bank regularly monitors container dwell times at stations on the border between Kazakhstan and China. A recent analysis of results for 2014 was published in a CAREC document.\(^3\) It gives the following average duration at each of the Kazakhstan/China rail border crossings:

### Table 1: CPMM results at Kazakhstan/China rail crossings

<table>
<thead>
<tr>
<th>Border station (Kazakhstan)</th>
<th>Average dwell time (hours)</th>
<th>Border station (China)</th>
<th>Average dwell time (hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altynkol</td>
<td>37.4</td>
<td>Dostyk (Kazakhstan)</td>
<td>59.7</td>
</tr>
<tr>
<td>Khorgos (China)</td>
<td>23.9</td>
<td>Alashenkou (China)</td>
<td>42.4</td>
</tr>
</tbody>
</table>

Source: CPMM Report for 2014

It was claimed that the time spent by containers at a border station should be minimal, sufficient only to examine customs and other border control documents and to transfer containers from one track gauge to the other. Since it was advised by the Kazakh Railway (KTZ) that the average time to lift and transfer a container from one wagon to another is about 5-6 minutes, it was argued that a wagon should not spend more than 24 hours at a station. Clearly, the station dwell times experienced at both border crossings are well in excess of this.

The case study document recommends that station dwell times, defined as the *time interval between arrival at the first border station and departure from the second*, should not exceed 24 hours for containers and 36 hours for non-container cargo.

Information provided during meetings of the UNESCAP team with freight forwarding companies on border crossing times (see Section….below) tends to confirm the results of the CPMM study.

### 2. Meetings with freight forwarding companies in Almaty

(i) **Colos Logistics**

Meeting held at the company office at 1000 hours on 25 April 2016. Present at the meeting were: Ms Damira Babayeva, Deputy Head of the Logistics Department, Colos and two colleagues; Saltanat Adambayeva (Kazakhstan Freight Forwarders Association); Fedor Kormilitsyn, Economic Affairs Officer, UNESCAP Transport Division; and Peter Hodgkinson, Consultant UNESCAP.

A questionnaire was completed for Colos, and is attached to this report.

Last year, the combined CIM/SMGS railway consignment note was introduced and is now widely used. Colos do not use the FIATA Multimodal Transport document owing to its

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\(^2\) Undertaken as part of the CAREC (Central Asia Regional Economic Cooperation) program.

\(^3\) www.carecprogram.org/uploads/...Railways/08-01-Case-Studies-on-Railway-BCP.pdf
associated “unfavourable conditions concerning agent liability”. Instead, freight forwarders are working on the basis of carriers’ (ie. SMGS/CIM) rules. Colos arrange transport mostly through the Dostyk/Alashenko border and information was supplied in respect of this border.

The procedures applying to border clearance in Kazakhstan were outlined as follows:

(a) Shippers raise necessary documents in the first place, and freight forwarders complete only some parts of these documents.
(b) The railway is responsible for completing the railway consignment note on the basis of information provided by shippers.
(c) Documents are checked at the border by customs authorities against a physical count of packages and contents. X-ray equipment is installed at all border control points and is used to perform a check of the match between documents and the physical consignment.
(d) In accordance with a decision of the Eurasian Economic Commission of 13 September 2015, railway carriers are now required to submit to border customs pre-arrival information on all goods imported into the territory of the Russia-Kazakhstan-Belarus Customs Union. Carriers are required to submit this information at least 2 hours prior to arrival of consignments at the border.
(e) In practice freight forwarders also have to provide advance information through customs agents at the border who then transmit it to the border customs authorities.

It was intended that all advance information to be provided to customs by the railway would be transmitted electronically. For this purpose, the Kazakhstan railway developed software, but this software failed to work properly and, as a result, advance information could not be submitted to customs, as required.

Failure to submit advance information results in cargo being stopped and physically inspected at the border. On 01 March 2016, when the requirement for advance information entered force, 700 transport units (mostly container wagons) were stopped at the Dostyk/Alashenko border by Kazakhstan Customs and serious delays ensued while these units were subjected to full inspection. In cases where wagons are detained for customs inspection, Kazakhstan Railways will charge consignees, or their freight forwarders, demurrage at the rate of US$ 150 per wagon per day. In order to avoid these delays, forwarders attempted to collect information directly from shippers and to forward it to border customs authorities.

Advance information is also required by customs on the China side of the border, and failure to provide same will similarly result in cargo being detained at the border.

It was reported that Russian Railways does not experience any difficulty in complying with the provision of advance customs information, since it has an on-line connection with Russian Customs. Hence, there are no protracted delays to cargo on the border between Kazakhstan and Russia, which also benefits from the operation of a Customs Union, with simplified (and harmonized) documentation requirements.

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4 The Eurasian Economic Commission is the regulatory body of the Russia-Kazakhstan-Belarus Customs Union
The average delay to containers at Dostyk station was reported as 2 days, which is about half a day less than the delay time estimated in the 2014 CPMM report (see Table 1 above).

The Colos representatives indicated that most problems encountered with documentation were more related to other border control documents than to transport documents. In the case of certain goods, e.g. dangerous materials, special documents, such as state regulation certificates and sanitary certificates, are required and can complicate the process of border clearance.

(ii) Maxx Intermodal Systems

Meeting held at the company office at 1125 hours on 25 April 2016. Present at the meeting were: Ms Oxana Sorokina, Manager of the Logistics Department, Maxx; Saltanat Adambayeva (Kazakhstan Freight Forwarders Association); Fedor Kormilitsyn, Economic Affairs Officer, UNESCAP Transport Division; and Peter Hodgkinson, Consultant UNESCAP.

Most container transport arranged by the company moves via Dostyk as a lower rail haulage charge applies by comparison with the route via Altynkol.

It is not known whether the SMGS or combined CIM/SMGS document is used by the railway. Completed examples of documents used by Maxx are attached in Attachment…

Maxx is handling cargo transported from the Republic of Korea via sea and rail. Seals are applied to containers by shippers and customs authorities in Busan and unless containers are stopped for inspection en-route these seals will remain unbroken until arrival in Almaty. If all goes smoothly, transit at the border will take 2 days. Hard copies of all border control documents accompany consignments.

It was noted that EDI had started between Kazakhstan Railways and the customs authorities at the Kazakhstan/China border, but the system was not yet working properly, due to software issues. Although border transits should normally take no more than 2 days, recently delays of 15-20 days have been encountered at the Dostyk Border owing to the practice of the border authorities to stop and inspect all cargo when advance information has not been received.

All freight forwarding companies submit documents by EDI in the case of cargo moving from Kazakhstan to other Central Asian countries, but not yet to China. However, even in these cases EDI only supplements, but does not replace, hard-copy documents.

Maxx uses House Bill of Lading which is used on behalf of the consignee as evidence of title in the goods, together with a Letter of Credit, to secure delivery of the goods after customs clearance.

Maxx is handling transport of consignments from Japan (Nagoya). Cargo can move two ways: via Russia or via China. There is a large difference in transit time and cost. Haulage charges of Chinese Railways are more expensive than those of Russian Railways. Haulage of a container from Nagoya to Almaty via Qingdao Port is US$ 300 more expensive than
haulage through Russia. In 2013/14, there was a 30% fall in China Railways’ transit volume, when Russian Railways dropped its charges.

Customers always give guidance to forwarders as to whether they want short transit times, lower cost, or both. Forwarders then plan transport accordingly.

The Maxx representative considers that having only a single transport document will not save much time and is doubtful that a single document will meet all requirements without becoming "overloaded". Rather, the problem is that border clearance requires too many other documents, e.g. packing invoices, certificates of origin, other government regulatory certificates. It was considered that the number of documents could be reduced significantly and all documents submitted electronically.

(iii) Globalink Logistics Group

Meeting held at the company office at 1630 hours on 25 April 2016. Present at the meeting were: Ms Tatjana Zholobenko, Head of Rail Expedition Division Globalink; Zhanna Sikhvart, General Manager, Road Freight Division Globalink; Nurlan Martayev, Project Coordinator, Globalink; Saltanat Adambayeva (Kazakhstan Freight Forwarders Association); Fedor Kormilitsyn, Economic Affairs Officer, UNESCAP Transport Division; and Peter Hodgkinson, Consultant UNESCAP.

Several weak points in the system for cargo clearance at, and transport across, borders were noted, including:

(a) The failure of the EDI system for communication by Kazakhstan Railways to border customs of advance information on import consignments, resulting in protracted delays to cargo awaiting inspection at the border with China.
(b) Software in use for cargo crossing the border with Russia too complicated ("not easy to use")
(c) For transit procedure, number of documents required is excessive, being based on import procedures which require many more documents than should be necessary for transit. This was considered a weakness of current customs regulations in Kazakhstan.
(d) Despite existence of a Customs Union between Russia, Kazakhstan and Belarus, too many documents are required for transit across the Kazakhstan/Russia border (as many as are required for transit across the Kazakhstan/China border, suggesting reduced benefits for Kazakhstan from the CU).
(e) There is a legal requirement (under Kazakhstan legislation) for customs brokers at border checkpoints. Customs brokers are required to communicate with border customs authorities. Forwarders must transmit information to customs brokers who forward it the border authorities. Problem is that there is no contractual relationship between shippers and customs brokers. Customs brokers have to be given a power

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5 It was claimed that a high percentage of the data in railway documents differs from that in other documents, e.g. railway station codes and warehouse codes do not appear on other documents.
6 Examples were provided: if electronic equipment - requires special security certificates; if perishable goods - requires sanitary certificates plus certificates of "good standards".
of attorney to act on behalf of shippers. Forwarders are concerned that is responsibility for submission of advance information on cross border consignments is transferred from customs brokers to the railway, the railway will charge monopoly fees for this service.

In common with the comments of other forwarding companies, Globalink representatives indicated that Chinese rail haulage charges are too high. In addition, it was indicated that the Chinese Railway does impose weight limitations which do not apply in Kazakhstan. In some cases, Globalink uses road, not rail, to move cargo from ROK via Tianjin Port through to the Kazakhstan border. An example is liquid containers which are out of gauge for Chinese Railways. These are moved by road to the border with Kazakhstan where they are transferred to rail for onward carriage.

Other companies, e.g. Colos, are avoiding rail transport through China by re-directing their traffic through Russia.

3. Visit to Altyndol/Khorgos border region, 26 April 2016

The UNESCAP team travelled by overnight train to the border station of Altyndol and after inspection of the station facilities visited customs offices, the Special Economic Zone and the Khorgos Gateway Dry Port.

(i) Altyndol Station

Altyndol is the border station on the Kazakhstan side of the border with China. It is opposite the Chinese border station of Khorgos, to which it is linked by a road and railway line with a length of about 12 km.

Trains arriving in Khorgos from the east first clear Chinese border control and are then hauled by diesel traction to Altyndol Station where they are placed in arrival sidings to undergo Kazakh border control processes. Kazakhstan Railway staff, located at Khorgos station, receive documents from the Chinese side and submit these to Kazakhstan Customs at Altyndol station.

There are 3 standard gauge (1,435 mm) and 3 broad gauge (1,520 mm) tracks through the customs point at Altyndol. While in these tracks, trains are subjected to X-ray examination and to radiation control.

Bogie exchange of non-container wagons is undertaken at Khorgos station, so that when they arrive at Altyndol, they are already on the broad gauge.

Altyndol is equipped with Rubber Tyred Gantry (RTG) cranes, with a lifting capacity of 50 tonnes, for the transfer of containers from wagons of one gauge to another. These cranes operate in a container handling yard comprising loading and unloading tracks with a length of 1,050 metres (sufficient to accommodate entire trains of 50 wagons). In future, it is likely that all container transfers will be undertaken at the new Khorgos Gateway Dry Port.
Altynkol currently handles about 300 container wagons a day (both in and out), or approximately 210,000 TEU per year.

Photos 1 and 2: Containers dominate the traffic mix through Altynkol

For container traffic, all wagon handling and border control processes at Altynkol were reported as taking 4 hours and 30 minutes to complete, per train. The Government has set a new target for these processes of 3 hours and 55 minutes.

(ii) Meeting with Kazakhstan Customs at Khorgos International Centre of Border Cooperation (0930 hours 26 April 2016)

The meeting was held in the customs office at the main road border crossing point. Present were the director of the facility, 4 customs staff, and the UNESCAP team.

(a) Border control for trucks

Last year (2015), approximately 1,100 trucks entered and exited the border crossing. This year to date, 363 trucks, equivalent to about 1,244 per annum have passed through the border control point, suggesting that the number in 2016 could be about 13 per cent higher than last year.

Trucks passing from Kazakhstan into China can complete border formalities on the Kazakh side in 30 minutes, whereas trucks passing from China into Kazakhstan take on average 1-2 hours to complete formalities on the Kazakh side.

Cargo must be transferred from trucks of one country to trucks of the other at the border.

(b) Border control for rail

Wagons are first required to pass through X-ray inspection. If in the course of this inspection customs note inconsistencies between the physical consignment and the documentation, they will do a full inspection, but this does not happen often.

On average, only 2-3 % of rail consignments are physically inspected.
Normal inspection and handling processes take 4 hours and 30 minutes for a container train, but can be reduced to only 3 hours and 30 minutes for a container block train.

Customs representatives responded to the claim by freight forwarders in Almaty that the time taken for these processes averaged 1-2 days. First, it was considered that the longer processing time is experienced in Dostyk, rather than in Altyndkol, because Dostyk handles many times the volume of Altyndkol and the facilities there are becoming heavily congested. Second, it was considered that the need to re-marshal trains, e.g. Altyndkol-Almaty and Altyndkol-Astana may explain part of the longer processing time.

While freight forwarders in Almaty reported that required documentation is excessive, Khorgos Customs reports a normal requirement of three documents to clear transit cargo:

- Consignment note
- Commercial invoice
- Packing list

It was considered that the process could be simplified further through the application of electronic submission of documents and the sharing of advance information between the railway and customs.

Customs representatives also considered that a case could be made for a single or unified transport document. They observed that increased operation of long range container block trains (e.g. China-Germany) also contributes to simplification of procedures.

(iii) Inspection of the Border Special Economic Zone

The Chinese side of the border in the SEZ is now about 60 per cent complete and will be complete by 2018. It now comprises two high rise hotels (yet to be occupied) and several duty free stores.

Development on the Kazakhstan side will also be complete by 2018. Its centre piece will be an international conference centre.

Photo 3: Kazakhstan/China border at Khorgos
Meeting held at the company office at 1415 hours on 26 April 2016. Present at the meeting were: Zhanat Tanbayev, Advisor to CEO, KTZE Khorgos Gateway LLP; Bakhtiyar Uderbekov, Deputy CEO Logistics, KTZE Khorgos Gateway LLP; Ms Zhanara Bereketova, Senior Commercial Manager, KTZE Khorgos Gateway LLP; Nurzhan Moldabayev, Account Specialist, KTZE Khorgos Gateway LLP; Saltanat Adambayeva (Kazakhstan Freight Forwarders Association); Fedor Kormilitsyn, Economic Affairs Officer, UNESCAP Transport Division; and Peter Hodgkinson, Consultant UNESCAP.

(a) Dry port ownership and operation

KTZE\(^7\) Khorgos Gateway LLP, a Joint Stock Company and a subsidiary of the Kazakhstan Railways, is the owner, developer and principal operator of the Khorgos Gateway Dry Port, which is one of three components of the SEZ Khorgos East Gate project. The other two (see Figure 2) are a Logistics Zone and an Industrial Zone, each with an area of 225 hectares. The dry port has an area of 129 hectares.

\(^7\) KTZ Express
(b) Dry port assets

Details of the infrastructure provided within the dry port are as follows:

- a Container Yard (CY) with capacity for 16,000 TEU (3,700 TEU ground-slots and a 4.3 tier average stack height);
- rail accesses comprising 3 standard gauge and 3 broad gauge loading/unloading tracks, each with a length of 1,050 metres (sufficient to accommodate complete container trains of 50 wagons);
- two rail connected warehouses, each with an area of 5,000 square metres and each incorporating a 700 square metre temperature controlled chamber;
- 180 reefer plugs in the CY.

Container and cargo handling equipment operating (or to be operated) in the dry port, includes:

- 6 reach-stackers
- 2 empty handlers
- 3 rail mounted gantry cranes
- 4 rubber tyred gantry cranes
- 7 ITV (yard tractors) and 10 yard trailers
- 24 forklifts (12 for each warehouse)

(c) Dry port functions

The main function of the dry port currently is to transfer containers between wagons of different gauge. In its first 9 months of operation, the dry port handled 26,558 TEU – equivalent to 35,000 TEU per year. Since the container volume through Altynkol is approximately 210,000 TEU on an annual basis, the Khorgos Gateway Dry Port currently handles only a small proportion of the total TEU transferred between wagons of different gauge at the Altynkol/Khorgos border. This may be expected to change in future when all container lifting and transfer operations are relocated from Altynkol Station to the dry port.

In the longer term, as the logistics and industrial components of the SEZ project commence operation, so the dry port can be expected cater for the cargo handling demand generated by these components.

The dry port benefits from being located within an SEZ, in the sense that it operates within a customs free area – goods entering the facility are free of taxes. In addition, companies wanting to invest in the SEZ are exempted from the payment of corporate income tax, value added tax, and land and property taxes.

(d) Other issues

Truck weight regulations in China are more liberal than those in Kazakhstan (maximum truck weight in China is 55 tonnes, but in Kazakhstan only 40 tonnes). The mismatch of truck
weight regulations causes operational difficulties. For example, Chinese trucks can enter the SEZ on the Kazakhstan side, only if they are lightly loaded. It is planned to increase truck weights in the SEZ and surrounding area in order to resolve this problem.

(v) Inspection of dry port facilities

RMGs (rail mounted gantries) operate in the rail loading/unloading sidings. Their function is to transfer containers from wagons of one gauge to wagons of another, as well as to load and offload containers to/from wagons for movement by yard trailer from/to the CY. For this purpose they straddle 3 standard gauge and 3 broad gauge tracks, and can use their outreach sections to access yard trailers, or indeed road trucks – see Photo 4.

![Photo 4: RMGs work in the rail loading/unloading sidings](image)

RTGs and reach-stackers (see Photos 5 and 6) are used to lift containers in the CY.

![Photo 5: RTGs work in the CY](image)  ![Photo 6: Reach-stacker practice-loading a yard trailer](image)
(vi) **Visit to Customs office at Altynkol Station**

Customs procedures for checking of transit consignments were explained to the UNESCAP team. When a train arrives in the inspection sidings, the following actions are taken:

1. Railway staff undertake translation of transport and other documents (in particular commercial invoice and packing list) related to transit consignments in a wagon. [Russian-Chinese-Russian]

2. Railway staff register documents

3. Railway staff prepare transit declaration, based on transport and other documents.

4. Customs staff review transit declarations and supporting documents, then approve documents and authorize formation of train.

5. Railway staff form the train and move forward past radiation and X-ray scanning equipment.

6. Customs staff check information given on invoices and packing lists against information on number, type and contents of packages revealed on X-ray scans. On the basis of one invoice and one packing list per container, this step will involve processing 100 invoices and 100 lists per train.

7. On basis of this cross-check, Customs staff decide whether the consignment is to be treated as suspicious or not

8. If suspicious, Customs undertake detailed physical inspection of consignment; if otherwise, the consignment is cleared.

4. **Meeting with Kazakhstan Freight Forwarders Association in Almaty**

Meeting held at the Association's office at 1000 hours on 27 April 2016. Present at the meeting were: Ilya Segal, General Director, KFFA; Ms Yelena Vassilevskaya, Deputy General Director for Projects, KFFA; Saltanat Adambayeva KFFA; Fedor Kormilitsyn, Economic Affairs Officer, UNESCAP Transport Division; and Peter Hodgkinson, Consultant UNESCAP.

(i) **Recent experience of Kazakhstan Customs in implementing advance information**

The General Director explained the background to the failure of Kazakhstan’s scheme for advance information on import and transit consignments. In March 2016, Kazakhstan Customs issued a decree that in the event of a failure of advance information, goods would be placed in the category of “high risk” and detained for inspection. When the software developed by Kazakhstan Railways failed, Customs reacted by detaining large volumes of cargo at the border. The railway then used its monopoly power to charge demurrage on the large numbers of wagons detained at the border, in effect penalizing shippers and their agents for the railways own failure to provide the advance information required by customs.
The General Director considers the initiative of customs to require advance information a step in the right direction, but is critical of the mode of introduction: customs should have allowed more time for the railways to correct and adapt their EDI system and should have taken corrective action when the railways imposed demurrage. In addition, the General Director listed two other problems regarding implementation of the advance information initiative:

(a) inadequacy of enabling legislation governing the introduction of new technology for customs purposes: an example given was the introduction of GPS for cargo tracking, which has not been smooth owing to the lack of regulations; and

(b) failure to give adequate notification to neighbouring countries – Chinese companies, in particular, are reluctant to provide advance information to Kazakhstan Customs because they received inadequate warning of the introduction of the new system.

The General Director claims that the problems concerning introduction of advance information are being solved, but not quickly enough to satisfy KFFA members. In particular better technical and regulatory intervention is required to make the system work smoothly.

(ii) **Comparative performance of Dostyk and Altynkol**

Altynkol has newer and better facilities than Dostyk, but the General Director claimed that inefficient working practices at the former cause cargo delays. He claims Dostyk works better than Altynkol, but is unable to explain why delays at Dostyk should average 1-2 days as compared with only 3.5-4 hours at Altynkol, other than congestion caused by much higher traffic volume.

(iii) **Problems with documentation and other issues affecting border performance**

The General Director itemized these problems as follows:

(a) Chinese Railways is still very closed and not market oriented – is cautious about providing information.

(b) In China, not all of the agents involved in international trade know what is an SMGS consignment note. Particularly those in inland China use domestic documentation, which must be transcribed to the SGMS document at the border. This often causes significant delays.

(c) Chinese documents often come with errors, resulting in a need for additional data, which can be time consuming.

(d) Arrival of cargo in individual wagons rather than as part of a block train, will often result in lengthy delays, owing to the need for train marshalling.

(iv) **Comments of KFFA on development of a unified multimodal transport document**

(a) Consider that there could be benefits in developing and implementing a document which integrates and satisfies the needs of all modes
(b) This is not a new idea, but still separate documents are used for different modes of transport (e.g. CIM/SMGS for rail, sea B/L for sea transport, etc).

(c) While Kazakhstan regulations mandate the use of the FIATA document for multimodal transport, in practice the FIATA document does not replace the rail consignment note or the B/L, although it was designed to do this.

(d) As a FIATA member, KFFA distributes the FIATA documents to its members, but it is clear that it cannot replace uni-modal documents (air transport has declined and railways consider CIM/SGMS is enough for their needs).

(e) There is a need to design something which is simple, clear, and capable of satisfying the needs of all transport modes.

(f) Possible that this document should be designed as a composite document and from the outset be designed for electronic transmission.

(g) KFFA willing to help promote this document in Kazakhstan and in other countries of Central Asia.

P.J. Hodgkinson
25 June 2016
Attachments

1. Completed questionnaire for IFC Colos

2. Completed questionnaire for Maxx Intermodal

3. Examples of Railway Consignment Note, Packing List and Certificate of Origin for consignment of marble transported by rail from China to Kazakhstan:
   A. Railway Consignment Note (SMGS)
   B. Packing List
   C. Certificate of Origin

4. Example of Railway Consignment Note (SMGS) for transit consignment from Kazakhstan to Nagoya, Japan, via Qingdao Port, China

5. Example of Sea Bill of Lading for consignment from Vostochny Port to Busan Port
## Development of seamless rail-based intermodal transport services in Northeast and Central Asia for enhancing Euro-Asian transport

### Questionnaire for collection of information on border control procedures and documentation

**Country:** Kazakhstan  
**Name of responding organization:** IFC Colos  
**Name and position of person interviewed:** Max Kholodov, Tracing specialist  
**Date:** April 11th, 2016

### Documents and procedures applied on selected routes

<table>
<thead>
<tr>
<th>Selected transport route</th>
<th>Transport media used</th>
<th>Transport document(s) used</th>
<th>Document transmission</th>
<th>Where is document(s) issued?</th>
<th>Document application</th>
<th>Are you aware of any on-route delays due to modal transfer and/or border control procedures? If so, please specify...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almaty-Tianjin-Busan-Seoul (Uiwang)</td>
<td>Rail-sea-rail (or road)</td>
<td>Rail waybill, Bill of lading, Commercial invoice, Packing list, Other shipping documents (if needed)</td>
<td>Electronically</td>
<td>Station of departure</td>
<td>Border stations</td>
<td></td>
</tr>
<tr>
<td>Seoul (Uiwang)-Busan-Tianjin-Almaty</td>
<td>Rail (or road)-sea-rail</td>
<td>Rail waybill, Bill of lading, Commercial invoice, Packing list, Other shipping documents (if needed)</td>
<td>Electronically</td>
<td>Station of departure</td>
<td>Border stations</td>
<td></td>
</tr>
<tr>
<td>Almaty-Shanghai</td>
<td>Rail</td>
<td>Rail waybill, Commercial invoice, Packing list, Other shipping documents (if needed)</td>
<td>Electronically</td>
<td>Station of departure</td>
<td>Border stations</td>
<td></td>
</tr>
<tr>
<td>Shanghai-Almaty</td>
<td>Rail</td>
<td>Rail waybill, Commercial invoice, Packing list, Other shipping documents (if needed)</td>
<td>Electronically</td>
<td>Station of departure</td>
<td>Border stations</td>
<td></td>
</tr>
<tr>
<td>Almaty-Ulaanbaatar</td>
<td>Rail</td>
<td>Rail waybill, Commercial invoice, Packing list, Other shipping documents (if needed)</td>
<td>Electronically</td>
<td>Station of departure</td>
<td>Border stations</td>
<td></td>
</tr>
<tr>
<td>Ulaanbaatar-Almaty</td>
<td>Rail</td>
<td>Rail waybill, Commercial invoice, Packing list, Other shipping documents (if needed)</td>
<td>Electronically</td>
<td>Station of departure</td>
<td>Border stations</td>
<td></td>
</tr>
</tbody>
</table>

*Please insert information in the blue shaded boxes of the above table.  
* Please provide samples of completed transport documents.
Development of seamless rail-based intermodal transport services in Northeast and Central Asia for enhancing Euro-Asian transport

Questionnaire for collection of information on border control procedures and documentation

<table>
<thead>
<tr>
<th>Country</th>
<th>Name of responding organization</th>
<th>Name and position of person interviewed</th>
<th>Date</th>
<th>Documents and procedures applied on selected routes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>Kazakhstan Intermodal Transport Services</td>
<td>Kazakhstan Intermodal Transport Services</td>
<td>2023-04-15</td>
<td>Broadway</td>
</tr>
</tbody>
</table>

Selected transport routes:
- Almaty - Beijing (rail)
- Bejing - Almaty (rail)
- Almaty - Nagoya (rail-sea)
- Almaty - Nizhny Novgorod (rail)
- Ulaanbaatar - Almaty (rail)

Transport modes used:
- Railway bill
- Sea Bill
- Road Bill

Transport document(s) used:
- Railway bill
- Sea Bill
- Road Bill

Where are these documents issued:
- Kazakhstan Intermodal Transport Services
- Kazakhstan Intermodal Transport Services
- Kazakhstan Intermodal Transport Services

Document application:
- Railway bill
- Sea Bill
- Road Bill

Document transmission:
- Railway bill
- Sea Bill
- Road Bill

All delays may happen only due to incorrect documents from shipper or lack of state permissions from consignee.

Huge delay in delivery due to improper Novorossiysk RW station process for export shipments ex Novorossiysk (lost about 10 days).

No delays due to customs clearance. Main delay is due to 1) lack of private platforms (Russian, Lithuanian) 2) KZ platforms available (private & Keden), but at very high price (double price comparing to Russian & Lithuanian platforms).

Please insert information in the blue shaded boxes of the above table.

* Please provide samples of completed transport documents.
Attachment 3A: Example of Rail Consignment Note (SMGS) for consignment by rail of marble from China to Kazakhstan
Attachment 3B: Example of Packing List for consignment by rail of marble from China to Kazakhstan

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Size (MM)</th>
<th>Quantity</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marble Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HS CODE: 6802210000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masin Grey Marble</td>
<td>600</td>
<td>6533</td>
<td>58500.00</td>
</tr>
<tr>
<td></td>
<td>300</td>
<td>56</td>
<td>59000.00</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>1175.94</td>
<td>58500.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>59000.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>6533</td>
<td>58500.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>56</td>
<td>59000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1175.94</td>
<td></td>
</tr>
</tbody>
</table>

PACKAGE IN FIFTY SIX WOODEN CASES ONLY

DATE: DEC., 24TH, 2015

CONSIGNEE: ТОО Italstone, РК, г. Астана, пр. Момышулы 4, кв 208, 010000 индекс Tel: +77054551792

From China to Kazakhstan by Train

INVOICE NO.: HS-1517

厦门华潇进出口有限公司
XIAMEN HUASHOW IMP.&EXP. CO., LTD.
UNIT 2306, NO.13, JINZHONG ROAD, HULI DISTRICT, XIAMEN, CHINA
TEL: +86-592-3620248           FAX: +86-592-5150838

PACKING LIST
Attachment 3C: Example of Certificate of Origin for consignment by rail of marble from China to Kazakhstan
4. Example of Railway Consignment Note (SMGS) for transit consignment from Kazakhstan to Nagoya, Japan, via Qingdao Port, China

<table>
<thead>
<tr>
<th>Дубликат накладной (для отправителя)</th>
<th>3252</th>
</tr>
</thead>
<tbody>
<tr>
<td>Освобождение</td>
<td>ТОО &quot;Каспий&quot;</td>
</tr>
<tr>
<td>Республика Казахстан, 050061 г. Астана, пр. Райымбекова 348</td>
<td></td>
</tr>
<tr>
<td>Тел./Факс +77272598987</td>
<td></td>
</tr>
<tr>
<td>Дата оформления</td>
<td>27 КЗХ</td>
</tr>
<tr>
<td>4 Заказчик</td>
<td>1000</td>
</tr>
<tr>
<td>5 Накладная СМГС</td>
<td>QINGDAO OCEAN &amp; GREAT ASIA LOGISTICS CO. LTD. PIC: 13792495777 (LIANG WEITAO)</td>
</tr>
<tr>
<td>Контактное лицо</td>
<td>LIANG WEITAO, 137-9249-5077</td>
</tr>
<tr>
<td>7 Индекс</td>
<td>Циндао Океан и Греат Азия Трансポートация Ко.ЛТД</td>
</tr>
<tr>
<td>6 Поручение перевозки</td>
<td>CHINA RAILWAY Qingdao port station Japan Nagoya</td>
</tr>
<tr>
<td>Transit shipment from Kazakhstan to Japan via Qingdao by sea. goods are transported from Kazakhstan to Japan via Qingdao</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Достык/Алапашанько</th>
<th>708507</th>
</tr>
</thead>
<tbody>
<tr>
<td>Сплавы алюминиевые в слитках</td>
<td></td>
</tr>
<tr>
<td>марки АК5М2</td>
<td></td>
</tr>
<tr>
<td>ГНГ 76011000/331016</td>
<td></td>
</tr>
<tr>
<td>Вагон собственности компании &quot;ТОО Атасу транс&quot;</td>
<td></td>
</tr>
<tr>
<td>после выгрузки срочный позавтран на гт.Жетысу 301 тупик</td>
<td></td>
</tr>
<tr>
<td>Тариф порожнего вагона взыскать через TOO МЭК Атас</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KKTU 7656626</th>
<th>Р 2*20 22 G1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Опт. По КЗХ TOO МЭК Атас 2760590/A01772</td>
<td></td>
</tr>
<tr>
<td>Опт. По КНР XINJIANG MINGCHENGDAYA LOGISTICS PAY FREIGHT OF CHINA RAILWAY PART</td>
<td></td>
</tr>
</tbody>
</table>

| Инвойс № | 191 |
| Акт по фумигации | |
| ТПД-1 шт | |
| Упаковочный лист | |
| Сертификат качества | |
| 18 MAY 2018 | ЖЕТЫСУ КЗХ |

<table>
<thead>
<tr>
<th>Оптовая цена (грн)</th>
<th>700308</th>
</tr>
</thead>
<tbody>
<tr>
<td>АО НХ&quot;КТК&quot; Жетысу- Достык-экс</td>
<td></td>
</tr>
<tr>
<td>ЮЖД</td>
<td></td>
</tr>
<tr>
<td>Алапашанько-Qingdao port</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Информация, не заложенная для перевозки, № договора на поставку</th>
<th>5530216/1006/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>27000</td>
</tr>
<tr>
<td>2350</td>
<td>29350</td>
</tr>
<tr>
<td>Услуги по фумигации</td>
<td></td>
</tr>
<tr>
<td>ТПД-1 шт</td>
<td></td>
</tr>
<tr>
<td>Упаковочный лист</td>
<td></td>
</tr>
<tr>
<td>Сертификат качества</td>
<td></td>
</tr>
<tr>
<td>18 MAY 2018</td>
<td>ЖЕТЫСУ КЗХ</td>
</tr>
<tr>
<td>26 Отзывы для накладной</td>
<td>Канцелярские товары</td>
</tr>
<tr>
<td>28 Отзывы для накладной</td>
<td>Канцелярские товары</td>
</tr>
</tbody>
</table>
5. Example of Sea Bill of Lading for consignment from Vostochny Port to Busan Port

<table>
<thead>
<tr>
<th>MARKS AND NUMBERS</th>
<th>NUMBER OF PACKAGES</th>
<th>DESCRIPTION OF PACKAGES AND GOODS</th>
<th>WEIGHT (KGS)</th>
<th>MEASUREMENT (CBM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4X20'S.O.C.</td>
<td></td>
<td>BRASSINGOTS</td>
<td>21,000.00</td>
<td>21,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Empty costs should be returned to:</td>
<td>21,000.00</td>
<td>21,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NINGBO HOMENY CONTAINER YARD</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO., LTD NO:77</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>West Industrial Zone Of Daxie</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Island Ningbo China</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTN: Mr. Wang</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21 PACKET</td>
<td>20DC/SOC/CAXU 621879</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21 PACKET</td>
<td>20DC/SOC/HJCU 8054963</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21 PACKET</td>
<td>20DC/SOC/TTNU 1323198</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21 PACKET</td>
<td>20DC/SOC/UACU 3187823</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL 84 PACKET</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Containers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AS PER ATTACHED RIDER</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RIDER TO BL N° FENB16394 Page 2

MARKS/NUMBERS | NUMBER OF PIECES | KIND OF PACKAGES AND DESCRIPTION OF GOODS | WEIGHT, KG | MEASUREMENT, CBM |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SAY: FOUR CONTAINERS ONLY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>