

ABSTRACT

of the dissertation for the degree of Doctor of Philosophy (PhD)
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Diversification of exports of the manufacturing industry of the Republic of Kazakhstan: theory, assessment and development scenario

General description of work. This dissertation work is aimed at studying the trends of export diversification of the manufacturing industry of the Republic of Kazakhstan. A methodology is proposed to study the level of export diversification by region, and an assessment is carried out. A scenario for the possible development of the manufacturing industry until 2025 has been developed, recommendations on the mechanisms for implementing this scenario have been given.

The relevance of the research. In the context of globalization, the economy of each country strives for sustainable growth, in the structure of which exports are of great importance. Many countries are striving to develop their exports by reducing international trade barriers, using effective strategies in the global market. Countries that have successfully diversified exports have created a strong economy.

The issue of export diversification has not lost its relevance to this day, again in the current geopolitical tensions, this topic is on the agenda. It is especially important to study the problem of export diversification in developing countries, including in countries with rich mineral wealth. Scientist X.Cirera, who studied this topic on the example of Brazil, focused his research specifically on developing countries with rich natural resources. In this regard, it is very important to study the problem of export diversification on the example of Kazakhstan as a state rich in minerals and raw materials.

In the long term, export prices of raw materials are declining relative to import prices for finished industrial products. This creates macro–microeconomic problems for countries that have not been able to diversify their exports.

Kazakhstan has also set itself the task of diversifying exports in order to create a favorable macroeconomic climate, form sustainable economic growth, stabilize foreign exchange earnings, reduce import dependence in the manufacturing industry, etc. In 2017, the State Program "National Export Strategy 2018-2022" was approved. The main objective of the Program is to increase non-primary exports by 1.5 times by 2022 and export diversification.

Then the State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2020-2025 was adopted, approved by Government Resolution No. 1050 of December 31, 2019. Here, too, one of the main goals is to strengthen the competitiveness of manufacturing industries in the domestic and foreign markets. To do this, by 2025, it is planned: "the actual increase in the productivity of the manufacturing industry by 1.6 times compared to the indicator of 2018, an increase in the volume of exports of the manufacturing industry by 1.9 times compared to 2018, an increase in the index of the physical volume of investments in fixed assets of the manufacturing industry by 1.6 times compared to 2018, an increase in the productivity of the manufacturing industry industry per 1,000 economically active population compared to 2018, it is

necessary to increase the number of operating enterprises by 1.5 times and increase the index of economic complexity from 78th to 55th".

According to its geographical structure, domestic goods are exported to almost 120 countries of the world, although 60% of them account for only 6 countries. By the end of 2020, in the total share of exports: China - 19.2% (\$9 billion), Italy - 14.2% (\$6.7 billion), Russia -10.4% (\$4.9 billion), the Netherlands - 6.7% (\$3.1 billion), Uzbekistan and Turkey account for 4.5% (2.1 billion each). In the commodity structure of exports, 70% are raw materials and minerals (mineral fuel, oil and petroleum products – 45.2%, precious stones and metals – 9.7%, ferrous metallurgy – 9.5%, copper – 6.8%, inorganic chemistry products – 4.1%). Thus, there is a high level of concentration of Kazakhstan's exports in both geographical and commodity structure.

In Kazakhstan, the level of fluctuations in the country's exports has been very high over the past decade. So, if in 2012 exports amounted to 87 billion US dollars, then in 2016, due to lower prices for raw materials on the world market, export revenue decreased to 36 billion US dollars. Having achieved some growth to \$61 billion in 2018, in 2020, during the global coronavirus pandemic, Kazakhstan's exports fell again to \$47 billion. Such high fluctuations in export earnings had a negative impact on macroeconomic stability. In particular, the rapid growth of inflation, the devaluation of the national currency, the decline in the solvency of the population, barriers to obtaining imported goods, budget deficit, the emergence of risks in the repayment of external debt, etc. By the end of 2021, Kazakhstan ranked 53rd among 204 countries with a share of 0.3% of world exports.

If earlier the topic of export diversification remained theoretical and debatable for us, then the sharp drop in oil prices made it a really urgent problem that needs to be solved in a short time.

The degree of development of the problem. Research on export diversification is actively discussed among scientists. In some studies, scientists studying this problem agree on one point of view, and in some they express different opinions, disagreeing with each other. For example, according to Sacha and Warner, countries rich in reserves of natural raw materials may suffer from the "Dutch disease", and the export basket may concentrate only on a few commodity groups. This opinion is confirmed by Ferranti et al., who argue that countries with rich natural raw materials tend to concentrate the export basket, which hinders the development of other industries in the country, and also contributes to economic growth. Conversely, according to Leiderman, abundant natural resources are a prerequisite for economic growth.

According to Mekhlum, the concentration of exports has a negative impact on the economic growth of the country, therefore, the heads of states with rich natural resources need to implement an export development strategy as effectively as possible. Countries with rich natural resources and effective institutional governance are developing faster than countries with inefficient institutional governance, but with rich raw materials.

This conclusion was once again confirmed by the scientist A. Gelb, who conducted a study in 2011, who proved that if oil-rich states have effective governance, they have more chances to increase their exports compared to oil-rich countries with poor governance.

On the one hand, the openness of the economy, due to the regime of political governance of the country, can have a positive impact on both diversification and specialization. For example, in highly democratic countries, openness can lead to the diversification of a country's exports, and in autocratic countries, on the contrary, to the

concentration of exports. Some scientists note that human capital also has a great influence on increasing the country's exports. Each country should determine its geographical, production, technological, and logistical features in the process of diversification. By diversifying exports, it is possible to stabilize foreign exchange income in the country, which reduces the negative impact of foreign trade pressure.

C. Miller and D. Greenway confirm that as the share of manufacturing products in the country's exports decreases, export revenues accelerate their dependence on world oil prices.

In the work of scientists R. Hausman et al. it is noted that the more a country exports high-tech products with added value, the stronger and more powerful it becomes.

Currently, when assessing the level of export diversification, each researcher, each statistical international and domestic organizations use their own assessment methods.

For example, in many works, when calculating the level of export concentration, the Hirfindahl-Hirschmann indices (HHI), Entropy are used. And when determining the export potential of a particular industry, the "Revealed Comparative Advantage" index of 1965, proposed by B. Balassa, is used. There is also a modified and improved version of this methodology – the "Export Competitiveness Index". Also known as the Harvard Index, or the Economic Complexity Index (ECI), developed by R. Hausman and S. Hidalgo in 2009. European statistical agencies calculate index methods based on several numerous indicators.

In addition, among foreign scientists on the topics of studying the diversification of the economy and exports, assessing the contribution of diversification to export growth, S. Milner, J. Imbs, P. Lecharde, S. Carrer, S. Samen, O. Kadot, M. Tamberi, O. Massol, P. Klinou, M. Koren, K. Ruhl, A. Venable, P. Brenton, A. Gelb, R. Newfarmer,); the impact of the export structure on the economic growth of the country (R. Housman, B. Klinger, D. Rodrik, J. Huang, C. Hidalgo, etc.). In Kazakhstan, among domestic scientists are O. Sabden, A. Satybaldin, K. Turkeeva, Z. Chulanova, M. Almagambetova, G. Aubakirova, D. Kelesbayev, R. Sabirova, G. Azretbergenova, K. Tazhibayeva, A. Abdimomynova, U. Shalbolova, Zh. Rayymbekov, A. Ybizhanova etc.

The purpose of the study. Theoretical and methodological justification of export diversification, assessment of its level on the example of the regions of Kazakhstan and development of a development scenario.

Research objectives.

- To study the theoretical foundations of the development of export diversification and to give the author's vision of the concept of "export diversification";
- Develop a methodology for assessing the possibility of export diversification;
- To test methods for assessing export potential, to make calculations of the export potential of the manufacturing industry of the Republic of Kazakhstan using various index methods; analysis and evaluation of export opportunities of the manufacturing industry of the Republic of Kazakhstan on the basis of the proposed method;
- Development of a scenario for the development of export diversification in Kazakhstan;
- Recommendation of mechanisms for implementing the export diversification development scenario.

The object of the research is the export of manufacturing industries of the Republic of Kazakhstan.

The subject of the research is economic relations arising in the process of export diversification in Kazakhstan

The theoretical and methodological basis of the research.

The theoretical and methodological basis of the research work is the fundamental research works of domestic and foreign scientists related to the topic. About 50 articles from highly rated publications were selected and analyzed in the direction of the study. In the second part of the study, a logical, comparative, analytical, graphical analysis was carried out. The level of export diversification was assessed by an index approach and, finally, a comprehensive integral index methodology was used to assess the possibilities of export diversification of the Republic of Kazakhstan.

The information base of the research consists of monographs, works of foreign and domestic scientists, materials of publications included in the Web of Science and Scopus databases. In addition, legislative and regulatory acts of the Republic of Kazakhstan, state programs of industrial innovation, the program of the National Export Strategy, official data of the Ministry of Trade and Integration of the Republic of Kazakhstan, statistical data of international statistical agencies such as the World Bank, the International Trade Center, the database of the National Bureau of Statistics of the Republic of Kazakhstan and other official information of international organizations and periodicals were studied.

Scientific novelty of the dissertation work:

- The theoretical and evolutionary concept of export diversification is generalized, supplemented by the author's approach to the concept of export diversification;
- Approaches to the assessment of export diversification have been studied, the author's method of complex integral index assessment based on the index method of assessing the export opportunities of regions has been proposed;
- Based on the proposed methodology, the export opportunities of the manufacturing industry of the Republic of Kazakhstan in the regions were evaluated. A rating of the potential for export diversification has been developed on the example of the regions of the Republic of Kazakhstan; an assessment has also been carried out using various index approaches;
- A forecast of a possible scenario for the development of exports based on the indicators of exports of the manufacturing industry in Kazakhstan has been made;
- Based on the assessment, mechanisms have been developed to implement a possible scenario for the export of Kazakhstan's manufacturing industry.

The main statements for thesis defense:

- Export diversification - increasing exports of manufacturing industry with a decrease in exports of raw materials, stabilizing export revenue and ensuring economic growth by optimizing the share of exported products.
- The author's complex integral index methodology for assessing the degree of export diversification associated with the modification of the index methodology is given;
- Determined the levels of opportunities for the development of exports of the manufacturing industry on the example of the regions of the Republic of Kazakhstan by testing the proposed methodology;
- An interval forecast of the development of exports of the manufacturing industry of the Republic of Kazakhstan until 2025 has been developed;
- Mechanisms have been developed for the implementation of a possible scenario for the export of manufacturing industry.

Practical significance. Mechanisms have been developed to implement a possible scenario for manufacturing exports. The study is related to the National Export Strategy

of the Republic of Kazakhstan, the state programs of SPIID-3. Also, the results of the study can be used as a lecture material in the disciplines of "World Economy", "Macroeconomics", etc.

The practical contribution of the study. Mechanisms have been developed to implement a possible scenario for manufacturing exports. The study is related to the National Export Strategy of the Republic of Kazakhstan, the state programs of SPIID-3. Also, the results of the study can be used as a lecture material in the disciplines of "World Economy", "Macroeconomics", etc.

Approbation and implementation of the research results. The main results of the dissertation research are presented at international and domestic scientific and practical conferences, published in collections of conference materials.

The executor of the program BR05236639 "Kazakhstan's path to a knowledge-based economy based on the Third technological modernization: strategy, models and development mechanisms", implemented by the program-targeted financing by the Institute of Economics of the KN of the Ministry of Education and Science of the Republic of Kazakhstan in 2018-2020.

Currently, he is the executor of the BR10965247 program "Study of factors, features and dynamics of migration, urbanization, demographic processes in Kazakhstan, development of digital maps and forecasts", implemented under program-targeted financing by the Institute of Economics of the KN of the Ministry of Foreign Affairs of the Republic of Kazakhstan in 2021-2023.

Publications of research results. According to the results of the study, 10 scientific articles were published. Including: 1 article in the journal included in the international database Scopus, "Evaluation of export diversification on sustainable growth in Kazakhstan", and 3 articles in journals recommended by the Committee for Quality Assurance in the Field of Science and Higher Education of the Ministry of Science and Higher Education of the Republic of Kazakhstan (KNISO). In particular, the articles "Factor analysis of innovation activity in the formation of a competitive economy in Kazakhstan", "Analysis of exports of the manufacturing industry of Kazakhstan", "Assessment of export diversification in Kazakhstan". There are chapters in two collective monographs: "Strategy for the development of small and medium-sized enterprises of the Republic of Kazakhstan". O. Sabden et al. - Almaty: Institute of Economics of the KN MES RK. -2017.-400 p. Chapter 4. Part 3. Improvement of legislative support for small and medium-sized businesses. "Strategy of economic security and social stability of Kazakhstan". Edited by Academician of NAS RK A. A. Satybaldin. Almaty: Institute of Economics KN MES RK. -2019,-740 p. Chapter 4. Part 4. Directions and mechanisms of development of the export potential of the manufacturing industry.