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Using Modern Methods of Management in Kazakhstan

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Abstarct: In modern conditions the innovative development of the country the main goal of the state policy in the field of science and technology. The most important direction of the state innovation policy is the formation of the national innovation system. In cyclically developing economy emerging from the structural crisis national economic policies contribute to the formation of a new type of industry: on the stage of economic growth to its development and strengthening, on the stage of stabilizing it is aimed at the realization of the existing potential. Depending on the stage of its development, economic policy provides any support for the existing structure of the industry or to the formation of the branch structure of a new type. State innovation policy is mainly aimed at creating favorable economic, institutional, legal, informational, social and psychological conditions for the implementation of innovative processes. These conditions and the variety of methods of formation of innovation policy define the basic strategic directions of state support for innovation. In the study, the questions of strategic management were shown, the features of the formation and development of the railway industry of the Republic of Kazakhstan. Special attention was attended to the assessment of the strategic management of the real economy sector.

Key words: Railway transport, transportation services, strategic management, economic sphere, state policy, innovations, industrial structure

INTRODUCTION

A well-functioning economic policy of the state is the key to successful development of the country as a whole, the part of no small importance is the industrial and innovation policy.

Industrial and innovation challenges require a balanced industrial development and fair trade. GDP growth in Kazakhstan in the last decade basically stimulated export commodity nature of the economy which in terms of both technology and competitiveness and the share of products with high added value does not qualify for transitional neo-industrial economy. The fundamental problem is that the current economic system of the republic is dependent on foreign capital and actually subordinated to foreign multinationals supply of raw materials and resources. The dominant economic resource is capital rather than industrial. The economic situation is developing in Kazakhstan, led to the beginning of the transition to a fundamentally new model of economic growth to overcome the de-industrialization, the formation of knowledge-intensive industries and industries with high added value.

Since 2010 inKazakhstan, the main document for the implementation of industrial and innovation policy has become a state program of forced industrial-innovative development. In connection with the advent of the program seeks to transition to a new model of high-tech modernization of the national economy with a radical restructuring and upgrading of production facilities on the basis of innovation.

Innovative scientific and technological breakthrough involves a radical strengthening of the organizational and institutional role of the state. In the same position as objectively increased state ownership, the state capital in the consolidated budget of the country and solving urgent problems of forced industrialization in joint ventures with foreign investors.

New industrialization as evidenced by international practice is entirely dependent on the rules and the efficiency savings. Calculations of experts and academic institutions prove suitable level of investment in favor of the manufacturing industry for at least 25-30%. Kazakhstanas well needs identical levels of investment, the rate of accumulation in the industrial capital in the real base of modernization including investments in human capital and especially at the time of the active implementation of the program of forced industrial-innovative development, though it is in industrial capital.

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In the context of global competition and an open economy the sovereign development of Kazakhstan is possible only with a maximum of rational organization of accounting and inventory of the economic potential of the republic taking into account its strengths and weaknesses in the international division of labor and in the framework of the Eurasian community. The new industrialization of the country at a historic turning point of its development requires a new economic system, responsive to the renewal, restructuring, innovation, creation and implementation of new technologies and products, increase the competitiveness of production. We are talking about the formation of a new national economic system, based on new sources of economic growth and as a branch structure, the growth of labor productivity, rational income differentiation, efficiency and quality of public administration. All of the above should form a competitive national economy with a new strategic approach to the transformation process in the country and a reorientation of policy on innovation industrialization and modernization as a general public interest.

The effective functioning and consistent development of rail transport has a fundamental importance for the development of regions, sectors and individual companies as the availability of transport capacity is a necessary condition for the development of the productive forces, especially in times of lifting the economic situation. In addition, rail transport is a key element of the integration transport system of the Republic of Kazakhstan in connection with the possibility of year-round to meet the demand for transport services in both freight and passenger transport, thereby ensuring the socio-economic unity of the country.

State innovation policy is a set of measures aimed at strengthening innovation, increasing its efficiency and widespread use of the results in order to accelerate social and economic development of the country and the most complete satisfaction of social needs. It comprises three stages:

- The development of science-based concepts (belief systems) development of innovative activity is based on the analysis of the innovation potential
- Identification of the main directions of state support of innovation
- Implementation of practical actions to implement the goals aimed at increasing innovation activity

The innovation policy is necessary to distinguish two aspects-strategic and tactical. The strategy of the state innovation policy is based on long-term concepts of social and economic, social and political development of the country. The choice of strategy innovation policy requires the definition of the main directions of state regulation of innovation and the adoption of methods to the development and use of scientific potential, establishing the main objectives of innovation development in accordance with the socio economic objectives. The tactic involves determining the current objectives and concrete measures to ensure the achievement of these goals with the greatest efficiency. Tactical vehicles is funding for research and development of design engineering, material and technical and information support, recruitment, establishment of legal and organizational conditions for the implementation of measures for innovative development.

The effectiveness of the state innovation policy, methods of its formation and the main directions of innovation support to a certain extent reflected in the scientific technical leadership. It manifests itself on an international scale: the expansion of exports of scientific and technical information of the results (licenses, patents, etc.), an increase in exports of innovations, a broad provision of free scientific and technical innovation assistance to other countries. Scientific and technical leadership is proof of correctness of the chosen strategic direction and tactical actions for the formation and implementation of state innovation policy. Scientific technical leadership is the result of the correct choice of research areas (front and use selective methods). The right choice should lead to leadership in the areas in which there is a priority in the development.

State innovation policy is mainly aimed at creating favorable economic, institutional, legal, informational, social and psychological conditions for the implementation of innovative processes. These conditions and the variety of methods of formation of innovation policy determine the main directions of state support for innovation. The main directions of state support of innovation include:

- Promotion of research (fundamental research, applied), especially in promising areas
- Staffing innovation
- To facilitate the development (within government departments) of various programs aimed at increasing the innovative activity
- The formation of public contracts in the form of contracts for innovative developments, providing the initial demand for many innovations that later found widespread in the market (domestic and foreign)
- The use of fiscal and other instruments of state regulation which form challenging external environment which necessitates innovative solutions and efficiency of individual firms (enterprises)

- Participation of the state in the role of mediator in the organization of effective interaction between different sectors of science (academic, industry, university and factory) and to stimulate cooperation in the field of innovation between industrial firms (enterprises, joint-stock companies) and institutions of higher education (universities, academies, institutes)
- Co-ordination of innovation activity in the regions
- The establishment of the legal basis of innovation
- The regulation of international relations in the field of innovative processes

The last two areas are important in terms of the degree of participation of the state in supporting innovation. After all, the legal regulation of innovative processes is the exclusive prerogative of the state and the regulation of international relations in the field of innovative processes in the ground and by the state.The forms of state regulation of international relations in innovation activity varied. These include:

- Encouraging innovative foreign investment
- An informed choice the most promising priority areas of cooperation
- Customs regulations and export controls of innovation (technology, products, recipes)
- Support for international contacts (bonds) of small innovative business
- Multilateral funding (bilateral) international innovation projects
- The use of special tax and credit incentives for countries (or companies) involved in the implementation of joint innovation projects and developments
- The introduction of the country to international standards and norms (2011)

The concept of "innovation" first appeared in studies and cultural studies meant the introduction of some elements of one culture to another. In the process of improving the traditional way of life began to be studied patterns of technical, technological, organizational, economic and other innovations. Currently, there is tendencies that in all aspects of an increasingly important role acquire economic issues related to the implementation of innovations.

The Austrian economist Joseph Schumpeter in his "Theory of Economic Development" was introduced into scientific use the term "innovation" for the first time considered the importance of innovation in development organizations, giving a full description of the innovation process. In particular, Schumpeter identified five changes in development, related to innovation:

- Use of new equipment, processes or provide new market production
- The introduction of products with new properties
- Use of new raw materials
- Innovative changes in the organization of production and logistics
- The emergence of new markets

For these positions, according to Schumpeter (2004), innovation is the main source of income, "income is essentially a result of the new combinations of factors of production", "without development there is no profit, no profit no development." Therefore, Schumpeter marked the special role of the economic dimension of innovation in the framework of the production function.

The vast majority of authors highlight the process of the implementation of innovative initiatives and innovations exit the market as it is an important feature of the innovation potential in contrast for example from the scientific and technical potential. This underlines that the innovative potential, its highest level a means of achieving profits thus are not extensive and intensive methods.

The scientific potential as well as an innovative susceptibility is characteristic of the organization. Some sources believe the scientific potential starting point for innovation and its high level of release as one of the key characteristics of successful organizations.

The innovative receptivity and scientific potential of the organization do not exhaust the list of structural components of the innovation potential. Since, one of the basic properties of innovation is their market demand, they must have not only the novelty to the entire society and in relation to a specific organization but also to meet the market demand, it has to have market potential as an indicator of the effectiveness of the organization, the implementation of its innovative capacity (2007).

Successful innovation model of economic development used in countries such as Japan, South Korea. However, these countries are very small and it is easier to regulate and control their markets for the implementation of an innovative model (2011).

The key to a successful borrowing experience is its critical rethinking. In the developed market economies process of modernizing economic policy continues for many years.

In this study, the researcher referred to the works of the foreign scientists such as C. Bowman, Jean-Jaques Lambin (Kalyatin, 2011), H. Visem, I.A. Blanc (Blank, 2013), G. Saloner, A. Shepard, J. Podolny (Saloner *et al*., 2000), Bishop J., Woessmann L. (Bishop and Wobmann, 2004), l. Melecky and others.

Issues of strategic management have been studied by the Kazakhstani researchers C.A. Akhmetova, M.J. Kamenova, G.N. Nakipova, R.S. Karenov (Karen, 2014), M.T. Kenzhebayeva, V.V. Sleptsov and others.

An analysis of the literature suggests that at the present stage of economic development the main tool for improving the competitiveness of the industries it serves innovative activity and the level of development of innovative sphere (science, new technologies) forms the basis for sustainable economic growth, determines the prospects of the company.

The aim of the study is to review the strategic approach of management system of the railway transport sector of the country and the development of mechanisms for improving innovation in the light of the national company.

DISCUSSION

Every state with a developed economy finds its own specific scenario and support the national industry, focusing on the development of innovative high-tech industries. It is also important to take into account that the countries shape their policies in different periods of time, having a different competitive advantage. Many developing countries have also placed emphasis on supporting the development of innovative industries, involves organizing high-tech industries. In the world there are many examples of development, based on the active development of innovative activity in the industry. In our view, there is a need to review the experience, especially in advanced economies (such as Germany, USA, Japan, Finland, etc.). As well as countries that show the recent high rate of growth (China, India and others) (Table 1).

Review of foreign experience of development and innovation (Table 2 and 3) showed that the basis for innovative development of the industry grew a variety of tools to stimulate the public. First of all, the growth of innovative activity of the industrial complex of a state does not pass without heavy support from the governing bodies. Financing was carried out in various forms: direct funding, allocation of grants and other subsidies (China, Japan), a support in the form of government contracts and procurement (US).

Second, the practice shows that the high-tech industrial complex is an innovative core of the industry and the whole point of growth of the economy. Therefore, first of all, the region is necessary to create conditions for the development of high-tech industries.

Third, for companies introducing innovative technology and producing high-tech products, the state provides various benefits, including tax (India, USA). Such measures may attract new business to the territory and consequently, additional investment.

Fourth, the world practice shows the need for links between the industrial enterprises and scientific and educational institutions. An example is the experience of the United States, Japan and other countries. Interaction allows business and science in the shortest time available to implement development and thus greatly improve the production efficiency.

Fifth, increasing innovation activity can be achieved through the creation of regional production systems (industrial clusters, technological parks, technopoles). This will achieve the necessary level of development in the relations between all participants in the production as well as representatives of science and education (universities and research institutes). To improve performance, you must also build a chain of cooperation from the mining companies to the production of high-end products in the region.

At a present stage of economic development the strategic management is the key factor for corporate growth, however, companies neglect the processes of innovation for development and growth that have a negative impact on its competitive activity.

Table 1: Measures of state support of innovation in foreign countries

Measures number of state support	Location
The right of public research institutions, commercial parties have innovative companies	Denmark, Spain, France, Norway, Sweden
Promote the establishment of joint venture research institutes and business structures	United Kingdom, Germany, Denmark, China, United States
Promote the use of innovative technologies at the level of small and medium sized enterprises	United Kingdom, China, the US, France
Promote the activities of intermediary organizations between business and creators of innovative technologies	Germany, United Kingdom, China, the US, Sweden
Support for technology parks and technology incubators	Germany, Denmark, India, China, Sweden
Direct funding of innovative enterprises	United Kingdom, Germany, Denmark, China, United States, France
Financial support for innovative ventures in the areas	Germany, Norway, India, Sweden
Promote patenting	Germany, USA, France, Sweden

Kalyatin VO Experience in Europe, the US and India in the field of public support for innovation//the Russian legal magazine, 2011. No. 1, s.3-12

Table 2: Key production and financial indicators of JSC "NC" KTZ" for 2011-2013

Names	Measure	2011	2012 r	2013 r
Through put of tariff	million tonnes-km	223,583	235,845	231,248
Passenger	million tonnes-km	14,649	16,708	16,962
Income from operations	thous. tenge	702,740,094	804,458,656	873,565,703
Cost of sales	thous. tenge	470,280,262	549,358,013	576,862,081
Gross income	thous. tenge	232,459,832	255,100,643	296,703,622
Income from financing	thous. tenge	4,637,732	4,353,838	5,703,644
Other income	thous. tenge	4,293,372	5,661,151	3,815,236
General and administrative expenses	thous. tenge	62,107,961	79,619,964	94,155,179
Distribution costs	thous. tenge	159,971	193,391	154,403
Impairment of fixed assets	thous. tenge	903,059	101,945	1,523,433
Financial expenses (% of loans)	thous. tenge	19,022,743	30,024,236	37,811,417
Foreign exchange loss	thous. tenge	1,541,535	4,109,145	8,012,635
Share of profit/loss of companies accounted for using the equity method	thous. tenge	69,331	-72,209	-4,269,149
Profit (loss) before tax	thous. tenge	157,724,998	150,994,742	160,296,286
The corporate income tax	thous. tenge	32,554,051	31,022,566	39,048,623
Income from continuing operations	thous. tenge	125,170,947	119,972,176	121,247,663
Profit/loss from discontinued operations	thous. tenge	-1,942,128	-1,109,451	-2,812,097
Minority interest	thous. tenge	341,919	1,090,617	2,807,995
Net income (loss)	thous. tenge	122,886,900	117,772,108	115,627,571

Table 3: Changing the property situation of the company

	At the end of 2013		At the end of 2014		Annual changes: growth (+), decrease (-)	
Indicators	Amount (mln.KZT)	Specific gravity (%)	Amount (mln.KZT)	Specific gravity (%)	Amount (mln.KZT)	Specific gravity (%)
Total property	121078	100.00	116840	100.00	-2238	-1.850
Current assets	75799	62.60	77241	65.00	1442	1.900
Including: provisionsand expenses	44227	36.53	52238	43.95	8011	18.110
Settlements with debtors	31448	25.97	24925	20.98	-6523	-20.740
Cashre sources	124	0.10	78	0.07	-46	-37.130
Dead as sets	45279	37.40	41599	35.00	-3680	-8.126

Compiled by the researchers based on data from the annual reports of NC "KTZ" JSC

Strategic management aims to focus an organization on activities during the current period of time in order to achieve set goals in the future under changing internal and external environment conditions.

Under the strategic management we view the current situation from the future, actions of the organization are determined and implemented at the present, rather than forming future plan of the organization's activity. Under non-strategic management both present and future plan of abstract actions under constant internal and external environment conditions is formed.

Any organization is unique on its own way and the process of strategy development is unique for every organization as far as it depends on the position of the company in the market, strength of its development, its potential, behavior of its competitors, characteristics of the produced products or services, state of economy, cultural environment and on many other factors. At the same time, there is a range of the fundamental issues which allow us to talk about generalized principles of implementation of strategic management.

Throughout the history country's railways provided transportation services for people and economy. Despite the economic decline and the reduction of the transportation volume in 90s, railway sector of the country functioned regularly meeting economic needs in freight services. During the period of economic growth from 2000-2008, the company successfully coped with 7% annual increase of annual growth in volume of transportation.

Railway transport in Kazakhstan has and will have a crucial strategic meaning in the life of society and country and its industrial and innovative development for a long period of time.

Not only perspectives of future social and economic development but also the ability of the state to effectively perform such essential functions as protection of national sovereignty, ensuring citizen's needs in transportation, setting-up the conditions to balance the social and economic development of regions depends from the condition and quality of railway transport activity.

«Kazakhstan Temir Zholy» State Public Enterprise was established by the Decree of the Government of the Republic of Kazakhstan dated January 31, 1997 No. 129 "on reorganization of railway enterprises of the Republic of Kazakhstan" by the merger of the republican state

Table 4: Characteristics of the main assets of the company

Indicators	At the end of 2013		At the end of 2014		
	Amount (mln.KZT)	Specific gravity (%)	Amount (mln.KZT)	Specific gravity (%)	Deviation (%)
The initial cost of fixed assets	92802	100.0	93257	100.0	100.49
Including: active part	55037	59.3	55357.35	59.36	100.58
Fixedassets (residualvalue)	45279	-	41599	-	91.87
Capitalassetsusabilityrate	0.49	-	0.45	-	-
Ratioofrenewal	0.02	-	0.005	-	-
Retirement rate	0.51	-	0.55	-	-
Depreciation rate	0.04	-	0.056	-	-

Researchers research based on the annual reports of NC "KTZ" JSC

entities: Almaty Railroad Administration, Tselinnaya Railroad Administration and the West Kazakh Railroad Administration. The aim of the amalgamation was the optimization of the management structure of cargo transportation and the liquidation of unnecessary chains as well as financial and economic improvement of the railway sector.

«National company «Kazakhstan Temir Zholy» private joint stock company was founded by the merger of State Public Enterprise «Kazakhstan Temir Zholy» and its subsidiary state enterprises by the Decree of the Government of the Republic of Kazakhstan dated March 15, 2002 No. 310 "on setting-up" «National Company «Kazakhstan TemirZholy».

On April 2, 2004 «National Company» Kazakhstan TemirZholy «Private Joint Stock Company was reorganized into National company «Kazakhstan TemirZholy» Joint Stock Company in accordance with the Law of the Republic of Kazakhstan dated 13 May 2003 "on Joint Stock Companies".

Nowadays the National Railway Company enters into the period of serious challenges due to completion of the life cycle of the productive assets formed before 1991. In the period up to 2020 >54% of freight stocks of the existing park of the Company, 68% of main haulage locomotives, 82% of gathering-locomotives and coach cars should be written off due to the period of service.

Currently, National Company «Kazakhstan Temir Zholy» JSC has a holding structure based on the ensuring functional integrity and management of the railway sector in the transportation process. The only shareholder of National Company «Kazakhstan Temir Zholy» JSC is sovereign wealth fund «Samruk-Kazyna» JSC which helps to improve corporate governance arrangements, rise transparency of the budget and manage the operation of National Company «Kazakhstan TemirZholy» JSC through the Board of Directors without interfering in its operational activity.

The National Company «Kazakhstan Temir Zholy» JSC acts as an operator of the main railway network, passenger and cargo carrier by rail. This activity is regulated in accordance with laws of the Republic of Kazakhstan "on railway transport" and "on natural monopoly and regulated markets".

Currently railway transport is the most important part of the infrastructure of the Republic of Kazakhstan. The geographical conditions of Kazakhstan (landlocked territory, the lack of availability of passable rivers), the hugeness of territory, the raw structure of production and distribution of productive forces, poor road infrastructure make the role of railway transport in the economy extremely important.

Kazakhstan's railway sector is the developing area of the economy, potential output and technical capacity of which allows sustainable growth of economy and provides employment to >156 thousand people.

The current sector regulation model and the policy of containment the tariffs do not meet the long-term demands of consumers. Within the scope of implementation the strategic development plan of the Republic of Kazakhstan till 2020 it's necessary to bring to a logical completion the railway transport reform aimed at achieving most suitable functioning of the railway system for the state and society. Therefore, aims and objectives of the corporate development are inseparably linked with the objectives of the sector's structural reform

The current state of the national company is shown in Table 2. Financial soundness of the enterprise largely depends on rational investment of financial resources in assets. Assets are dynamic by its nature. Dynamics of enterprise's property status can be characterized as follows (Table 3).

The data shows that the enterprise has changed balance sheet structure during the past year. The property of enterprise decreased by 2238 mln.KZT which is 1.85% less than of the same period of time of the last year. Reserves have been increased which increased proportion of the slow assets. If due to the circumstances the volume of its services will be reduced, we may state that such infusion of funds to reserves will lead to the liquidation of funds. Cash was reduced by 37.1% being the most liquid asset. Based on the above we can observe the decline of enterprise's general paying capacity by the end of 2014 (Table 4). The methodology of calculation of the

coefficients is provided in Table 4 for 2014. Capital assets usability rate is defined by the Eq. 1: Capital assets usability rate = 41599/93257= 0.45.On this basis retirement rate will be: Retirement rate = 100%-45% = 55%= 0.55. The 207.99 thousand.KZT of the fixed assets were introduced during the 2014 , therefore, the ratio of renewal will be the following: Ratio of renewal = The cost of new fixed assets/The cost of fixed assets at the end of year = 207.99/41599 = 0.005.

Fixed assets depreciation ratio: ratio of accumulated depreciation to the initial cost of fixed assets.Fixed assets depreciation ratio = 5223/93257 = 0.56. Represented data shows how the proportion of the active part of the fixed assets has increased by 0.58% compared to the same period of the last year which is certainly a small increase. As we can see the structure of the fixed assets didn't improve. No new equipment was purchased during the reported period, capital assets usability rate decreased from 0.49-0.45 at the end of 2014, depreciation rate has increased. It can be seen that enterprise doesn't possess good material and technical basis thus, one of its most important tasks is the industrial capacity building, because the lack of production capacity will lead to negative consequences in case of large order from new suppliers.

Relatively stable financial position of NC "Kazakhstan Temir Zholy" JSC is the result of implementation of the basic principles of strategic management.

Transition to competitive market of transport services is planned according to the target model of the railway sector of the Republic of Kazakhstan: several independent carriers will operate at the railway with a total market share of 20% (80% is for the national carrier-NC "KTZ" JSC). According to KTZ strategy, it is planned to abolish «Locomotive» JSC with following distribution of locomotive fleet between infrastructure company, freight and passenger carrier. Carriers development will potentially increase the marginal profitability of rolling equipment repair services because of lower ability of private companies to dictate prices for repair works.

KTZ long-term strategy anticipates significant investments into the renewal of the railway network and construction of new sites. Currently >3200 km or 23% of railway lines in Kazakhstan are operated with missed deadlines for overhauls. KTZ investments into infrastructure will increase the segment of construction, repair and electrification of rails as well as they will increase the volume of introduction of microprocessor dispatch system and communicating control system.

Introduction of an automated control system, including the management of rolling equipment repair (the quality of repair, dispatching of repair process), human resources, finance, inventory holdings with the integration of IT systems of departments is planned in order to improve quality of service and management processes and comprehensive analysis of the condition of the rolling equipment based on the monitoring with the use of automated troubleshooting system. In addition, an integrated management systems will be introduced which will bring management system RCM in line with international standards as well as the upgrading of existing IT systems will be performed.

Updating of the passenger fleet to modern high-speed passenger coaches of international standard will ensure the transition to a new system of passenger transport organization oriented for the using of reliable, convenient, safe and comfortable type of transport. At the same time the journey speed of 100 and more km/h compared to the current 50 km/h can be achieved in all major directions of the Kazakhstan railway network.

High-speed passenger and freight trains can run on the existing main lines without dividing the traffic for the freight and passenger ones, using the existing station buildings, without creating a new infrastructure. The ability of high-speed trains to continue the movement along the usual lines will allow to ensure direct passenger delivery to the many stations located throughout Kazakhstan. High-speed running map is shown in Fig. 1.

Thus, the establishment of the domestic passenger rail carriage building, the organization of carriage production of new types and designs, updating and expansion of the fleet of passenger cars, the organization of high-speed service on the main railway lines are a major contribution to the realization of the program announced by the President "new decade, new economy growth new opportunities for Kazakhstan".

Additional factors of development of speed and high-speed traffic which do not provide a direct economic benefit for the company and the state but which play an important social role:

- Improvement of transport accessibility to regions of the country, growth of population mobility
- Strengthening of the social territorial integrity of the Republic of Kazakhstan
- Increasing the competitiveness of the Kazakhstan transport network in the global market of transport services
- Human migration from labor-surplus regions of the country to the regions of new railway lines construction and operation
- Improvement of the cultural and educational level of residents of regions next to the new railways, due to development of communication ways

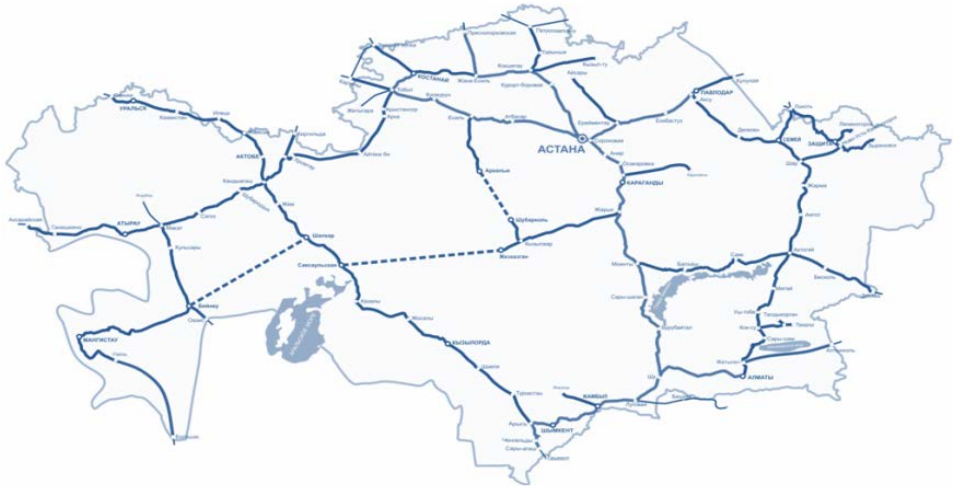

Fig. 1: Map of the high-speed tracks of the JSC NC "Kazakhstan Temir Zholy"

- Increasing the capacity of the transport usage for the population of the regions next to the new lines
- The emergence of additional opportunities to attract investments to the regions including foreign investments
- Integration of regions next to the new lines and the expansion of trade

CONCLUSION

In modern conditions the innovative development of the country the main goal of the state policy in the field of science and technology. The most important direction of the state innovation policy is the formation of the national innovation system.

For Kazakhstan considerable interest principles that guide the development of the country during the concrete measures to support innovation processes and are used for their implementation mechanisms. First of all, this is due to the fact that the main task of the state in the field of innovation is to bridge the gap between science, technology and industrial applications.

In accordance with the proposed methodological approach M. Porterom factors creating competitive advantages of industry defined by four groups of determinants of national competitiveness in the form of so-called "national rhombus" which are general, the competitive environment and include: conditions of production factors necessary for successful competition in the industry; demand conditions that characterize the domestic demand for products or services offered by a particular industry; related and supporting industries that is the presence of the national economy and related supporting industries that are competitive in the foreign market; strategy, structure and competition of firms, the competitive environment created by the state in which the company arise form a strategy and compete in the domestic market (Schumpeter, 2004), (Kaufmann and Todtling, 2000)

The strategic management of railway transport of the Republic of Kazakhstan should be carried through abidance the rules of four basic groups:

- The first group of the rules is a criteria for evaluation of results of the railway operating, i.e., how the operation of the sector influences on the economic and social areas
- Regulation of the relations of the railway system with other sectors (systems) as well as state regulation principles, principles and mechanisms of achieving competitive advantages over other types of transport represent the second group of rules
- The third group of rules govern the relations between management bodies, business-structures, users of transport services within the railway sector as a system
- The forth group of rules includes framework for operational decisions that impact on long-term and medium-term development directions of railway transport

Generally, the strategic management of railway transport in the Republic of Kazakhstan creates conditions that help to minimize the probability of threats of different nature-technical and technological, financial, human resources and so on, which makes possible to satisfy the needs of society and the economy in a competitive transport services.

In our view, the world experience the technologically advanced countries shows that the global process of industrialization of the economy has entered a new phase called neoindustrialization being objective and general law, like the electrification of social labor. At the same time, falling behind in the "digital" industrialization, the country condemns itself to lag behind in all other socio-economic parameters of development. In this regard, to ensure the competitiveness of the national development should go on the climb to the level reached by the major powers. Therefore, it is a major factor neoindustrialization breakthrough of Kazakhstan in technotronic 21 century.

Based on the international experience of industrialization of a number of countries, it can be argued that the success of economic goals is largely dependent on the choice of priorities and directions of development defined by the state, mechanisms to achieve their goals. In that case, if the task is to increase national competitiveness by taking the leading positions in the world economy, the main efforts should be focused on the development of the most advanced sectors, determine the level of technological development of the country which include microelectronics, information and biotechnology, nuclear industry, space industry and space exploration, aviation industry and super-fast high-speed rail links.

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