

Brief: Kazakhstan

17 April 2012



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1. COUNTRY'S SNAPSHOT¹

Area: 2 717 300 km²

Population: 16.2m (Dec 2010)

Languages: Kazakh is the state language. Russian is the language most widely spoken and the de facto language of administration

Weights and Measure: Metric system

Currency: Tenge. Avg. exchange rate 2011 - Tenge 146.6 : US \$ 1

Time: Six hours ahead of GMT; five hours ahead of GMT in Western Kazakhstan.

Head of State: The president, Nursultan Nazarbayev, first elected in December 1991 and re-elected in

¹ Country Report Kazakhstan – April 2012. Economist Intelligence Unit

January 1999, December 2005 and April 2011

Prime Minister: Council of Ministers, headed by a prime minister, who is appointed by the president. In practice, Mr Nazarbayev exercises total control

Council of Ministers - Agriculture: Asylzhan Mamyrbetov

2. KAZAKHSTANS ECONOMY^{2 3}

GDP growth was 7.5% to US\$ 185bn in 2011. Agriculture constitutes 5.2% of total GDP, with a high growth rate of 26.7% in 2011. One of the reasons for this high growth rate was because Kazakhstan has bounced back from a severe drought in 2010.

Table 1: Exports and Imports by commodity Group

Exports (%)		Imports (%)	
Agricultural products	3.5	Agricultural products	10.2
Fuels and mining products	82.9	Fuels and mining products	16.2
Manufactures	12.1	Manufactures	73.4

3. MEMBERSHIPS TO TRADE ASSOCIATIONS⁴

Membership of Kazakhstan to the World Trade Organisation (WTO) is being negotiated and could take place in 2013. This potential membership of the WTO may lead to easier access to the Kazakhstan market in terms of SPS regulations.

From January 2012 a common economic space was established between Kazakhstan, Russia and Belarus, that enables the free flow of people, goods, services and capital between these countries. This may make entry into these markets easier, but possible also access to the SA market.

4. KAZAKHSTANS TRADE WITH THE WORLD

Table 2 indicates the trade of Kazakhstan with the world.

Table 2: Kazakhstan's import and export of agricultural products from/to the world in 2010 (R'000)

Imports	Agricultural products	16 723 306	Exports	Agricultural products	14 213 147
'170111	Raw sugar, cane	1 573 783	'100190	Wheat nes and meslin	6 485 094
'210690	Food preparations nes	752 201	'110100	Wheat or meslin flour	3 905 371
'020714	Fowls (gallus domesticus), cuts & offal, frozen	707 445	'520100	Cotton, not carded or combed	650 832
'090240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	666 705	'100300	Barley	374 909
'180690	Chocolate and other food preparations containing cocoa nes	520 064	'240220	Cigarettes containing tobacco	250 233
'170199	Refined sugar, in solid form, nes	512 783	'100110	Durum wheat	157 843
'080810	Apples, fresh	426 792	'151221	Cotton-seed oil crude, whether or not gossypol has been removed	141 358

² Country Report Kazakhstan – April 2012. Economist Intelligence Unit

³ <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=KZ> WTO Country Profiles

⁴ Country Report Kazakhstan – April 2012. Economist Intelligence Unit

'040690	Cheese nes	414 599	'100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	138 523
'170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	321 619	'220210	Waters incl mineral&- aeratd,containg sugar o sweeteng matter o flavourd	111 076
'190531	Sweet biscuits	311 117	'120400	Linseed, whether or not broken	109 232
'240220	Cigarettes containing tobacco	304 419	'070310	Onions and shallots, fresh or chilled	91 982
'240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	270 129	'151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	86 450
'151211	Sunflower-seed or safflower oil, crude	244 228	'170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	85 379
'151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	225 461	'170199	Refined sugar, in solid form, nes	72 741
'040210	Milk powder not exceeding 1.5% fat	222 896	'230630	Sunflower sed oil-cake&oth solid residues,whether/not ground/pellet	71 488
'040120	Milk not concentrated & unsweetened exceeding 1% not exceeding 6% fat	203 313	'110710	Malt, not roasted	66 510
'160100	Sausage&sim prod of meat,meat offal/blood&food prep basd on these prod	196 717	'190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale	64 433
'220421	Grape wines nes,incl fort&grape must,unfermntd by add alc in ctrn<=/=2l	195 602	'180690	Chocolate and other food preparations containing cocoa nes	64 076
'190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale	189 065	'230690	Veg oil-cake&oth solid residues nes,whether or not ground or pelleted	58 333
'210390	Sauces and preparations nes and mixed condiments and mixed seasonings	179 991	'210690	Food preparations nes	54 755

5. SA'S TRADE WITH KAZAKHSTAN

5.1 Total Trade Balance for all products between SA and Kazakhstan

Table 3 indicates that for the period 2007 to 2010, SA had a trade surplus for total trade with Kazakhstan.

Table3: Total Trade balance between Kazakhstan and SA (R '000)

Total Trade	2007	2008	2009	2010
Kazakhstan imports from SA	228 011	238 995	224 341	119 516
Kazakhstan exports to SA	162	0	3 890	25 639
Trade surplus in favour of SA	227 849	238 995	220 451	93 877

Source: Trade Map database

5.2 Trade Balance for agricultural products traded between SA and Kazakhstan

Table 4 indicates that for the period 2007 to 2010, SA had a trade surplus in agricultural products traded with Kazakhstan. During this period there was no export of agricultural products by Kazakhstan to SA.

Table 4: Agricultural trade balance between Kazakhstan and SA (R '000)

Agricultural Trade	2007	2008	2009	2010
Kazakhstan imports from SA	32 656	44 170	36 004	35 055
Kazakhstan exports to SA	0	0	0	0
Trade surplus in favour of SA	32 656	44 170	36 004	35 055

Source: Trade Map database

Table 5 indicates the top 15 agricultural products that SA has exported to Kazakhstan in 2010.

Table 5: Import of the top 15 Agricultural Products by Kazakhstan from SA (R '000 – Array based on 2010)

		2007	2008	2009	2010
Total	Agricultural products for WTO	32 656	44 170	36 004	35 055
'080510	Oranges, fresh or dried	24 396	28 084	24 674	21 755
'080550	Fresh or dried lemons "Citrus limon, Citrus limonum" and limes "Citrus	428	1 622	1 368	1 924
'080610	Grapes, fresh	330	1 168	1 393	1 705
'200799	Jams,fruit jellies,fruit/nut purée&paste,ckd prep,sugard,sweetend/not	1 194	7 252	290	1 654
'220421	Grape wines nes,incl fort&grape must,unfermntd by add alc in ctnr</=2l	1 117	909	912	1 581
'080520	Mandarins(tang&sats)clementines&wilkgs &sim citrus hybrids,fresh/drid	618	844	1 120	1 523
'080810	Apples, fresh	225	1 558	3 127	1 086
'080540	Grapefruit, fresh or dried	541	803	896	1 071
'080820	Pears and quinces, fresh	119	917	1 186	736
'350510	Dextrins and other modified starches	0	0	0	736
'080430	Pineapples, fresh or dried	77	24	149	248
'220870	Liqueurs and cordials	42	122	17	153
'080940	Plums and sloes, fresh	7	203	50	138
'080930	Peaches, including nectarines, fresh	14	105	58	95
'200870	Peaches nes,o/w prep o presvd whether o not sugard,sweetend o spiritrd	0	65	75	95

Source: Trade Map database

6. INDICATIVE TRADE POTENTIAL⁵ BETWEEN KAZAKHSTAN AND SA

Table 6 indicates the top products that can be traded between SA and Kazakhstan (based on the indicative trade potential).

Table 6: Indicative Trade Potential for the top 20 Agricultural products traded between Kazakhstan and SA (R ' 000 – Array based on 2010)

		2007	2008	2009	2010
Total	Agricultural products for WTO	16,026,899	23,795,849	19,985,491	16,688,251
'170111	Raw sugar, cane	652,352	1,025,948	1,461,677	851,959
'210690	Food preparations nes	489,816	630,610	719,484	752,186
'170199	Refined sugar, in solid form, nes	476,469	275,126	268,829	512,783
'080810	Apples, fresh	19,837	180,589	424,521	425,706
'240220	Cigarettes containing tobacco	381,774	465,442	661,825	304,419
'240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	219,146	250,847	320,425	270,129
'151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	61,161	167,318	441,142	225,461
'220421	Grape wines nes,incl fort&grape must,unfermntd by add alc in ctrn<=2l	228,074	164,357	207,297	194,021
'210390	Sauces and preparations nes and mixed condiments and mixed seasonings	175,026	228,385	262,890	179,991
'190531	Sweet biscuits	42,020	91,625	168,863	142,837
'080520	Mandarins(tang&sats)clementines&wilkg&sim citrus hybrids,fresh/drid	66,436	118,492	127,551	133,669
'180690	Chocolate and other food preparations containing cocoa nes	35,824	58,901	102,570	133,582
'170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	74,739	98,017	123,861	133,399
'180631	Choc&food prep cntg cocoa in blocks,slabs/bars,filld,not exceedg 2 kg	11,520	61,465	109,413	123,087
'210500	Ice cream and other edible ice, whether or not containing cocoa	83,513	96,192	121,265	106,980
'070190	Potatoes, fresh or chilled nes	68,790	62,032	76,171	105,720
'080610	Grapes, fresh	6,132	16,265	20,934	102,688
'200520	Potatoes preparad or preserved,o/t by vinegar or acetic acid,not frozen	20,883	31,053	66,616	97,120
'220300	Beer made from malt	68,853	183,761	179,537	93,986
'220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	115,150	130,952	96,764	88,126

Source: Trade Map database

7. SECONDARY AGRICULTURAL PRODUCTS

Table 7 indicates the export of secondary agricultural products. It is noted that wine (value R 529 000), was the top export of secondary agricultural products in 2011.

⁵ The indicative trade potential is defined as the lower of the value a selected country exports to the world or the value the partner country imports from the world minus the current trade between the two countries under review. The trade potential is indicative only and serves as a departure point for further research. It gives an overview of the complementarities of the two economies.

Table 7: Export of secondary agricultural products by SA to Kazakhstan (R million – Array based on 2011)

		2008	2009	2010	2011
Total	Secondary Agricultural Products	2.291	0.086	0.293	0.532
220421	Wine Of Fresh Grapes (Other Than Sparkling Wine) A	0.000	0.080	0.288	0.529
060390	Cut Flowers And Flower Buds Of A Kind Suitable For	0.000	0.004	0.005	0.002
050610	Ossein And Bones Treated With Acid	0.000	0.000	0.000	0.000
050790	Tortoise-Shell, Whalebone (And Its Hair), Horns, H	0.000	0.000	0.000	0.000
051199	Animal Products, Nesoi; Dead Horses And Other Equi	0.000	0.002	0.000	0.000
130190	Natural Gums, Gum Resins, Resins And Balsams, Neso	0.098	0.000	0.000	0.000
200850	Apricots, Prepared Or Preserved, Whether Or Not Co	2.143	0.000	0.000	0.000
520300	Cotton, Carded Or Combed	0.050	0.000	0.000	0.000

Source: WTA Revised data

Table 8 indicates that SA has imported secondary agricultural products to the value of R11 000 from Kazakhstan in 2011. In 2008, 2009 and 2010, there were no imports of secondary agricultural products by SA from Kazakhstan.

Table 8: Import of secondary agricultural products by SA from Kazakhstan (R million)

		2011
Total	Secondary Agricultural Products	0.011
240220	Cigarettes Containing Tobacco	0.006
220421	Wine Of Fresh Grapes (Other Than Sparkling Wine) A	0.003
220410	Sparkling Wine Of Fresh Grapes	0.002

Source: WTA Revised data

8. AGRICULTURAL SUBSIDIES⁶

Agricultural subsidies are \$474 million in Kazakhstan, which is 4.3% of the agriculture's GDP. This compares with 6.4% in Russia and 18.7% in Belarus.

The minister of economic integration Zhanar Aitzhanova said that Kazakhstan may increase agricultural subsidies 2.5 fold. He spoke about the draft agreement on common state support for the agricultural sector. The agreement intends to limit the maximum level of state support that affects the final costs of agricultural products. It cannot exceed 10% of the industry's aggregate output. The level of subsidies that could be used by Kazakhstan is also part of the accession negotiations to the WTO.

⁶ <http://www.neurope.eu/> Kazakhstan may increase agricultural subsidies ARTICLE | OCTOBER 9, 2011