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CONTENT:

Kazakhstan:

Kazakh Ministry proposes changes to meat import quota distribution

Results on the 28th meeting of the Custom Union Commission

Customs Union: Customs Services will work on a "single window principle"

Kazakhstan and Belarus owe Russia RUB 22 billion

Customs authorities will perform sanitary-veterinary, phytosanitary and transport control

Kazakh producers will receive free access to markets of Russia and Belarus

Kazakhstan hopes to complete talks on WTO accession before the end of 2012

Majilis of Kazakhstan approved Agreement on common rules of state support to agriculture

Kazakhstan produced over 500,000 MT of meat for 5 months of this year

A new poultry plant will be opened in Kazakhstan this year

Statistics: Kazakhstan poultry imports over January - February 2011 (Page 7)

Kyrgyzstan:

Kyrgyz authorities study benefits of joining the Customs Union

Meat market of Kyrgyzstan meets 67 percent of domestic demand

Kyrgyzstan produced 131,700 MT of meat over 5 months of 2011

Tajikistan:

Citizens of Tajikistan wish to join the Customs Union

Tajikistan has reduced imports of poultry meat and eggs

Kazakhstan



Kazakh Ministry proposes changes to meat import quota distribution

The Kazakh Ministry of Agriculture has proposed a temporary suspension of the established practice of quota distribution for the import of meat, except poultry meat, to satisfy the demands of the domestic meat processing companies, according to the Head of the Ministry Asylzhan Mamytbekov.

He pointed out that they have already voiced this decision to Deputies and they fully supported it.

However, he mentioned that this is a temporarily measure and as soon as the needs of the meat processors are met, quotas will be distributed among traders as previously established.

According to existing practices, each year a trader receives a meat import quota equal to the volume imported by him in the previous year.

Sources: Interfax News Agency (www.com.ua); Zakon.KZ Information Agency (www.zakon.kz)

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Results on the 28th meeting of Custom Union Commission

On June 22, 2011 the 28th meeting of the Customs Union Commission was held.



During this meeting the Sides discussed the actions taken for cancellation of customs, transport, sanitary, veterinary and phytosanitary control at the interstate borders starting July 1, 2011.

The Sides considered a number of issues of Customs regulation: implementation of common control by customs authorities over the import/export of licensed goods, the forms of certificate for approval of vehicle for the international carriage of goods under customs seals and stamps, as well as certificate issue procedures and the order of its usage.

In addition, the Sides reviewed the drafts of Amendments which will be introduced into the following documents:

- Regulations on common rules for veterinary control that is implemented at the customs border and the customs territory of the Customs Union;
- Regulations on common rules for joint inspections of facilities and sampling of products that are subject to veterinary control;
- Unified list of goods that are subject to veterinary control;
- Unified veterinary requirements for products that are subject to veterinary control.

Customs tariff and non-tariff regulation, application of special protective, antidumping, countervailing and retaliatory measures were also on agenda.

Source: www.tsouz.ru

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Customs Union: Customs Services will work on a “single window principle”

The First Heads of Customs Services of Customs Union held a meeting in Almaty on June 18, 2011. One of the key



themes of the meeting was to discuss communication and information technologies aimed at regulating the order of information interaction between customs bodies of CU member states in the monitoring of customs transit of goods. This means that Customs Services of CU will operate on a “single window” principle.

According to the Chairman of Customs Control Committee under the Ministry of Finance of the Republic of Kazakhstan Serik Baimaganbetov this principle allows implementing pre-declaration of goods, which in turn helps strengthening customs control and movements of goods via CU member-countries' territories.

He is confident that simplification of customs clearance of goods at Kazakh-Russian borders starting July 1, 2011 will contribute to business development and will certainly enhance the business activity of entrepreneurs.

Source: TKS.RU Information Agency (www.tks.ru)

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Kazakhstan and Belarus owe Russia RUB 22 billion

According to Head of the Federal Customs Service of Russia (FCS) A.Belyaninov Belarus and Kazakhstan owe Russia RUB 22 billion (about USD 785 million) in unpaid administrative import duties.



He believes this happened due to “poor administration” of import duties that are distributed within the framework of Customs Union. Therefore, he suggested to increase the share of duties that should be paid to the

budget of Russia. Officials of the State Customs Committee of Belarus have called statements about poor administration as “not corresponding to reality” and believe that suggestions of Russian FCS Head to change proportions of import duties to be “improper ones”.

Kazakh Ministry of Finance informed that Kazakhstan does not have any debts owed to Russia and that they “even do not understand what Russians are talking about”.

However, according to Andrei Belyaninov Belarus owes Russia over RUB 6 billion in import duties and Kazakhstan – RUB 15 billion. He believes this happened due to poor administration in the abovementioned countries and therefore he suggests to revise the rates of customs duties distribution between three countries.

Import duties are distributed among Customs Union countries starting September 1, 2010. Russia receives 88 percent of the total fees, Belarus - 5 percent, Kazakhstan - 7 percent. It is worth mentioning that according to the data of Customs Union Commission during September 2010 - March 2011 USD 12 billion was distributed among CU member countries. Russia received USD 10 billion of this sum, Kazakhstan - USD 0.8 billion, Belarus - USD 0.5 billion. And Customs Union Commission reported in May of this year that “there are no any violations related to the distribution and transfer of import customs duties to the budgets of the Sides over the period of September 2010 - January 2011”. However, according to FCS data Russia received RUB 22 billion less.

Officials of Belarusian State Customs Committee called statements of the Russian colleagues as “being inappropriate and ignoring CU legislation”. In this regard the Agency reminds that distribution of import duties rates was done “in accordance with the existing import volumes of that time”. And Belarus officials believe that Russia is unfairly getting too much as a part of goods which enter the territory of Russia then in fact

flow to Belarus. And thus, these imported goods must be treated as Belarusian ones and therefore it is Belarus who should receive those revenues.

In response to the statements about poor administration of customs duties Belarus State Customs Committee reminded that customs experts from the European Union reported on a high level of customs administration in the Republic of Belarus.

Kazakhstan also does not admit any debts. According to the Kazakh Minister of Finance Bolat Zhamishev distribution of customs duties is done automatically on a daily basis, and up to now there were no any single case of failure. And he even does not understand what Russians are talking about.

Source: TKS.RU Information Agency (www.tks.ru)

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Customs authorities will perform sanitary-veterinary, phytosanitary and transport control

Starting June 29, 2011 Customs authorities get the right to carry out transport control at the Russian border checkpoints, as well as the authority to check documents accompanying the cargo and animals that are necessary for implementing sanitary-veterinary and phytosanitary control.



At the border check points Customs authorities are to audit supporting documents for imported goods. In case of doubt or the shortage of documents the customs authorities shall pass them further for revision of experts of Rospotrebnadzor (Federal Service for Supervision of Protection of Consumer Rights and Human Well-Being) and Rosselkhozadzor (Federal Service for Veterinary and Phytosanitary Surveillance). However, this does not imply a complete withdrawal of these services from borders. These changes apply only to legal persons.

Special interdepartmental working groups were created in anticipation of enactment of the Federal Law No. 394-FZ as of December 28, 2010 "On Amendments to certain Legislative Acts of the Russian Federation in connection with the transfer of authority for certain types of state control to the customs authorities of the Russian Federation".

FCS of Russia has prepared drafts of legislative acts to ensure implementation of the Federal Law No. 394 – FZ as of 28 December 2010. These acts must approve the following:

- The order of state sanitary-veterinary, phytosanitary and transport control that are implemented at border checkpoints of the Russian Federation;
- Lists of goods (subject to control) that are subject to inspections at border checkpoints of the Russian Federation by the experts of Rosselkhoznadzor and Rospotrebnadzor;
- Instructions for customs officials on how to implement other types of state control;
- The order of information interchange during the implementation of state control.

Source: Customs.RU Information Agency (www.customs.ru)

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Kazakh producers will receive free access to markets of Russia and Belarus

On June 2, 2011 Kazakh Parliament has ratified an Agreement on Unified Principles and Rules for Technical Regulation to be applied within Customs Union. Removal of technical barriers will allow entrepreneurs of the Customs Union members to trade freely in the Union's territory. According to the Vice Minister of Industry and New Technologies of Kazakhstan, Albert Rau the Agreement is aimed at harmonization of the technical regulation systems of the CU member states, elimination of technical barriers for trade.



According to Mr. Rau, the unified technical regulations will be developed by state bodies with participation of business representatives. CU member states has worked out a uniform List of products that are subject to be certified on compliance by Sanitary-epidemiological Supervision Service. It includes 202 types of products. It is planned that in the future producer will himself certify the conformity of his products to the technical regulations. The products included into a Uniform List, will undergo the process of conformity just once. In addition, it is planned to create a unified system for information interchange on product safety.

Source: Vesti.KZ News Agency

(www.vesti.kz)

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Kazakhstan hopes to complete talks on WTO accession before the end of 2012

According to the Minister of Economic Integration Zhanar Aitzhanova Government of Kazakhstan hopes to finish the negotiations on accession to the WTO by the end of next year.



She underlined that Kazakhstan and Russia will join WTO separately.

Earlier this year Zh. Aitzhanova stated that Kazakhstan may become a WTO member in the first half of 2012.

President of Russia Dmitry Medvedev believes that Russia will join WTO already this year.

Source: ProFinance News Agency

(www.profinance.kz)

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Kazakhstan produced over 500,000 MT of meat for 5 months of this year

Domestic production of meat for the first five months of 2011 has increased by 1.5 percent compared to the same period last year, according to the State Statistics Agency of Kazakhstan.



During the period of January – May of this year 543,800 MT of livestock and poultry were sold for slaughter (in live weight) vs. 534,500 MT last year.

According to the State Statistics Agency of Kazakhstan the top meat producing regions are: Almaty region – 87,500 MT (vs. 91,000 MT in 2010), Kostanai region – 74,200 MT (vs. 73,700 MT in 2010) and South Kazakhstan – 69,800 MT (vs. 66,000 MT in 2010).

North Kazakhstan and Akmola regions sold 30,100 MT for slaughter and 33,200 MT of livestock and poultry in live weight.

Source: TheNews.KZ News Agency (www.thenews.kz)

A new poultry plant will be opened in Kazakhstan this year

A new poultry plant will be put into operation in Zhezkazgan region in November 2011, according to the Director of Limited Partnership “Capital Project Ltd” Maxim Bozhko. Production capacity of this plant will amount to 9,400 MT of poultry meat, by-products, minced meat and other products. Project cost is about KZT 3 billion (USD 20 million). The plant will employ 350 working places.



Currently, repair works are being carried out on the plant.

*Source: BNews.KZ News Agency (www.bnews.kz)
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Kyrgyzstan



Kyrgyz authorities study benefits of joining the Customs Union

The Kyrgyz President Roza Otunbayeva informed that Kyrgyzstan is not yet ready to join the Customs Union as the Republic's authorities have not had time to assess the consequences of Kyrgyzstan's accession to the Union.

She said that the decision to join the Customs Union of Belarus, Kazakhstan and Russia will be taken by the Government of the Republic.

According to her there are a lot of objective reasons for Kyrgyzstan to join the Customs Union and one of them is that markets of Kazakhstan and Russia are very cohesive and well-coordinated. This concerns not only market of goods but also labor force and capital ones. Therefore the Head of the State admitted that this accession is very beneficial for Kyrgyzstan.

However, she noted that she has not yet seen or read any serious report on this matter, which would say “these are pros and cons” of this membership. Kyrgyz Government has created a working group to study pluses and minus of CU.

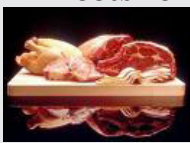
R.Otunbaeva underlined that Sergei Glazyev, an Executive Secretary of the Customs Union, has paid a visit to Kyrgyzstan recently. He and Kyrgyz Ministers of Economy and Finance are working closely on Kyrgyz accession to the union.

*Source: Rian.RU News Agency (www.rian.ru)
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Meat market of Kyrgyzstan meets 67 percent of domestic demand

Domestic market of Kyrgyzstan meets only 67 percent of domestic demand in meat products and 32 percent in eggs, according to the Ministry of Agriculture of the Kyrgyz Republic. The Agency reports that the country is self-sufficient only in potatoes and dairy products, as for the rest commodities the demand is covered mostly by imports. This dependence on imports results in higher prices for certain types of products.



*Source: IA 24 KG.Org (www.24kg.org)
Translated by: www.usapeec.kz - USAPEEC Central Asia/Eastern Europe office*

Kyrgyzstan produced 131,700 MT of meat over 5 months of 2011

According to the Ministry of Agriculture of the Kyrgyz Republic during the first 5 months of 2011 Kyrgyzstan produced 131,700 MT of meat in live weight that is 1079 MT up compared to the same period last year.



The increase in production took place due to increase in number of cattle by 20,700, sheep and goats - by 222,100, horses - by 5,500 heads, poultry - by 214,100 heads.

The Ministry of Agriculture also reported that in 2011 the country produced 155 million eggs.

*Source: IA MeatInfo (www.meatinfo.ru)
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Tajikistan



Citizens of Tajikistan wish to join the Customs Union

According to the survey conducted by Information Agency Asia Plus, most of the population of Tajikistan welcomes country's accession to Customs Union. Thus, 72 percent of the respondents support accession of Tajikistan to Customs

Union. 14 percent - believe that due to this membership Tajikistan may lose other markets, 11 percent are concerned over the following question: "will prices fall after Tajikistan enters the Union?" And only 4 percent of the respondents remained indifferent.

As a reminder, in late March of this year, a number of media reported (referring to CIS Executive Secretary Sergei Lebedev) that Tajikistan has applied to join the Customs Union of Russia, Kazakstan and Belarus. However, Tajik officials have neither confirmed nor denied this information.

Experts believe that Tajikistan should carefully assess all the pluses and minus of the Customs Union. Negotiations on the share of customs revenues for Tajikistan are essential in order the country didn't lose from this membership. Up to 46 percent of all tax revenues are collected at the borders. These are customs duties, VAT and excise duties. Some experts believe that Tajikistan will lose these revenues if it enters Customs Union.

Meanwhile, citizens of Tajikistan believe that joining the Customs Union can help solve the problem of high prices for goods, primarily for fuel (over 90 percent of fuel is supplied to the country by Russia). The Ministry of Economic Development and Trade of Tajikistan noted that one of the pluses of this membership is to remove customs duties on imports of fuels and lubricants.

As a reminder, in 2010 Russia, a major supplier of petroleum products to Tajikistan, has introduced an additional duty on light oil exports for Tajikistan, which has led to a spike in gasoline prices and other kinds of fuel, and consequently on consumer goods.

*Source: Regnum.RU News Agency (www.regnum.ru)
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Tajikistan has dramatically reduced imports of poultry meat and eggs



In 2011 imports of eggs and poultry meat into Tajikistan has declined significantly due to increase in domestic production.

According to Director General of the State Enterprise “Ptitseprom” (poultry farming), Mashokir Nazarov, statistics show that over January-May 2011 imports of eggs have declined significantly. This type of product is being imported from Russia in small quantities.

Earlier, the eggs have been supplied in large volumes from Iran, Pakistan and China. At present Tajikistan has stopped importing this product from the above mentioned countries.

This was achieved due to increase in domestic production of eggs. For example, over January-May, 2011 the country produced more than 53.3 million eggs, which is 14.5 million eggs more than it was in the same period last year.

In addition, it is expected that a “Murgi Marchon” poultry plant will be put into operation in September this year. It is assumed that production capacity of the company will reach 12,000 MT of poultry meat per year.

According to the forecast of the Ministry of Agriculture in 2011 production of eggs will amount to 275 million eggs (while internal consumption is 1.3 billion eggs).

Source: TheNews.Kz News Agency (www.thenews.kz)

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Kazakhstan poultry import statistics over January-April 2011*

Country	Value	Quantity
<i>World</i>	<i>24,877</i>	<i>26,223</i>
United States	14,919	19,421
Ukraine	9,264	5,890
Poland	380	473
Brazil	238	369
France	58	55

Value Unit: Thousands of USD
Volume Unit: MT

* Source: Customs Control Committee under the Ministry of Finance of Kazakhstan.

* Share of U.S. in total volume of poultry imports into Kazakhstan over January- April 2011 made up 74 percent.