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Tel: +7 987 2966 777 E-mails: bella_usapeec@yahoo.com; usapeeckz@yahoo.com Website: www.usapeec.kz

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Kazakhstan



The right to set quotas on meat imports can be delegated to the Ministry of Agriculture

Member of the Majilis (the lower house of the bicameral Parliament of Kazakhstan), Peter Dmitrienko, suggests that Ministry of Economic Development and Trade (MEDT) delegate its right to distribute state quotas on meat imports to the Ministry of Agriculture. He addressed with this request to the Prime Minister of Kazakhstan Karim Masimov.

He also offered to allocate quotas directly to meat processing enterprises, because meat reaches the processing enterprise only via trade and wholesale trade structures with a three-fold increase in its price. And therefore, major meat-processing plants (in Semipalatinsk and Petropavlovsk regions) are forced to stop production or raise prices for canned products.

According to Peter Dmitrienko, analysis of the current mechanism of quota allocation for imported products shows that this is often done without any system. Ministry of Agriculture knows which plants are loaded and which are not, while Ministry of Economic Development and Trade, which allocates quotas for meat, is not always informed on this.

“These companies (in Semipalatinsk and Petropavlovsk regions) have earlier supplied the whole Soviet Union and even African countries with the canned meat. And now they are forced to stop production and raise prices for canned products because of the high cost of out-of quota meat”, Mr. Dmitrienko said.

All this affects not only the prices, but also the quality of the product.

Based on the abovementioned facts, Peter Dmitrienko addressed to the Prime Minister with a request to instruct the relevant bodies to consider the issues raised in the appeal.

Source: Kazakh-Zerno Information Agency (www.kazakh-zerno.kz); Translated by: usapec.kz

Russia is ready to cover the need of Kazakhstan for imported poultry meat



Russian poultry plants are holding negotiations with the Kazakh food retail networks on the increase of poultry exports from Russia to Kazakhstan. Domestic producers are concerned over the expansion of a more powerful competitor, and rely on state support in this issue.

According to the Director General of the Russian Poultry Union (RPU) Galina Bobyleva, Russia is ready to supply as much poultry as Kazakhstan needs. "If our product will be purchased by food retail networks at the appropriate price so that it becomes competitive Russia will be able to cover the full demand of Kazakhstan for imported products. That is about 100,000 MT of poultry per year", she said.

In 2010 Russia supplied to Kazakhstan over 4,000 MT of poultry meat. The RPU projects exports to grow by three or four-fold in 2011. In January 2011 first round of negotiations was held. The Russian side was represented by RPU and Kazakhstan side by - the Union of Producers of Food and Processing Industry and by retailers "Metro" and "Green". The meeting participants do not disclose the results of the talks. RPU supplies poultry meat to China, Mongolia, Vietnam and Kazakhstan.

According to the Ministry of Agriculture, annual demand of Kazakhstan's domestic market for poultry meat amounts to 210,000-220,000 MT. Local enterprises produce about 100,000 MT. Tariff quotas for imports of poultry meat in 2010 was 110,000 MT.

It is expected that in 2011 the same amount of quota will be established. The U.S. is a major exporter of poultry under the quota. There are no quotas for CU countries, they can supply poultry meat duty-free and in any quantities.

Kazakh poultry plants are sounding the alarm, but there is no way to retreat, they will have to compete. Kazakh market participants set hopes upon the Government's support. According to the Head of the Union of Poultry Producers of Kazakhstan Ruslan Sharipov, the Government increases subsidies on a regular basis. If in 2008 the State has allocated KZT 6 million (USD 41,000) for poultry industry then in 2010 subsidies reached KZT 7 million (USD 48,000). Director General "Koger LTD" Konstantin Shin believes that it is necessary to increase production volumes. "Today the market is saturated with our meat by 65 percent, eggs - by 70 percent. We have intentions to develop in order to meet domestic consumption with high quality products", he said.

Kazakh poultry producers state that the quality of imported poultry meat is much worse than of domestically produced one. According to them, the exporting countries usually supply old stock, but at a low price which is so favoured by brokers. Consumers also prefer to buy cheap products. In addition, according to local market participants many foreign companies reduce the cost of poultry meat due to the use of growth stimulators.

According to the Ministry of Agriculture of Kazakhstan, the wholesale price for poultry is KZT 350-400 (USD 2.4-2.7) per kilogram and retail price is KZT 450 (USD 3.1). Wholesale and retail prices for poultry in Russia are KZT 440 (USD 3.0) and KZT 560 (USD 3.8) per kilogram respectively. "As for imports we need to consider the price and the quality of the product offered by our Russian partner", Victor Kolchev, director of LLP "Aknar", a leading producer in the Karaganda region, said.

The Director of the production cooperative "Izhevsk", Ibrahim Zhangorazov is not concerned over the expansion of Russians. According to him in 2011 his company plans to sell 132 million eggs and over 2,000 MT of meat.

“Any producer should be a good politician. The Customs Union will increase competition. During Soviet times people stand in long queues all day long and bought lean chickens. We do not need this. We will do our best to produce competitive products in order to be better than Russia and Belarus”, Mr. Zhangorazov concluded.

*Source: Foodretail News Service
(<http://foodretail.ru>); Translated by: usapeec.kz*

Kazakhstan can join the WTO in the first half of 2012

According to the Minister of Economic Development and Trade of Kazakhstan, Zhanar Aitzhanova, Kazakhstan plans to join the World Trade Organization (WTO) in the first half of 2012.

“We will try to finish all procedures in 2011. We have all prerequisites to achieve this. It will be fine even if it happens in the first half of 2012. I can not assure now that Kazakhstan will enter WTO before 2012, because it depends not only on the technical work conducted by our Government, but also on the internal coordination of all procedures with the Congress, Senate, Members of the European Union. And it is impossible to predict how long it will take them to do this”, she added.

Zh. Aitzhanova noted that Russia is also in negotiation process with the WTO. “WTO Secretariat and the negotiating sides are also limited in time. So they must divide their time between the negotiation processes with Russia and Kazakhstan”, she added.

*Source: Inform.kz Information Agency
(www.inform.kz); Translated by: usapeec.kz*

Kazakhstan plans to complete talks with U.S. on WTO accession in the first quarter of 2011

According to the Minister of Economic Development and Trade of Kazakhstan, Zhanar Aitzhanova, Kazakhstan plans to complete talks with U.S. on WTO accession in the first quarter of 2011.

“We have two very sensitive issues with U.S.: the first issue concerns the terms on which foreign banks and insurance companies will enter our financial market, the second one concerns mining contracts”, Zh. Aitzhanova said.

According to her, at present bilateral negotiations regarding access to the goods and services markets have been completed with 26 member-countries. And all relevant protocols have been signed.

*Source: Gazeta News Service
(www.gazeta.kz); Translated by: usapeec.kz*

Kazakh meat is contagious



According to Andrey Dmitrovsky, Academician of the International Academy of Ecology with IA “Furazh”, Kazakhstan’s livestock products is of low quality.

He said that “too many zoonotic infections are registered in Kazakhstan. The maintenance of animals is poor, livestock is infecting each other. The only way out of this situation is to simultaneously destroy all infected livestock and to disinfect pastures and corrals where the animals are kept. And only then to raise new healthy livestock. But this will require state involvement and money, because no private trader, even the richest one, will be able to do this on his own. And Kazakh farmers can not afford this. If such measures are not taken, meat of Kazakhstan origin will not go for export, nobody will buy it. Any foreign expertise will immediately detect some disease.”

Andrey Dmitrovsky noted that “Kazakhs consume infected meat but they do not notice it, as they do not eat raw meat”. Unfortunately, he said, Kazakh meat should be treated as potentially infectious one.

He pointed out that measures introduced by the Ministry of Agriculture is good (creation of computer database of farm animals, containing info on their movement and death, certification of livestock).

At the same time he said it is necessary to stop uncontrolled migration of animals as soon as possible. This will be the first step toward prevention of zoonotic infections.

Source: Furazh News Service (www.furazh.ru); Translated by: usapeec.kz

Results of the meeting of representatives of Customs Union Veterinary Services and the Directorate General for Health and Consumer Protection (DG-SANCO) of European Commission

The meeting was held in Moscow on February 9, 2011. During a meeting the Sides discussed a wide range of issues concerning the requirements set forth by the legislation of the Customs Union and the European Union in regards to the imported products that are subject to state veterinary control.

Special attention was paid to the development of the uniform veterinary certificates for all types of supervised products that are exported from third countries to the territory of the Customs Union. These certificates must be agreed before April 1, 2011. The Sides noted the importance of this work as many of the epizootic risks are common to Customs Union and European Union.

Full transition to unified veterinary certificates will take place starting January 1, 2012. The meeting participants also pointed out the necessity to harmonize the approach of the veterinary services of both unions to inspect companies that produce products subject to the state veterinary supervision. Such cooperation is especially important as now the possibility of creation of a Unified Veterinary Inspection of Customs Union is being discussed.

So, after repeated inspections, none of the Belarusian and Kazakh enterprises have been granted the right to supply products (subject to state veterinary control) to EU countries. And as for Russia, only 9 dairy producing companies obtained such right.

Source: The official website of Rosselkhoz nadzor (Russian VPSS) (www.fsvps.ru); Translated by: usapeec.kz

Senate of Kazakh Parliament has ratified amendments to Customs Union Agreement on veterinary-sanitary measures



Senate of the Kazakh Parliament has adopted the Law "On ratification of the Protocol amending Customs Union Agreement on veterinary and sanitary measures as of December 11, 2009".

The Minister of Agriculture Akhylybek Kurishbayev informed that in accordance with the proposed amendments, the competent authorities of Customs Union member-countries, if necessary and on mutual agreement, may conduct joint inspections of companies engaged in production, processing and storage of goods (subject to veterinary control) that are imported into customs territory of the Customs Union, as well as goods moving from the territory of one state into another.

The amendments are aimed at reduction of administrative barriers during international trade of goods subjected to veterinary control, creation of conditions for the formation of Common Economic Space within Customs Union, enhancement of the veterinary control system in the territory of the Customs Union.

The protocol was signed on May 21, 2010 in St. Petersburg among CU states.

Source: The official website of the Ministry of Agriculture of Kazakhstan (www.minagri.gov.kz) Translated by: usapeec.kz

In April 2011 an Agreement on FTZ within framework of Customs Union will be signed



According to the Executive Secretary of the Customs Union (CU) Committee, Sergei Glazev, in April 2011 an Agreement on Free Trade Zone within framework of Customs Union will be signed in Yalta, Ukraine.

He noted that over the past six months, a three-fold increase in trade within CU can be observed. “And according to our calculations, this figure would represent one-third of GDP over the next ten years for each of the states. And current situation confirms our forecasts”, S. Glazev said.

According to him, now technical regulations of EurAsEC are being developed. “And the question of further extension of CU is also on the agenda. This is about Kyrgyzstan and Tajikistan. Over the past six months Unified Customs Territory shows very good performance. It works, and there are no any fundamental disagreements. At the same uniform customs duties go to the unified budget and then distributed on a quota basis”, he said.

Source: RBC Information Agency (www.rbc.ua); Translated by: usapeec.kz

Kyrgyzstan



Kyrgyzstan may default in 2011

According to a member of the Bishkek Business Club, Azamat Akelev, Kyrgyzstan can reach the verge of default in 2011.

He said that the economists are concerned over the budgeted deficit of USD 444 million which constitutes 9 percent of GDP. “If the Government does not find funds to cover the deficit, the country may face serious consequences such as default and hyperinflation” Azamat Akelev said.

He added that business community is concerned also over the Government’s plans to increase state revenues by raising taxes.

“If taxes are increased then in turn the risk of nonpayment or concealment of incomes will increase. Anticipated putting into operation of the gold mining companies and attracting of additional USD 583 million are also doubtful. Recent licenses have been revised, and as a result, the investment climate has been worsened”, A. Akelev noted.

Expert disputes financial viability of the Government’s initiatives to provide banks with USD 21.1 million subsidies so that they could lend them to agrarians at 9 percent interest per annum. “How these financial injections can be justified? I believe that the problem of agrarians is not the lack of resources for lending, but in the lack of marketing”, he concluded.

*Source: 24.kg Information Agency (www.24.kg)
Translated by: usapeec.kz*

Kyrgyzstan has 482 companies engaged in production of meat products



According to the Ministry of Economic Regulation of Kyrgyzstan, the country has 482 companies engaged in production of meat products.

Over 90 percent of meat products are produced by small companies. Large meat processing enterprises, such as JSC “Bishkek meat-packing plant”, Co Ltd. “Balikchy Et”, “Talas” meat processing plant, stopped production due to lack of working capital.

During 2010, Kyrgyzstan produced 6,500 MT of meat and by-products with a growth rate of 103 percent. A ratio of the population due to own meat production amounts to 59.1 percent.

The share of meat imports in the domestic market amounted to 31 percent and increased by 156.3 percent (or 87,000 MT) compared to the volumes of 2009.

“In order to ensure national food security it is necessary to increase the number of livestock, ensure deep processing of livestock products and improve product quality. In addition, there is need to brisk up the work of production and technological laboratories for chemical and biological analysis and assessment of product quality in accordance with international standards.

*Source: 24.kg Information Agency (www.24.kg)
Translated by: usapeec.kz*

Uzbekistan



By the year 2016 Uzbekistan plans to increase poultry stock by 30 percent

The Government of Uzbekistan plans to increase poultry stock by 30 percent by the year 2016. According to the data of “Parrandasanoat” (Poultry industry), in 2010 under the five-year program of poultry industry development 344 poultry plants have been constructed throughout the country. By the end of 2011, 50 more poultry farms housing about 1,500-2,000 heads will be built. Today total number of birds in Uzbekistan is about 33 million heads. By the end of 2012, this number is expected to reach about 59 million heads, the experts of the Association noted. According to him, as of now Uzbekistan has 58 operating poultry plants, including 20 broiler farms and 26 poultry enterprises engaged in egg production. Each poultry plant houses about 10,000-15,000 poultry heads.

The program stipulates the establishment of 2-3 such poultry farms in each region of the country on annual basis. The total number of birds in these plants depending on the demand of the region will range from 5,000 to 10,000 heads. The total amount of credit allocated for agricultural farms will reach 24.2 million USD. “The share of domestic poultry is increasing on average by 5.6 percent per year and accounts for 66.5 percent”, the experts said.

Source: *Thenews.kz News Service (www.thenews.kz)*

Translated by: *usapeec.kz*

*Kazakhstan poultry import statistics for 2010**

| Partner Country | Value | Quantity |
|----------------------|------------------|------------------|
| World | 113,118.6 | 124,884.4 |
| United States | 82,865.5 | 104,663.8 |
| Ukraine | 24,606.9 | 15,558.2 |
| Russia | 3,194.2 | 1,742.8 |
| Poland | 1,394.6 | 1,914.0 |
| Brazil | 621.3 | 621.0 |
| Lithuania | 185.2 | 160.0 |
| Other | 251.3 | 224.6 |

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 during the year 2010 made up 84 percent.