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### **Kazakhstan**



#### **Kazakhstan and Russia will join the WTO simultaneously**

According to the Prime Minister of Kazakhstan, Karim Masimov, Kazakhstan is going to join the World Trade Organization simultaneously with Russia.

He said that they have agreed on this earlier and confirmed this position during the meeting of the Presidents of CIS countries in Saint Petersburg, Russia on November 19, 2010.

At the same time, according to the Deputy Minister of Economic Development and Trade of Kazakhstan, Timur Suleimenov, Kazakhstan plans to join the World Trade Organization in 2012.

Meanwhile, U.S. and Kazakhstan have completed the talks on the Kazakhstan's accession to the WTO, according to "Rossiyskaya Gazeta" newspaper.

The parties signed a document that regulates the level of the customs duties on the complete list of goods which will enter the Kazakh market.

Kazakhstan's Working Party on WTO accession was established on February 6, 1996.

*Sources: Kazakhstan Today Information Agency (www.kt.kz); Rossiyskaya Gazeta Newspaper (www.rg.ru)*

*Translated and edited by: usapeec.kz*

## *World Food Kazakhstan 2010*



*Left to right: Bella Ablaeva - USAPEEC Regional Consultant, Natalya Bartnovskaya of Optifood, two Kazakh importers and Oleg Kovalev of Mountaire (center, with glasses), Kris Kielbasiewicz of Intermeat Commodities, Jean Murphy - USAPEEC Director Russia, Africa, Middle East, Central Asia and Natalia Antonova of AJC.*

On November 2 - 5, 2010 USAPEEC member companies have joined USAPEEC Central Asia Office to take part in the leading trade show in Central Asia - "World Food Kazakhstan 2010", held at the Atakent Exhibition Center in Almaty.

USAPEEC booth had a perfect location this year – right in front of the main entrance to the pavilion.

The members present felt that it was definitely worth participation as they all met potential customers. Attendees of the show were regional importers from all Central Asian countries including mainly Kazakhstan and Kyrgyzstan importers and Uzbekistan distributors.

Natalia Antonova of AJC International said that it was a good show for them as they had up to 4 new customers.

Oleg Kovalev of Mountaire appreciated the opportunity to meet potential customers in Central Asia while visiting his existing customers in Kazakhstan.

It was first time for Kris Kielbasiewicz of Intermeat Commodities to visit WFK trade show and he believes it was a nice starting point for them.



*Oleg Kovalev of Mountaire with 2 importers, Bella Ablaeva - USAPEEC Regional Consultant, Jean Murphy - USAPEEC Director Russia, Africa, Middle East, Central Asia and Natalya Bartnovskaya of Optifood.*

USAPEEC representatives Jean Murphy and Bella Ablaeva met with the President of Kazakhstan Poultry Producers Union – Ruslan Sharipov and discussed negative impact of Customs Union on Kazakh poultry producers as well.



*Left to right: Jean Murphy - USAPEEC Director Russia, Africa, Middle East, Central Asia, Ruslan Sharipov - the President of Kazakhstan Poultry Producers Union, Bella Ablaeva - USAPEEC Regional Consultant, Sergey Shabaev – Chairman of the International Poultry Union.*

### **Businessmen and officials differ in assessing the benefits of establishing the Customs Union**

During the recent visit to Kazakhstan USAPEEC CAEE Consultant has found out that by now all business circles and some of the government officials are not seeing any advantages of joining Customs Union but only many disadvantages including tariffs going up to meet Russia tariffs level and major complications in doing trade via Russia territory.

Lately AmCham in Kazakhstan frequently conducts round tables on Kazakhstan's Customs Union membership and during the meetings all the trade expresses dissatisfaction with it. All business people come to share how unbearably complicated trade is including any imports into Kazakhstan.

Kazakhstan's business does not feel the improvement of their situation after the first few months of working in the Customs Union. Businessmen and independent observers worry that Russia and Belarus use unfair methods of competition against Kazakh partners.

Expectations of Kazakh entrepreneurs related to creation of Customs Union were not met, according to one of the local businessman.

According to another businessman (produces alcoholic beverages), Russia creates additional barriers for imports of their products. In particular, starting in July 1, 2010 only enterprises included into the list of importers of Russia can bring the goods to the Russian territory. It is very troublesome to be included into the list since it is necessary to submit a lot of documents and to pay officially a large sum of money.

Discounts for transit of the goods from Kazakhstan via Russia introduced beginning July 1, 2009 are useless, the Union of Producers state.

Some businessmen believe that due to the agreements concluded within the framework of the Customs Union, Chinese goods can invade the market.

Meanwhile, officials insist that Customs Union is an obvious benefit. The head of the Tax Committee of the Ministry of Finance, Daulet Yergozhin, said that beginning July 1 this year, the need for a clearance of cargo customs declaration is eliminated and this resulted in direct savings of time and money of domestic business.

But experts insist that the procedure for registration of the customs value of goods has become more complicated and Customs Union partners lead against Kazakhstan unfair competition.

Deputy of Parliament Amanzhan Zhamalov said that Kazakhstan has increased imports and "it is a sure indication that we are starting to feed someone else's economy". He noted that Russia and Belarus have extensive experience in the opaque methods of struggle. In particular, he said, it is the milk war between those countries when Belarusian milk allegedly did not comply with technical standards of Russia. And now they will automatically begin applying such methods to Kazakhstan.

*Source: Zakon.kz Information Agency (www.zakon.kz); Translated by: usapec.kz*

### **Poultry sector is in difficult situation**



According to the Executive Secretary of the Ministry of Agriculture of Kazakhstan, Yevgenij Aman, Kazakhstan's poultry sector is in difficult situation. He said that today the prices for poultry meat have risen due to significant increase in prices for fodder. Moreover, he pointed out that there is a shortage of fodder in the country.

Also Mr. Aman informed that poultry producers have submitted request to help them with purchases of fodder. The Government is working on this request to provide them with barley, feed grains and corn. In particular, they have already decided to buy 114,000 MT of feed grains and to supply poultry plants with 41,700 MT of barley which is stored at JSC "Prodkorporatsiya". Also in order to support the industry the Government decided to direct subsidies from other sectors to poultry sector.

Prime Minister Karim Masimov emphasized that poultry meat is the only protein which some part of population can afford that is why the Government should develop appropriate measures to support the industry. Poultry meat is as important as bread, he said.

Meanwhile, the President of the Poultry Producers Union of Kazakhstan, Ruslan Sharipov said that Kazakh poultry plants will be able to fully meet the domestic demand in 2012. He informed that 3-4 large scale poultry plants will be put into operation in 2011.

R. Sharipov also informed that in Kazakhstan production of poultry meat reaches 100,000 MT while a shortage is 120,000 MT.

Also, according to R. Sharipov, Kazakhstan covers the need of the country for eggs. Today poultry plants produce over 3 billion eggs.

*Sources: Kazakhstan Today Information Agency (www.kt.kz); Meatinfo News Service (www.meatinfo.ru); Translated by: usapec.kz*

### **Kazakh poultry producers ask the Government for help**

According to the President of the Poultry Producers Union of Kazakhstan, Ruslan Sharipov, Kazakh farmers asked the Government to allocate nearly USD 95 million for the construction of new poultry plants and for solving the problems of the industry.

He said that domestic poultry can not compete with products from other countries of the Customs Union. The cost of the domestic product is much higher than the competitor's products cost.

He informed that now the country has only 5-6 poultry plants and this number is very small.

According to the President of Kazakhstan Poultry Producers Union, if the Government will not subsidize poultry sector then Kazakhstan will not be able to enter the WTO.

Last year the Union requested about USD 47.5 million for the development of the industry. However, this sum was not enough.

*Source: Zakon.kz Information Agency (www.zakon.kz); Translated by: usapeec.kz*

### **During just one month production of eggs has decreased by 14.5 percent**



According to the Statistics agency, in October 2010 domestic production of eggs made up 296.6 million eggs while in September it was 339.6 million eggs. Thus, domestic production of eggs has decreased by 14.5 percent over one month.

During a meeting which took place on November 4, 2010 at the USAPEEC booth at WFK2010 trade show the President of the Poultry Producers Union of Kazakhstan, Ruslan Sharipov, has informed USAPEEC CAEE Consultant that this fact started taking place after a creation of Customs Union since imported eggs are now cheaper than domestically produced ones.

Russian egg producers sell their product in Kazakhstan for a price lower than egg production costs in Kazakhstan itself. Therefore, local producers have to cut the production.

*Source: Kazakh-Zerno Information Agency (www.kazakh-zerno.kz), USAPEEC meeting with PPUK Head Ruslan Sharipov  
Translated by: usapeec.kz*

### **5,000 MT of turkey meat per year will be produced in new poultry plant**

A new poultry plant LLP “Ordabasy kus” which will be producing 5,000 MT of poultry meat per year has been put into operation in the South-Kazakhstan.

According to the Director of LLP “Ordabasy kus” Marat Tagaev, eggs of special kind of turkey have been bought from Canada. He said that during 110 days hens of this kind of turkey gain 12 kilograms and gobblers gain more than 20 kilograms.

The company will also produce its own feed on nearby plots of land.

*Source: Meatinfo News Service (www.meatinfo.ru); Translated by: usapeec.kz*

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