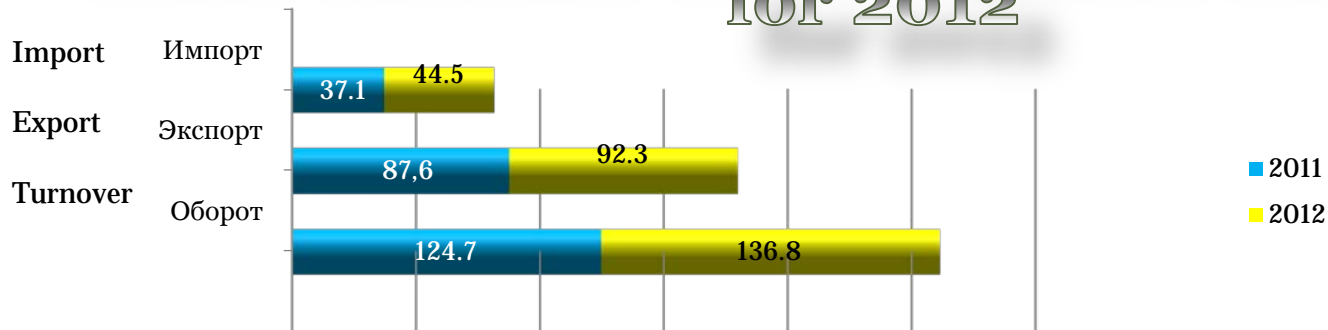


External Trade Policy of the Republic of Kazakhstan

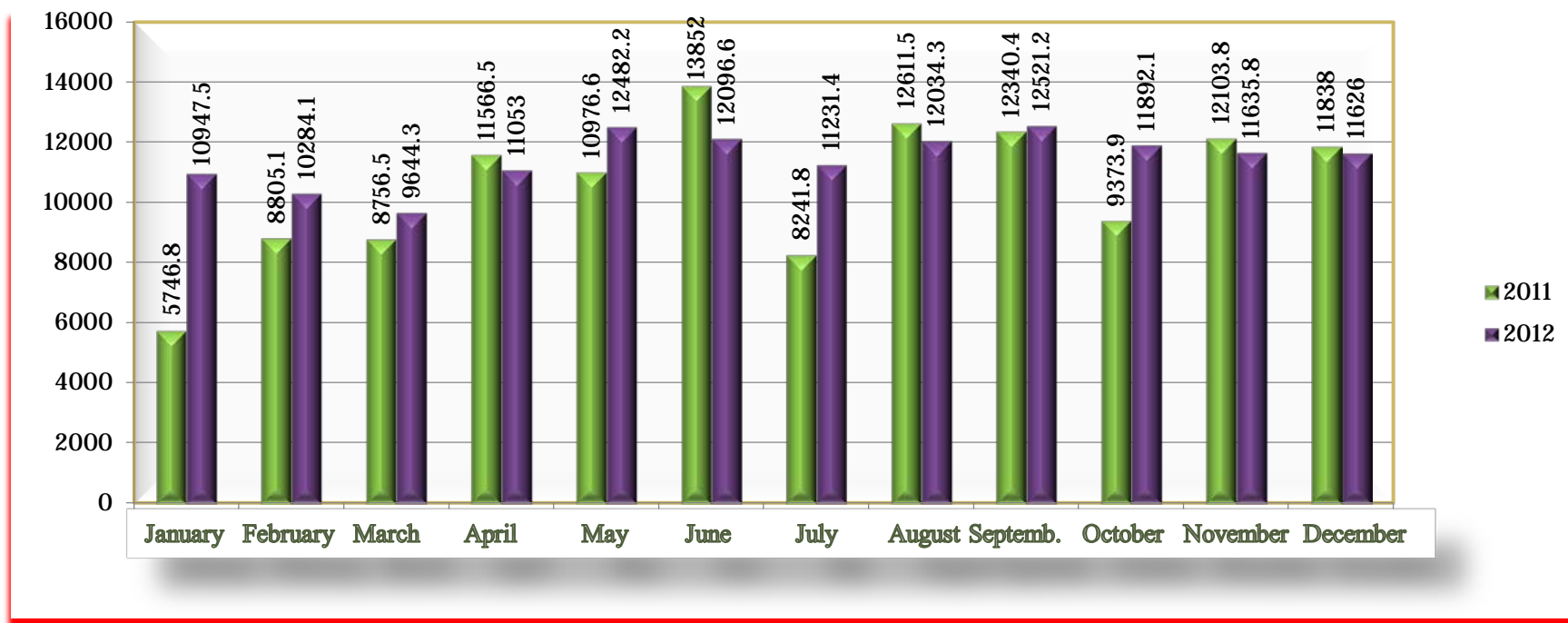
Alimbetova A. N. – Deputy Director of External
Trade Development Department
Ministry of Economy and Budget Planning of
the Republic of Kazakhstan

18th Trade Policy Coordination Committee Meeting
26 June 2013
Almaty, Kazakhstan

Trade Turnover of the Republic of Kazakhstan for 2012

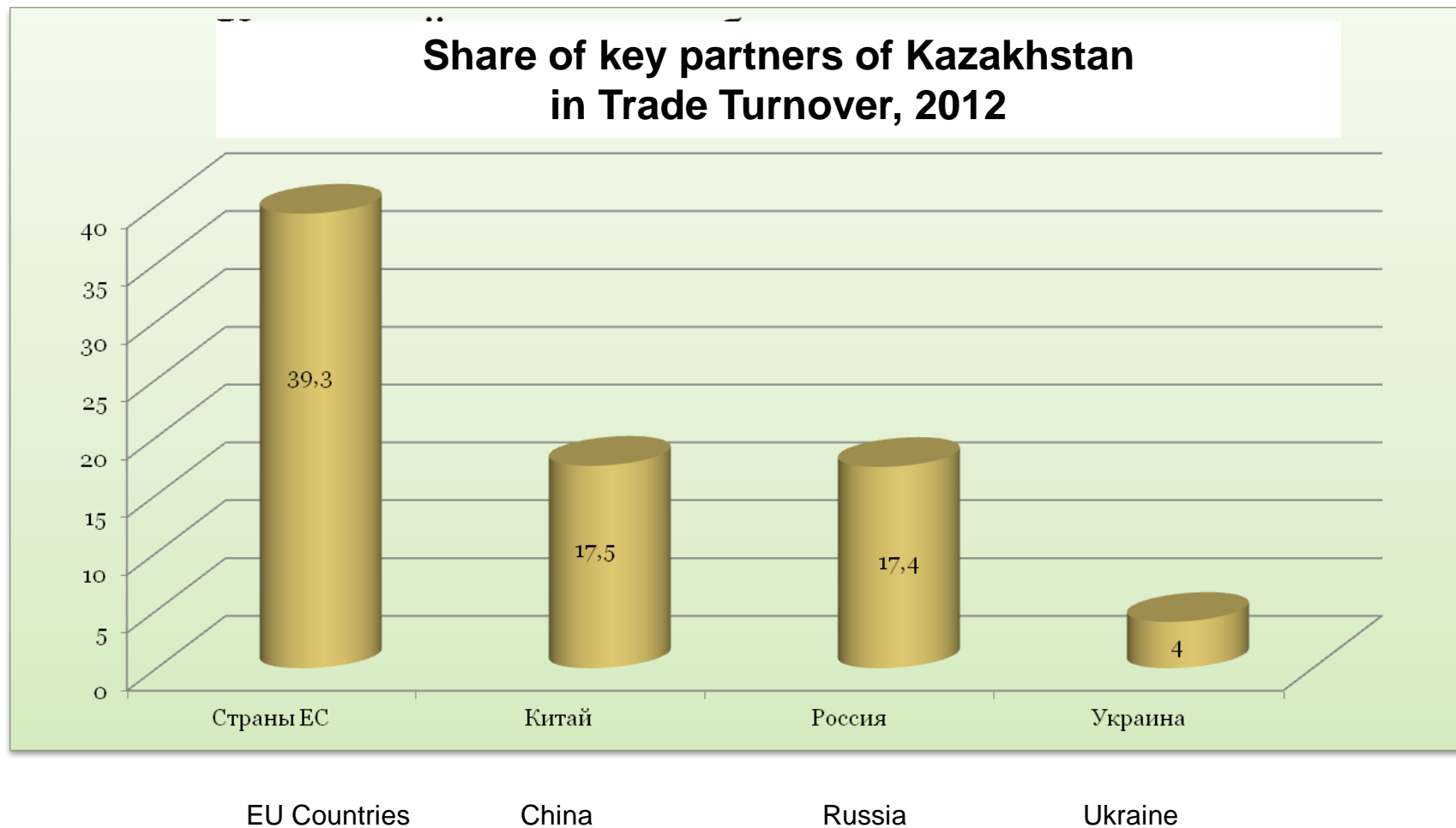


Trade Turnover of the RK for 2011-2012, US\$ billion



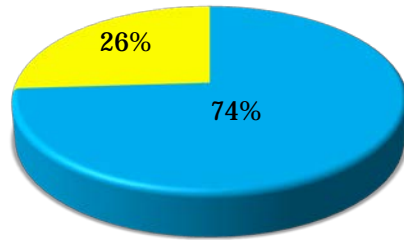
KEY TRADE PARTNERS

Share of key partners of Kazakhstan
in Trade Turnover, 2012



Commodity Structure

Export

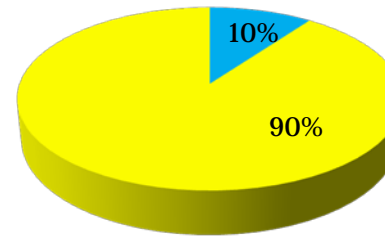


Raw Commodities

Products

- Сырьевые товары
- Продукция

Import



Raw Commodities

Products

- Сырьевые товары
- Продукция

Commodities

- Raw fuel and lubricants - 89,3%
- Raw food and beverages for production – 2,6%
- Raw food and beverages for personal consumption – 0,1%
- Raw primary commodities for production – 8,0%

Products

- Products for production – 69,3%
- Processed fuel and lubricants – 12,6%
- Other processed fuel and lubricants – 5,9%
- Capital assets (excluding transport) – 2,3%
- Consumer goods – 2,2%
- Processed food and beverages - 1,2%
- Parts and accessories for capital assets – 1,1%

Commodities

- Raw fuel and lubricants - 57,8%
- Raw food and beverages for production – 2,6%
- Raw food and beverages for personal consumption – 20,4%
- Raw primary commodities for production – 19,2%

Products

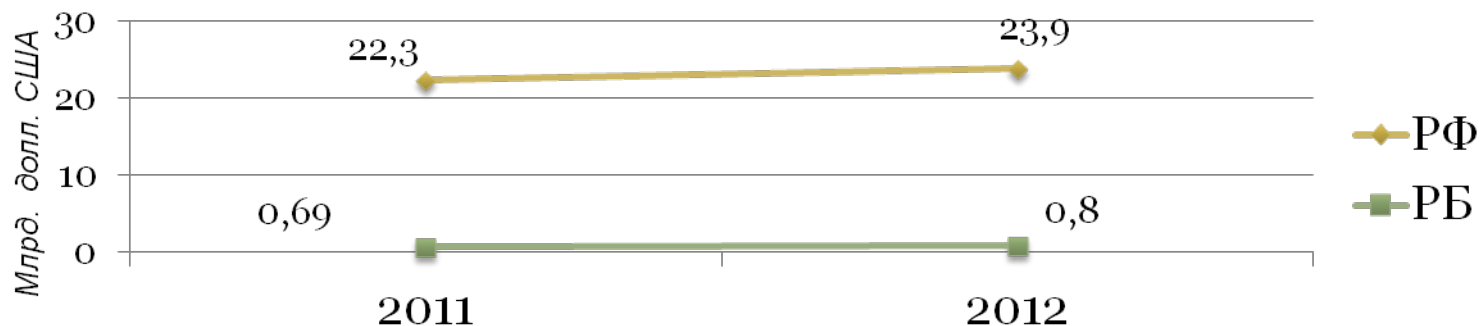
- Products for production – 28,9%
- Industrial transport means – 8,9%
- Consumer goods for short-term use – 6,0%
- Capital assets (excluding transport) – 19,5%
- Consumer goods for semi-long production – 5,1%
- Processed food and beverages - 6,0%
- Parts and accessories for capital assets – 7,2%



TRADE WITH CUSTOMS UNION COUNTRIES

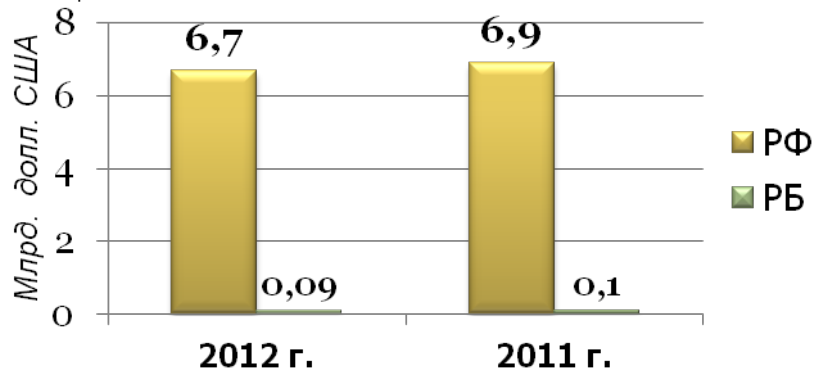
Mutual trade turnover between Kazakhstan and CU countries

US\$ billion



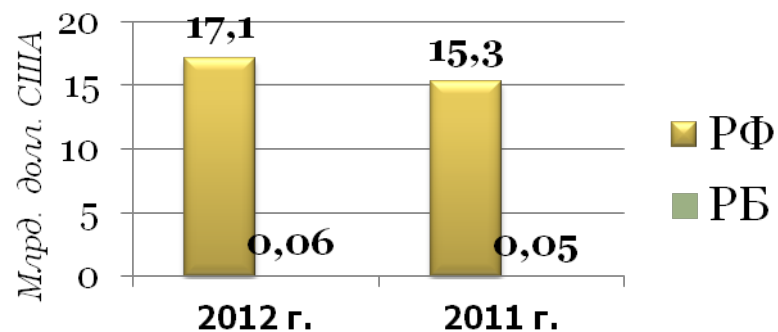
Export of KAZ to CU countries

US\$ billion



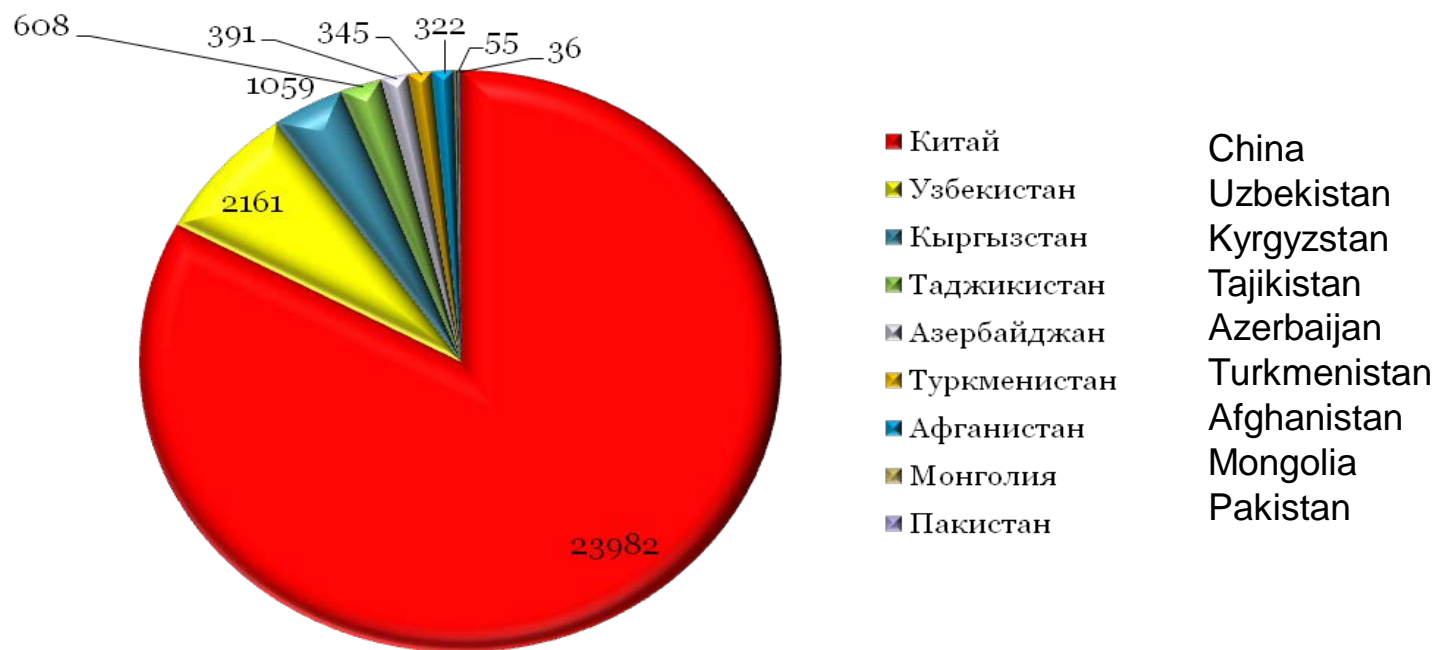
Import of KAZ from CU countries

US\$ billion

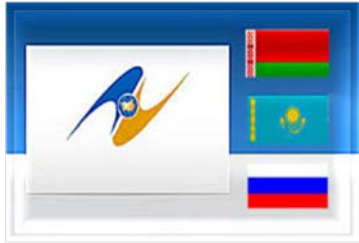


TRADE WITH CAREC COUNTRIES

Trade Turnover between KZ and CAREC Countries.
US\$ million



Trade turnover of the republic of Kazakhstan with CAREC countries in 2012 totaled US\$28.9 mln. and increased by 10.3% as compared to 2011



TRADE POLICY

The Customs Union pursues **the Single External Trade Policy** in relation to third countries:

Customs and tariff measures

Non-tariff regulation measures

Protection, anti-dumping
measures

Unified customs legislation

*The authority to apply
measures have been
transferred to the Eurasian
Economic Commission*



SINGLE CUSTOMS TARIFF

The Single Customs Tariff of the Customs Union (CUSCT) is the basis for customs and tariff regulation.

Based on 2012, the average SCT rate has been reduced by 0.7 points and is equal to 8.8%.

The average arithmetical SCT level is equal to 11.4%, of which:
on industrial goods – 9.1%,
on agricultural goods – 18.2%



CUSTOMS AND TARIFF MEASURES

The Eurasian Economic Commission established rates of **import customs duties**.

Regulation of **export customs duties** is still done at the national level.

At present export customs duties have been established for crude oil and oil products, wool, hides, scrap ferrous and non-ferrous metals.



CUSTOMS AND TARIFF MEASURES

Tariff quotas

According to *the Agreement on the Conditions and Mechanism for Application of Tariff Quotas dated December 12, 2008*, the EEC approved the volume of tariff quotas and quota and non-quota rates for import customs duties.

Current the Republic of Kazakhstan applies tariff quotas for import of some types of meat:

0201 Fresh beef, chilled

0202 Frozen beef

0203 Pork meat

0207 Poultry meat



NON-TARIFF MEASURES

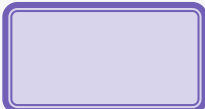


Agreement on Single Measures of Non-Tariff Regulation in Relation to Third Countries, January 25, 2008



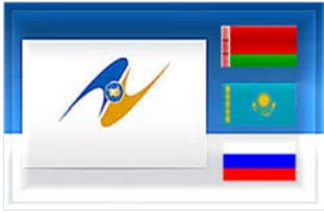
Agreement on the Procedure for Introduction of Measures Affecting External Trade in the Single Customs Territory in Relation to Third Countries, June 9, 2009

Agreement on the Rules of Licensing in External Trade, June 9, 2009



The Unified List of Goods Subject to Prohibitions and Restrictions for Import and Export by CU member states under the EurAsEC when Trading with Third Countries, decisions of the EEC Collegium, №134 as of 16.08.2012





TEMPORARY MEASURES

According to the legal frameworks on non-tariff regulation the parties may introduce temporary measures for a period of six month, if they are aimed at:

- ensuring security and safety;
- protecting live and health of citizens, environment, life and health of animals and plants;
- protecting cultural values and cultural inheritance;
- protecting intellectual property;
- preventing exhaustion of nonrenewable natural resources;
- preventing or reducing a critical deficit in the domestic market of food stuff and other products, which are critically important for the domestic market;
- protecting the external financial situation and maintaining the balance of payments.

At present the republic of Kazakhstan has introduced **a prohibition on export of light distillates, kerosene and gas oils**. This measure has been introduced to prevent and reduce the critical deficit of oil products in the domestic market.



TRADE MEASURES

**To protect interests of CU producers, the EEC adopted
10 anti-dumping measures**

| | | | | |
|--------------------|-----------------------|------------------------|-----------------------|----------------------------|
| Steel forged rolls | Synthetic fibers | Steel pipes | Rolled metal products | Nickeliferous rolled metal |
| Bearing pipes | Antifriction bearings | Graphitized electrodes | Stainless pipes | Iron-cast enameled tubs |

Four special protective measures are in force

| | | | |
|-----------------|----------|-----------------|--------------|
| Stainless pipes | Caramels | Fixing hardware | Treated coal |
|-----------------|----------|-----------------|--------------|

At the national level for 2011-2014:

| | | |
|-------------------------|-------------------|----------------------|
| Cotton and its products | Chocolate candies | Caramel in chocolate |
|-------------------------|-------------------|----------------------|

TRADE LIBERALIZATION

REDUCTION OF ADMINISTRATIVE BARRIERS

Permit System Reform

- 257 permits have been abolished
- 40 permits have been transformed to the procedure of notification
- a prohibition has been introduced to conducted planned audits of small business subjects during 3 years from the moment of their registration
- all licenses are issued in an electronic format



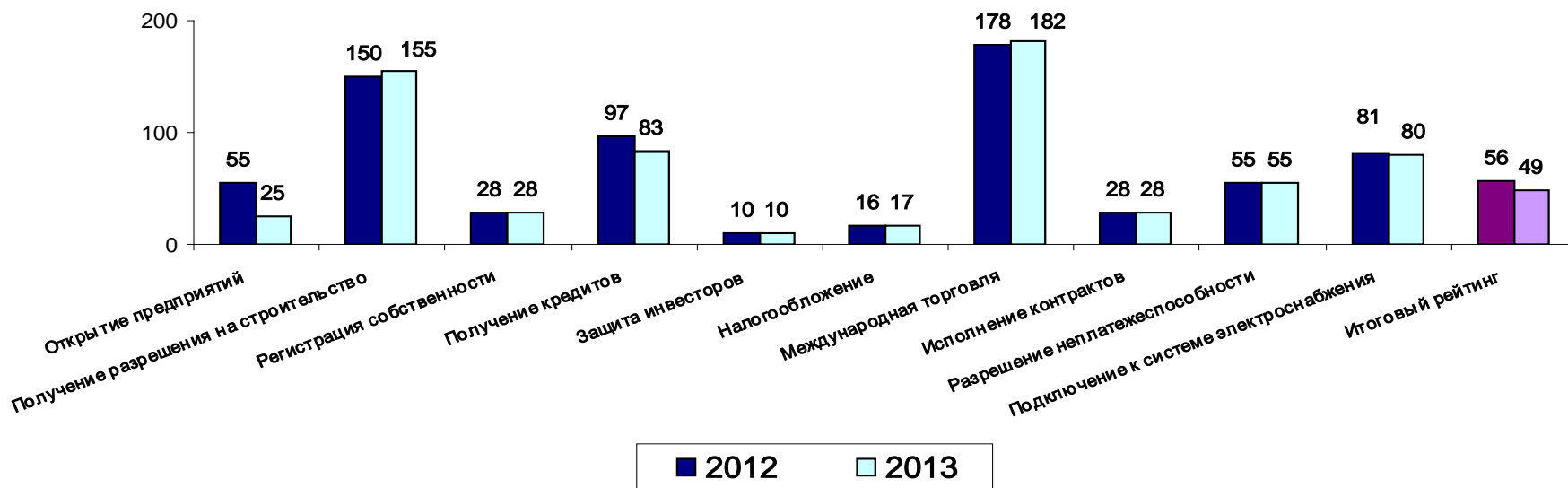
REPUBLIC OF KAZAKHSTAN IN THE WORLD BANK “DOING BUSINESS” RATING

According to the World Bank report «**Doing Business 2013**», **Kazakhstan** improved its rating by 7 positions and was ranked **49**.

Kazakhstan has high rankings on the following indicators: Investor Protection, Taxation, Registration of Property, Business Start-Up, Business Liquidation.

A significant improvement is observed on indicator Business Start-Up – 25th position, which was a result of simplified business start-up procedure and elimination of the minimum capital required for three months after registration.

Dynamics of the Indicator on Business Easiness





OVERSEAS TRADE INDICATOR

| Overseas trade | DB 2012 | DB 2013 |
|-----------------------|---------|---------|
| | 178 | 182 |
| Cost of export | 3130 | 4685 |
| Cost of import | 3290 | 4665 |
| Documents for export | 9 | 9 |
| Documents of import | 12 | 12 |
| Time for export | 62 | 81 |
| Time for import | 76 | 69 |



Activities to improve the indicator

| | | |
|--|---|---|
| Reduced number of documents, Reduced costs of documents | In the process of development | |
| Transfer of veterinary and phytosanitary control functions to customs bodies | The work is underway to specify these functions in legal frameworks | |
| Electronic declaration of goods | Put in operation for export customs procedures | The work is underway to launch the system on other customs procedures |
| Introduction of the Electronic Single Window for export-import procedures | The work is underway to develop the information system | To be launched in 2014 |



ACCESSION OF KAZAKHSTAN TO THE WTO

Current status

All bilateral negotiations on access to the market of goods and services have been completed with member countries of the Working Party on accession to the WTO

Several rounds of negotiations on conditions of harmonization of commitments on import duties of Kazakhstan and Russia have been conducted

There were 16 meetings of the Working Party on accession of Kazakhstan to the WTO, where they discussed national legislation, international treaties affecting external economic and trade policy of Kazakhstan

Multilateral negotiations are underway to discuss local contents on procurement of goods, public procurement and volume of state subsidies for agriculture, as well as harmonization of the level of tariff commitments of Kazakhstan and Russia

**THANK YOU FOR
ATTENTION!**