



Accession of the Republic of Kazakhstan to the WTO: Outcomes and Objectives



Republic of Kazakhstan

Territory: 2.7 mln. sq. km

Population: 16.4 mln, people

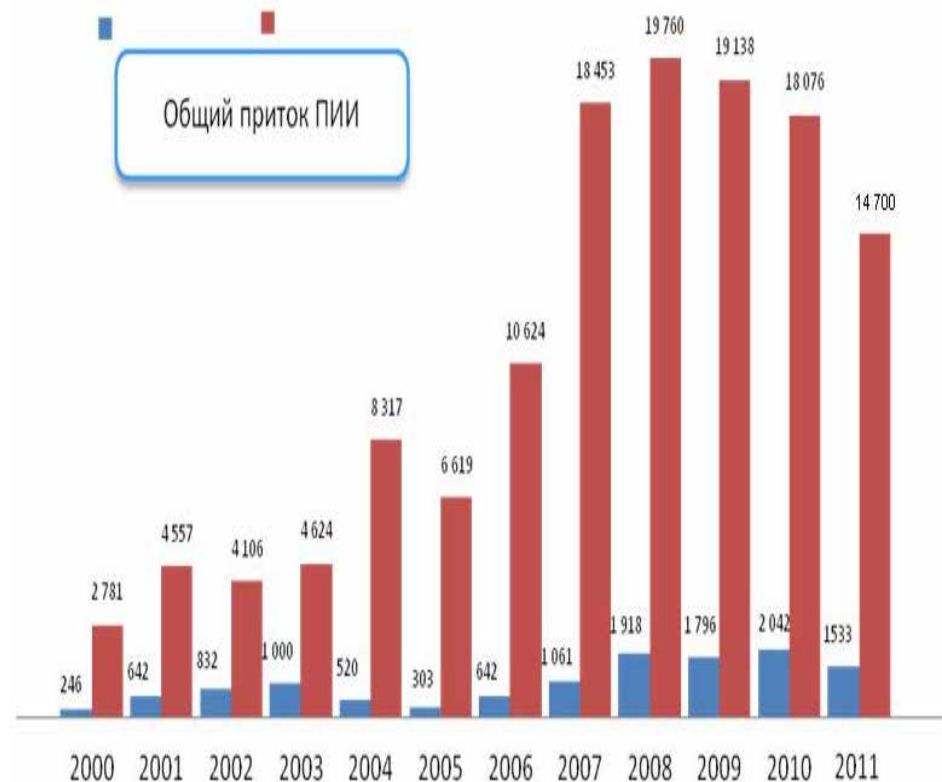
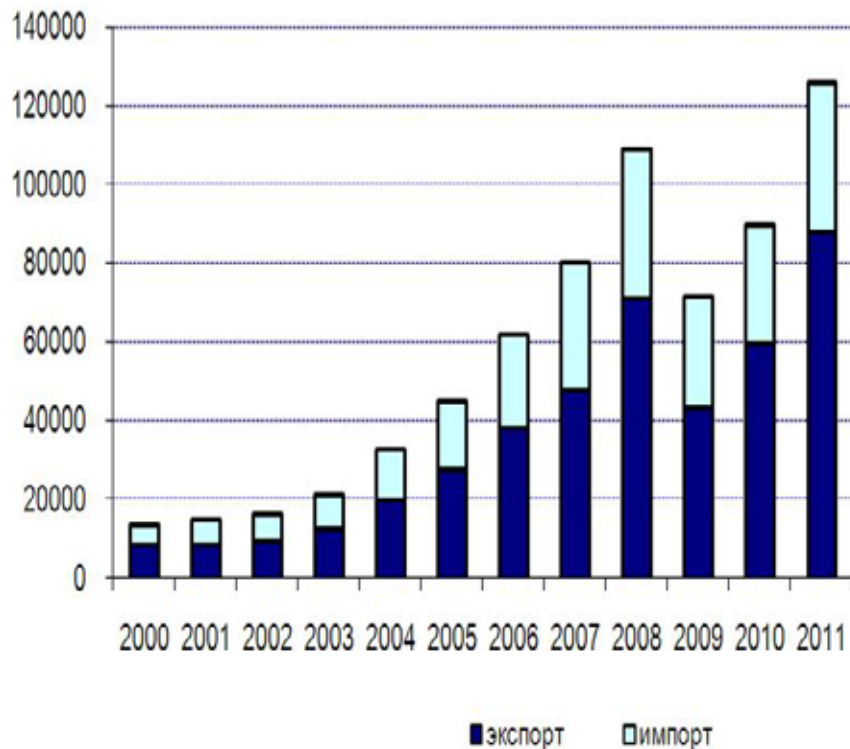
Capital: Astana





Export and import of the Republic of Kazakhstan for 2000-2011

Direct foreign investments in Kazakhstan for 2000-2011





Program for Accelerated Industrial and Innovative Development of Kazakhstan for 2000-2014

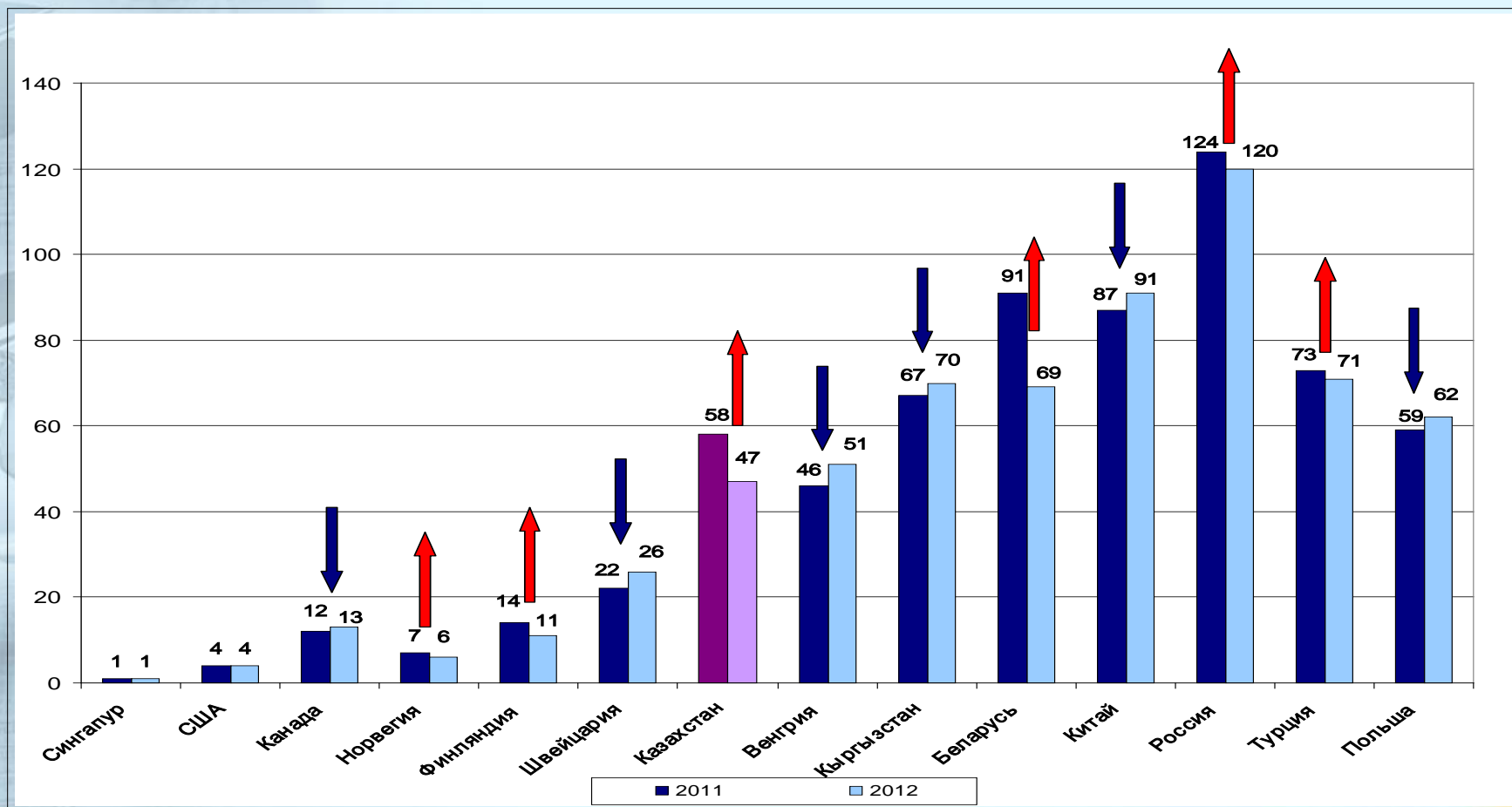
The key goal of the Program is to ensure sustainable and balanced economy's growth through its diversification and enhanced competitiveness

- oil and gas sector
- machine-building
- mining and metallurgy sector
- tourism
- transportation services
- biotechnologies
- space activities
- chemical industry
- energy conservation
- agriculture
- investment attraction
- nuclear power



Kazakhstan's position in the World Bank's *Doing Business* 2012

Dynamics in counties' ratings in Doing Business





Kazakhstan is rated 176th by cross-border trade indicator in the WB's Doing Business

Export

Documents (number) – 9

Time (days) – 76

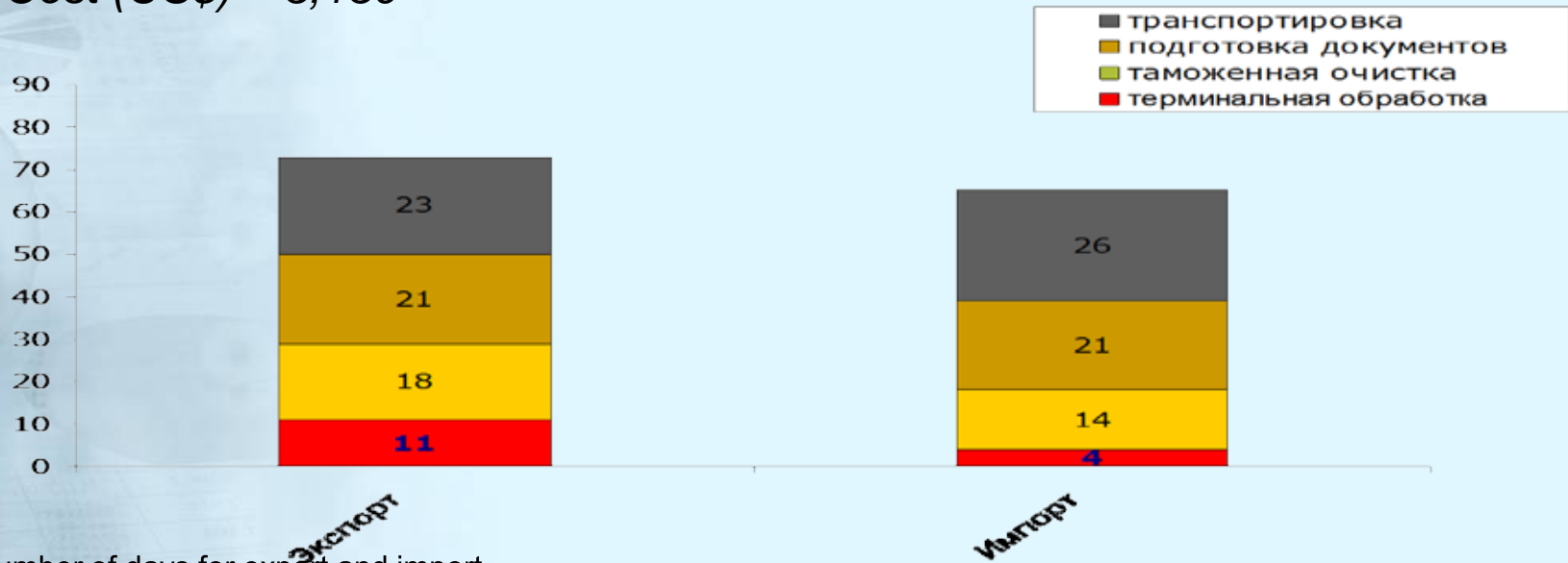
Cost (US\$) – 3,130

Import

Documents (number) – 12

Time (days) – 62

Cost (US\$) – 3,290



Number of days for export and import



Customs Union

**Unified customs
and tariff regulation**

**Single regulating
body (Commission)**

**Unified procedure for
non-tariff regulation
for third countries**

**Dispute settlement
authority**



**Unified trade regime
in relation to
third countries**

**Unification of
customs legislation**

**Single
customs
territory**

**Application of specific
protection, anti-dumping
and compensation
measures**



The single economic space is a deeper form of economic integration and includes, **in addition** to the existing Customs Union, the following pre-requisites:

- coordinated economic policy
- free movement of capital
- free movement of services
- free movement of labor

As of January 1, 2012, 17 agreements have been adopted, which formed the legal framework for the Unified Economic Space among the CU member states. These agreements are aimed at ensuring free movement of goods, services, capital and labor among the CU countries.



The process of accession of Kazakhstan to the World Trade Organization (WTO) was initiated on January 26, 1996 by submitting to the WTO Secretariat an official application on accession of Kazakhstan to the WTO.

In February of 1996 Kazakhstan was assigned the status of the WTO observer country.

At the same time the Working Group on accession of Kazakhstan to the WTO has been established, which currently consists of 44 WTO member countries.



- The negotiations on accession of the Republic of Kazakhstan to the World Trade Organization are focused **on four major areas:**
- Bilateral negotiations on access to **the commodity market;**
- Bilateral negotiations on access to **the market of services;**
- Multilateral negotiations on **systemic issues;**
- Multilateral negotiations on **agriculture issues.**



Access to commodity market

- Bilateral negotiations on access to commodity market **have been completed with 29 countries:**
- Kyrgyzstan, Georgia, Pakistan, Turkey, China, Korea, Oman, Japan, Cuba, Mexico, Honduras, Dominican Republic, Bulgaria, Switzerland, Egypt, Israel, Brazil, Malaysia, Canada, Australia, India, El Salvador, USA, EU (representing 27 EU member countries in one person), Guatemala, Argentina, Taipei of China (Taiwan) and Saudi Arabia.



Access to services market

- Bilateral negotiations on access to the market of services has been completed with **14 WTO members**, including:
 - US, EU, Saudi Arabia, Switzerland, Norway, Egypt, India, Turkey, Canada, Australia, Japan, Korea, Brazil, China, excluding Taipei of China .



Systemic issues

- The following work has been finalized to bring legislation of the RK in line with the WTO standards:
- **26 amendments** has been introduced to **21 laws of the RK**;
- **39 new laws** has been adopted (*33 laws on technical regulation, 5 laws on intellectual property, 1 law on food safety*);
- Amendments have been introduced to **2 CU Agreements** (*customs evaluation and trade protection measures*);
- **13 international agreements** have been ratified (*3 – on sanitary and phytosanitary measures, 10 – on intellectual property protection*).



Systemic issues

- **1. Unification of tariffs on services of the main railway network.**
- To align the tariff policy with Article III of the GATT (national treatment) tariffs for services of the main railway network are unified in a phased manner:
 - for domestic railway transport services,
 - import and
 - export railway transport services,which is to be completed **by 2013.**



Systemic issues

- **2. Unification of excise rates**
- To align excise rates with Article III of the GATT – the national treatment, excise rates have been unified for some types of imported goods:
 - vehicles and fuel – in 2009;
 - tobacco products – in 2011;
 - spirits and alcohol – in 2012.



Systemic issues

- **3. Import licensing**
- To align the **Law "On Licensing: and the CU Agreement on Licensing Rules in External Trade in Commodities** with the WTO standards, the procedure of **automatic licensing** has been envisaged.



Systemic issues

- **4. Anti-dumping, compensation and protection measures**
- On October 18, 2011 **the Protocol on Introducing Amendments and Addenda to the CU Agreement on Application of Special Protection, Anti-Dumping and Compensation Measures to Third Countries** was signed, which is aimed at aligning the agreement with the WTO Agreement.



Systemic issues

- **5. Sanitary and phytosanitary measures**
- To align with WTO rules, amendments have been introduced to Laws **On Veterinary** and **On Plants Quarantine**, in particular the principles of scientific justification of veterinary and phytosanitary measures, risk assessment, harmonization with international standards.
- The Law **On Food Safety** is also based on the above mentioned WTO principles.



Systemic issues

- **6. Protection of intellectual property rights**
- **5 laws have been adopted** based on the WTO Agreement on trade aspects of intellectual property rights (hereinafter – TRIPS Agreement) *in protecting copyrights and allied rights, trade marks, patents, selection achievements and typologies of microelectronic integrated circuits;*
- Amendments have been introduced to **the Criminal and Administrative Codes of the RK** to tighten the responsibility measures;
- In 2010 **the Customs Code of the RK** was amended to authorize the customs bodies to suspend goods violating intellectual property rights;
- Kazakhstan acceded to the **WIPO Copyright Treaty and WIPO Performances and Phonogram Treaty.**



Multilateral negotiations on agriculture issues

Conducted under specific multilateral negotiations on measures of domestic support and volumes of export subsidies for agriculture.

According to the WTO, support distorting trade shall be reduced.

State support measures are subdivided into:

- ∅ «*green basket*» measures – general programs (conducting scientific studies or rural infrastructure development) – can be **extended without limitations**;
- ∅ «*yellow basket*» measures - direct and indirect support affecting the commodity price and cost **shall be subject to mandatory reduction**.



Multilateral negotiations on agriculture issues

- ∅ At present the WTO reviews estimations of state support for agriculture of Kazakhstan during the baseline period of 2006-2008.
- ∅ In November 2011 during bilateral consultations on agriculture with key WTO member countries the Kazakh Party informed them of the intention to revise the baseline period for 2009-2011 to estimated the volume of such support.



To be done:

- **According to instructions of the head of the state the negotiations on accession of Kazakhstan to the WTO shall be completed in general by end of 2012;**
- **To complete multilateral negotiations on accession of Kazakhstan to the WTO;**
- **Jointly with the WTO Secretariat, to consolidate draft tariff commitments of the RK and submit to WTO members for review;**
- **Jointly with the WTO Secretariat, to consolidate a draft list of services;**



To be done:

- **According to the approved plan, to conduct meetings of the Working Groups on WTO accession in July and October of 2012;**
- **In November of 2012 to finalize the report of the Working Group and present it at the General Council's meeting for acceptance of materials on accession.**



Thank you for attention!