



Economic Newsletter on Kazakhstan

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The Economic Section of the Embassy of the Kingdom of the Netherlands in Kazakhstan intends to distribute this newsletter as widely as possible among Dutch institutions, companies and persons from the Netherlands. The newsletter summarises economic news from various Kazakhstani and foreign publications and aims to provide accurate information. However, the Embassy cannot be held responsible for any mistakes or omissions in the bulletin.

MACRO-ECONOMICS & FINANCE

ADB forecasts growth of Kazakh economy

The Asian Development Bank (ADB) released its forecast for the economic situation in Kazakhstan for 2017, projecting the country's economic growth will accelerate as a result of state programmes aimed at stimulating consumption and investment.

"The measures taken by the authorities to solve the existing problems in the banking sector are an important step in the right direction," said director of the ADB office in Kazakhstan Giovanni Capannelli, reported Kazinform.

"However, it is necessary to continue working on stress testing and asset quality analysis in accordance with international standards to determine which banks need additional capital and to improve the assessment of non-performing loans," he added.

The bank's experts suggest higher revenues from oil exports will also contribute to the rise. According to the forecast, the growth of Kazakhstan's gross domestic product will reach 2.4% this year and 2.2% in 2018. In 2016, the nation's GDP grew 1%. Annual inflation is projected at 8% this year within the target corridor of the National Bank (6-8%). The experts highlight Kazakh authorities adjust the base rate, carry out transactions in the stock market and maintain control over monopoly prices. At the same time, the report notes there are problems in the banking sector which have to be solved.

The report also emphasises that increasing transparency and improving communication will contribute to improving the effectiveness of operation within the banking sector.

Industrial growth in 2017 will reach 2.4%, which will be facilitated by significant infrastructure costs and increased production of oil and gas condensate. The volume of oil production is expected to increase by 3.8% and reach 81 million tons, which will be achieved due to an increase in production at the Kashagan field and expansion of the Tengiz field. The growth of agriculture in 2017 is projected at 3.5% in connection with implementing a new programme of state support for the agricultural and industrial complex.

Kazakhstan became a member of ADB in 1994 and has received more than \$5 billion in sovereign and non-sovereign loans for development projects in agriculture, education, finance, transport, water supply and sanitation. Projects implemented with the assistance of ADB helped the country open transport routes, support social equality and develop knowledge products, private entrepreneurship and cooperation with neighbouring countries.

Headquartered in Manila, ADB aims to reduce poverty in the Asia-Pacific region through inclusive economic and environmentally sustainable growth, as well as regional integration. The bank has 67 member countries, 48 of which are from the region, Astana Times reported.

IMF ups forecast for Kazakhstan's GDP growth

The International Monetary Fund (IMF) increased its forecast for Kazakhstan's GDP growth in 2017.

According to the IMF "World Economic Outlook" report published April 18 Kazakhstan's economy is projected to rise by 2.5% in 2017, as a result of higher oil production and stronger external demand.

It is 1.9% higher than forecast in IMF previous "World Economic Outlook" report published in October.

In 2018 Kazakhstan's real GDP growth is expected to reach 3.4%. IMF did not give forecast for 2018 in its previous "World Economic Outlook" report.

In 2016 GDP growth hit 1.1%, according to IMF.

Inflation in Kazakhstan is projected to reach 8% in 2017 and 7.2% in 2018 compared to 14.6% in 2016. Unemployment rate in Kazakhstan will remain at 5% level in 2017 and 2018 as it was in 2016.

In October 2016 "World Economic Outlook" IMF forecasted Kazakhstan's inflation at the level of 9.3%. The forecast for the unemployment rate remained unchanged.

According to the new report, in 2022 GDP growth in Kazakhstan will hit 4.6%, inflation decrease to 4.4%, Trend reported.

Samruk-Kazyna unveils its investment plans

The Board of Directors of Samruk-Kazyna Fund has approved the Fund's Development Plan for 2017-2021 (i.e. the strategy). The Development Plan of Samruk-Kazyna for 2017-2021 is a strategic tool used to develop medium-term actions to implement the strategy of the fund. It ensures that the strategy is executed through concrete actions, which are transparent to the Fund and the Sole Shareholder. According to the Plan, Samruk-Kazyna will continue to evolve into strategic holding and active investor as a part of its wider Transformation Program.

The medium-term goals are based on the current macroeconomic and market situation, recent performance, business plans of its portfolio companies and the national priorities. The fund remains committed to its key strategic goal of creating long-term value in the portfolio companies, the fund informs on its website.

Samruk-Kazyna continues to focus on six key development initiatives in 2017-2021 in order to successfully execute the Fund's strategy:

- Improvement of Portfolio management;
- Privatization program, i.e. reorganization of investment portfolio through sale and the liquidation of assets;
- Development of the Fund's investment portfolio with a focus on new industries;
- Transformation of the portfolio companies;
- Transition of the Fund's corporate center to the new functional model;
- Enhancing financial sustainability.

The fund will look to provide overall direction and guide strategy execution of the portfolio companies, transform strategic assets through privatization and facilitate the reinvestment of funds back into the country. The Fund will continue to invest in the development of growing companies to catalyze new industries and contribute to modernization of the economy. Planned investments into these companies are estimated to be 121 billion tenge in 2017. By the end of 2021, the cumulative investment in new and growing companies will reach 273 billion tenge, Kazakhstanskaya Pravda reported.

Foreign workforce quota cut

The Kazakh government will issue fewer work permits in 2017, according to a March 28 government release.

Decree No. 898 limits the overall number of foreign employees allowed to work in Kazakhstan to 0.6% of the country's total workforce, down from 0.7% in 2016, Bloomberg reported.

The quotas for specific professions are:

- 0.003% of the sector's total workforce for telecommunications,
- 0.004% for education,
- 0.002% for healthcare,
- 0.01% for science and technology,
- 0.006% for transportation and hospitality,
- 0.003% for finance and insurance and
- 0.0007% for real estate.

Chairman of the Board of Directors of Astana EXPO-2017 Akhmetzhan Yessimov reports to President about budget savings

At a meeting held under the President's chairmanship in the office of Astana EXPO 2017 National Company, Chief of the company Akhmetzhan Yessimov informed about significant budget savings in EXPO preparations.

EXPO-2017

"We have received 38.5 billion tenge of help from our sponsors for now. 22 billion tenge of this amount are monetary funds and 15.7 billion tenge were provided in works, goods and services. The work on attraction of sponsors and partners is still continued. The company makes profit from the sale of tickets, commercialization of services, licensing and using the EXPO brand. With the consideration of these revenues, after calculating all incomes and expenditures, the national company plans to return 25 billion tenge to the budget," said Yessimov.

According to him, construction of two EXPO facilities is underway. The two projects were revised as per Presidential instructions. As a result, the cost of the 'Hotel' project was cut by 20 billion tenge and the cost of "Congress Center" project was reduced by 9 billion tenge, Kazinform reported.

Full completion of Expo 2017 construction to be in mid-May

Construction of Expo 2017 sites will be fully completed in the middle of May. Chairman of the Board of Directors of National Company "Astana EXPO-2017" Akhmetzhan Yessimov told about it at a meeting chaired by the President of Kazakhstan Nursultan Nazarbayev, Kazinform reports.

"As of today, 18 of 20 exhibition sites have been constructed. Construction of two other sites is underway. These are a Congress Centre and a hotel. As to the hotel, it was redesigned. Besides, we attracted an investor. This resulted in cost decrease by 20 billion tenge. Taking into account this investment the budget expenditure will be reduced by 30 billion tenge. Regarding the Congress Centre, according to your instruction it was redesigned. This allowed, firstly, to expand its functionalities, and, secondly, to cut the expenditure by 9 billion tenge. Construction of these two sites must be completed in the mid-May," Yessimov reported to the President.

According to him, after redesigning the Congress Centre it will be possible to hold exhibitions, conferences, forums and seminars there.

In return, the Head of State reminded Yessimov that the presidents of the countries participating in Expo 2017 will meet in the Congress Centre.

Sembol and BI-group are the contractors of the mentioned sites.

The President of Kazakhstan has evaluated the readiness of sites in the territory of Expo 2017 International Exhibition in Astana, Kazinform reported.

"I have just traveled around, entered and viewed the sites under construction. The readiness is high and it is the completion phase. Successful arrangement of the exhibition will again demonstrate the achievements of the Independent Kazakhstan to the international community", Nursultan Nazarbayev said at the meeting on the issues of preparation for the exhibition and development of Astana.

The Head of State noted that for the last 5 years the Gross Regional Product has increased by 3 times and nearly 4.5 trillion tenge have been invested in the capital. The share of Astana in the country's economy has risen to 12%.

"That is to say that we have enriched Kazakhstan with one city, an enormous asset that has started recovering the invested funds back to the treasury of the State. The share of small and medium business in the economy equals to 46% being the highest level among other regions of the country. Astana has become a million population city. New housing for the last year alone has amounted to 2.3 million of 10.8 million sq. m. in the whole country that is more than 20%. As a result, Astana conforms to the UN-recommended housing level per one person. The city has become a traditional place to host the most important events including global ones and meetings", President Nazarbayev added.

Kazakh trade with Eurasian Economic Union member states grows

Kazakhstan's trade with its allies within the Eurasian Economic Union (EAEU) is growing, according to the press service of the Ministry of Energy of Kazakhstan, outlining mineral products as dominant in the structure of the country's exports.

"In January-February 2017, Kazakh mutual trade with the EAEU member countries was \$2.5 billion, which is 56% more than in January-February 2016, including exports of \$742 million (an increase by 42.6 percent), and imports of \$1.8 million (62.2% more)," the official press release of the Kazakh Ministry of Energy said.

Kazakhstan's exports are dominated by mineral products at 38.5% of the exports to the EAEU countries; metals and metal products, 34.8%; chemical products, 13.3% and animal and vegetable products along with easy-to-cook food products, 7.6%.

Among the imported goods from the EAEU there are chemicals at 23.0%; mineral products, 20.6%; machinery and equipment, 19.7%; metals and goods made of metal, 12% and 9%; products made of animals and vegetables and finished food products, 11.8%.

According to the official data, the EAEU has an integrated market of some 183 million people and a gross domestic product of more than \$4 trillion. The EAEU allows a free movement of goods, capital, services and people and provides for common policies in the macroeconomic sphere, transportation, industry and agriculture, energy, foreign trade and investment, customs, technical regulation, competition and antitrust regulations.

There have been talks of introducing a single currency, however, no definitive agreement has been reached. The EAEU has supranational and intergovernmental institutions: the Supreme Eurasian Economic Council (SEEC) is the supreme body consisting of the heads of the member-states. The second level of intergovernmental institutions is represented by the Eurasian Intergovernmental Council consisting of the prime ministers of the member-states.

The EAEU has been seeking ways to play a bigger role in trade with East Asia. EAEU representatives have thus far commenced talks for official trade cooperation with the Association of Southeast Asian Nations (ASEAN). EAEU members have also agreed to step up talks to strengthen cooperation with China, including in a format of exchange on goods and services and to set up expert groups to develop preferential trade regimes with Israel and India. It already has a free trade agreement with Vietnam.

The EAEU member states are Armenia, Belarus, Kazakhstan, the Kyrgyz Republic and Russia, Astana Times reported.

Eurasian Economic Union to form common gas market

The EEC Advisory Committee for Oil and Gas has approved a programme of forming a common gas market in the Eurasian Economic Union, Kazinform reports citing the EEC press service.

"The programme respects the economic interests of the EAEU member-states, the peculiarities of functioning and development of their gas markets and national legislation. Meanwhile, the formation of a common gas market is one of the most important priorities of integration cooperation," member of the EEC Board (Minister) for Energy and Infrastructure Adamkul Zhunussov says.

The document includes a set of inter-linked organizational, technological and other activities which help form the EAEU common gas market. It includes also a list of more than 30 activities. A part of them relates to exchange trading and rules of trading in gas, tariff and pricing policy in the common gas market including formation of exchange and non-exchange price indicators as well as harmonization of member-countries' legislations regulating gas sector, Kazinform reported.

India to join Eurasian Economic Union under FTA

India is set to join the Eurasian Economic Union by signing free trade agreement to boost trade ties, Kazakhstan Ambassador Bulat Sarsenbayev said.

"India is going to join the Eurasian Economic Union which includes Belarus, Kazakhstan, Russia, Armenia and Kyrgyzstan in the form of an FTA (Free Trade Agreement)," Sarsenbayev said at a conference organised here by CII.

The signing of FTA would allow “access” to the market comprising 200 million people and make Indian and Kazakhstan companies “work together”, he said.

Stating that Kazakhstan was rich in “mineral resources”, the envoy invited Indian IT companies and hoteliers to set up shop in his country.

Noting that the number of travelers to his country from India had “doubled” in the last two years, he said the Kazakhstan government offered free economic zones for overseas companies to do business.

The diplomat was here to formally open the Honorary Consulate of Kazakhstan and appointed noted jeweler Suraj Shantakumar, Director-Business Strategy of Kirtilals, as Honorary Consul in Chennai.

Shantakumar would represent Tamil Nadu, Kerala and Karnataka.

According to Sarsenbayev, trade between the two countries stood at \$618 million in 2016.

Main exports from Kazakhstan to India include oil products, metals and natural minerals while imports comprise pharmaceuticals, tea and tobacco among others, reported by the India Outlook.

More than 100 joint projects of China and Eurasian Economic Union are under expertise

There are more than one hundred joint projects of China and the EEU in the framework of the connection programme of the Eurasian Economic Union and the Silk Road Economic Belt, the executive vice-president of the Russian Union of Industrialists and Entrepreneurs Alexander Murychev said today at an economic forum in Bishkek.

According to him, today on the agenda is, first of all, trade cooperation with China. This is a promising cooperation for many years. At the same time now China is closely working with the Eurasian Economic Commission (EEC) on the monitoring and assessment of projects within the framework of connection projects of the EEU and Silk Road Economic Belt. On examination there are more than one hundred projects.

“We can see how China is increasing its investment opportunities in this project. We feel it and we want to cooperate with the project “Silk Road Economic Belt,” Alexander Murychev said.

“It is extremely important for the countries of the EEU not to compete for Chinese investments, but to create cooperative mutually complementary projects,” the Trade Minister of the Eurasian Economic Commission Veronika Nikishina said at the meeting of the EEU Business Council’s Presidium.

According to her, Chinese partners are very responsible. They assured the EEC that it was more comfortable for them to work with projects that had already been agreed upon. At the same time, Veronika Nikishina reminded that the work of the international committee of the Business Council shouldn’t be limited to China alone. It is necessary to pay attention to other countries.

“The Kazakh colleagues complained that entrepreneurs don’t always know about the results of our talks with representatives of other countries. I suggest that the business councils of each country to decide on the dates, we will come and answer all the questions,” Veronika Nikishina said.

BANKING

National Bank comments on record direct investments inflow

The National Bank of Kazakhstan commented on the record inflow of direct investments in 2016, Kazinform reports.

In 2016 the net capital inflow in Direct Investments item of the Balance of Payments exceeded \$14.4 billion. Kazakhstan National Bank informed that earlier the maximum inflow figure equaled to \$13.1 billion in 2008.

“The record inflow of foreign direct investments in 2016 has become the main financing source in Kazakhstan Balance of Payments,” the National Bank explained.

According to the financial regulator, the total inflows of foreign direct investments (FDI) into Kazakhstan in 2016 have increased to \$20.6 billion or by 40% as compared to 2015.

The FDI were mainly put in mining industry, geological exploration and prospecting, as well as manufacturing industry.

“One of the components of FDI inflows is that nonresidents reinvested their revenue that exceeds \$4.9 billion in 2016. As Kazakh joint ventures revenue grew, the foreign investors increased the share of their profit that is left in the country for financing the enterprises operational activity”, a National Bank representative noted.

Share of idle and potentially problematic credits in Kazakhstani banks may be higher than \$11 billion

The absolute size of idle and other stressful loans in the banking sector of Kazakhstan may amount to 3.5 trillion tenge, said Roman Kornev, director of the analytical group on financial organizations Fitch Ratings.

According to R. Kornev, the problem of stressful assets of the banking sector is not limited only with the idle credits- it is worth taking in account the restructured loans.

“The absolute volume of unreserved idle credits in the banking sector of Kazakhstan makes about 600 billion tenge. However, stressful credits make about 3 trillion tenge. In fact, 80% of these potentially problematic loans fall on Kazkommertsbank, it is connected with the debt of BTA Bank,” he said at the XI international Fitch Ratings conference. Fitch Ratings expects growth of crediting activeness of the banks in 2017. “But crediting growth is hardly to be over 5%,” he said.

He said the base rate of the National Bank may be subsequently lowered, according to Kaztag.kz.

Kookmin Bank sold its stake in BankCenterCredit

BankCenterCredit (Almaty) whose securities are officially listed on Kazakhstan Stock Exchange (KASE), has informed KASE of a change in the composition of its shareholders holding ten or more percent of the bank's shares, Kazinform learnt from KASE's website. Kookmin Bank possessing 41.93% of the Kazakh bank's shares has sold them fully to Mr. Bakhytbek Baisseitov, Tsesna Bank and Tsesna Financial Holding, a press release reads. Recall that Kookmin Bank acquired 23% of BCC shares in 2008 and in 2010 increased it to 42%. 30% of them were ordinary shares and 10% were privileged ones. According to Korean mass media, Kookmin paid KRW939.2 billion for this deal.

In May 2013, CEO of BCC Vladislav Lee told mass media that the issue of buy-out of BCC by Kookmin Bank Co Ltd might be solved by year 2017.

Another stakeholder of BCC – International Finance Corporation – which owned 10% of the Kazakh bank's shares sold them to Mr. Bakhytbek Baisseitov on March 15.

As a result, Bakhytbek Baisseitov owns 44.5% of the total volume of voting shares in BCC, Kazinform reported.

ENERGY & NATURAL RESOURCES

Kazakhstan exports 17.1 million tons of oil in the first quarter of 2017

For the first quarter of 2017 Kazakhstan has exported 17.1 million tons of oil, Kazinform reports.

The Energy Ministry press-service reported that the Ministry had been instructed to accomplish 9 target indicators of socioeconomic development as to execution of the Government Operation Plan for the first half of the year. By the end of the year it is planned to achieve 103.6 per cent growth of actual volume index in mining industry.

As per the results of the first quarter of 2017, growth has been achieved in all target indicators.

Oil and condensate production amounted to 21.1 million tons. Index of actual volume has increased by 5.2%. Mainly, production was in major projects: Kashagan (1.6 million tons), Tengiz (7.3 million tons) and KPO (3.2 million tons).

17.1 million tons of oil have been exported for the first quarter of 2017. Growth of volume index was 2.2%.

The quantity of refined oil was 3.6 million tons, volume index has increased by 26%.

Gas production equaled to 13.2 billion m³. Volume index growth was 8.5%.

Gas export was 4.1 billion cu m. Growth of volume index was 26%.

"The home market has been fully provided with domestic fuel and lubrication materials.

Supply of gasoline was 80.9% with planned 68%, diesel fuel - 99.3% with planned 86% and jet fuel - 47.1% with planned 47%", the ministry reports.

As of April, the level of gas supply was 46.3%. Electricity production amounted to 27.1 billion kilowatt-hours. Growth of volume index was 10.3%.

Production of coal (net of coal concentrate) was 27.8 million tons, Kazinform reported.

Oil output from Kashagan exceeds 2 million tons

Over 2 million tons of oil and more than 1 billion cubic meters of gas have been produced at Kazakhstan's Kashagan field, Kazakh national oil and gas company KazMunaiGas, which is one of the shareholders of the project, said in a message.

Oil production at Kashagan was launched in autumn 2016.

According to the company, two gas re-injection compressors will be launched at the field in 2017 in order to increase the level of oil production to 370,000 barrels per day.

Moreover it is planned to implement a project on expansion of gas reinjection at the field which will insure further increase in output. The optimal concept for this project is being selected.

Kashagan located in the north part of the Kazakh sector of the Caspian Sea is one of the biggest oil fields opened in the last 40 years. Its recoverable oil reserves are assessed at 9-13 billion barrels.

Oil production at Kashagan was launched in autumn 2016 and Kazakhstan plans to produce 8.9 million tons of oil and 5.6 billion cubic meters of gas from this field in 2017. It is planned to increase production to 13 million tons of oil and 9 billion cubic meters of gas per year in subsequent years.

The project participants are KMG Kashagan BV (16.88%), AGIP Caspian Sea BV (nearly 16.81%), CNPC Kazakhstan BV (8.33%), Exxon Mobil Kazakhstan Inc. (nearly 16.81%), INPEX North Caspian Sea Ltd. (nearly 16.81%), Shell Kazakhstan Development BV (nearly 16.81%), and Total E&P Kazakhstan (nearly 16.81%). The field is operated by North Caspian Operating Company BV (NCOC), Trend reported.

Azerbaijan, Kazakhstan mull oil export from Kashagan via BTC

Azerbaijani Energy Minister Natig Aliyev and his Kazakh counterpart Kanat Bozumbayev mulled transportation of oil from the Kazakh Kashagan field via the Baku-Tbilisi-Ceyhan (BTC) pipeline at a meeting in Baku, Azerbaijani Ministry of Energy told Trend April 3.

The ministerial meeting was held as part of the official visit of Kazakh President Nursultan Nazarbayev to Azerbaijan.

During the meeting, Azerbaijani Minister Natig Aliyev noted that a number of measures need to be implemented within the intergovernmental commission to further strengthen ties between Azerbaijan and Kazakhstan.

"In May, Baku will host the 14th meeting of the Azerbaijan-Kazakhstan intergovernmental commission for the purpose of increasing trade turnover between the two countries and maximizing the use of their export and import capacity," he said.

Bozumbayev, in turn, said Kazakhstan will take similar measures and proposed to hold a meeting of deputy ministers in early May to exchange views.

The ministers also discussed the possible transportation of oil from the Kazakh Kashagan field to world markets via the BTC pipeline, Trend reported.

Kazakhstan's Deep South pioneers with wind power

Green energy is being actively developed in Zhambyl region. Korday wind power plant produced almost 160 million kilowatt-hours of electricity last year. These installations, or rather the generators, are just some part of the wind park. Two companies make contribution to the common electric balance in Kazakhstan.

"There are 40 wind stations. 21 of them produce 1 Megawatt and 17 stations – 1.65 Megawatts. To some extent, we reduce the problem of electricity deficit, both at the district and regional levels.

"Generators of the German company begin to produce electricity at a wind speed of 4 meters per second. The work is managed in automatic mode, and control is completely remote," wind power employee Marat Tukbayev commented.

"At full load, they can produce up to 40 megawatt hours, but this is with the strongest wind. The speed of the wind fluctuates, on the average somewhere at around 20-19 Megawatt hours. The average power generation is produced by wind electrical installations at Kordai," in the words of Kordai's governorate official Kairat Mametov.

Kordai wind power station's capacity is more than 50 megawatts. The electricity generation depends on the strength of the wind. In the near future, it is planned to install wind turbines with a total capacity of 99 megawatts," in the words of Kordai's governorate official Kairat Mametov.

Chinese SANY Group invests in Kazakhstan's wind power

Chinese Corporation "SANY Group" intends to wind power industry of Kazakhstan, the Senior Vice President of the corporation Duan Dawei told Kazinform.

"This year Nursultan Nazarbayev in his Address to the Nation of Kazakhstan emphasized the necessity to effectively implement the investment programme joint with China for establishment of manufacturing facilities in Kazakhstan. This encourages Chinese businesses and holds great promise for cooperation between entrepreneurs of the two countries. Our company stably operates in Kazakhstan in delivering construction engineering. Recently, we have agreed with Kazakh partners on cosponsoring a wind power project. In the short run our delegation will pay a visit to Kazakhstan. I think your country has a great potential for developing alternative energy," he said.

The entrepreneur reminded his meeting with Kazakh Ambassador to the People's Republic of China Shakhmat Nuryshov and plans to invest in machine-building industry of Kazakhstan.

"Kazakhstan and China are friendly nations. The initiative of Chinese President Xi Jinping to establish the Silk Road Economic Belt has been strongly supported in Kazakhstan. In the mid-May President Nazarbayev will attend high-level international forum "One Belt - One Way" and Xi Jinping will visit Astana in June to participate in the Summit of Shanghai Cooperation Organization and the opening ceremony of Expo 2017," Mr. Dawei underlined.

According to him, Kazakhstan is an attractive market for Chinese investments in machine-building, railway and seaport logistics, as well as green energy, Kazinform reported.

For more news on Kazakhstan's energy sector, please see our **Special Energy Issue**, which is available on a monthly basis at the Embassy's website:

<https://www.netherlandsandyou.nl/your-country-and-the-netherlands/kazakhstan>.

Kazzinc to invest 1.2 billion tenge in Zhairam settlement development

Kazzinc, JSC Zhairam Mining and Processing Integrated Works and administration of Karaganda region have signed a memorandum of mutual cooperation for year 2017, Kazinform correspondent reports.

In order to settle the key problems outlined by the President in the country's programme documents, Kazzinc has allocated 1,265,076,000 tenge for the implementation of social

projects in Zhairem urban-type settlement of Karaganda region. These obligations are stipulated in the abovementioned memorandum.

Two years ago, after Zhairem Mining and Processing Integrated Works joined Kazzinc, both the plant and Zhairem settlement revived their spirits.

With the adoption of a package of measures, the residents of the settlement were at last provided with non-stop water and heat supply. A medical centre was repaired, 2 squares with children's playing yards were built in Zhairem. Financial support was rendered to the sport palace and an old mosque too.

According to Executive Director of Kazzinc Andrey Lazarev, the company will continue financing the facilities it took its support in 2016.

For instance, two secondary schools and a kindergarten will be repaired this year under the memorandum. A house of culture will be provided with new equipment as well. A hospital of Zhairem will get financing for replacing equipment, renovation of facilities and increasing salaries for personnel including young specialists.

The company will also allocate funds for building a new mosque in Zhairem which is expected to be commissioned in 2019.

This year, the company plans also to overhaul some administrative buildings.

In whole, Kazzinc spends annually around 11bln tenge on social support of the settlements where its productions are located, Kazinform reports.

TRANSPORT & COMMUNICATIONS

Kazakhstan bans foreign majority ownership of country's airlines

The parliament of Kazakhstan has approved legislative amendments banning foreigners from holding more than 49% ownership of the country's airlines, Kazakhstan Today newswire reports. The amendments are being introduced as part of preparing flag carrier Air Astana for privatization. Currently, 49% of the airline is owned by British company BAE Systems, with the remaining 51% controlled by Samruk Kazyna, the Kazakh state-run welfare fund.

The ban effectively enforces an earlier requirement for at least 51% of Air Astana to remain in the hands of Kazakh shareholders. The carrier's privatization is expected to take the form of the initial (IPO) and secondary (SPO) public offerings. According to the latest news reports by the Kazakh prime minister's press service, the release of Air Astana's shares onto the private market is set for 2019-20.

Berik Beysengaliyev, Samruk Kazyna's managing director for asset optimization, announced in early March that the fund was planning to sell 25% of Air Astana. A similar amount of shares is to be sold by BAE Systems.

The 51% national ownership rule for carriers exists in many countries. Although this figure is not explicitly mentioned in any documents, it allows for the effective fulfilment of international air agreements on air travel, which read that airlines are to be controlled by their respective states, Russian Aviation Insider reports.

Singapore sees Kazakhstan as regional transport hub

Minister of State for Trade and Industry of Singapore Dr. Koh Poh Koon led a large business delegation to Almaty April 19-22, as part of the Future China Advanced Leaders Programme. The delegation consisted of the State Minister for Communications and Information and Health of Singapore Chee Hong Tat, IE Singapore (International Enterprise Singapore), Singapore Economic Development Board (EDB), as well as Singaporean companies representing the agri-business, construction, education, energy, finance, manufacturing and real estate sectors.

The aim of the visit was to explore development and business prospects in Kazakhstan, one of the core countries in the Silk Road Economic Belt initiative.

One of the main highlights of the trip was the Almaty-Singapore Business Forum, which was attended by Akim (Mayor) of Almaty city Baurzhan Baibek and leading Almaty-based companies.

Participants of the forum covered investment and business opportunities in infrastructure projects, especially within the Silk Road Economic Belt.

During the forum, State Minister for Communications and Information and Health of Singapore Chee Hong Tat stated that among all Central Asian countries, Kazakhstan is a leader in terms of economic development. According to Chee Hong Tat, Kazakhstan has a great potential to play a significant role in ensuring regional development, which provides good opportunities for investments within Eurasian Economic Union from South-East Asian economies. He stressed that Kazakhstan is an important onland hub, while Singapore is an important sea gate within the One Belt-One Road initiative, which can be efficiently utilized in joint investment projects.

Speaking at the forum, Baibek stressed that Kazakhstan is a country that has a significant transit and transport potential. Its unique geographic position opens up huge economic opportunities for the country.

In turn, Dr. Koh Poh Koon stated that Kazakhstan is of great interest for Singapore. Its unique location on the Great Silk Road makes it a gateway to Central Asia and the market of the Eurasian Economic Union. The delegation came to Almaty to understand what role Almaty will play in the future and to implement plans for cooperation, he said, adding that given its transport-logistics, railways and communication advantages, Kazakhstan is considered a "safety belt" in the New Silk Road Economic Belt. Therefore, Kazakhstan is a very important partner for Singapore and for those intending to do business in this part of the world, he noted.

Following the forum, the leadership of the Almaty Socio-Entrepreneurial Corporation (SEC) signed an agreement on premium membership in the Singapore-based Kazakhstan – Asia-Pacific Trade & Investment Chamber (KAPTIC), Astana Times reported.

Alibaba targets Silk Road train route for European push

Chinese online shopping giant Alibaba is taking to the new Silk Road with a search for warehouse locations along the route of the recently launched China to UK rail link.

The retailer is understood to have approached property developers across the continent who have buildings in locations which are close to the new train line, which follows the historic Silk Road route.

The first UK to China train left Britain last week, travelling along a route which the Government hopes will galvanise trade links.

The 16-day, 7,456 mile journey passes through China, Kazakhstan, Russia, Belarus, Poland, Germany, Belgium and France before crossing under the Channel and arriving in the east end of London in Barking. Travelling by rail to China - the world's second biggest economy - is cheaper than sending freight by air and faster than voyage by ship.

Alibaba is hoping to take advantage of the new route by positioning its stock and delivery hubs along the line in order to faster bring its products into Europe.

Despite being dominant in the Chinese market, Alibaba has not yet made meaningful inroads in Europe or threatened Amazon, which continues to dominate the ecommerce in the West.

Alibaba began seeking a presence in Europe as far back as 2015 when it announced the opening of offices in London which would serve as its European headquarters.

At the end of last year it quietly opened its first UK warehouse, in Dunstable, and has also sought locations in other European countries. In January, the Bulgarian government said it had met with representatives from the Chinese company to discuss setting up a logistics centre to service the eastern part of the continent.

Now, Alibaba has quietly been seeking similar hubs in countries where the train passes through, which as well as bringing goods from China could also service deals with Western retailers looking to move into China.

British brands such as Mountain Warehouse, Sainsbury's and Marks & Spencer have used Alibaba's online marketplace Tmall launched in China, giving them an instant platform in a country with a growing middle class. Alibaba could not be reached for comment, The Telegraph reported.

Almaty, EBRD discuss construction of light rail line

Mayor of Almaty Bauyrzhan Baibek met with the managing director for Central Asia and Russia of the European Bank for Development and Reconstruction Natalia Khanzhenkova, as well as Agris Preimanis, the new head of the EBRD office in Kazakhstan.

The parties discussed issues of strengthening cooperation in a number of areas, the key of them is the construction of a light rail line, the mayor's office reported.

During the meeting, Natalia Khanzhenkova noted that last year Kazakhstan ranked second in terms of investments from the EBRD among all countries of the world. According to her, the European Bank is committed to the implementation of long-term projects in Almaty and is ready to provide all possible assistance to the city administration.

"We see the strategic importance of building LRT in Almaty. This project will give an additional social and economic impulse to the further development of the metropolis. Significant progress has been made in its preparation over the past few months," underlined the Managing Director for Central Asia and Russia of the EBRD.

We remind you that nowadays the executive committee of the city devises technical solutions and the most effective financial model for the construction of a LRT with a length of 22.9 km. The project is a part of the city's transport reform aimed at solving the problem of congestion, air pollution and improving the quality of passenger traffic, AKIpress reported.

Kazakhstan's car industry conquers export markets

Kazakhstan's car manufacturing is gradually expanding. The first batches of vehicles were exported to China, Turkmenistan, Kyrgyzstan and the United Arab Emirates. According to analysts, the reorientation to foreign markets gives an incentive to increase the production of Kazakhstani cars. Kazakhstani plants have made 3,405 cars and trucks, buses and special equipment since the beginning of the year. This is 4 times higher than in the same period last year. According to the Kazakh Union of Enterprises of the Automotive Industry, the demand for Kazakhstanis cars is growing among local consumers. Every third purchased car is a local production. Popular brands are Lada, Kia, Hyundai, Chevrolet and Jac.

"The car assembly plant Asia Auto broke through the barriers and sent 204 cars to the Chinese market in the first quarter. According to preliminary estimates, 2,000 vehicles will be sold in 2017; there also might be some excess, in the words of Kazakhstan's vehicle industry's union Oleg Alferov.

China and Kazakhstan are expanding cooperation in car industry. The companies of the two countries will jointly manufacture Ankai buses at Saryarka autoprom plant. Another automaker, Kostanai car manufacturing plant is launching production of two types of buses running on diesel fuel and gas. Ankai is a new generation coach bus that equipped with most modern technologies. Further partnership prospects between Kazakhstan and China were discussed at a cooperation committee meeting this week. 51 projects worth about \$27 billion are currently under implementation as part of the Kazakh-Chinese program of industrial-innovative cooperation.

"Over the first two months, the volume of trade between the countries increased by 30%. This is a very high figure. Container shipments on the route Kazakhstan-China to Europe are doubling annually. They grew by 2.6 times in the first three months, commented Kazakh first deputy PM Asskar Mamin.

Kazakh cars will be equipped with a "Glonass" alarm button. Kazakhstani plant "Asia Auto" will be the first in the Eurasian Union to manufacture cars equipped with the emergency warning function of rescue service. The button turns on automatically during

various accidents, or allows you to call for help in case of emergency situations. According to Customs Union technical regulations, equipping cars with such devices has become mandatory since January.

"I think that the entire Asia Auto production line will be equipped with the alarm and navigation button during this and next year. This is a global practice, which proved efficient in many countries and saved more than 1,000 lives, car industry executive Andrey Tolstikov opines, Kazakh TV reported.

Chinese company to buy 51% of Kazakh automaker AllurGroup

China National Machinery Import and Export Corporation (CMC) held negotiations and signed an agreement on the intention to acquire 51 percent of common shares of Kazakh carmaker AllurGroup.

The deal has a great importance not only for our enterprise, but for the entire domestic auto industry. A new level of partnership confirms the fact that the Kazakhstan automobile industry is an attractive investment sector and demonstrates a high potential for stable development," said a member of the AllurGroup board of directors Yuri Tskhai. During the negotiations, it was noted that the AllurGroup, due to the presence of small-scale production, welding, painting, a high level of localisation and implemented technologies, is an attractive enterprise for foreign investors and has a high development potential.

"For the Kazakh side, the partnership with the state-owned Chinese company, together with the solution of the financing tasks, will bring a real transfer of modern technologies and introduction of the newest production methods. With the help of the Chinese partner, the Kostanai enterprise can significantly deepen the localisation of production, load and expand production equipment, introduce the latest technologies, improve technological processes, produce modern cars at the facilities of SaryarkaAvtoprom with the lowest expenditure and maximum efficiency," according to the statement of AllurGroup.

The President of CMC Wang Xusheng said that it is a great honour for the company to become a partner of the leading automobile company of Kazakhstan.

The AllurGroup includes production sites of Agromashholding and SaryarkaAvtoProm and theAllurAuto dealer and distribution network. The sites manufacture the first Kazakh SUVs SsangYong Nomad and Toyota Fortuner, as well as various models of SsangYong, Peugeot, JAC, Hyundai and commercial vehicles from Iveco and JAC.

AllurGroup not only assembles, it is also an official distributor of the brands SsangYong, Peugeot, Iveco and JAC in Kazakhstan. AllurAuto is also the official dealer of Mitsubishi, Suzuki and Ford cars, Astana Times reported.

AGRICULTURE

Kazakhstan will reduce wheat plantings by 2.7% in 2017

According to the Ministry of Agriculture of Kazakhstan, it is projected to sow an area of almost 22 million ha to crops in Kazakhstan in 2017 – up 311,000 ha from 2016.

Spring plantings will total 18.5 million ha. The difference is on account of winter crops and fallows. Under a new State Program, measures for plantings diversification are being taken to saturate the domestic market with Kazakh produce, increase workload of processing and compound feed facilities and improve the provision of the livestock sector with feeds, reports UkrAgroConsult.

Planted area of fodder-grain crops (barley, oats, corn for grain, peas and chickpea) will be increased by 206,000 ha. At the same time, farmers will sow 32,000 ha more groats, 60,000 ha more oil crops, 593,000 ha more feed crops and 7,000 ha more sugar beet. Planted acreage of water-consuming crops shrinks, including a drop in rice by almost

2,000 ha, in cotton by 4,600 ha and in wheat by 338,000 ha. In total, more than 15 million ha will be allocated to grain crops, including about 12 million ha of wheat. As a reminder, cereal plantings totaled 15.3 million ha in 2016, including over 12.4 million ha of wheat, UkrAgroConsult reported.

In the first half of 2016/17 MY, Kazakhstan exported 35,000 tons of vegetable oils

According to the State revenue committee at the Ministry of Finance of the Republic of Kazakhstan, in the first half year of 2016/17 MY Kazakhstan exported 35,000 tons of vegetable oils. In particular, sunflower oil formed 50% of the reporting volumes (17,400 tons), and flaxseed oil - 25% (8,600 tons).

In the reporting period, China became the main country-importer of Kazakh vegetable oils – 22,200 tons, or 63% of the general supplied volumes. In particular, Kazakhstan supplied 11,700 tons of sunflower oil, 7,200 tons of flaxseed oil, 1,800 tons of soybean oil, and 1,600 tons of rapeseed oil, APK Inform reported.

Kazakhstan's agricultural sector needs more investments

The Kazakh economy was backed by the agricultural sector in 2016, however, the level of investment remains low, rising just 3.3% of the total investment volume, reported finprom.kz.

“Despite a sharp increase in 2016, agriculture is still experiencing a deficit of investment support compared to other sectors of the economy. Over the past year, the volume of investment in fixed assets of agricultural enterprises increased 51% to 253 billion tenge (\$803.53 million),” according to the report.

Earlier this year, 19.4 billion tenge (\$61.61 million) was attracted to modernise farmers' production assets, 14 percent more compared to the previous year. The low share of investment flow in agriculture, however, reflects investors' attitudes towards the industry with higher risk assessment of financing the agricultural sector. Conversely, it also shows the possibilities of the producers themselves, who cannot dramatically increase investment in renewing their assets.

The agrarian sector should become the new driver of the national economy, according to the plan to implement the so called “Modernisation 3.0.” To achieve this goal, the government, mayors and governors should undertake concrete activities, experts believe.

“There is a need to review the principles of subsidies and gradually switch to product insurance, create all the necessary conditions to consolidate more than 500,000 households and small farmers in cooperatives within five years and to increase the level of product processing. Along with that, an effective system of storage, transportation and sale of goods needs to be created. Further, there is also a necessity to boost the level of labour productivity and reduce production costs and to increase the efficiency of land use and expand the area of irrigated land by 40% to 2 million hectares within five years, as well as to increase the investment volume in agricultural research that will be used in production,” noted the report.

The agricultural sector shows a good growth level in supporting a weakening economy amid the crisis period. Last year, gross output of products and services in the industry increased 5.5% compared to the volume in 2015. In particular, crop production grew 7.8% and livestock rose 2.7%.

Meanwhile, investment volume in fixed enterprise capital engaged in cultivating seasonal and perennial crops is greater than in livestock – 69% and 21%, respectively.

Last year, however, agricultural producers began actively attracting bank and other loans to finance their farms. The volume of investment loans increased two times by 30 billion tenge (\$95.28 million), Astana Times reported.

Kazakhstan to increase wheat export by 1 million tons

The Kazakh Senate Committee for Economic Policy, Innovative Development and Entrepreneurship held an expanded session to consider Draft Law “On Ratification of the

General Agreement for Economic, Technical and Commercial Cooperation among the Member States of the Organisation of Islamic Conference”, Kazinform reports.

Presenting the draft law Kazakh Vice-Minister of National Economy Yernar Bakenov noted that ratification of the agreement make it possible to enhance trade and economic cooperation with the OIC countries.

“Being the world’s second organisation after UN in number of members it includes 56 countries. Although our country’s commodities turnover with the OIC countries is insignificant at 10%, the figure has been dynamically growing for the last 5 years,” Yernar Bakenov said.

The vice minister said that the figure was 7.2% in 2012 and has risen to 10.3% in 2016.

“Besides, the export is higher than the total turnover of commodities. Agricultural products constitute the main part in the export structure. Altogether, we intend to increase export of agricultural products. The agreement we were considering today will provide with opportunities for extension of trade along here and will let increase delivery by 1 million tons of grain to these countries,” Bakenov noted.

According to the disclosed information, the figure of Kazakhstan’s goods turnover with the OIC countries to 6.3 billion at the moment.

“All in all, we currently export nearly 1.5 million tons of grain to the OIC countries,” Yernar Bakenov added.

The vice minister clarified that for now they have no specific arrangements for grain deliveries but they are negotiating to provide a legal foundation for smooth trade, Kazinform reported.

8 large Chinese companies are ready to invest into agricultural processing in Kazakhstan

Minister of Agriculture of Kazakhstan Askar Myrzakhmetov met with representatives of the Chinese business-community, the Ministry of Agriculture of Kazakhstan reported.

Both sides discussed issues related to joint cooperation between the National Management Holding “KazAgro” and China’s Silk Road Fund on financing of projects on agricultural processing and certification of agricultural products and enterprises by the group of companies CCIG China Certification & Inspection Group.

It was reported that 8 large Chinese companies were ready to invest in processing of agricultural products in Kazakhstan. For example, the sides identified the main approaches to organization of an agricultural machinery exhibition in Almaty in May this year and to further cooperation on setting up plants for agricultural machinery and equipment in Kazakhstan.

The meeting with Chinese businessmen ended with a signing ceremony of a Framework Agreement on cooperation and trade between the Food Contract Corporation JSC and Chinese Asia Pacific Food Capital Co., Ltd. And Wilmart, Agrosector.kz reported.

Kazakhstan plans to export 160,000 tons of mutton to China

Kazakhstan plans to increase volumes of meat exports, in particular mutton meat, to China, abctv.kz reported.

“Within the framework of a Road Map developed by the Ministry of Agriculture of Kazakhstan, high priority export products and priority markets have been identified. These priority markets include the Eurasian Economic Union, China, Iran and the Persian Gulf nations. We are interested in the Chinese market, our strategic partner. In addition, protocols on veterinary and phytosanitary requirements on each agricultural product must be prepared and signed with a specialized government body in the People’s Republic of China - Chief Administration on Surveillance, Control and Inspection.

Applications from Kazakhstan are given a priority review,” Vice-Minister of Agriculture of Kazakhstan Gulmira Issayeva said at a briefing in the government.

According to Ms. Issayeva, Kazakhstan can export mutton to China as early as the second half of this year.

In his turn, Deputy Chairman of the Board of the National Chamber of Entrepreneurs "Atameken" Nurzhan Altayev specified the quantity of 160,000 tons of meat.

"We plan to export about 160,000 tons of mutton to China. Further we will also think about export of beef. If the Chinese market opens up for our meat exporters, it will be a serious progress," Nurzhan Altayev noted.

It should be noted that China's imports of meat reach \$1 billion on an annual basis.

"These are big opportunities for the Kazakh business. For that reason, a large event with participation of representatives of 86 large trading and purchasing and processing Chinese companies was held in Beijing during a working visit of Minister of Agriculture of Kazakhstan Askar Myrzakhmetov to China. It was agreed that with each of these companies a plan of actions on connecting them with our companies interested in supplies of these products would be prepared," Nurzhan Altayev added.

Output of the livestock sector increased by 3% in Kazakhstan

The gross agricultural output increased by 2.9% in the first quarter of this year compared to the similar period of the previous year and equaled to 353.7 billion tenge. The growth was observed in almost all regions, First Vice-Minister of Agriculture of Kazakhstan Kairat Aituganov reported at a government meeting.

According to the Vice-Minister, the livestock sector output increased by 3% and output of the plant growing sector maintained at a level comparable with that of the last year and accounted to 14.4 billion tenge. Food production during this period increased by 3.4%.

Investment in fixed capital during January-February 2017 grew by 6.6% and comprised 19.4 billion tenge, Vice-Minister Aituganov added.

"Increase in the output of livestock products is associated with taken measures on the involvement of individual households into agricultural cooperative societies. According to results of the first quarter, 182 cooperatives were established, among them were 62 cooperative milk collection stations and 58 cooperative slaughter houses," the First Vice-Minister reported.

90% of sugar is produced from imported cane sugar and only 10% from sugar beet

Kazakh sugar producers do not exclude a possible shortage of sugar in the country as early as 2019, Today.kz reported citing Vice-President of the Union of Food Producers of Kazakhstan Aizhan Naurzgaliyeva.

"The quota for import of cane sugar will come to an end in 2019, which can lead to a rise in market prices," she noted. This can lead to the forced shutdown of many sugar factories. As a result, more than three thousand people will lose their jobs and the state budget will lose about nine billion tenge in taxes, Ms. Naurzgaliyeva stated.

Currently in Kazakhstan, 90% of sugar is produced from imported cane sugar and only 10% is produced from sugar beet. "We consider that it is necessary to conduct negotiations with the Customs Union partners on the extension of benefits on imports of cane sugar," Ms. Naurzgaliyeva stated.

According to the Committee on Statistics, sugar production was down by 27% in the first quarter of 2017. 70,030 tons of sugar was produced in the period January-March 2017, including raw sugar and molasses.

The main reduction in sugar production occurred in Zhambyl Region. Sugar output in this region was down by 40.3% and was equal to 52,900 tons. Despite the decline, the largest production of sugar is still concentrated here, 75.5% of the country's output.

On the contrary, sugar production in Almaty Region, which is the second largest sugar producer in Kazakhstan, increased by 2.4 times year-on-year, up to 15 900 tons.

However, local sugar output satisfied only 59.8% of local market demand compared to 81.1% in the same period the previous year. Imports of sugar grew by 83.6% year-on-year, Agrosector.kz reported.

More than 500,000 individual households will unite in agricultural cooperatives in the next 5 years

In Kazakhstan, over 500,000 individual households and small-scale farms will be involved in agricultural cooperatives, Vice-Minister of Agriculture of Kazakhstan Kairat Aituganov said during a meeting with deputies of the Senate.

"In just 5 years it is planned to involve more than 500,000 individual households and small-scale farmers in agricultural cooperatives that will work in several directions, including collection of milk, meat, fruit, vegetables and other agricultural products. Also, cooperatives will provide centralized services on slaughter of animals, veterinary medicine, fodder preparation, agrochemistry and delivery of products to processing and trading facilities. These measures will increase production capacity of processing companies by 30% on average and reduce the margin (gap) between producers and consumers," Mr. Aituganov said.

According to the Vice-Minister, as of April 2017, 335 agricultural cooperatives were established, including 150 milk collection stations and 159 slaughter stations, as well as more than 7,760 family feedlots. 50 billion tenge was allocated for these purposes, including 23 billion tenge – within the framework of concessional lending by the Fund of Financial Support to Agriculture JSC and 27 billion tenge – under the Employment Road Map program, Agrosector.kz reported.

Kazakhstan continues increasing the production of oilseed crops

During five recent years, Kazakhstan somewhat strengthened its positions as a country-producer of oilseeds crops, declared the Deputy Director of the department of agro-industrial complex and food industry at the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken", Erbol Eseneyev to APK-Inform journalists.

The current orientation of the authorities towards the oilseed sector is non-random, because the production and processing of oilseeds have a significant potential for not only the domestic market, but also foreign markets, he said.

Sunflower seed remains the undisputed leader in the production structure of oilseed crops in Kazakhstan.

To date, the production capacities of Kazakh plants total 1,740,000 tons per year. In addition, several companies are working on construction of 5 new plants with production capacities of 1,550,000 tons, said Eseneyev, APK Inform reported.

Profits of agricultural producers surge in Kazakhstan

The profits of Kazakhstan's agricultural producers surged sharply to 84.6 billion tenge (before taxation) (311.46 tenge = \$1) in 2016, Energyprom.kz analytical service said in a message.

It is more that the profit of agricultural enterprises of a four year period (2012-2015) when the companies earned 66.1 billion tenge in total. In 2015 large, medium and small agricultural producers made a loss of 25.2 billion tenge.

Agriculture became one of the main contributors to Kazakhstan's economy growth. Gross agricultural output reached 5.5%, while GDP growth hit 1.3% in 2016.

The revenues of agricultural producers increased by 26% to 871.8 billion tenge in 2016 compared to 2015.

The Kazakh government plans to convert the agrarian sector into a new driver of national economy, Trend reported.

East Kazakhstan is country's leader in dairy production

Akim (governor) of East Kazakhstan region Danial Akhmetov says the region produces 836,000 tons of milk per year and that figure is expected to grow this year.

"East Kazakhstan region is the country's leader in terms of dairy production," governor Akhmetov stated at the press briefing in Astana on Thursday, Kazinform reports.

According to him, 70% of milk in East Kazakhstan region is produced at private farm holdings. That is why the development of such holdings is the number one priority for the region.

“Ordinary people who have small farm holdings produce milk, sell it and make money for living,” said the governor while speaking about how dairy production should be developed.

Governor Akhmetov also noted that construction of milk collecting stations in eastern Kazakhstan is on the rise. He admitted that the region used to buy Chinese or Russian equipment to collect milk, but switched to Kazakhstani milk collecting stations recently.

“Over the past couple of years over 50 milk collecting stations have been built in the region. These stations serve as a mediate between a milk factory and private farm holdings,” he added.

EXHIBITIONS IN KAZAKHSTAN (May 2017)



KIHE

Kazakhstan International Healthcare Exhibition
17 – 19 May 2017, Almaty
Organizer: Iteca
www.kihe.kz



Astana Build

International Exhibition on Construction, Heating and Ventilation, Windows and Doors, Facades, Ceramics and Stone
17 – 19 May 2017, Astana
Organizer: Iteca
www.astanabuild.kz



AMM

Astana International Mining and Metallurgy Congress
25 – 26 May 2017, Astana
Organizer: Iteca
www.amm.kz



InterFood Astana

International Exhibition on Foodstuffs, Drinks, Packaging and Equipment for Food Industry
30 May – 1 June 2017, Astana
Organizer: Iteca
www.astanafood.kz



SU ARNASY

Water Expo Central Asia 2017
31 May – 2 June 2017, Astana
Organizer: Astana Expo KS
www.suarnasyexpo.kz



Furniture and Interior, Architecture and Design, Timber and Woodworking

14 – 17 June 2017, Almaty
Organizer: Atakent-Expo
www.atakentexpo.kz



EXPO 2017 "Future Energy"

10 June – 10 October 2017, Astana
Organizer: Astana EXPO-2017
www.expo2017astana.com

Mining Week Kazakhstan

International Exhibition for Mining and Exploration, Mineral and Coal Processing and Metallurgical Technologies
27 – 29 June 2017, Karaganda
Organizer: TNT Productions
www.tntexpo.kz



AGRIANIMALS.KZ

International Cattle Breeding and Poultry Exhibition
28 – 30 June 2017, Astana
Organizer: MBK ExpoArna
www.abexpo.kz

Exhibitions dates are subject to change. For a complete overview and more information on exhibitions in Kazakhstan, please visit:

www.iteca.kz

www.astana-expo.kz

www.expocentralasia.com

www.tntexpo.kz

www.atakentexpo.kz

<http://10times.com/>

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