



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 expects Kazakhstan's economy to grow

The Asian Development Bank (ADB) forecasts growth of Kazakhstan's gross domestic product (GDP) at 3.2% in 2018, and 3.5% in 2019, the ADB's Asian Development Outlook 2018 (ADO) report said.

"Following a strong pickup in growth last year, Kazakhstan is projected to slow to 3.2% in 2018 but bounce back to 3.5% in 2019 as investment quickens," according to the report.

A more stable exchange rate almost halved inflation in Kazakhstan, trimming average inflation in the subregion to 9.2% in 2017 from 10.6% in 2016, even though inflation accelerated in the other seven economies, particularly in Uzbekistan, ADB analysts noted. As recent currency devaluations slip further into the past, inflation is projected to settle at 8.5% in 2018 and 7.9% in 2019.

It is expected that in Kazakhstan inflation will slow to 6.8% in 2018 and 6.2% in 2019, provided the exchange rate stability remains, according to the report.

Average growth in the subregion rose to 4.3% from 2.7% a year earlier as recession ended in Azerbaijan and expansion accelerated in six other economies, particularly in predominant Kazakhstan.

Growth slowed only in Uzbekistan, where sharp currency devaluation to unify the exchange rate and other economic reform forfeited some expansion last year for future growth.

Growth in Central Asia is forecast to slow to 4.0% in 2018, picking up somewhat to 4.2% in 2019.

The Asian Development Outlook is the main annual publication of the ADB.

GDP growth in Kazakhstan in 2018 was to be 3.3%, according to the previous forecast of the ADB, published in mid-December last year.

The Asian Development Bank was founded in 1966. The mission of the bank is to reduce poverty in the Asia-Pacific region (APR) through inclusive economic and environmentally sustainable growth, as well as regional integration. The head office of ADB is located in the capital of the Philippines - the city of Manila. The bank's shareholders are 67 countries, 48 of which are located in the Asia-Pacific region, according to AzerNews.

Kazakh Senate adopts revised budget for 2018-2020

At a plenary session, Kazakhstan Senate adopted revised republican budget for 2018-2020, Kazpravda reports.

The corresponding law was presented to the deputies by the Minister of National Economy Timur Suleimenov, the Minister of Finance Bakhyt Sultanov and the National Bank governor Daniyar Akishev.

According to the law, the forecast for oil prices in 2018 is increased from \$45 to \$55 per barrel. The price index for metals increases by 0.4%. The estimated tenge-US dollar rate remains at 340 tenge.

Additional revenues to the republican budget after revised macroeconomic forecast will make 181.4 billion tenge. This will be due to the increase in tax revenues, the adjusted forecast for which is 5 592.4 billion tenge.

Also, due to overfulfilment of 2017 plans for revenue receipts, the residual budget in the amount of 125.2 billion tenge will be tapped.

Besides, the issuance of debt securities will additionally attract 118.5 billion tenge to the budget.

Mobilisation of these resources will increase budget expenditures by 425 billion tenge to the approved budget (by 4.6% to the previously approved level). These funds will be distributed in three key areas.

Thus, it is proposed to direct 292.5 billion tenge to the implementation of the President's state-of-the-nation Addresses "The Third Modernisation of Kazakhstan: Global Competitiveness" and "New Development Opportunities in the Conditions of the Fourth Industrial Revolution"; 25.1 billion tenge for the implementation of the "Five Social

Initiatives of the President”; 99.4 billion tenge for the fulfillment of previously accepted obligations, *Kazakhstanskaya Pravda*.

**EURASIAN
ECONOMIC
UNION**

By 2025, the general digital agenda of the Eurasian Economic Union will be implemented and a common financial market will be created

By 2025, the general digital agenda of the Eurasian Economic Union (EAEU) will be implemented, Tigran Sargsyan, chairman of the board of the Eurasian Economic Commission, said.

The digital agenda of the (EAEU) is being actively implemented. The first project on digital traceability has already started. New initiatives for implementation can offer both countries and business representatives. A special project office has been created in the EEC for practical implementation of the initiatives. It included representatives of all EAEU states, having competence in the field of evaluation and analysis of proposed projects. These experts will be in direct contact with all similar structures in the states of the Union that will be engaged in the implementation of country projects.

The Chairman of the EEC spoke about the work of the Commission together with the governments of the EAEU countries on the formation of a common financial market to ensure freedom of capital flow. Until 2025, it is planned to create a common financial market, which is stipulated by the Agreement on the EAEU.

On behalf of the Presidents of the EAEU countries, governments, national, central banks of the member states together with the Commission are developing the concept of the formation of the common financial market of the EAEU.

The document will describe the principles of its formation, the legal basis, conditions, terms, mechanisms and tools.

The document will also cover the issues of the development of financial innovations, the use of promising financial technologies and their regulation in the future financial market of the EAEU, according to Tazabek.

Trade of Kazakhstan with EAEU countries exceeds \$2.6 billion

The trade of Kazakhstan with the Eurasian Economic Union member states in January-February 2018 amounted to \$2.606 billion, which is for 6.1% more than in the previous year.

Exports amounted to \$839 million (+7.9%), imports stood at \$1.767 billion (+5.3%).

In trade with EAEU countries, Russia holds 91.6% of trade, Kyrgyzstan 4.5%, Belarus 3.8%, Armenia 0.1%, *AKIpress* reported.

BANKING

National Bank cuts rate to 9.25%, expects lower inflation

National Bank cut its policy rate to 9.25% from 9.50%, its third such move this year, citing expectations of lower inflation.

Some analysts had expected the regulator to pause the monetary easing after turbulence caused by the drop of the Russian rouble which dragged the local tenge currency to a three-month low this year.

But the central bank said the tenge movements had been moderate and short-term and added that it would continue the policy of gradual rate cuts this year. It will next review the rate on June 4.

Overall external conditions are positive, it said, citing strong prices of oil, Kazakhstan’s main export, reported by Reuters.

National Bank anticipates decline in inflation

The National Bank of Kazakhstan forecasts 5-7% inflation in the country by the end of this year, Governor of the National Bank Daniyar Akishev told Kazinform during his visit to Moscow for the participation in a regular session of the Advisory Board on Monetary Policy of the EAEU Member States.

He pointed out that the decision to reduce the base rate was motivated by the positive results achieved in 2017 and favorable expectations about the development of the situation during the current year.

"This year, we made the decision to lower the base rate because of the improvement in the anticipated inflation rate amid the persistence of positive trends in foreign markets and trading partner countries, as well as the decline in inflation expectations that continued in 2018," said Akishev.

In addition, he underscored that the Kazakh central bank continues targeting the money-and-credit neutrality.

"The current trajectory of the base rate level was formed with due regard for our short and medium-term inflation forecasts and makes it possible to attain the 5-7% and 4-6% target inflation rates by the end of this year and 2019," he added.

Bad loans in Kazakh banks go to 1.3 trillion tenge

In Kazakhstan, the volume of overdue debts to banks decreased by 18% over the year. At the same time, the most dangerous "hopeless" arrears of over 90 days increased by almost 14% year-on-year, Ranking.kz says.

The loan portfolio of Kazakhstan's second tier banks over the year decreased by 12.7% (by 1.9 trillion tenge), and amounted to 13.3 trillion tenge as at the end of the first month of spring of 2018.

"By February of this year, a slight increase was registered - by 0.6%." A year earlier, the volume of loans was in minus -2.4% (371.2 billion tenge)," the research says.

It is noted that 11 of the 32 second-tier banks of Kazakhstan cleared the portfolios from overdue loans. In addition, analysts note that RBK has the largest reduction in arrears in the loan portfolio for the year, by 106.3 billion tenge, down to 101.4 billion tenge.

"However, this did not improve the bank's performance - the share of bad loans in the portfolio still increased from 27.7% to 46.3%," the survey says.

"At the same time, the volume of NPL - toxic loans that are more than 90 days overdue - has grown by 13.6% (159.9 billion tenge) to 1.3 trillion tenge for the past year," analysts say.

The share of loans with overdue payments over 90 days increased from 7.7% to 10% by the end of March 2018. 13 out of 32 banks managed to reduce the NPL volume. Sberbank is leading in decreased toxic loans volume - minus 45.1 billion tenge, down to 72.8 billion tnege.

Next is the Eurasian Bank - a decrease of 11.7 billion tenge, to 53.5bn. Then goes Qazaq Banki - minus 9.4 billion tenge, down to 7.9 billion tenge. The share from the portfolio decreased from 5.3% to 4.4%, Kazpravda reported.

Kazakhstan to provide first cheap mortgages in the second half of 2018

The Nurly Zher Housing Construction Program will be changed in accordance with the new mortgage program "7-20-25", Minister of Investments and Development Jenis Kasymbek told a press conference on April 4 in Astana.

"This is mechanism of cheap resources and every working citizen will be able to obtain a loan for purchase of an apartment. Many citizens of Kazakhstan will be able to buy housing on beneficial conditions. The first cheap mortgage will be provided for all citizens already in the second half of the year," the Minister said.

The National Bank is preparing a number of amendments to the legislation of Kazakhstan in connection with softening of bank requirements.

According to the program proposed by President Nursultan Nazarbayev, the mortgage will be provided at 7%, the first payment will be 20%, the maturity period 25 years, AKIpress reported.

ENERGY & NATURAL RESOURCES

Kazakhstan's the first quarter oil output rises 6.1% year-on-year

Kazakhstan's oil output rose 6.1% year-on-year to 22.4 million tons in the first quarter of 2018, the energy ministry said.

Output at Tengizchevroil, owned by Chevron, ExxonMobil, LUKOIL and KazMunaiGas rose 1.8% in the same period to 7.4 million tons.

The giant Kashagan field, developed by Eni, ExxonMobil, CNPC, Shell, Total, Inpex and KazMunaiGas, boosted its output 79.4% to 2.9 million tons.

The Karachaganak field, operated by a Shell- and Eni-led consortium, reduced its output by 1.5% to 3.2 million tons, Reuters reported.

Kazakhstan hopes to resolve profit sharing dispute with oil majors by June

Kazakhstan hopes to settle a profit sharing dispute with global energy companies developing the Karachaganak gas condensate field by June, its deputy energy minister said on Friday, after talks were repeatedly extended, according to Reuters.

Eni and Shell have the biggest stakes in the Karachaganak project, which they jointly operate.

"Negotiations on the Karachaganak project are rather active, we meet almost daily, our last meeting was yesterday," Magzum Mirzagaliyev told reporters.

"Because the talks are rather large scale... we have decided to extend the memorandum (on negotiations) until May or June."

Kazakhstan filed a \$1.6 billion claim against foreign firms developing the Karachaganak gas condensate field in 2015, one of the companies has said. The Energy Ministry has said the row was over how each party's share of the field's output was calculated.

Eni and Shell each own 29.25% of the Karachaganak project in northwest Kazakhstan, while Kazakhstan's KazMunaiGas owns 10%, Chevron Corp has 18% and Lukoil owns 13.5%.

Last September, Energy Minister Kanat Bozumbayev told Reuters the former Soviet republic had received an offer from the consortium, but considered it insufficient.

Kazakhstan had previously planned to conclude the talks by the end of last year and then by the end of the first quarter.

Kashagan is going to increase production to 300 000 barrels per day by the end of June

The Kashagan field is going to increase oil production from 215 000 to 300 000 barrels per day by the end of the first half of the year. This was announced by Deputy Minister of Energy of Kazakhstan Magzum Mirzagaliyev, Interfax-Kazakhstan reports.

According to him, oil production in Kazakhstan decreases without taking into account Kashagan, and the country entered the OPEC+ deal only on the condition that Kashagan will not be taken into account.

"If we did not take into account Kashagan, the extraction would be reduced. When we joined the deal we said that Kashagan, given its scale, costs incurred, delays in launching, cannot be limited. Last month we extracted 215 000 barrels per day on Kashagan. This year it was already 300 000 barrels per day. It is important for us to stabilise at this rate," Mirzagaliyev said at a meeting of the ministerial committee for monitoring the OPEC+ deal.

Earlier it was said about plans to restore production at the field in April. According to the calculations of the International Energy Agency, in March, instead of reducing oil production by 20 000 barrels per day compared to October 2016, Kazakhstan increased it by 150 000 barrels per day. The average level of fulfilment of the OPEC+ deal by Kazakhstan is 277%.

According to the initial plans of the NCOC consortium developing the Kashagan field, it was planned to reach the level of 370 000 barrels per day by the end of 2017, however, due to problems with injectivity of the reservoir, technical difficulties arose, Kursiv reported.

KazMunaiGas wants another large foreign loan

The national oil and gas company is preparing to take a major loan.

KazMunaiGaz has authorised Citi, Halyk Finance, J.P. Morgan, MUFG and UBS Investment Bank as joint managers and joint book runners to organise a series of meetings with investors in the US, Kazakhstan and Europe, starting April 6, 2018.

Depending on the market conditions, senior unsecured Eurobonds denominated in US dollar will be issued for at least \$500 million with expected maturities of 7 years, 12 years and/or over 30 years, with the expected ratings of Baa3 by Moody's and BBB- by Fitch.

KazMunaiGas has a lot of challenges ahead, and probably \$500 million, and even \$1 billion, may be not enough for the company in the short term. Especially if oil prices remain below \$70 per barrel.

The social program of the national company is very extensive, and first of all KazMunaiGas will have to work on reducing costs.

Now it is difficult to say how loans will affect the price of the company's shares during the planned IPO in 2019, and whether there will be an IPO in general. Without clear and transparent structure of the company and its expenditures, there is no reason to go to the stock exchange, Forbes Kazakhstan reported.

Wind power plant to be built 40 km from Astana

Construction of a wind power plant is under construction 40 km away from Astana.

Its placement into service is expected to cut greenhouse gas emissions by 230,000 tons a year that exceeds the volume of more than 113,000 car emissions a year.

The Akmola region implements several projects aimed at alternative sources electric power production. The overall power of the wind park is to be 100 MW. The park will be 119 ha in size. Its construction will provide up to 300 workplaces, and 20 permanent jobs for its maintenance, according to Kazinform.

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>.

MINERAL RESOURCES

Mongolia, Kazakhstan to set up gold refining plant

Mongolia and Kazakhstan agreed on setting up a gold refinery plant during the 7th Mongolia-Kazakhstan Intergovernmental Commission's meeting, Mongolian Minister of Mining and Heavy Industry D. Sumiyabazar said.

Minister Sumiyabazar met Deputy Minister for Investments and Development of Kazakhstan Arystan Kabikenov on March 30. At the meeting they established a memorandum of cooperation in fields of geology, mining and civil aviation. In the framework of the memorandum, the sides will collaborate in exchanging information, good practices and technology in mining sector and in training specialists.

The matter will be raised at the Cabinet meeting and decisions on investment, funding and location of the gold refining plant will be resolved. During the Cabinet meeting, the Bank of Mongolia will raise issues related to getting rights to sell the refined gold in global market.

The parties agreed that corresponding entities of Kazakhstan will get permissions in August 2018 and will run operations according to international standards, said Minister Sumiyabazar.

He also noted that Kazakhstan has introduced high technology of gold refining and keeps all its gold in the central bank and Mongolia should introduce this practice, AKIpress reported.

TRANSPORT & COMMUNICATIONS

Kazakhstan seek to be Central Asia's transport and logistic hub, officials say

Unified tariff conditions, technological schemes and participation in international alliances have furthered Kazakhstan in becoming the transport and logistics hub of the Central Asian region, said Kazakhstan Temir Zholy (KTZ) Vice President for Logistics Sanzhar Yelyubayev at a March 28 Central Communication Service round table.

As a member of Unified Transport and Logistics Company (UTLC) and Trans Caspian International Transport Route (TITR), Kazakhstan works to advance its transit potential. Successfully developing infrastructure logistics involves large world players in the transport market like China Ocean Shipping Company (COSCO) and Dubai Port World to Kazakh infrastructure facilities, he said.

Yelyubayev added large investments have been directed towards transport and logistics assets in recent years to build 2,500 new railway lines and completely renew the rolling stock, terminal and port infrastructure. Aktau and Kuryk ports are developing a high potential for multimodal transportation through the Caspian Sea and KTZ formed a transport and logistics centres network in key areas of cargo flow consolidation.

"Large transport infrastructure facilities implemented within the Nurly Zhol programme ensured high capacity of the planned cargo volumes. It allowed us to grow the rate of transit traffic twice in the promising China-Europe-China direction in 2017," he said.

Moderator and Public Audit representative Murat Abenov supported Yelyubayev, saying the Nurly Zhol programme and Chinese Belt and Road Initiative proposed in 2013 provided the complementary synergy to implement the strategy. The project contributed to the growth of transit traffic through Kazakhstan.

The round table centred on the country's transport infrastructure efficiency. Experts deliberated using digital technologies in logistics and determined barriers and perspectives for developing transit traffic in the state.

The new Eurasian Economic Union (EAEU) Customs Code coming into force in this year will simplify the procedures for vehicle border crossings and issuing document transportation for goods export, import and transit, said Kazakh Union of Transport workers (Kazlogistics) CEO Kanat Almagambetov.

Transport companies are attracting transit cargo transportation through Kazakhstan on the renewed and modernised infrastructure, as well as working on the Kuryk port route through the Caspian Sea using the Western Europe-Western China highway. The issue of increasing cargo transportation volume from and to Uzbekistan is relevant as the country has a favourable foreign policy, he added.

Almagambetov noted KTZ must increase its share of road traffic to support purchasing vehicles.

Atameken National Chamber of Entrepreneurs transport logistics committee chair Yerkhat Iskaliyev spoke about digitizing and implementing supply chain management to improve transport industry efficiency.

The next issue is the importance of informing Kazakh business partners and citizens about the transport sector transformations, said Trans-Logistics Kazakhstan chief editor and TLK Media CEO Zhanna Isingarina. The company specialises in providing Kazakh transport information support and complex logistics work, she noted, according to Astana Times.

Kazakhstan begins electronic customs system

As of April 1, the Kazakh Ministry of Finance is using a free, online electronic customs system. The project, supported by the United Nations Conference on Trade and

Development (UNCTAD), aims to eliminate direct contact between customs officers and customs clearance experts, simplifying and speeding up the customs clearance process. The ASTANA-1 automated system uses the current version of UNCTAD's ASYCUDA World. The system will optimize all customs procedures, reduce the time to issue documents and be completely integrated with the Ministry of Finance tax bases, as well as interact with other state bodies.

The declarant can perform all customs operations without leaving his or her office. After goods arrive at the destination point, an electronic storage document is executed which not only automatically registers, but also automatically issues a declaration. The latter makes it possible to eliminate direct contact between customs officers and customs clearance experts. The time to process and issue declarations is now less than a minute; export procedures previously took at least 55 minutes and those involved in foreign economic activities needed to personally come to the customs office.

All customs formalities, from submitting prior information, crossing the customs border, controlling the delivery of goods and filling out different documents to releasing goods and controlling their departure from temporary storage warehouses, will be carried out by state customs representatives, declarants and customs carriers through the ASTANA-1 one window principle.

UNCTAD is a permanent intergovernmental body established by the United Nations General Assembly in 1964. The organization, headquartered in Geneva with offices in Addis Ababa and New York, seeks to develop trade in response to the globalization process. UNCTAD actively helps developing countries gain access to the benefits of a globalized economy in a more fair and effective way. The organization has already helped many countries become integrated into the global economy by providing analysis and offering technical assistance, Astana Times reported.

AGRICULTURE

State will allocate 27 billion tenge for support of agrarians

Chairman of the Fund for Financial Support of Agriculture Zhandar Omarov told about the mechanism of crediting the subjects of agriculture within the framework of the program of productive employment of the population and mass entrepreneurship, KazAkparat reports.

"If the fund previously planned to issue microcredits in the current year for 20 billion tenge, then taking into account the additional funds allocated, as well as taking into account the return of previously allocated funds, this amount is about 27 billion tenge. The basic principles, mechanisms, priority directions, categories of citizens are all reflected in the program of productive employment approved by the Government Decree, as well as in the rules for its implementation, in which the fund finances the participants of the program," he told at a press conference.

According to Zhandar Omarov, the pledge policy of the fund is the most flexible and loyal among financial institutions.

"For example, second-tier banks do not accept collateral that is considered to be weakly liquid, including mortgages that are located outside the city. There are no such restrictions in our fund. We can take both movable and immovable property as collateral," the fund manager stated.

He also spoke about the basic conditions of lending.

"Microcredits are granted for up to 5 years, and up to 7 years for livestock sector projects. The interest rate is up to 6% per annum. The size of the microcredit is up to 8 thousand MEI. This year it is about 19.24 million tenge. In accordance with the lending rules, no less than 20% of the funds allocated should be directed to financing start-up projects," Omarov said.

Last year the fund financed 5694 projects for the amount of 19.3 billion tenge under the program.

"Including on start-up projects, there were 3426 projects for the amount of 11.5 billion tenge. About 60% was allocated to start-up projects. Thus, the threshold level of 20% is over fulfilled," Omarov said.

Kazakhstan to allocate annually 100 billion for development of rural water supply

100 billion tenge will be allocated annually in Kazakhstan for development of rural water supply, said Minister of Investment and Development Zhenis Kasymbek at a press conference in the Central Communications Service, Kazpravda reports.

"According to the instruction of the Head of State, it is planned to increase the financing of rural water supply by 100 billion tenge annually from all sources, including financing from the republican budget. Also, a number of akimats actively work with various banks and international financial organizations and try to attract financing for implementation of these projects in regional centers," Kasymbek said.

The minister also talked on development of water supply in the whole country.

"This year, it is planned to increase access to centralized water supply in rural settlements up to 59% and in cities up to 94%. To provide urban and rural settlements with quality drinking water 93.3 billion tenge was envisaged in the country's budget for 332 projects: in villages -282 projects and in cities - 50 projects in 2018. This is 67.5% more than in 2017. These transfers will be sent to local executive bodies," Kasymbek concluded.

Formation of seed fund to begin in Kazakhstan

The formation of a seed fund for Kazakh farmers will begin this year. This was stated at the press conference in the Government of the Republic of Kazakhstan by the chairman of the board of KazAgroGarant JSC Kairat Makaev, Kazpravda reports.

"The Agriculture Ministry has approved a general approach to development of the seed fund and we are at the stage of developing all the necessary procedures, since many participants are involved in this project from both the government and the private sector. We plan that this year we start working on formation of the fund," said Kairat Makaev.

According to him, establishment of the seed fund is a new direction for Kazakh farmers, so they have high expectations. The formation of such a fund will allow agricultural producers to use elite seeds of the first and second reproduction, to receive a higher yield and high-quality products.

Plant producing pesticides to be built in Almaty region

In the Almaty region, with the support of Kazakh Invest, a plant will be built in 2019 to produce plant protection products with the participation of Turkish investments, Kazinform reported.

The foreign investor, represented by the Turkish holding company Agrobest Group, invests \$30 million in the production of herbicides, insecticides, fungicides, seed protectants and glyphosate in Kazakhstan.

Kazakh Invest accompanies this project in obtaining all necessary permits and receiving state support measures. Thus, with the support of the regional representative office of Kazakh Invest, a land plot was selected for the implementation of this project in the Kairat Industrial Zone, located in Talgar district of Almaty region.

The investor plans to start designing works in the near future. The construction of the plant will begin at the end of this year and will end in 2019.

It is planned that more than 60% of products will cover the domestic market, the rest is directed to the markets of Turkmenistan, Uzbekistan, Kyrgyzstan, etc.

The total production capacity of the plant under construction will amount to 12 thousand tons of pesticide production per year. About 200 jobs will be created in the region.

The Turkish company AgroBest Group was founded in 2002 and is an important participant in the world pesticide market. The annual production volume is 35 000 tons of

pesticides, the products are produced in accordance with ISO requirements. The products of AgroBest Group are represented in the markets of chemical plant protection products of Turkmenistan, Uzbekistan, Kazakhstan, Azerbaijan, Georgia, Sudan, Syria, etc.

Kazakhstan started actively developing the logistics infrastructure of agricultural exports

For several recent years, Kazakhstan started actively developing its logistic infrastructure in order to increase the export volumes of domestic agricultural products, declared the Chairman at the association of legal entities "Grain Union of Kazakhstan", Nurlan Ospanov in his report at the conference KazGrain 2018 in Astana on March 16.

According to him, construction of one additional grain terminal in the Aktau seaport and the corresponding railway infrastructure is one of the most important projects, in order to increase grain shipments towards Iran.

Also, it should be noted foundation of a transit corridor through the port of Lianyungang (China) to increase the exports to countries of Southeast Asia, and launching of a route through the railway corridor Baku-Tbilisi-Kars, which provides the supply from the Kazakh port of Kuryk through the Turkish Mersin towards the South of Europe, North Africa and the Middle East.

At the same time, the first of the reporting projects is the most significant one, because it significantly unloaded JSC Ak Biday Terminal in the port of Aktau, said Nurlan Ospanov, according to APK Inform.

EBRD to finance irrigation system reconstruction in Zhambyl region

The European Bank for Reconstruction and Development (EBRD) is allocating 24.2 billion tenge (\$75.8 million) to reconstruct the Zhambyl region irrigation system. The deal is part of the extensive financing package signed in May which will invest more than 57 billion tenge (\$180 million) to rebuild irrigation systems across three Kazakh regions, Astana Times reported.

Zhambyl region has 117 bodies of water, five reservoirs and 13 canals stretching more than 3,000 kilometres. Its irrigation facilities are transferring from communal ownership to national control, according to the regional akimat (administration), and the government agency will oversee the reconstruction projects and guarantee maintenance and operational security.

In 2016, 206.2 million tenge (\$645,900) from the regional budget was spent to rebuild 18 water facilities owned by communal services, a figure increased to 402 million tenge (\$1.3 million) the following year. Mechanically cleaning the canals and maintaining 23 water reservoirs and ponds has also been completed.

With the help of EBRD funds, plans are underway to reconstruct the existing irrigation system covering more than 51,000 hectares. To date, 286 canals measuring 38,700 hectares have already been transferred from communal ownership to the state. The remaining canals on 12,300 hectares, including those in private ownership or abandoned, will be transferred according to the projected plan by the end of the year.

The project falls under EBRD's Green Economy Transition programme, an initiative aiming to increase the share of green financing up to 40 percent of the bank's annual investment volume by 2020. Improving the Zhambyl region's irrigation system is also expected to benefit the area's economic and social situation.

Kazakhstan previously partnered with the Islamic Development Bank and World Bank to modernise and increase the efficiency of the country's irrigation system. Loan agreements totalling 83.9 billion tenge (\$263 million) provided infrastructure modernisation in the Almaty and Kyzylorda regions.

Akmola region reproductive dairy farm to provide jobs

A specialized reproductive farm to be established in Burabai area, Akmola region, will provide jobs for local residents and develop the Kazakh dairy industry, Astana Times reported.

The industry is taking a new direction, as the unique project will create opportunities in rural areas and provide additional tax revenue. It will use high technology and international standards in genetics, such as total performance index (TPI) and ALTA GPS, to manage and determine livestock value.

As a result, industrial and family dairy farms in the region will increase milk production. In addition to the reproductive farm, training centres, a single feed centre and separate production unit to manage herd reproduction will be available, providing farmers with highly qualified specialists to increase volume.

The process will begin with medium-sized and large dairy farms in the region receiving 3 000 head of highly productive cattle for breeding. The main participants will be agricultural cooperatives, including dairy farms in the Akkol, Burabai and Zerenda districts and Esil, a social entrepreneurial corporation. Organic dairy products will be supplied through the AQMOL and Kokshetau-Onimderi trade networks to markets in the capital and Kokshetau city.

Kazakh farmers supply 30% of the domestic milk market and the Five Social Initiatives roadmap approved March 13 by the government will influence the country's agricultural development. The government allocated 20 billion tenge (\$61.2 million) this year to enhance mass entrepreneurship and 62 billion tenge (\$189.7 million) for micro crediting. Agricultural producers increased figures in all livestock categories in 2017 compared to the previous year, the Ministry of National Economy committee on statistics reported on 1 January. The number of camels increased 7.2%; horses, 6.9%, and cattle, 5.5%. The number of pigs, however, decreased by 2.3%.

WASTE MANAGEMENT

Garbage recycling plant will be built in Astana in 2019

Construction of garbage recycling plant based on French technology will begin in Astana in August this year and will end in September 2019, the mayor of the capital Aset Issekeshev said at the meeting on the development of Astana, attended by the President of Kazakhstan, Kazpravda reports.

"Upon the competition results, the French technology for waste processing, showcased at the EXPO 2017 was selected. The construction of the plant worth 3.4 billion tenge starts in August this year and ends in September 2019. The technology will enable recycling 180 000 tons, or 50 percent of waste of the total amount," Issekeshev said.

He also informed that last year the investor invested more than 1 billion tenge to purchase 30 garbage trucks and 2 000 containers. Two plastic and paper recycling productions were launched.

"5.2 billion tenge was allocated for modernization of this sector in 2018. For the first time in the country, a system of separate wet and dry waste collection will be introduced throughout the city, for which 25 garbage trucks and more than 6,000 containers are to be installed in all the house yards until September 2009," the mayor of the capital said.

EXHIBITIONS IN KAZAKHSTAN (May-June 2018)



KIHE

Kazakhstan International Healthcare Exhibition

16 – 18 May 2018, Almaty

Organizer: Iteca

www.kihe.kz



Astana Build

International Exhibition on Construction, Heating and Ventilation, Windows and Doors, Facades, Ceramics and Stone

16 – 18 May 2018, Astana

Organizer: Iteca

www.astanabuild.kz



InterFood Astana

International Exhibition on Foodstuffs, Drinks, Packaging and Equipment for Food Industry

29 May – 31 May 2018, Astana

Organizer: Iteca

www.astanafood.kz



AMM

Astana International Mining and Metallurgy Congress

19 – 22 June 2018, Astana

Organizer: Iteca

www.amm.kz



Kazcomak

Kazakhstan International Road and Heavy Construction, Communal Machinery Exhibition

19 – 22 June 2018, Astana

Organizer: Iteca

www.kazcomak.kz



Mining World Central Asia

Central Asian International Mining Exploration & Mining Equipment Exhibition and Forum

19 -21 June 2018, Astana

Organizer: Iteca

www.miningworld.kz



WMC

World Mining Congress

19 – 22 June 2018, Astana

Organizer: Iteca

www.wmc2018.org



Furniture and Interior, Architecture and Design, Timber and Woodworking

13 – 16 June 2018, Almaty

Organizer: Atakent-Expo

www.atakentexpo.kz

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

www.iteca.kz
www.tntexpo.kz

www.expocentralasia.com
www.atakentexpo.kz

<http://10times.com/>

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