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EU-Kazakhstan. Enhanced Partnership and Cooperation Agreement

On 12 September 2014 in Astana, the European Union and the Republic of Kazakhstan successfully concluded the negotiations of the EU-Kazakhstan Enhanced Partnership and Cooperation Agreement. The President of the European Commission Mr Jose Manuel Barroso and the President of Kazakhstan Mr Nursultan Nazarbayev will meet in Brussels on 9 October 2014 to confirm the conclusion of negotiations.

This is an important moment both for the EU and Kazakhstan as the new Agreement will significantly deepen political and economic ties between the two sides for the benefit of the people of both Kazakhstan and Europe.

Objectives and content of the Enhanced Partnership and Cooperation Agreement

The EU-Kazakhstan Enhanced Partnership and Cooperation Agreement counts about 280 pages and is comprised of 9 Titles as follows: General Principles and Aims of this Agreement; Political Dialogue, Cooperation in the Field of Foreign and Security Policy; Trade and Business; Cooperation in the Area of Economic and Sustainable Development; Cooperation in the Area of Justice, Freedom and Security; Other Cooperation Policies; Financial and Technical Cooperation; Institutional Framework; and General and Final Provisions.

Main areas of cooperation:

Values: the Agreement puts a strong emphasis on democracy and the rule of law, human rights and fundamental freedoms and sustainable development.



Enhanced cooperation in foreign and security policy, with the focus on regional stability, weapons of mass destruction (WMD), international cooperation in the fight against terrorism, conflict prevention and crisis management;

Trade: the Agreement ensures better regulatory environment for the economic operators in areas such as trade in services, establishment and operation of companies, capital movements, raw materials and energy, government procurement and intellectual property rights;

Justice, Freedom and Security, covering the rule of law, data protection, migration, the fight against money laundering and terrorism, tackling illicit drugs, and the fight against organized crime and corruption;

Enhanced cooperation in some other 29 key sector policy areas, including in the sectors of economic and financial cooperation, energy, transport, environment and climate change, employment and social affairs, culture, education and research.

Implementation and immediate benefits

Once signed and implemented, concrete benefits can flow from the Agreement. Examples include a better protection of consumers including lower prices and better-quality products; more business opportunities for small and medium enterprises, as a result, more jobs; more efficient use of energy and the development of renewable energy sources; a better functioning judiciary sector, a strengthened rule of law and increased transparency.

The Agreement foresees provisional application so that positive impacts can be expected already prior to ratification.

Background

Kazakhstan is the first Central Asian partner to have concluded an Enhanced Partnership and Cooperation Agreement with the EU. The new Agreement will replace the Partnership and Cooperation Agreement in force since 1999, and will give EU – Kazakhstan relations a new up-to-date and stronger foundation.

Over the past decades, the EU has become Kazakhstan's first trading partner and first foreign investor, representing over half of total FDI in Kazakhstan. Bilateral trade amounts to above 31 billion EUR, from which 24 billion EUR is Kazakhstan's exports, notably oil, while about 7,5 billion EUR is EU exports to Kazakhstan, mainly manufactured goods, machinery and equipment.

Fuente: European Union External Action



Kazakhstan remains the world's largest uranium producer

ASTANA (TCA) — Kazakhstan has maintained its leading position as the world's largest uranium producer. At year-end 2014 uranium production in Kazakhstan amounted to 22,829 tons which corresponds to the planned figures, the country's state atomic company Kazatomprom announced yesterday.

Taking into account the participatory interests in its subsidiary and affiliated enterprises, Kazatomprom produced 13,156 tons of uranium in 2014.

In 2013, Kazakhstan produced 22,548 tons of uranium.

In 2014, Kazatomprom continued its prospecting and exploration works aimed at increasing resource base of uranium in the territory of Kazakhstan. During the year more than 986 exploration wells were drilled.

CJSC Uranium Enrichment Center in 2014 shipped the end product in the amount of 4,986.5 tons, 0.2 percent more than planned.

Tantalum production was 154,458 tons, niobium output was 72,228 tons, and beryllium output was 1,776 tons.

Kazatomprom's JV SARECO LLP produced 240.4 tons of bulk concentrate of rare earth metals in 2014, which was shipped to Russia.

In 2014, Astana Solar LLP produced 51,069 solar panels, which corresponds to 12,706 MW of electrical energy, 13,338 MW (53,979 panels) of which were contracted by Kazakhstan companies.

Kazatomprom is the national operator of Kazakhstan for the import and export of uranium, rare metals, nuclear fuel for power plants, special equipment technologies and dual-purpose materials.

According to the World Nuclear Association, Kazakhstan has 12% of the world's uranium resources and an expanding mining sector, producing about 22,550 tons in 2013, and planning for further increase until 2018. In 2009 Kazakhstan became the world's leading uranium producer, with almost 28% of world production, then 33% in 2010, 36% in 2011, 36.5% in 2012, and 38% in 2013. Kazakhstan has a major plant making nuclear fuel pellets and aims eventually to sell value-added fuel rather than just uranium.

Fuente: Timesca



Agreement on elimination of barriers to trade between CU and CIS ratified

ASTANA. KAZINFORM - Today's plenary session of the Majilis has approved the bill "On ratification of the agreement of the Customs Union member states on the elimination of technical barriers in trade with the CIS member states, non-members of the Customs Union."

The agreement is aimed at eliminating technical barriers to mutual trade between the member states of the Customs Union and the CIS, non-members of the Customs Union, facilitating access for products of the CIS to the single customs territory of the Customs Union, the expansion of trade, as well as economic and investment cooperation.

In addition, the agreement defines the order and conditions of joining the CIS member states, which are not members of the Customs Union, to technical regulations of the CU.

According to Deputy Minister for Investment and Development Albert Rau, the basic idea of the document is the creation of conditions, which do not require registration of national documents for delivery of products (CU single certificate for enterprises allowing unhindered products supply to the CIS member states).

Fuente: KazInform

Kazakhstan's Public-Private Partnership Center proposes to introduce tax breaks for employers hiring postgraduates

ASTANA. Jan 26 (Interfax-Kazakhstan) – Kazakhstan's Public-Private Partnership Center proposes to introduce tax breaks for employers hiring postgraduates.

It is necessary to examine the possibility for providing additional incentives for employers hiring postgraduates thereby offering tax brakes, the center said on Friday in a statement.

Currently employers must pay a social tax at the fixed rate of 11% of their employees' income and this is an additional direct tax levied on employers and it is not directed at securing employees' welfare, plus social payments at the rate of 5% of employees' income in line with the current legislation.

The exempt of employers from this social tax and social payments for the duration of work contract with postgraduates – 2 years – could raise employers' interest in hiring postgraduates and partially compensate for expenses relating to their social and vocational adaptation, according to the center.

Less than 60% of postgraduates in Kazakhstan find jobs upon graduation, according to the commission on the issues of improving higher education establishments.

Fuente: Interfax Kazakhstan



Trans-Caspian railway route in the making

ASTANA (TCA) – Railway companies of Kazakhstan, Azerbaijan, Georgia, and Turkey plan to ship up to 5.5 million tons of cargo per year along the Trans-Caspian International Transport Route (TITR), said the press service of Kazakhstan’s national railway company Kazakhstan Temir Zholy (KTZ).

On Monday in Baku, KTZ President Askar Mamin chaired a meeting of the Coordination Committee for the development of the Trans-Caspian International Transport Route, with the participation of delegations of the railway companies of Kazakhstan, Azerbaijan, Georgia, and Turkey, the heads of international sea ports of Aktau (Kazakhstan), Baku (Azerbaijan), and Batumi (Georgia), and a delegation of the Azerbaijan Caspian Shipping Company.

“The meeting considered issues of fixing competitive tariffs for cargo shipment and formation of a comprehensive tariff rate for container trains along the entire Trans-Caspian International Transport Route,” the KTZ press service said.

The parties have agreed to organize this year container shipments along the China-Kazakhstan-Azerbaijan-Georgia-Turkey route, using the new rail line Zhezkazgan-Beineu in Kazakhstan, the Aktau sea port (Kazakhstan), and the Akhalkalaki (Georgia)-Kars (Turkey) rail line which is currently under construction.

“Despite a decrease in the economic activity in the region, the meeting participants have developed an action plan to have cargo shipments along the Trans-Caspian International Transport Route reach a level of 5.5 million tons per year,” KTZ said.

KTZ earlier reported that cargo shipments along the Trans-Caspian Route may reach 13.5 million tons by 2020, including 10.5 million tons of Kazakhstan’s export.

Fuente: Timesca

Central Asia among EU Council’s Top Priorities, Says Delegate

ASTANA – With Latvia taking over the Presidency of the EU Council in first half of 2015, Central Asia will become a priority, said Chair of the European Parliament Delegation on cooperation with Kazakhstan and other Central Asian countries Iveta Grigule in a Jan. 22 interview with The Astana Times in Astana.

One of the top priorities of Latvia is Central Asian issues. We want more attention, more contacts, more cooperation and the development of mutually beneficial areas, as well as elaboration of the new EU strategy for Kazakhstan and Central Asian countries. Let me note that this can be done effectively only by considering each country in Central Asia separately and individually,” said Grigule, who was in the Kazakh capital from Jan. 21-23.



In 2007, Grigule noted, the EU devised a strategy for Central Asia – but didn't distinguish much between the individual nations of the region. "Officials in Europe now realise that these countries have completely different economic and social development, priorities and ways of implementation," she said.

This realisation must lead to new, more specific strategies for dealing with the different nations of the region, Grigule said, a process which Kazakhstan is already part of. "Kazakhstan has already made a contribution to the process of elaboration of the new strategy. The EU Council received from Kazakh diplomats a letter that was prepared by the Ministry of Foreign Affairs of Kazakhstan jointly with other state bodies, which offers suggestions concerning new ways of cooperation that will lead to mutually beneficial results," she said.

"[D]uring the Latvian presidency of the EU Council, new conceptual documents are being generated for the coming four to six years. The new strategy is our priority. Of course, it would be great if we could complete our mission; to at least bring it to the point at which everything is done and only technicalities are left," she said. "Therefore, we will use as much as possible of our resources, time and ideas in order to do the bulk of the work."

Kazakhstan and the EU have now finalised a new Enhanced Partnership and Cooperation Agreement, the development of which has taken several years. The signing of the new agreement, initialed in Brussels on Jan. 20, is expected to take place at the end of the summer, the EU Parliamentary delegate said, with ratification by national parliaments to follow. Ratification by each of the EU's 28 national parliaments should be expected to take some time, she said.

"Concerning the Latvian Parliament, I have no doubts that the decision will be made quickly. I think the parliaments of Lithuania and Estonia, our closest neighbours, will also make the decision quickly. I hope the other countries will not delay, because in the EU we understand that this agreement is a big success and a big step onward in the relations of the EU and Kazakhstan," she added.

Kazakhstan's foreign policy is "very balanced," Grigule said. Kazakhstan "is realising the policy of multi-vector diplomacy very correctly, constructively and pragmatically," she said. "The EU is proud that it is the biggest trade partner of Kazakhstan, and we have room to grow."

While in Astana, the EU parliamentary delegate met with Human Rights Ombudsman of Kazakhstan Askar Shakirov, head of the Committee for Human Rights of Kazakhstan's Parliament Kuanysht Sultanov and Minister of Foreign Affairs Erlan Idrissov, as well as with representatives of nongovernmental organisations.

"The purpose of the [EU Parliament] delegations is to strengthen contacts and relations between people," Grigule said. The delegation to six Central Asian countries consists of 19 members of the European Parliament from different countries.

Kazakh-Latvian relations, Grigule said, have always been excellent and based on mutual understanding and respect. "Both of our countries have things to offer to each other. There are priority areas such as transit and transport, agriculture, technologies, medicine." There are also opportunities for cooperation in culture, communications and student exchange programmes, she said.



This trip is Grigule's second visit to Astana – she came in April 2011 to observe that year's presidential election. "When I first came to Astana, I was very surprised by the city: the very good infrastructure, wide, smooth roads and modern architecture impressed me a lot. People of both of our countries remember how we lived 25-30 years ago, in the Soviet period. The progress that Kazakhstan has made in its economy and development of the country is very significant and remarkable. It is a good example for everyone."

Fuente: The Astana Times

Kazakhstan wants to see Toshiba as NPP designer

ASTANA. Jan 26 (Interfax-Kazakhstan) – Kazakhstan may seek Toshiba's expertise in building the second nuclear power plant, near the Balkhash Lake, Energy Minister Vladimir Shkolnik.

"The NNP at the Semipalatinsk test site will most likely be built by Russia, as for the Balkhash area, we are selecting the best option among the projects being implemented in the world. The decision is still pending, but we see that the stations built by Toshiba Westinghouse are the most promising and safe," Vladimir Shkolnik told journalists after the parliamentary hour in Majilis on Monday in Astana.

"Each unit depending on configuration and safety costs around \$3 billion -\$4 billion," said the Minister.

"This opportunity may take shape with the creation of a single energy market in 2019 within the EEU. In this regard, we are working on two electricity projects with China: supply of electricity to Afghanistan and Pakistan," Vladimir Shkolnik said.

Speaking at a government hour, the minister said that the nuclear power plant in the Ulken village may use AR-1000 nuclear reactor.

Kazakhstan's government said it might build two nuclear power plants: one in Kurchatov (East Kazakhstan region) and another one near the Balkhash Lake (Ulken village), however the final decision has yet to be made.

In November 2006, the Kazakh government decided to build a nuclear power plant in the Mangistau Region ten kilometers away from Aktau (the administrative center of the region) on the site of the former atomic energy complex (MAEK). A fast breeder reactor BN-350 was put into operation at MAEK in 1973. Twenty six years later, in 1999, the Kazakh government made a decision to decommission the reactor. In 2003 the government handed over MAEK to MAEK Kazatomprom LLP, a subsidiary of National Company Kazatomprom.

Russian specialists planned to complete a feasibility study and justification of investment for the project in 2009, but Kazakhstan suspended the project in February 2009 until issues related to the transfer of intellectual property were resolved.



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In late May 2014, Russia and Kazakhstan signed a memorandum of understanding to build a nuclear power plant.

The project involves a station with a VVER (pressurized water) reactor with a 300 to 1,200-megawatt rated capacity. Under the document, the parties also intend to cooperate to provide the NPP with nuclear fuel with a possibility of setting up a joint facility to produce such fuel or propellants in Kazakhstan.

Fuente: Interfax Kazakhstan

Chinese Company to Build a Wind Power Plant in Zhambyl Region

An official visit of a Kazakh delegation to Xi'an on Jan. 11-15 resulted in plans to build a wind power plant in the Zhambyl region and cooperation in agriculture.

Negotiations took place between Akim (Governor) of the Zhambyl region Karim Kokrekbaev and Chairman of the People's Government of Shaanxi Province of China Lou Qinjian.

The Zhambyl News information agency stated, "Cooperation is identified in the field of energy efficiency and renewable energy, which is aimed at the realisation of a joint project, the construction of a wind power plant in the Zhambyl region with a maximum capacity of 200 megawatts by Chinese company Da I."

The sides also discussed the creation of high-tech projects in the agricultural sector.

"The plan is to build an area of 1,000 hectares for the production and processing of organic fruits and vegetables, as well as to create clusters of modern livestock farms and enterprises for the production of meat, milk and the construction of processing plants within the next three years," according to ZhambylNews. The total planned investment in the agricultural sector is \$950 million.

Fuente: The Astana Times



Russia's cheap gas may shut down Kazakhstani oil refineries: Minister of Energy

Cheap gas from Russia can put a stop to Kazakhstan's oil refineries, Tengrinews reports.

"It is going to be a problem when cheap Russian gasoline starts flowing here. And Russian gasoline is cheap now. Here in Kazakhstan it is a little bit more expensive. The cheap Russian gasoline is already at our threshold. We have established the ceiling price to 109 tenge (\$0.59) (per litre of AI-92/93), but in some areas of Kazakhstan the price is lower at fuelling stations already. This will cause our own refineries to stop, cause job cuts," Kazakhstan's Minister of Energy Vladimir Shkolnik said during the government meeting at the Majilis, the lower chamber of Kazakhstan's Parliament.

According to Shkolnik the situation with the pricing policies has to be balanced. "We are working on this, every day. Today a delegation from the Russian Ministry of Energy is arriving. We have to balance the situation to keep our refineries working and yet provide a sufficient amount of cheap gasoline," the Minister said.

Finding a balance is very important for Kazakhstan, because its refineries are unable to produce enough fuel to meet the demand of the Kazakh market. Being a leading oil producer in the region, the Central Asian country lacks the capacity to refine its own crude. It is working to address the problem, but it will take at least until 2016 before its refineries are modernized to improve the refining depth and the output volumes.

In September 2014 Vice-Minister of Energy Uzakbai Karabalin said that Kazakhstani oil refineries could produce 250 thousand tons of gasoline per month when fully loaded. But the demand for top-selling AI-92 in Kazakhstan constituted 280 thousand tons and Kazakhstan could only produce 186 thousand tons of that type of gasoline. "But as you know, one-third is imported from Russia," Karabalin said.

The 'cheap Russian gasoline' problem is a new swing of the Kazakh gasoline market that emerged after a tangible fuel deficit in Kazakhstan late last year that created kilometre-long queues throughout the country and caused gasoline prices to spike. All these generated a lot of public discontent in Kazakhstan and got the government working hard to straighten out the situation.

Shkolnik assured earlier today that no further shortages would be experienced in Kazakhstan: "In December we lowered the prices for AI-92/93 gasoline and diesel twice (in two steps)," the Minister said. "At the moment our storages hold around 350 thousand tons of diesel fuel and 250 thousand tons of AI-92 gasoline. We are accumulating gasoline for the summer period," the Minister said.

However, the pricing balance that Kazakhstan needs to find now is very different from the one it had to maintain before. Russian gasoline has always been more expensive than the Kazakh one and, according to Karabalin, "a sizeable difference" in the prices of the Kazakh and Russian AI-92/93 fuel made imports from Russia very unprofitable.



But now the situation is vice versa. Russian gasoline is cheaper and is threatening to flood the Kazakh market.

To control the flows Kazakhstan has been maintaining a ban on export of its fuel for some time already and reintroduced the 6 months ban on export outside the Customs Union on January 1, 2015 to prevent shortages in fuel that had taken place in the second half of 2014 from repeating themselves. However this ban does little to regulate flows inside the Customs Union of Russian, Kazakhstan and Belarus. The three have an open market and nonexistent customs borders among themselves.

So the only hope for Kazakhstan's refineries in this situation is that the country's Energy Ministry manages to find common ground with Russian gasoline producers and strike an acceptable deal on prices.

Common people who are not really concerned where their car fuel is coming from, in the meanwhile, are holding their fingers crossing in hopes that gasoline will finely become cheaper in the oil-producing country.

Fuente: Tengriz

\$169 million solar power plant to be constructed in Kazakhstan

Foreign investors are going to build a solar energy plant in Akmola Oblast in northern Kazakhstan for the upcoming EXPO-2017 to be held in Astana, Tengrinews reports citing the press service of the region's Governor.

Several investment projects for generation of power from renewable energy sources were presented to the Governor of Akmola Oblast Sergei Kulagin late last week.

One of the projects presented at the meeting was a 300MW wind power plant worth 73 billion tenge (around \$397 billion) developed by Chinese IntegralCentralAsia company.

Another was a project developed by German KB Enterprises company - a solar power plant in Arshalyn district of Akmola Oblast. According to the head of the company Taylan Karamanli, the implementation of the project is scheduled for 2015-2016 to have it ready before the EXPO to be held in Astana in 2017.

According to the investors, the 100 MW plant will be able supply the entire Astana with power. The total cost of the project is 150 million euros (\$168.5 million). It will be covered by KB Enterprises.

The solar power plant is expected to create 20 permanent jobs, and around 60 jobs during the construction period.

The region's Governor supported the project. However, he said that before starting the project, it was necessary to find a market for the energy generated by the plant.

To implement this project, the foreign investors need a land plot of 300 hectares in Arshalyn district. But being a foreign company they will only be able to get a long-term lease of the land in Kazakhstan.

Fuente: Tengriz



Energy Minister on second nuclear power plant in Kazakhstan

A decision on constructing a second nuclear power plant in Kazakhstan might be taken after 2019 after the single energy market is launched within the Eurasian Economic Union, Newskaz.ru reports, citing the country's Energy Minister Vladimir Shkolnik as saying.

“The probability depends on Kazakhstan's power consumption, economy growth opportunities, possibilities to export part of domestically generated power to neighboring countries (...) two such projects are being thrashed out in partnership with China; one of the projects under consideration seeks to supply power to Afghanistan and Pakistan”, the Minister said on the sidelines of the sitting in the Majilis (lower chamber).

He reminded that two possible locations have been preselected to accommodate a nuclear power plant, with one of them being in the area of the ex Semipalatinsk-based nuclear testing site and the other in Ulken village in the vicinities of Almaty.

“One of the would-be nuclear power plants will be designed by Russia ... the one in Semipalatinsk; when it comes to Balkhash lake, which is going to accommodate the first nuclear power plant, the final decision hasn't been taken yet, but one of the most promising option would be power plant solutions designed by Toshiba Westinghouse. Kazakhstan is a shareholder. It is a promising and safe option”, the Minister elaborated.

January 23 Tengrinews.kz reported that Kazakhstan had started talks with Toshiba, owner of Westinghouse, to construct its first nuclear power plant. As early as in March the sides might sign an agreement on supplying a \$3.7 billion reactor capable of 1 gigawatt, according to Russia's Kommersant daily.

Early 2014 the country's President Nursultan Nazarbayev commissioned the Government to decide before the end of the Q1 2014 on the location, sources of investments and timing of constructing a nuclear power plant in Kazakhstan.

In his Address to the Nation at the start of 2014, President Nursultan Nazarbayev elaborated why Kazakhstan needs to construct a nuclear power plant.

He emphasized that the future lies with nuclear power. “To use natural gas is a waste of resources. Instead, the gas could be used to produce high value added products. Kazakhstan is a global supplier of uranium (...) we do have all the capabilities [to develop the nuclear power industry]. Nuclear power is a clean energy we should take advantage of”, Nazarbayev said at the time.

“There may be more than one nuclear power plants (...) Their construction is not going to be cheap. Despite potential hazards, more than half of power generated in West Europe comes from nuclear power plants; Japan is not halting its nuclear power industry, either”.



Tengrinews.kz reported earlier, citing KazAtomProm's Press Service, that Kazakhstan retains its title of the uranium production leader as it supplies about 37% of uranium to global markets. The global market's capacity is estimated at 55 700 tons. The uranium production output in Kazakhstan made up 20 900 tons in 2012. In 2011 the country's share in global uranium supplies stood at 35%.

Fuente: Tengri news

Kazakhstan's Ministry sues Eurocopter Kazakhstan Engineering

Emergency Situations Committee of the Ministry of Internal Affairs of Kazakhstan is suing Eurocopter Kazakhstan Engineering LLP for failing its public procurement obligations, Tengrinews reports.

According to the website of the Supreme Court, the proceedings were initiated on January 14. The civil plaintiff in the case is the Emergency Situations Committee of the Ministry of Internal Affairs of Kazakhstan. The matter will be settled in the Specialized Interdistrict Economic Court of Astana starting on 13 February, 2015. It will be an open court hearing without participation of a public prosecutor.

It is not specified in the court documents currently available precisely which public procurement terms the Ministry of Interior is claiming Eurocopter Kazakhstan Engineering had violated.

The Committee of Emergency Situations lodged a claim demanding that Eurocopter Kazakhstan Engineering recognises having provided the public procurement in bad faith and demanded the recovery of punitive damages in the amount of 9,715,600 tenge (\$52,675).

Eurocopter Kazakhstan Engineering Limited Liability Partnership was created in order to implement the project of helicopter production in Kazakhstan under the Framework Agreement between Kazakhstan Engineering National Company JSC and EUROCOPTER (France/Germany) as of 27 October 2010. The first registration date of the Partnership with the justice authorities was December 6, 2010. The date of re-registration was April 8, 2011.

A project on assembly of helicopters is carried out on a parity basis: 50% is held by Kazakhstan Engineering National Company and 50% are held by Airbus Helicopters, which is wholly owned by the Airbus Group, a global defense and aerospace leader.

Eurocopter Kazakhstan Engineering is the only plant assembling EC-145 helicopters in the CIS. Since the establishment of the partnership on the market of Kazakhstan, the plant has delivered 20 helicopters, of them 14 helicopters were ordered by the Ministry of Emergencies of Kazakhstan and 6 by the Ministry of Defense of Kazakhstan.

Fuente: Tengri news



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Kazakhstan seeks to export electricity to China – Energy Minister

ASTANA. KAZINFORM - Kazakhstan is considering expanding export potential of the country's electricity by building DC lines from Ekibastuz to Hami substation in Xinjiang, this has been said by Energy Minister Vladimir Shkolnik at the governmental hour in Majilis.

According to his words, this will allow Kazakhstan to export 6 Giga-Watt of electricity to China. The Minister noted that the negotiation process on the matter has begun. Shkolnik said, however, that the process in this direction "is not easy".

Fuente: KazInform

EEU to create foreign trade portal

MINSK. KAZINFORM - The Eurasian Economic Union (EEU) is discussing the project to create a foreign trade portal, Belarus' First Deputy Minister of Communication and Information Technology Dmitry Shedko told reporters as he met with Russian Minister of Mass Communications Nikolai Nikiforov on 27 January, BelTA has learned.

"Now we are discussing a number of projects in the field of informatization of interstate cooperation, including the development of a foreign trade portal. The project is to be launched already this year," Dmitry Shedko said.

According to him, this portal is a resource which will help the authorities involved in foreign trade share legally important information: from veterinary certificates to waybills. "This will allow us to exchange information on trade flows, payments, and will significantly facilitate trade in the three countries," said Dmitry Shedko, BelTA reports.

Fuente:KazInform



Kazakhstan to build service facilities along important roads till 2020

Kazakhstan plans to build service facilities along the Western Europe-Western China transit corridor until 2020, the chairman of the board of the national company KazAvtoZhol, Berik Kamaliyev, said Jan. 27.

“Kazakhstan plans to build 260 roadside service facilities along the roads of international and republican significance,” Kamaliyev said at a meeting at the Investment and Development Ministry of Kazakhstan.

However, as he said, in general, the country needs more than 400 service facilities along the roads, adding that currently there are only 44 complexes with full coverage of all services.

“Currently, there are about 50 service facilities in the settlement Kordai on the Western Europe-Western China corridor. It will be necessary to create the same number of service facilities following the completion of construction of a bypass,” Kamaliyev said.

He said it is necessary to begin to reserve land plots along the bypass and to intensify the work to attract investors for the construction of service facilities, Trend reported.

Kamaliyev noted that Kazakhstan’s Road Research Institute (KazDorNII) developed national standard and the criteria to be met by future roadside service facilities.

“Given the holding of the Expo-2017, alternative energy sources will be used in the construction of these facilities, and, in general, “green” technologies will be complied with,” he added.

Fuente: bnews.kz.

Economic freedom in most post-Soviet states better than in Russia, report

Economic freedom in most post-Soviet countries of the Baltics, the Caucasus, and Central Asia is better than in Russia, according to the 2015 Index of Economic Freedom, released on January 27 by The Heritage Foundation think tank and The Wall Street Journal.

The new report rated Russia’s economy as “mostly unfree” and ranks it at 143rd out of 178 countries.

Estonia (8th) is the highest ranked former Soviet republic, with its economic freedom score higher than the 12th-ranked United States and the 13th-ranked United Kingdom.

Lithuania was ranked 15th, one place ahead of Germany, while Georgia was 22nd.

All of the above economies were rated “mostly free”.



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"Moderately free" economies included Latvia, ranked 37th; Armenia, 52nd; Kazakhstan, 69th; Kyrgyzstan, 82nd; and Azerbaijan, 85th.

"Mostly unfree" economies included Moldova, 111th; Tajikistan, 140th; and Russia, 143rd.

Countries with "repressed" economies include Belarus, 153rd; Uzbekistan, 160th; Ukraine, 162nd; and Turkmenistan, 172nd.

Scores and rankings were not available for Afghanistan.

Launched in 1995, the Index of Economic Freedom evaluates countries in four broad areas of economic freedom, including the rule of law, regulatory efficiency, limitations on government, and the openness of markets in each country. The level of freedom was also measured for business activities, the labor market, monetary policy, trade, investment, and financial transactions.

The index determined that about 4.5 billion people, or about 65 percent of the world's population, live in economically "unfree" countries. More than half of those people live in China and India.

Twenty-six countries have "repressed" economies.

Only five countries were rated as "free" economies: Hong Kong, Singapore, New Zealand, Australia, and Switzerland.

Fuente: The Times of Central Asia

Kazakhstan to extend bans on exports of precious metals until end-2015

ASTANA. Jan 27 (Interfax-Kazakhstan) – Kazakhstan will extend the ban on exports of refined precious metals and scrap and commodity containing precious metals until the end of 2015, Deputy Minister for Investment and Development Albert Rau told journalists on the sidelines of the Tuesday sitting of the Majilis in Astana.

Kazakhstan imposed a six-month ban on exports of refined precious metals and scrap and commodity containing precious metals in June 2014.

The ban does not apply to exports of gold containing feedstock to Russia, Rau said.

Fuente: Interfax Kazakhstan



Kirguistán



Kyrgyzstan raises customs duty for imported cars

Last week, entrepreneurs importing cars to Kyrgyzstan held a rally in Bishkek to protest a hike in the customs duty rate for imported cars. They asked the Government to postpone the new rates for a month, so that they could clear the cars according to the 2014 tariffs.

The government says the customs duty rates should be raised in any case to meet the requirements of the Eurasian Economic Union (EEU), of which Kyrgyzstan will be a full member in May 2015.

According to the Government regulation, from September 22, 2014, there was a gradual increase in the single customs duty and tax for imported motor vehicles, with the duty for cars with small-volume engines having increased by ten US dollar cents per each cubic centimeter from January 1, 2015. If the engine volume is more than three thousand cubic centimeters, an increase is 15 cents.

The Economy Ministry explained that the number of imported vehicles has been growing rapidly in recent years. According to customs statistics, Kyrgyzstan annually imports more than 60 thousand cars older than ten years, which cause increased air pollution. Moreover, the road infrastructure develops very slowly and cannot serve the current number of vehicles. The duty rates will be raised so as to make the import of old cars unprofitable.

Protesters at the rally claimed that the Government's decision to raise the customs duties was made prematurely, because it is related to Kyrgyzstan's entry into the EEU and should therefore come into force not earlier than in May 2015. According to the protesters, first, it is necessary to create proper conditions at customs posts whose heavy workload has resulted in customs clearance of cars standing at the border since December 2014 being delayed until 2015.



Over 800 car importers signed an appeal to the Government for permission to pay customs duties for imported cars in 2015 at the rate of 2014. Now they have to pay five times as much — \$0.5 instead of \$0.1 per cubic centimeter of engine volume.

The Economy Ministry responded that it sees no good reason for the extension of the timing of customs clearance. The Government resolution on increasing customs duties for imported cars was discussed in June 2014, and it was agreed that the increase in duties will be carried out in five stages. The first one was introduced in September 2014, and the second one in January 1, 2015. Further hikes will take place each following year.

If Kyrgyzstan annually increases the duty by 10 cents, it will take 20 years to come up with the EEU rates. But the EEU members gave Kyrgyzstan only five years. It was therefore decided to raise the duty annually by \$1 per one cubic centimeter of engine.

People who ordered cars from abroad are also unhappy because their prices have jumped significantly. For instance, under the old scale, the customs duty for a car made in 2003 with the engine volume of 2,000 cubic centimeters was \$800, and according to the new scale it has jumped to \$5,200. Car-importing firms say the government initiative will lead them to bankruptcy. The new customs duties will sharply increase the prices of cars in the local market. The Government should make the hike in the duty rates less painful for people and businesses.

To solve the problem requires changes to the law, Kyrgyz Deputy Prime Minister Valery Dill said at a press conference in Bishkek on January 23, after he met with the unsatisfied entrepreneurs. "We [the government] warned them back in September 2014 that the customs duties will be raised in 2015 but at the same time we have to react because it is our people. We live in a parliamentary country, where the Government is a collegial body and no one can make a single-hand decision. To solve the problem, we have to either change the law or the state budget, or to pay these people which would mean a loss of budget revenues," Deputy Prime Minister said.

Ordinary people are afraid that if the cost of customs clearance of imported cars reaches the level of Kazakhstan and Russia, a car will become a luxury in Kyrgyzstan. The EEU countries have higher customs tariffs than in Kyrgyzstan but the income of their citizens is higher than in poor Kyrgyzstan. There is also a well-developed lending system for buying cars in Russia and Kazakhstan. In Kyrgyzstan, the customs duty increase would mean a strong blow at both car importers and the population.

Fuente: The Times of Central Asia



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Level of dollarization of Kyrgyzstan's economy in 2014 is 58 percent

The level of dollarization of Kyrgyzstan's economy in 2014 was 58 percent. Such data are given in the report of the National Bank of the dynamics of monetary indicators in the past year.

It is noted that since the beginning of the year it had risen to 14.4 percent. The volume of deposits reached 42 billion 158 million soms (an increase of 40.8 percent), in national currency - 30 billion 482.3 million soms (an increase of 4.9 percent). At the same time, the amount of money out of banks in 2014 decreased by 16.2 percent - to 51 billion 904.1 million soms.

Fuente: 24 hours press club

Aktilek Tungatarov: Competitiveness of manufacturing sector in Kyrgyzstan is extremely low

"Competitiveness of manufacturing sector in Kyrgyzstan is extremely low," the executive director of the International Business Council Aktilek Tungatarov said today at a press conference.

According to him, this is one of the reasons for restricting the foreign and domestic investments in the country. "Part of the problem can be solved by adopting a favorable business laws, as well as the study of existing legislation in the field of business. Of course, certain inventory was previously made. But more often it concerned a separate sphere of business. There was no comprehensive analysis of all legislation. This must be done, especially while Kyrgyzstan's joining the Eurasian Economic Union. It is important that in the process of studying the effectiveness of the laws involved the business community," Aktilek Tungatarov said.

Recall, regulatory reform will be held in Kyrgyzstan in the next two years. Specialists will study more than 10,000 legal acts in the business sphere. The program is financially supported by the OSCE. At the initial stage €2 million is allocated.

Fuente: 24 hours press club



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Kyrgyzstan: Chinese Investor Struggling Without Russian Help «EurasiaNet»

A Chinese company that has had a string of bad luck in Kyrgyzstan is not getting much support from the country's investment-hungry government-or from Russia.

China's state-controlled Junda China Petrol Company runs a troubled but potentially strategic oil refinery in northern Kyrgyzstan. The problem now is that Junda doesn't have enough crude to fuel its \$430 million plant. And the regional oil producers, Kazakhstan and Russia, are unwilling to help.

Last week Kyrgyzstan's Vice Prime Minister Valery Dil called Junda's decision to build a refinery without planning for crude supplies "ridiculous," in quotes picked up by 24.kg.

"To build a huge refinery and not know where to get the oil, that's ridiculous," Dil said.

Those are not exactly welcoming words for a large foreign benefactor already struggling to find reasons to keep investing in perennially troubled Kyrgyzstan. In its short history, Junda itself has faced environmental protests and labor disputes, which one lawmaker claims are backed by opposition politicians bent on using the facility as a weapon in a political confrontation with the government.

Dil also confirmed that Russia and Kazakhstan have refused to supply crude tax-free, though his colleague, Economy Minister Temir Sariev, recently had been hopeful that Kyrgyzstan's membership in the Russia-led Eurasian Economic Union would help solve this problem.

Currently the refinery in Kara-Balta is meeting only a fraction of its 850,000 tons annual capacity. Medetbek Kerimkulov, the chairman of Kyrgyzstan's Association of Oil Traders, an industry lobby, recently claimed that Kazakh companies had supplied 100,000 tons of crude to the refinery in 2014. But that translates into roughly 50,000 tons of refined oil products (i.e. petrol), barely a drop toward Kyrgyzstan's annual consumption, which the Association says is around 1 million tons.

Moscow is likely loathe to become a supplier of raw materials to Chinese upstarts in its own backyard. Since Soviet times Central Asia has always been a captive market for Moscow's finished products, and fuel, like labor migrants, is an easy source of leverage over Bishkek.

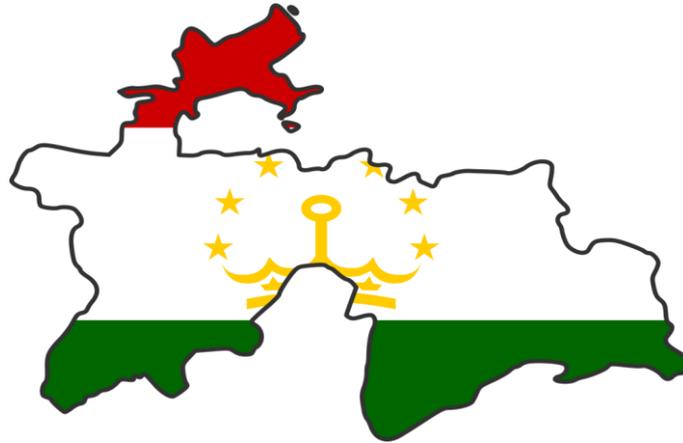
Fuente: Eurasia.org



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Tajikistan to achieve energy independence – President

The lack of electricity is one of the main obstacles to social and economic development of Tajikistan, and the country will continue its huge Rogun hydropower plant construction project in accordance with international standards in order to solve the problem of power shortages and ensure the country's sustainable economic development, Tajikistan President Emomali Rakhmon said in his annual address to the Tajik parliament last Friday.

The president said that an assessment of “our landmark project” for the construction of the Rogun hydroelectric power plant, which lasted almost seven years under the auspices of the World Bank, was completed last year, the presidential press service reported.

According to Rakhmon, Tajikistan also plans to build a number of medium-sized hydropower plants in addition to the Rogun plant. It is worth noting that Rogun's construction is being opposed by neighboring Uzbekistan, which fears the Rogun dam will prevent irrigation water from flowing down to irrigate Uzbek cotton fields.

In Rakhmon's words, the reconstruction of the Nurek hydropower plant is currently underway, and Tajikistan plans to start reconstruction of the Kairokkum and Sarband hydropower plants this year.

In general, dozens of large and small hydroelectric power plants and heating plants with a total capacity of 1020 MW have been built and put into operation since Tajikistan's independence, the president said, adding that 13.4



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billion somoni has been spent from all public financial sources over the last 10 years to achieve the country's energy independence.

“To eliminate power shortages the Government has developed a working plan for the realization of energy projects in the coming years, which will bring us closer to the strategic objective in the near future – to ensure our energy independence,” Rakhmon said.

In his words, this year Tajikistan has power in all cities and district centers, schools and hospitals, and industrial plants are fully operating, and the daily blackouts have been reduced by five hours in comparison with the previous 2-3 years.