



# Nur-Sultan Highlights

2 June 2022

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## INFORMATION FOR NL COMPANIES

**New Support International Business (SIB) subsidy** was launched on 1 April by Dutch Ministry for Foreign Trade and Development. SIB provides support to Dutch SMEs that want to export to a specific target market.

[Support International Business \(SIB\) \(rvo.nl\)](#)

## New Honorary Consul of the Netherlands in the Kyrgyz Republic

The Kingdom of the Netherlands has appointed Ms. Jamilya Imankulova as the new Honorary Consul in the Kyrgyz Republic. She has a background in the organic industry and consulting. Contacts:

[netherlands@honoraryconsulate.kg](mailto:netherlands@honoraryconsulate.kg); +996556300422, 38 Tabyldy Uulu Abdraly street, Bishkek. Visits are possible by appointment only.

## UPCOMING EVENTS:

### Invitation to join Dutch Trade Mission to the Kyrgyz Republic

Dutch companies are invited to take part in the trade mission to the Kyrgyz Republic to meet with local agricultural businesses, participate in field visits and establish new business opportunities in the region. Dates: 20-23 September 2022. Contact: Economic Section of the Embassy of the Netherlands [nur-ea@minbuza.nl](mailto:nur-ea@minbuza.nl) +77013019025

### Dushanbe Water Conference, 6-9 June 2022

Program details: [2nd High-Level International Conference on International Decade for Action "Water for Sustainable Development", 2018-2028 – DUSHANBE WATER PROCESS](#)

## **SANCTIONS**

### **Updates on sanctions**

Updates and FAQ on customs, circumvention, transport, financial, freezing of assets:

[Sanctions adopted following Russia's military aggression against Ukraine | European Commission \(europa.eu\)](#)

EU operators are expected to apply due diligence to ensure that their exports are not diverted to Russia. Including contractual clauses with third-country partners due to liability in case of re-export to Russia (+ ex post verifications). Intentional violations by EU exporters can be considered as participation in a circumvention scheme.

### **Notice to economic operators, importers and exporters:**

[EUR-Lex - 52022XC0401\(04\) - EN - EUR-Lex \(europa.eu\)](#)

E-mail address for specific questions: [EC-RUSSIA-SANCTIONS@ec.europa.eu](mailto:EC-RUSSIA-SANCTIONS@ec.europa.eu)

### **Kazakhstan ready to accommodate foreign companies**

Kazakh Invest is ready to provide institutional support, establish liaison with relevant local state bodies. Such assistance has been provided to Boeing, Valmont Industries, Honeywell, Pfizer, Champion Foods, Paramount, SMP Robotics, LA Solar Group, Ardmere Capital, JP Morgan Chase & Company. [Interfax-Kazakhstan](#)

### **19 mln euro stay frozen on accounts of subsidiaries of Russian banks in Kazakhstan**

Of which 13 mln euro is frozen at Alfa-Bank, 7 mln euro with VTB and 4.5 mln euro with Sberbank KZ. Currently, banks are assisting clients to return funds through negotiations with counterpart banks and prepare relevant applications. [LS \(Kazakhstan\)](#).

### **Kazakhstan exports more food to Russia**

Kazakhstan sold 6.7 thousand tons of rapeseed to Russia (+50%), 3.8 thousand tons of rice, (+47%), 3.2 thousand tons of pasta (+19.5%); export of flour, onions, confectionery, fish, fermented dairy products, dates, tea, flour products, carrots, tomatoes, eggs also increased. Wheat export on the contrary decreased to 25%. [LS \(Kazakhstan\)](#).

## **AGRICULTURE**

### **Agriculture employees in Almaty suspected of embezzling more than 110 000 euro**

The embezzled funds came from subsidy budgets under the Kazakh Development program for the agro-industrial complex 2017-2021. [Kapital \(Kazakhstan\)](#).

### **Kazakhstan imports 15% of its domestic dairy products demand**

Kazakhstan consumes about 2.16 million tons of milk and dairy products of which 15% of is imported, mostly processed dairy products such as cheese, butter and milk powder. White milk is the largest category on the domestic market. Annual production growth is 2%. Next come traditional fermented milk products, then drinking yoghurts. There is a need for lactose-free milk at the market. Additionally, Kazakhstan plans to build 120 new and expand existing dairy farms. [LS \(Kazakhstan\)](#)

### **North Kazakhstan builds 11 commercial dairy farms**

11 farms and 2 feed yards will be constructed this year. For 5,000 liters of produced milk the farmer gets about 400 euro of subsidies (up to 50%). [Kazinform](#)

### **Kazakhstan limits export of sunflower oil until autumn**

Kazakhstan introduces an export quota of 48 thousand tons for June-August 2022 for sunflower oil (refined /unrefined) and mixed vegetable oils. Each exporter can submit one application per month for oil export with a limit of 6 thousand tons. [LS \(Kazakhstan\)](#).

### **Moth, leaf beetle and locusts invade Kazakhstan**

The phytosanitary situation in the Aktobe region is worrisome. Meadow moth is present in 10 districts, the wormwood leaf beetle is spreading. The phytosanitary inspectorate blames the weather for this rapid spread. Chemical treatment (50% subsidized in KZ) of 319,990 hectares is being carried out. [Kazakh Zerno](#)

### **Three new regions officially established in Kazakhstan**

The Almaty, Karaganda and East Kazakhstan regions were divided: New Zhetisu from Almaty, Abay from East Kazakhstan and Ulytau from Karaganda. [Zakon.kz](#)

### **Western regions of Kazakhstan to lead in food production**

In 2022-2025 investors will start dairy projects, poultry farms and greenhouses worth more than 600 mln euro in West Kazakhstan (including Aktobe, West Kazakhstan, Atyrau, Mangystau). Among these, **investors from the Netherlands** will help launch greenhouse complexes for 240 000 euro. [LS \(Kazakhstan\)](#).

## **ENVIRONMENT**

### **Prime Minister sets target for 100% access to clean drinking water by 2025**

PM Smailov sets this target for the entire population by 2025. Regional authorities bear responsibility for implementation as first priority. Turkestan, West Kazakhstan, Zhambyl, and Karaganda regions are tasked to complete water exploration projects and draft design and estimate documentation by 2023. [Interfax-Kazakhstan](#)

## **ENERGY & NATURAL RESOURCES**

### **CPC oil deliveries back to normal**

Restrictions on the Caspian Pipeline Consortium (CPC) were removed; delivery of Kazakh oil is fully restored. So far (until April), 18.7 million tons were transported via the pipeline, against 53.1 million tons in 2021. [Astana Times \(Kazakhstan\)](#)

### **Kazakhstan takes first place in ranking of countries with cheap gas**

Kazakhstan ranks first in Europe in terms of cheap gas: 0.07 euro per cubic meter. Russia 0.1, Belarus 0.15 and the Netherlands: 1.2 euro per cubic meter. [Kursiv \(Kazakhstan\)](#).

### **Kazakhstan extends ban on export of petroleum products**

The ban on the export of petroleum products by road is extended for 6 months. [Sputnik](#)

### **Kazakhstan searches for new oil**

Kazakhstan plans to drill more than 50 wells within 10 years. National oil giant KazMunayGas expects additional exploration at 5 operating spots and 8 new sites, including 4 projects involving foreign investment. The discovery of new deposits of tungsten, molybdenum, aluminum, tin, etc. is also expected [LS \(Kazakhstan\)](#)

### **Mass violations of issuing work permits to expats in Atyrau revealed**

Violations were committed by oilfield service companies (mostly Tengiz FGP project). The prosecutor office decided to revoke these work permits. [Petrocouncil-kz](#)

## **MACRO-ECONOMICS & FINANCE**

### **Kazakhstan sees membership in Eurasian Economic Union as successful**

Kazakhstan's trade within EEU grew by 33%, exports by 55%. [Kazinform](#)

### **Foreign investments in Kazakhstan**

The inflow of foreign direct investment into Kazakhstan from the EU + UK in 2021 reached almost 10 bln euro, 23.8% more than in 2020. Outgoing investments from Kazakhstan into the EU + UK in 2021 amounted 200 mln euro (lowest figure since 2006). Main destinations: Netherlands (95 mln euro), UK (39), Luxembourg (22) and Spain (18). The largest gross FDI inflows came from the Netherlands (6.5 bln euro in 2021), Belgium (950 mln euro), France (560 mln euro), whereas 930 mln euro came from the UK. The share of the EU + UK in 2021 accounted for 30.8% of the total trade (30 bln euro). Largest trade with Italy (8.3 bln euro), Netherlands (4 bln euro) and France (2.9 bln). 41.4% of Kazakhstan's export goes to the EU + UK (23 bln euro). Imports from the EU + UK amount to 5.8 bln euro, or 15.2% of all imports in Kazakhstan. [Finprom \(Kazakhstan\)](#).

#### **Customs evasion causes loss of more than 300 000 euro to the state budget**

Audits revealed smuggling worth over 1,7 mln euro at China-Kazakhstan border customs point. Head of customs point arrested. [Kapital \(Kazakhstan\)](#).

#### **Annual inflation rate in Kazakhstan more than 13%**

In April 2022, the annual inflation amounted to 13.2%. Food products rose 17.9%, non-food products by 11.1%, paid services by 8.9%. Sugar prices have risen by 54.6%, vegetables (46%), potatoes (30.3%), poultry (28.8%), cereals (25.5%), flour (22.7%), sunflower oil (22.3%), dairy products, fruits and bread by 15%. [Kursiv \(Kazakhstan\)](#)

#### **EBRD is promoting climate finance and SME lending in Tajikistan**

Financial package for grassroot businesses will be distributed via Arvand bank. A 2.7.mln euro loan under the [Green Economy Financing Facility \(GEFF\)](#) for technologies for local households and small/medium enterprises. 1 mln euro is provided by the [Green Climate Fund \(GCF\)](#). Also funds will be used from [the European Union's Enhanced Competitiveness of Tajik Agribusiness Programme](#). 930,000 euro will be provided by the [Women Entrepreneurs Finance Initiative](#) and [Switzerland](#), through the [Small Business Impact Fund \(SBIF\)](#), to promote women's entrepreneurship. Up to now, the EBRD has invested 854 mln euro through 148 projects in Tajikistan.

## **TRANSPORT & COMMUNICATIONS**

#### **Kazakhstan interested in increasing cargo transportation via Iran**

Kazakhstan and Iran conducted negotiations on cargo transportation in the North-South direction. This route is expected to facilitate export of food from Kazakhstan.

## **HEALTH**

#### **Kazakhstan Ranks Among Top 55 Countries in Global Health Security Index**

scoring 46.1 points out of 100. The index is designed to measure capacities to prepare for epidemics and pandemics. In the first quarter of 2022, investments in this sector increased by 37.3 % to 71 mln euro.

[INTERNATIONAL](#)

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## **CONTACTS**

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