



Highlights of Kazakhstan

4 August 2021

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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 individuals 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.

AGRICULTURE

PM Mamin visit to Dutch greenhouse complex in Aktobe

Prime Minister Askar Mamin's visit to the Green Capital greenhouse complex in Aktobe oblast was accompanied by Ambassador Andre Carstens. The management of the complex briefed the PM about the current state of affairs in the greenhouse and the prospects for further development.

In general, by 2025, it is planned to implement 2 more large greenhouse projects in the oblast for a total of €34 bln.

Source: [Kazakhstanskaya Pravda](#)

10 projects for potential investors

Kostanay oblast has prepared ten – mainly agricultural - projects for potential investors, total value: €1.1 bln. The projects foresee in the organic production of: 1.300 tons of lentils, 1.400 tons of soybeans, 1.600 tons of sunflower, 1.600 tons of flax, 5.200 tons durum wheat, 4.400 tons of soft wheat and 4.100 tons of barley. Further plans: to build a poultry farm worth about €200 mln, a production complex for deep processing of wheat worth about €270 mln and a complex farm for breeding small ruminants in the amount of €17 mln: meat production of about 11.000 tons per year.

Source: [LS \(Kazakhstan\)](#)

Large public investment in agriculture

Kazakhstan plans to allocate €9.8 bln for the development of the agro-industrial complex until 2025. The main goal is to provide 80% of the domestic market, as well as export. Substantial funds will be allocated for the digitalization of the industry.

Source: [LS \(Kazakhstan\)](#)

New (Acting) Minister of Agriculture

Mr. Yerbol Karashukeev has been appointed as Acting Minister of Agriculture per 10 July shortly after Minister Omarov was released from his position. Previously, Karashukeev worked as the chairman of the board of the KazAgro holding, and also held various positions in the Presidential Administration, the ministries of finance and agriculture.

Source: [Press service](#) of the PM

ENVIRONMENT

The world's largest production of green hydrogen

In Kazakhstan, which has abundant solar and wind resources, it is planned to start a giant project for the production of green hydrogen in Mangystau oblast. The main investor is the German-Swedish company Svevind, with a total capacity of 45 GW. They will power 30 GW of electrolyzers, which will be able to produce 3 mln tons of pure hydrogen annually. The development, design, procurement and financing phases will take three to five years, and construction and commissioning will take another five years. A significant part of the final product will be exported to Europe and Asia.

Source: [Oil & Capital \(Russia\)](#) and [Astana Times](#)

European carbon tax, impact on KZ export revenues

On July 14, the European Commission launched the ambitious Fit for 55 program. It aims to reduce greenhouse gas emissions by 55% by 2030 compared to 1990 and achieve carbon neutrality by 2050. Among other things, a tax regime for regulating carbon limits is introduced by imposing a carbon tax on imports, including a corrective mechanism to avoid carbon leakage outside the EU. This regime will also affect Kazakhstani enterprises trading with European countries. Exporters of goods to the EU will buy carbon certificates. Their cost will be tied to the average price at the European auction of quotas

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for the week, expressed in Euros, per ton of carbon dioxide emitted (at the end of 2020, the average price was about €31). Kazakhstan may lose over €170 mln in export revenues due to carbon tax as the EU is one of the largest trading partners of Kazakhstan. In January-May 2021, the EU accounted for 41% of all exports worth €7.6 bln (oil is in the lead at €3.4 bln).

Source: [Kursiv \(Kazakhstan\)](#)

ENERGY & NATURAL RESOURCES

Oil production growth

Kazakhstan will increase oil production under the OPEC+ agreement to 1.491 mln barrels per day, each month the quota will increase by 16.000 barrels per day. The next discussion of the state of the oil market and possible further measures will take place in December 2021.

Source: [Kapital \(Kazakhstan\)](#) and [Inform Bureau Kazakhstan](#)

Shell appeal on carbon emission

Royal Dutch Shell plans to appeal a Dutch court ruling on its carbon emission.

Source: [Reuters](#)

MACRO-ECONOMICS & FINANCE

Free trade zone between the EAEU and Serbia

The Free Trade Area Agreement between the Eurasian Economic Union, a trade block (dominated by Russia) in which Kazakhstan is taking part, and Serbia entered into force on July 10, 2021. This opens up duty free access to the Serbian market and other economic opportunities for companies operating in EAEU-member states.

Source: [Eurasian Economic Commission](#)

Kazakhstan's ranking for quality of healthcare

In the first half of 2021, Kazakhstan took 58th place among 95 countries in the so-called Numbeo-ranking for the quality of health care, including the quality of medical workers, equipment, personnel, doctors, the cost of services, etc.

Source: [Ranking Kazakhstan](#)

TRANSPORT & COMMUNICATIONS

Flights from Kazakhstan

Regular international flights operate between 16 countries on 44 routes with a frequency of 184 flights per week. The most frequent flights are to Turkey (52 flights per week), Uzbekistan (32 flights per week) and the United Arab Emirates (31 flights per week), followed by: Georgia (12 flights per week), Russia (10 flights per week), Germany (9 flights per week), Kyrgyzstan (9 flights per week), Belarus (8 flights per week), Montenegro (7 flights per week), Ukraine (5 flights per week), Tajikistan (2 flights per week), South Korea (2 flights per week), Egypt (2 charter flights per week), Netherlands (1 flight per week), Poland (1 flight per week) and Armenia (1 flight per week).

Source: [Astana Times](#)

Linkedin blocked

Kazakhstan has blocked the Internet resource LinkedIn; the Ministry of Information and Social Development accused LinkedIn of violations of the law by advertising online casinos and creating fake accounts.

Source: [Kazakhstanskaya Pravda](#)

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Almaty airport renovation

The airport aims to become a transit hub for Central Asia. Therefore, a new passenger terminal is planned that will meet international standards.

Source: [Kazakhstanskaya Pravda](#)

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