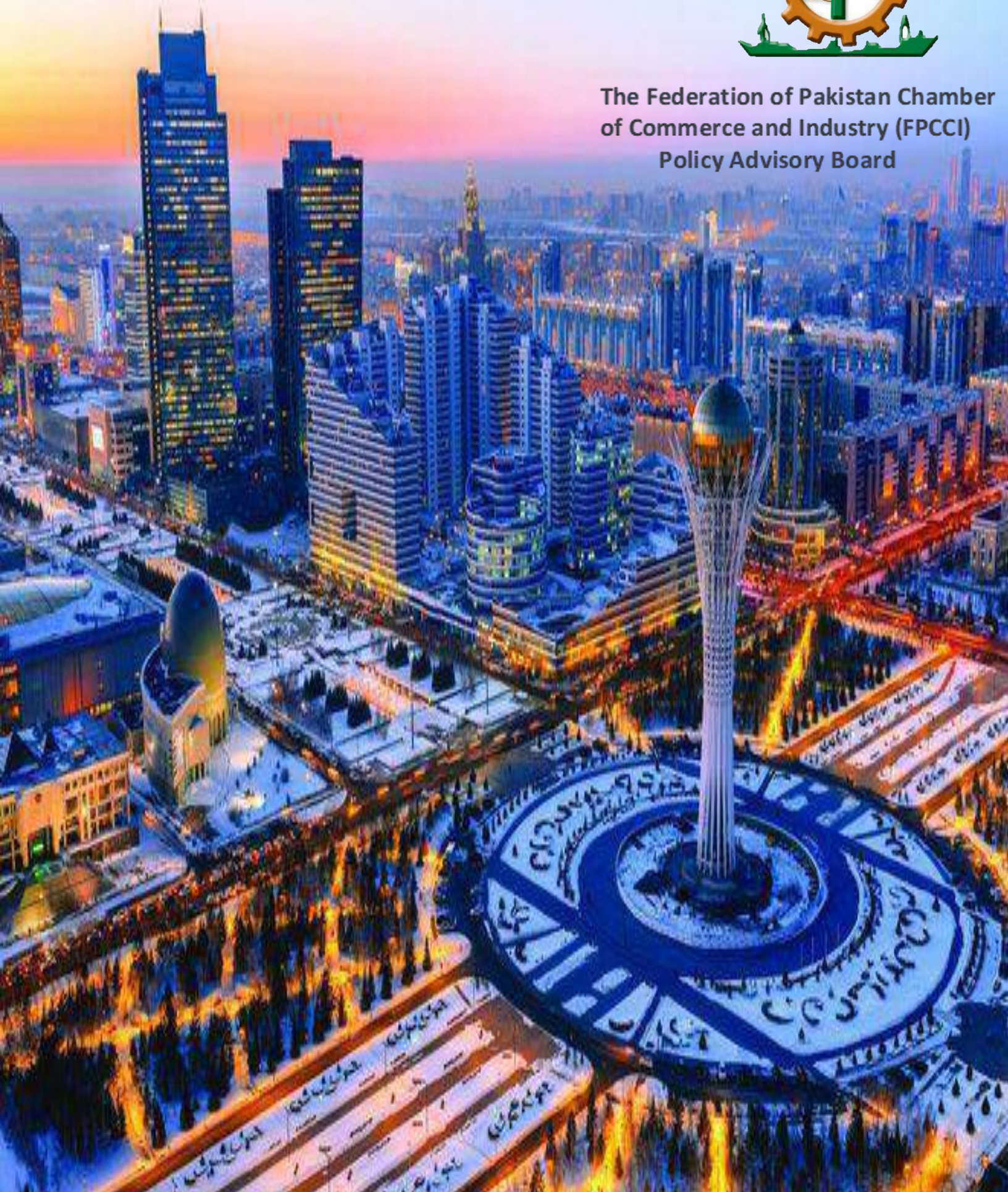


Trade Report on Kazakhstan



The Federation of Pakistan Chamber
of Commerce and Industry (FPCCI)
Policy Advisory Board





Acknowledgement and Disclaimer

The Policy Advisory Board – Federation of Pakistan Chamber of Commerce and Industry (FPCCI) expresses its appreciation to industry representatives presently engaged in trade activities between Pakistan and Kazakhstan. Their input and insights have proved to be most valuable in terms of providing an objective overview of the present trade scenario between Pakistan and Kazakhstan.

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Executive Summary

Kazakhstan, a hydrocarbon and mineral rich country has experienced impressive economic growth since past few years with the exception of 2020. The country is prone to the shocks in oil and extractive minerals market. Diversification is one of the key challenges for Kazakhstan economy. Government has launched successive development strategies to overcome reliance on trade of natural resources. Kazakhstan's strategic location makes it a transit hub for emerging economies. Kazakhstan has launched infrastructure development program, the nurly zhol (shining path), for logistics and transport facilitation. The country is working in close ties with China under the Belt Road Initiative (BRI) for economic diversification, opportunities for trade facilitation in linking world markets.

Kazakhstan's trade volume is increasing with positive trade balance. Kazakhstan's export basket consists of mineral fuels, iron and steel, ores, slag and ash, copper and inorganic chemicals. While import basket is dominated by mechanical appliances, vehicles, electrical machinery, and pharmaceutical products. Kazakhstan share in China is constantly increasing in terms of its exports and imports. On import side Russian dominates Kazaks import market. For better market integration, Kazakhstan, a founding member of EEU, has trade agreement led by EEU-FTAs.

Kazakhstan is Pakistan's non-traditional trade partner with bilateral trade of USD 59.1 million volume between two countries. Major export basket consists of cereals, edible fruits and nuts, pharmaceutical, surgical and leather products. While Pakistan imports consists of inorganic chemicals, raw hides, iron and steel, and manmade filament,

Keeping in view the socio-economic structure, and trade profile of countries some of the key potential products are also outlined in the report. Considering Pakistan's current value of exports in the world, Kazakhstan imports from the world and the relative position of both the countries as a net exporter and net importers are used to analyze the potential products. Products that Pakistan already exports such as cereals, edible fruit and nuts, peel of citrus fruit or melons



oil seeds and oleaginous fruits, pharmaceutical products, have more margin to export while products with extensive margins are; articles of bedding, poly"ethylene terephthalate, fresh or chilled onions, gloves, mittens and mitts, jerseys, pullovers, inflatable balls, articles of apparel of leather.

Kazakhstan's trade agreements and practices are influenced by EEU regulations. Within EEU, major share is being captured by Russia. China is the second largest import origin of Kazakhstan. China and Iran have concluded their negotiations and have signed for EEU-FTA for better market access while India is also in negotiations with EEU-FTA. Pakistan needs to initiate PTA negotiation in the medium term with FTA in its long term strategy for CARs.

For fruits and vegetables and other perishable items, cold storage cargo is not available to Pakistani exporters. Beside this, no direct cargo flights are available between the two countries that can facilitate medicaments and other perishable items. Government need to enable cold storage facilities, reserve cargo and direct flights.

Payment challenges needs to be considered by state bank of Pakistan by opening Pakistani banks and establishing a strong linkages with local Kazaks bank for exporter's facilitation. Close coordination in the form of seminars and regular meetings with trade bodies and chambers of commerce of both the countries will promote trade and access. Moreover, establishment of B2B platform will give further boost to Pakistani exports.

Some of the key insights provided by commercial section in Kazakhstan are; Pakistani exporter needs to establish their brand name in Kazak market. Joint ventures with local companies to develop brands in Kazakhstan can aid branding activities. Time and delivery of goods also matters for doing business with Kazaks. To cover come language barriers online translator services may be hired. Pakistani exporters need to clarify customs requirements at Kazakhstan port instead of other Eurasian countries. For better representation of goods in the market Pakistani exporter needs to establish subsidiary company in Kazakhstan. For better marketing, advertisements in Russian or Kazak languages on social media pages and online sale of products through local websites can be considered.



List of Acronyms

CARs:	Central Asian Republics
BRI:	Belt Road Initiative
GDP:	Gross Domestic Product
EEU:	Eurasian Economic Union
WTO:	World Trade Organization
ILO:	International Labor Organization
IMF:	International Monetary Fund
ITC:	International Trade Centre
CIS:	Commonwealth Independent States
FTA:	Free Trade Agreement
GSP	Generalized Scheme of Preferences
NRA:	Non-reciprocal Agreement
MFN:	Most Favorite Nation
EU:	European Union
IT:	Information Technology
QTTA:	Quadrilateral Traffic and Transit Agreement
MOU:	Memorandum of Understanding



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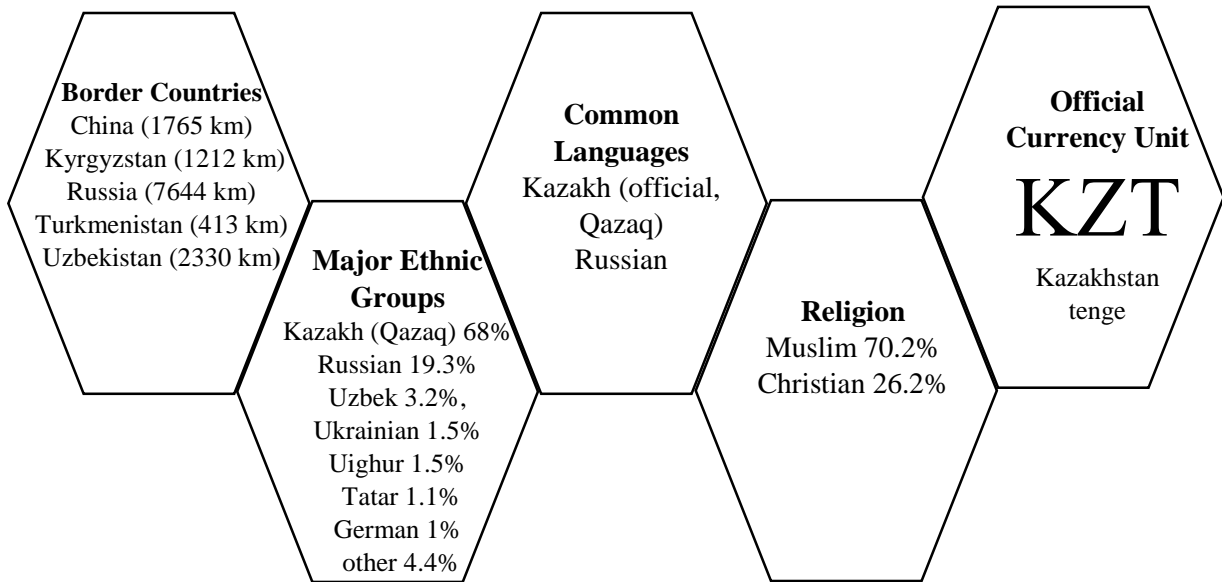
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General information



Area: 2,724,900 sq km | **Population:** 19.2 million (July 2021 est.)



Major Industries



Coal

Oil

Gas

Iron ore

Gold

Silver

lead Ore



1. Economic Overview

Kazakhstan is an upper middle income and the second largest economy in Central Asian Republics (CARs). The country has experienced impressive growth from past few decades because of its hydrocarbon reserves and fiscal management. (World bank). Kazakhstan is rich in hydrocarbons and mineral such as; oil, gas, coal, uranium and zinc deposits. It is the top oil producer in CARs, having the 12th largest proven crude oil reserves in the world (International Energy Agency). Fluctuations in international demand in oil and extractive industries cause fluctuations in the economy. Kazakhstan’s strategic location makes it a transit hub (road, rail and port) for China and South Asian economies to Europe and Russia. The country is working in close ties with China under the Belt Road Initiative (BRI) for economic diversification, opportunities for trade facilitation in linking world markets.

Kazakhstan- 2050 Strategy, aims to make country one of the developed countries of the world by employing economic reforms for infrastructure development, natural resource management, innovation and modernization of agriculture, industry and sound water policies. State governance, democracy and predictable foreign policy are key objectives for 2050.

Table 1: Kazakhstan’s demographics at a glance

Indicator	2016	2017	2018	2019	2020
Demographics					
Population (million)	17.79	18.03	18.27	18.51	18.75
Labor force, (% of total population)	54.58	49.9	51.12	51.86	46.77
Unemployment rate (% of labor force)	4.96	4.9	4.85	4.8	6.05

Source: World development indicators, International Labour Organization, ILO

Population (2020) –
Kazakhstan: 18.75 million
Pakistan: 220.8 million

Agriculture- as percent of GDP (2020)
Kazakhstan: 5.32%
Pakistan: 22.6%

GDP current (2020)
Kazakhstan: USD 169.8 billions
Pakistan: USD 263.6 billions

Industry- as percent of GDP (2020)
Kazakhstan: 33.12%
Pakistan: 17.6%
Manufacturing- as percent of GDP (2020)
Kazakhstan – 12.6%
Pakistan-11.5%

GDP per capita (2020)
Kazakhstan: USD 9055.7 thousands
Pakistan: USD 1193

Services as percent of GDP (2020)
Kazakhstan: 55.75%
Pakistan: 52.7%



Source: World development Indicators, 2020



Table 2: Kazakhstan Production and economy at a glance

Indicator	2016	2017	2018	2019	2020
Production					
GDP (current USD billions)	137.27	166.8	179.34	181.66	169.83
GDP per capita (current USD thousand)	7714.8	9247.5	9812.6	9812.5	9055.7
GDP growth (annual %)	1.1	4.1	4.1	4.5	-2.6

Source: World development indicators

Kazakhstan is a home to 18.7 million people with growing middle class having per capita income of USD 9055. The services sector is the key contributing sector in Kazakhstan's GDP with a 55.7 percent share followed by industry, manufacturing, and agriculture. Kazakhstan is both consumption oriented and trade supporting economy with major share in expenditure from household and trade related expenditures.

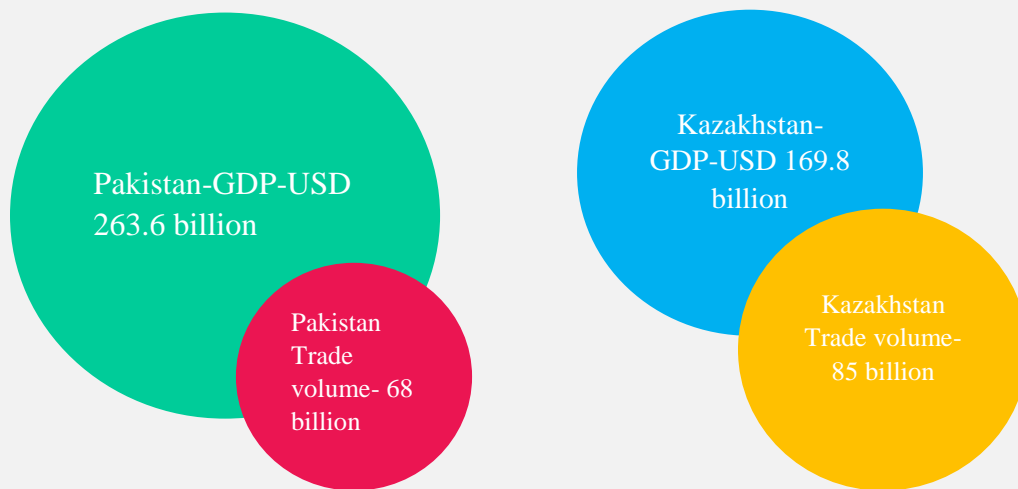


Figure 1: GDP by end use-Kazakhstan and Pakistan

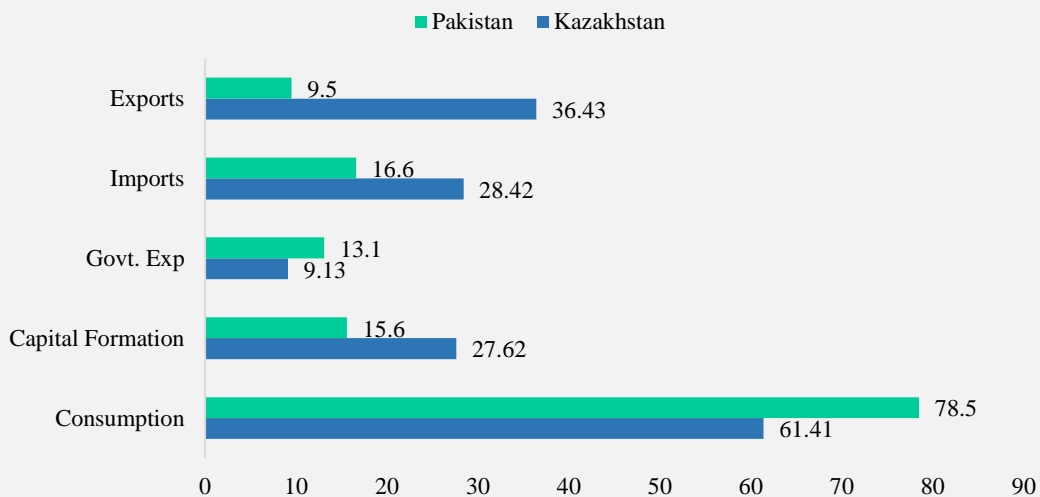
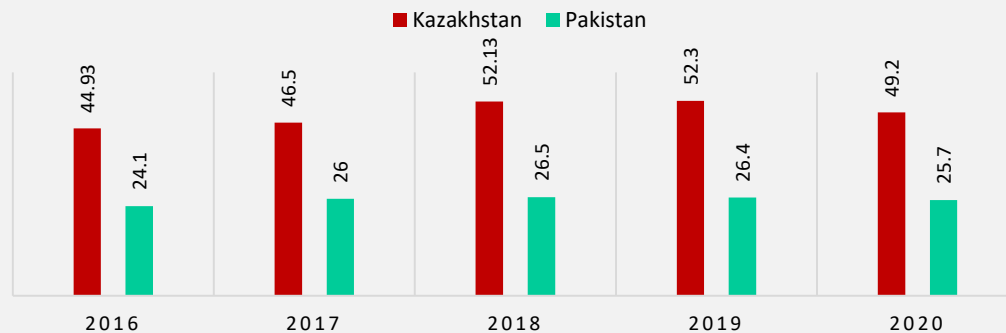




Figure 2: Merchandise trade (% of GDP)- Kazakhstan & Pakistan



Merchandise trade contribution in Kazakhstan GDP is more than that of Pakistan by about 25 percent. It is ranked 25th in the world for ease of doing business. (World bank, 2020). In 2014, Kazakhstan president launched infrastructure development program, *the nurly zhol (shining path)*, for logistics and transport facilitation. Under the program, Kazakhstan received KNZ 5.8 trillion investment with major share coming from private sector.

Table 3: Kazakhstan external sector at a glance

Indicator	2016	2017	2018	2019	2020
External Sector					
Official exchange rate (period average)	342.16	326	344.7	382.7	412.9
Current account balance(USD billion)	-8.13	-5.1	-0.14	-7.3	-6.27
Merchandise trade (% of GDP)	44.93	46.5	52.13	52.3	49.2

Source: World development indicators, International monetary fund, IMF

2. Global Trade Scenario

Kazakhstan's trade volume is increasing in the past five years with the exception of 2020. Kazakhstan's trade balance is in surplus as its world exports outweighs its imports. Kazakhstan's export basket consists of mineral fuels (58.2%), iron and steel (6.7%), ores, slag and ash (6.7%), copper (5.9%) and inorganic chemicals (4.9%). While import basket is dominated by mechanical appliances (24.6%), vehicles (6.1%), electrical machinery (8.8%), iron and steel (6%), and pharmaceutical products (4.1%).

Table 4: Kazakhstan Global Trade Scenario

Years	Kazakhstan export to the World	Kazakhstan imports from the world	Trade Volume	Trade Balance
Figure in USD million				
2016	36,775.6	25,174.8	61,950.4	11,600.8
2017	48,342.1	29,304.7	77,646.9	19,037.4
2018	60,956.2	32,533.5	93,489.8	28,422.7
2019	57,722.9	38,356.5	96,079.5	19,366.4
2020	46,949.7	38,081.4	85,031.1	8,868.3

Source: Trade map, ITC



Figure 3.1: Major export basket: Kazakhstan

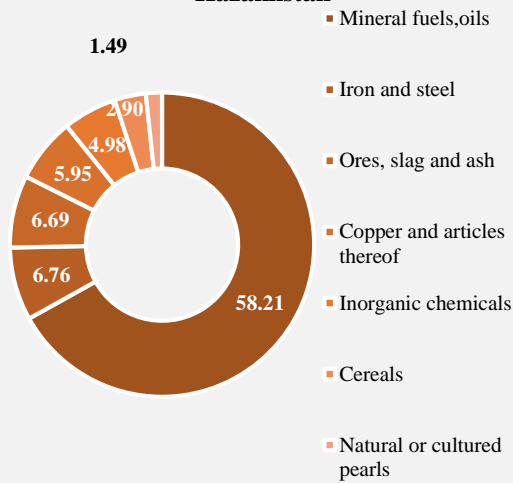


Figure 3.2: Major Import Basket: Kazakhstan

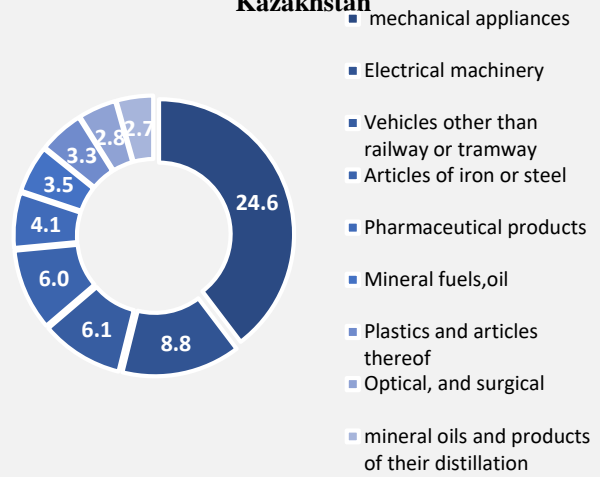
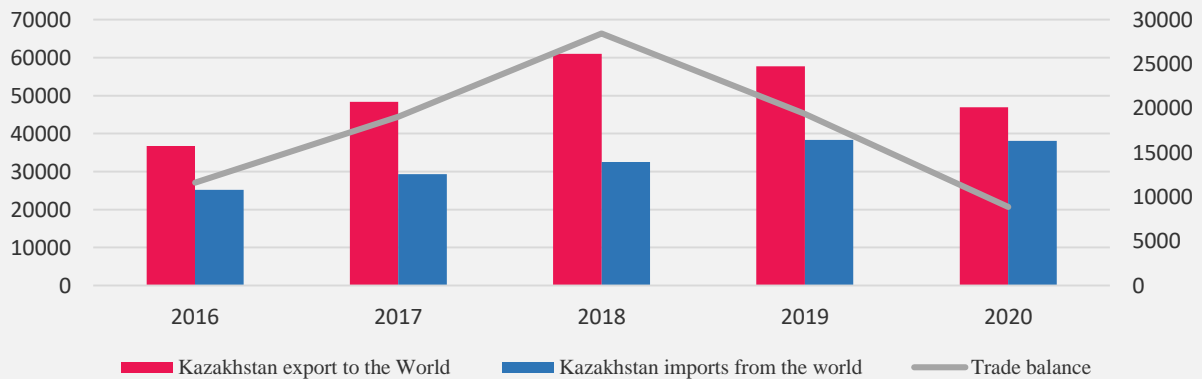


Figure 4: Kazakhstan-Global Trade Scenario



For global integration, Kazakhstan became member of WTO in 2015. It has entered into trade agreements with countries under the Eurasian Economic Union (EEU) (See table: 5). As developing country it is also beneficiary of GSP status for developed countries.



Kazakhstan's major export partners are; China (19.2%), Italy (14.2%), Russian Federation (10.2%), Netherlands (6.7%), and Uzbekistan (4.5%). While its top five import origins are; Russia (34.9%), China (16.7%), Korea, republic (12.8%), Germany (4.7%), and USA (3%). Kazakhstan share in China is constantly increasing in terms of its exports and imports. On import side Russian dominates Kazaks import market.

Pakistan has less than 0.01 percent share in Kazakhstan's total export. On the import side, Pakistan has a share of 0.07 % of Kazakhstan's total imports, making Pakistan its 55th import partner.

Table 5: Trade agreements - Kazakhstan

Agreement	In force
FTA, EAEU-Serbia	2021
EEU-Iran (Interim)	2019
FTA, EEU-Vietnam	2016
Kazakhstan (EAEU) for Developing Countries	2016
Kazakhstan (EAEU) for LDCs	2016
Regional Group, Eurasian Economic Union (EEU)	2015
Treaty on CIS FTA	2012
Agreement on CIS FTA	1996
United States for GSP countries	1976
Switzerland for GSP Countries	1972
Japan for GSP countries	1971
Norway for GSP countries	1971



Figure 5.1: Top export destination and their share: Kazakhstan

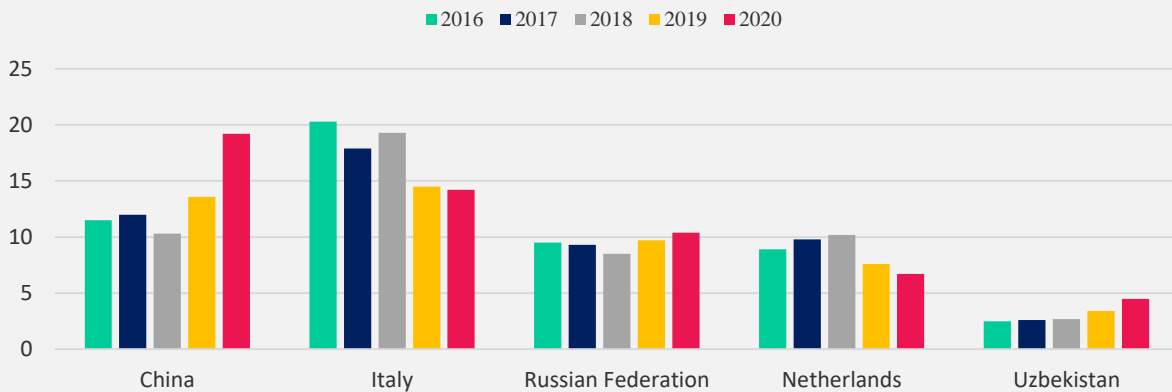
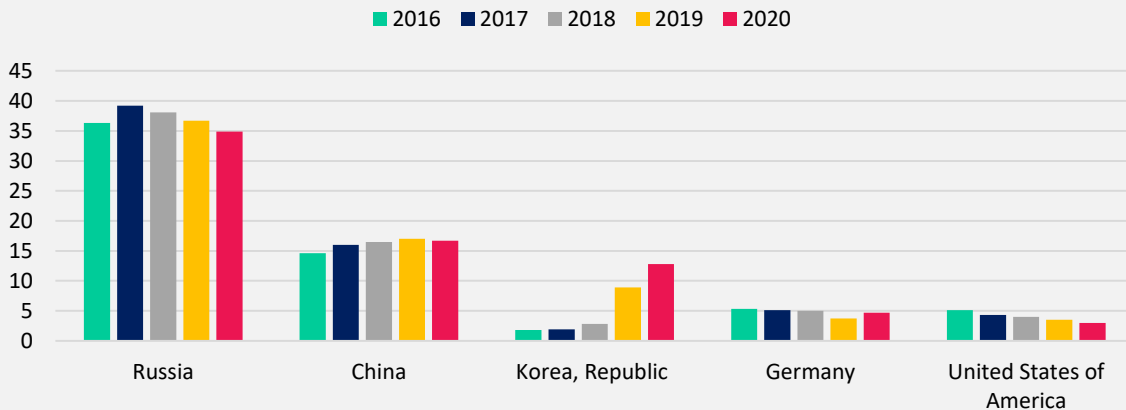


Figure 5.2: Top import origins and their share: Kazakhstan



3. Bilateral Trade between Pakistan and Kazakhstan

Pakistan bilateral trade with Kazakhstan is fluctuating since past few years. Total trade volume between two countries USD 59.6 million in 2020 (See table: 6) Major export basket consists of cereals, edible fruits and nuts, pharmaceutical, surgical and leather products. While Pakistan imports consists of inorganic chemicals, raw hides, iron and steel, manmade filament, and surgical instruments.

Table 6: Bilateral trade between Pakistan and Kazakhstan

Years	Pakistan exports to Kazak	Pakistan import from Kazak	Trade Volume	Trade Balance
Figure in USD million				
2016	24.5	2.7	27.2	21.8
2017	70.6	7.6	78.2	62.9
2018	87.4	3.3	90.8	84.1
2019	83.5	0.8	84.3	82.6
2020	59.1	0.5	59.6	58.6

Source: Trade map, ITC



Figure 6: Bilateral Trade between Pakistan and Kazakhstan

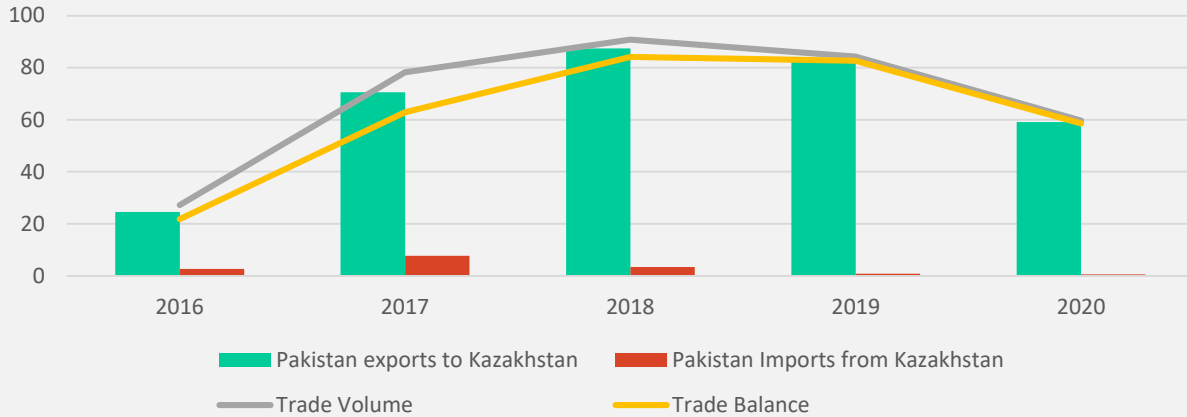


Table 7: Pakistan exports to Kazakhstan at HS-2

code	Product label	Pakistan's exports to Kazakhstan		
		2018	2019	2020
Values in USD million				
'10	Cereals	69.129	61.561	42.987
'08	Edible fruit and nuts; peel of citrus fruit or melons	2.96	8.694	7.735
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit	9.816	6.342	2.846
'30	Pharmaceutical products	1.913	2.835	2.335
'48	Paper articles of paper pulp	0.001	0	1.551
'90	Optical, photographic, cinematographic	0.153	0.218	0.191
'42	Articles of leather; saddlery and harness; travel goods, handbags..	0.181	0.2	0.179

Table 8 : Pakistan import from Kazakhstan at HS-2

code	Product label	Pakistan's imports from Kazakhstan		
		2018	2019	2020
Values in USD million				
'28	Inorganic chemicals; compounds of precious metals	2.03	0.579	0.42
'41	Raw hides and skins and leather	0.022	0.038	0.052
'97	Works of art, collectors' antiques	0	0	0.028
'72	Iron and steel	0	0	0.009
'54	Man-made filaments; man-made textile materials	0	0	0.005
'90	Optical, photographic, cinematographic...	0	0	0.002
'62	Articles of clothing accessories, not knitted	0	0	0.001

Source: Trade map, ITC



4. Potential Products

For diversification of our export base in Kazakhstan's market, we have outlined some of the potential products that Pakistan already exports to the world market. Pakistan's overall export to the world is USD 22.2 billion (2020) while Kazakhstan's total imports from the world is of USD 46.9 billion worth (2020). Bench mark for potential product is defined keeping in view Pakistan's current position as a net exporter of the product and Kazakhstan being the net importer for the same product in the world. We have outlined two broader categories;

- 1) Products that Pakistan produces and exports but doesn't export to Kazakhstan, while these products have demand in Kazakhstan's market (extensive margin).
- 2) Products that Pakistan already exports to Kazakhstan but has more room to expand as per the demand of Kazakhstan (intensive margin). The list of potential sectors at HS -6 is outlined in the table below;

Table 9: Pakistan export potential in Kazakhstan at HS-6 (extensive margin)

code	product	Kazakhstan imports	Pakistan exports	Pakistan current exports to Kazakhstan	CIS tariff	Tariff faced by Pakistan	Tariff faced by Viet Nam	Tariff faced by India
		2020	2020	2020	2020	2020	2020	2020
'940490	Articles of bedding and	48.126	129.675	0	0	11	9	11
'611595	Full-length or knee-length	37.931	142.042	0	0	7	7	7
'610910	T-shirts, singlets and other vests of	34.537	252.613	0	0	3	0	3
'390761	Poly"ethylene terephthalate", in	32.126	147.073	0	0	0	0	0
'630260	Toilet linen and kitchen linen, of t	29.763	776.514	0	0	0	0	0
'620342	Men's or boys' trousers, bib and	27.353	327.151	0	0	3	0	3
'070310	Fresh or chilled onions and shallots	19.556	124.029	0	0	14	8	14
'611610	Gloves, mittens and mitts,	17.447	200.303	0	0	0	0	0
'630710	Floorcloths, dishcloths, dusters	12.906	400.779	0	0	8	8	8
'630239	Bedlinen of textile materials	12.039	636.722	0	0	3	0	3
'630231	Bedlinen of cotton (excluding printed,	9.184	923.831	0	0	5	0	5
'611090	Jerseys, pullovers,	5.086	379.279	0	0	3	0	3
'950662	Inflatable balls	3.518	124.726	0	0	5	5	5
'420329	Gloves, mittens and mitts, of	2.364	225.195	0	0	8	8	8
'420310	Articles of apparel, of leather	1.986	237.543	0	0	9	2	9

Some of the potential products Pakistan has more room to export as its share in Kazakhstan market is near to none. List of products is outlined in table below; Products that have intensive margin in Kazakhstan market are: semi milled rice, surgical instruments, and textiles products.



Table 10: List of Potential Products at HS-6 (intensive margin)

Code	Product	Kazakhstan imports to the world		Pakistan exports to the world		Pakistan current exports to Kazakhstan		Tariff faced by Pakistan	Tariff faced by Viet Nam	Tariff faced by India	Tariff faced by China
		2019	2020	2019	2020	2019	2020	2020	2020	2020	2020
Value in USD million											
100630	Semi milled rice	11.619	5.137	1,786.251	1,532.879	0.049	0.192	8	8	8	8
080521	Fresh or dried mandarins	34.12	28.1	47.517	41.851	8.773	11.323				
'901890	Instruments and appliances used in medical,	107.678	126.045	405.512	361.298	0	0.014	0	0	0	0
'620193	Men's or boys' anoraks, windcheaters, wind jackets and similar articles, of man-made fibres .	22.047	16.785	7.692	9.386	0.005	0.05	6	3	6	6
'610310	Men's or boys' suits of textile materials, knitted or crocheted (excluding tracksuits, ski ...	0.949	7.775	9.28	14.138	0	0.001	4	4	4	4
'630291	Toilet linen and kitchen linen of cotton (excluding of terry fabrics, floorcloths, polishing)	1.569	3.908	6.541	4.934	0	0.093	12	8	12	12
'610590	Men's or boys' shirts of textile materials, knitted or crocheted (excluding of cotton or man-made ...	0.088	0.599	328.572	283.628	0	0.446	4	0	4	4
'520919	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m ² ,	0.314	0.323	49.266	42.656	0.021	0.011	4	0	4	4
'611780	Ties, bow ties, cravats and other made-up clothing accessories, knitted or	0.482	0.298	1.966	2.959	0.053	0.082	3	0	3	3

Table 11: List of additional potential products at HS-6 (extensive margin)

Code	Product	Kazakhstan imports from world		Pakistan exports to world		CIS trade	India	China	Tariff faced by CIS	Tariff faced by Pakistan	Tariff faced by Viet Nam	Tariff faced by India	Tariff faced by China
		2019	2020	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020
		value in USD million						Values in percentage					
'300439	Medicaments containing hormones or steroids used as hormones but not antibiotics..	47.5	94.3	77.0	72.1	0.6	0.0	17.2	0	3	0	3	3
'190590	Bread, pastry, cakes, biscuits and other bakers' wares.....	77.9	88.5	15.1	20.3	86.0	0.1	11.8	0	0	0	0	0
'330499	Beauty or make-up preparations and preparations for the care of the skin ...	80.5	80.1	8.1	10.9	41.2	0.2	0.0	0	15	15	15	15
'240220	Cigarettes, containing tobacco	100.8	77.6	1.4	14.8	74.2	0.0	0.0	0	6	6	6	6
'170490	Sugar confectionery not containing cocoa, etc. (excluding chewing gum)	69.5	69.8	35.1	29.5	58.6	0.0	0.1	0	5	0	5	5
'190531	Sweet biscuits	47.2	42.6	20.6	18.8	40.1	0.0	0.9	0	7	5	7	7
'761290	cans, boxes and similar containers, incl. rigid tubular containers, of aluminium, ...	35.8	39.9	12.0	13.4	39.4	1.0	0.9	0	7	7	7	7
'320810	Paints and varnishes, incl. enamels and lacquers, based on polyesters,	35.6	36.2	9.8	10.7	31.7	0.0	4.0	0	10	8	10	10
'020120	Fresh or chilled bovine cuts, with bone in (excluding carcasses and 1/2 carcasses)	27.0	36.0	19.6	36.0	35.9	0.0	0.0	0	4	0	4	4
'080390	Fresh or dried bananas	32.1	32.9	33.1	23.9	21.0	0.0	4.7	0	5	0	5	5
'640399	Footwear with outer soles of rubber, plastics or composition leather, ...	32.3	30.6	87.8	79.4	14.6	0.0	0.0	0	5	0	5	5
'230400	Oilcake and other solid residues, ...	27.3	29.9	4.3	11.1	22.5	0.0	4.5	0	4	0	4	4

Source: Trade map, ITC



5. Intra EEU trade and competitors trade

Kazakhstan is a member of EEU with trade agreement led by EEU-FTAs. Kazakhstan's trade agreements and practices are influenced by EEU regulations. Within EEU, major share is being captured by Russia followed by Belarus (see table below). China is the second largest import origin of Kazakhstan. China and Iran have concluded their negotiations and have signed for EEU-FTA for better market access in these countries.

Table 12: Import value and share of EEU countries in Kazak market

Rank	Exporters	Imported Value, 2020 USD million	Share in Kazakhstan's imports (%)
1	Russian Federation	13,300.2	34.9
10	Belarus	646.6	1.6
19	Kyrgyzstan	233.6	0.6
71	Armenia	7.7	0.02

Source: Trade map, ITC

Among regional competitors, Pakistan has the least share in Kazakhstan's import market. India has captured 1 percent followed by Vietnam and Bangladesh. Pakistan has a share of 0.08 percent (see table below). Viet Nam enjoy preferential access in Kazakhstan while India is at the advance stage of negotiations for FTA with EEU for better market access.

Table 13 : Share of regional competitors in Kazakhstan's imports

Rank	Exporters	Imported Value, 2020 USD million	Share in Kazakhstan's imports (%)	Type of Access
12	India	382.89	1	no preferential access, MFN rates applied
16	Viet Nam	323.46	0.8	Preferential access
54	Bangladesh	30.03	0.08	no preferential access, MFN rates applied
55	Pakistan	29.4	0.08	no preferential access, MFN rates applied

Source: Trade map, ITC



6. Key input from Trade mission- Kazakhstan

We have outlined a questionnaire for our trade missions aboard for their input and way forward for Pakistani exporters in Kazakhstan's market. Some of the key insights are highlighted below;

Brand and marketing: Pakistani goods exported to Kazakhstan are unbranded, low quality, and have low marketing. In order to represent goods at big stores. Pakistani exporters need to establish its brand name in Kazak market.

Potential Products: Rice, agro food products (especially citrus fruit, potatoes, onions), pharmaceutical products and sports goods have potential in Kazakhstan.

Payment challenges: National bank of Pakistan has closed its operations in Kazakhstan. Importers, prefer to avoid currency fluctuations and buy goods on payment rather than through letter of credit. Local banks in Kazakhstan have stringent requirements to transfer foreign currency from Kazakhstan to any other country. State bank of Pakistan needs to initiate MOUs with local banks for transfer of funds and business facilitation.

Non-tariff barriers: Kazakhstan demand goods to be labelled in Kazak or Russian while most of Pakistani exporters label goods in English. All the legal government documentation is done in Kazak language that needs to be translated, is a challenge for Pakistani exporters.

Trade route: Currently three trade routes are operational for Kazakhstan from Afghanistan (Torkham) via Kyrgyzstan (Bishkek) to Kazakhstan (Almaty) route, Quadrilateral Traffic and Transit Agreement (QTTA) route via Pakistan - GB, China – Sost Border, Kyrgyzstan - Bishkek and Kazakhstan – Almaty. The Bandar Abbas (Iran) to Aktau (Kazakhstan) port route. Exporters face high logistics cost from Afghanistan route with delays at the border, unloading, and re-loading of goods. QTTA route is the most economical route but this route is closed during winter season. Iran route is also better option for exporters but small ships carrying 15 to 20 containers can operate on this sea route.

Way forward for Pakistani exporters: Pakistani exporter needs to establish their brand name in this market. Joint ventures with local companies to develop brands in Kazakhstan can aid branding activities. Time and delivery of goods also matters for doing business with Kazaks. To cover come language barriers online translator services may be hired. Pakistani exporters need to clarify customs requirements at Kazakhstan port instead of other Eurasian countries. For better representation of goods in the market Pakistani exporter needs to establish subsidiary company in Kazakhstan as India is doing in this market. For better marketing, advertisements in Russian or Kazak languages on social media pages and online sale of products through local websites can be considered.



Exporters need to participate in local exhibitions, exchange of delegations and close liaisons between trade bodies and chambers of both the countries will facilitate trade between two countries. Pakistan needs to establish direct flights from Kazakhstan for better business opportunities. Government needs to facilitate logistics, visa requirements and exporters in opening their companies' subsidiaries in Kazakhstan.

7. Recommendations

Most of our regional competitors in Kazakhstan, China and Iran have concluded their FTAs with EEU while India is at the advance stage of negotiations. In order to be competitive, government needs to initiate PTA in the medium term while FTA in the long-term will be beneficial for Pakistan as EEU will provide better access to other attractive markets in Eurasia

Kazakhstan is a growing middle income market with increasing per capita income and purchasing power. Kazak consumers are often willing to purchase imported products of good quality and brand name even at the high price. For goods to be placed in big stores Pakistan needs branding through local advertisements and social media platforms.

Pakistan has potential to export semi milled rice, fresh and dried mandarins, textiles, sports goods and surgical instruments. Other products that can be exported at extensive margins are; medicaments, textile products, leather goods, beauty and makeup preparations, paint and varnishes, sugar confectionery, bananas, and onions.

For rice, Pakistani exporters have to face competition from Vietnam India and China in rice market. Vietnam has preferential access while china has concluded its FTA with EEU. India is also negotiating its FTA with EEU. In addition to this, Kazakhstan requires new crop of rice to be exported only. Other regulatory requirements are in line with EEU members exporters working with other member countries can access Kazakhstan's market as well.

For fruits and vegetables and other perishable items, cold storage cargo is not available to Pakistani exporters. Beside this, no direct flights are available between the two countries that can facilitate medicaments and other perishable items. Government need to enable cold storage facilities and direct flights.

Since 2018, Kazakhstan has initiated "ASTANA-1 e-declaration system for digitalization of customs procedure. Custom procedures will be more transparent and regulated once this is functional. Kazakhstan trade agreements and facilitation are in line with EEU. Exporters complying with other EEU members will have better opportunity to understand tariff and non-tariff requirements for Kazakhstan as well



Payment challenges needs to be considered by state bank of Pakistan by opening Pakistani banks and establishing a strong linkages with local Kazaks bank for exporter's facilitation. India is overcoming its payment challenges by encouraging exporters for opening their subsidiaries in Kazakhstan. Government may negotiate and facilitate exporter in registering their business in Kazak market.

For branding and marketing of Pakistani products exporters needs to establish joint ventures with Kazak importers for branding their products. Online social media platform needs to be utilise by exporters for better market access.

Close coordination in the form of seminars and regular meetings with trade bodies and chambers of commerce of both the countries will promote trade and access. Moreover, establishment of B2B platform will give further boost to Pakistani exports.