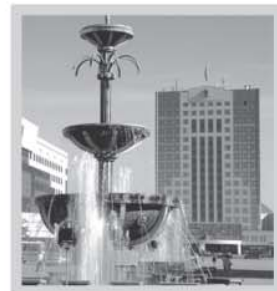


An analysis by

ATFBank Research

April 2010

**“ CUSTOMS UNION:
no big inflation shock,
but efforts needed to offset
impact on non-resources
sectors ”**



Customs Union: no big inflation shock, but efforts needed to offset impact on non-resources sectors.

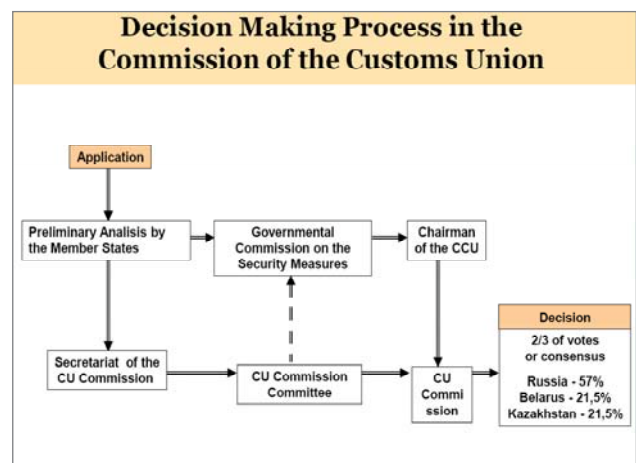
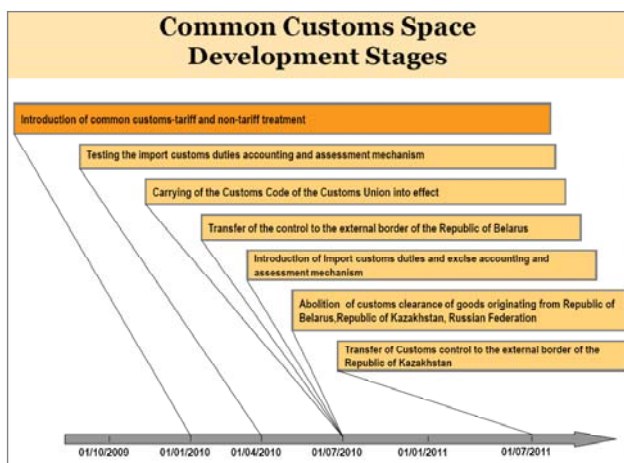
Main findings:

- Due to the Customs Union, the average unweighted customs tariff increases by 3.9 percentage points. Weighted by countries, the tariff increases only by 1.2 percentage points.
- The average customs rate decreases for some goods where the share of Russia in imports is high.
- Lower country-weighted customs rates particularly apply to food products. Food weighs 38% in the consumer basket and our econometric analysis suggests it has a 44% impact on headline inflation.
- Substitution of imports from Russia for imports from other countries will further reduce inflationary effects.
- Rates increase for many investment goods (machinery and equipment, transport vehicles and etc.). This slows the modernization of the economy.
- The Customs Union re-enforces the present strengths and weaknesses of Kazakhstan's economy. It supports economic integration with the other countries of the Union, but may have a negative impact on the diversification of Kazakhstan's economy.
- Additional efforts will thus be needed to foster diversification, a major objective of the Kazakhstani authorities.
- As the exchange rate becomes the single macroeconomic instrument for protecting Kazakhstan's producers from imports from Russia, the central bank might allow the tenge to strengthen more slowly than without the Customs Union.

The average unweighted customs rate increases from 5.8% to 9.5%.

The Customs Union of Russia, Kazakhstan and Belarus, effective since 1 January 2010, is legally complex and many procedures are not yet defined or legally settled. Legislation comprises 366 paragraphs with as much as 100 references to the Customs Union Commission and 200 references to national legislation. There are several contradictions to the Kyoto protocol of

the WTO. Most decisions are to be taken by the Commission (see exhibit for voting); in case one country opposes, the question is escalated to the higher level. Important decision making is still going on, therefore our conclusions are based on a somewhat shaky ground. We hope they nevertheless provide some useful guidance.



Source: official website of the Customs Union of Belarus, Kazakhstan and Russia, presentation given on 25 January 2010 in Brussels; http://tsouz.ru/news/Documents/Custom_Union_Glaziev1.pdf

The tariffs of the Customs Union vis-à-vis third countries are largely based on those effective in 2009 in Russia. Russia's rates will be applied to 80% of commodities, only 20% come from Kazakhstan and Belarus.

In the tables below we compare new and previous customs rates: first without considering the country structure of imports and then taking the country structure into account.

The application of the uniform tariff rate of the Customs Union will result in an increase of Kazakhstan's average unweighted rate by 3.7 percentage points from 5.8% to 9.5% (see table 1). However for this calculation we took only the percentage component of customs into account, while in several cases also a minimum flat fee is applied.

The number of combined percentage and flat fee tariffs (for example for cars 30%, but not less than 1.45 euro per cubic cm of the engine) has increased considerably. Previously such duties were applied to about 1,500 items, now to about 2,000. Combined customs duties serve, first of all, for the protection of the domestic market from very cheap (most commonly low-quality) goods and against false declaration (intentional underpricing) of the customs value.

Under the new customs regime rates of 75-100 % re-appeared, whereas in recent years Kazakhstan's maximum rate was 30%. For a large number of items, rates were hiked more than twofold (medicines, beverages, perfume, clothes).

Table 1: Average customs rates for some commodity groups, ranked by percentage point increase*, %

	Import share	New customs rate**	Previous customs rate	Difference
Beverages	0.6	18.8	9.4	9.4
Pharmaceuticals	2.6	9.1	0.0	9.1
Transport equipment	2.8	11.2	2.2	9.0
Detergents	0.8	12.4	5.0	7.4
Electrical equipment	7.7	8.1	1.2	6.9
Metal products	15.2	14.9	8.4	6.5
Perfumery and drugstore products	0.9	9.4	4.2	5.2
Living animals, meat, fish	0.2	14.3	9.2	5.1
Clothing	0.6	12.0	7.0	5.0
Plastic products	0.9	14.1	10.1	4.0
Hand tools	0.4	8.1	5.0	3.1
Mechanical machinery, equipment	16.4	3.3	0.5	2.8
Optical instruments	2.3	5.4	2.6	2.8
Furniture	1.2	14.1	12.5	1.6
Nuts	0.4	6.4	5.0	1.4
Coffee, tea	0.3	6.2	5.2	1.0
Tires	0.9	10.6	9.7	0.9
Dairy products	0.7	16.1	15.8	0.3
Vegetables, fruits	0.1	14.9	14.9	0.0
Oil, oil products	7.4	5.0	5.0	0.0
Fats, meat and fish products, candy	3.5	14.3	14.4	-0.1
Shoes	0.1	7.6	8.9	-1.3
Total ***	100.0	9.5	5.8	3.7

* Only percentage components were used in the calculation of average values, flat fees omitted.

** Applies to third countries; for the countries of the Customs Union no duties are charged.

*** The items in the table cover 66% of imports, the remaining 34% are not included in this classification.

Source: Calculated by ATFBank Research based on data of the Customs Control Committee and the web-site of the Customs Union.

The average customs rate – weighted by the country and product share in imports – only increases from 4.2% to 5.4%.

Russia is a major trading partner of Kazakhstan with a share of 30+% in Kazakhstan's imports, whereas imports from Belarus account for mere 1.3%. Customs duties will not be imposed anymore on imports from Russia and Belarus. This reduces the average customs rate, if weighted by the country share in imports. (For some imports from CIS countries no customs were levied also previously however.)

Table 2 is similar to table 1, but takes the country structure of imports into consideration. Our calculations gave the following results: The average Kazakhstani customs rate - adjusting for the country structure of imports - is 5.4% under the new regime, whereas it was 4.2% under the previous one. The increase is at 1.2 percentage points far less substantial than in table 1. Therefore the impact on inflation should not be dramatic. In addition, weighted rates fall in cases where Russia's import share is large, and this applies particularly to food products, which account for 44% of headline inflation, according to our econometric estimates.

It can be seen from table 2 that weighted tariff rates decrease for some items, first of all, food and petroleum products. Tariffs levied on investment goods on the contrary increase. The share of Russia in the import of investment goods is not large and thus not able to offset the substantial increase in unweighted rates. The resulting higher modernization costs put producers from non-resources sectors in a difficult situation. Economic policy measures might be required to alleviate the impact of the Customs Union on them, if the state wants to further promote diversification.

Increased import competition - particularly in the non-resources sector - might be an argument not to allow tenge strengthening at a pace potentially possible without the Customs Union, the more as there is little need to counteract inflation pressures from the customs union by tenge appreciation (and thus cheaper imports).

Table 2: Average customs rates for some commodity groups, ranked by percentage point increase (weighted by country import shares), %

	Import share	Share of Russia in overall imports	Average rate accounting for Russia	Previous average rate	Difference
Pharmaceuticals	2.6	8.2	8.4	0.0	8.4
Transport equipment	2.8	11.9	9.9	2.2	7.7
Electrical equipment	7.7	15.6	6.8	1.2	5.6
Clothing	0.6	8.7	11.0	7.0	4.0
Metal products	15.2	21.0	11.8	8.4	3.4
Perfumery and drugstore products	0.9	21.5	7.4	4.2	3.2
Mechanical machinery, equipment	16.4	16.2	2.8	0.5	2.3
Living animals, meat, fish	0.2	21.0	11.3	9.2	2.1
Optical instruments	2.3	14.1	4.6	2.6	2.0
Hand tools	0.4	19.2	6.5	5.0	1.5
Nuts	0.4	0.7	6.4	5.0	1.4
Coffee, tea	0.3	11.5	5.5	5.2	0.3
Detergents	0.8	61.2	4.8	5.0	-0.2
Beverages	0.6	52.6	8.9	9.4	-0.5
Plastic products	0.9	38.5	8.7	10.1	-1.4
Furniture	1.2	31.3	9.7	12.5	-2.8
Shoes	0.1	21.1	6.0	8.9	-2.9
Tires	0.9	41.8	6.2	9.7	-3.5
Vegetables, fruits	0.1	28.3	10.7	14.9	-4.2
Oil, oil products	7.4	93.1	0.3	5.0	-4.7
Fats, meat and fish products, candy	3.5	57.1	6.1	14.4	-8.3
Dairy products	0.7	56.8	7.0	15.8	-8.8
Total *	100.0	31.0	5.4	4.2	1.2

* The items in the table cover 66% of imports, the remaining 34% are not included in the classification.

Source: Calculated by ATFBank Research based on data of the Customs Control Committee and the web-site of the Customs Union.

The Customs Union re-enforces the existing commodity structure of Kazakhstan's export and import.

Calculation of so-called revealed comparative advantage (RCA) indicators shows that country-weighted customs rates increase for goods, where Kazakhstan is strong, and decrease for goods, where Kazakhstan is weak. The indicators reflect net exports, adjusted for the trade volume in the specific good $((\text{export}-\text{import})/(\text{export}+\text{import})\times 100)$. 100% means, that for this commodity there is only export (indicating high competitiveness in this good) and no import, on the contrary -100% means, that there is only import and no export, 0% means that import and export are equal.

It can be seen from table 3, that resources-near commodities have the highest ratio between net exports and trade volume, which means that Kazakhstan

specializes precisely in the production of these goods. This includes oil (there is also considerable import, so the RCA value is not the highest), as well as ore minerals, flour, grain, leather, gold and others.

Investment goods such as machinery and equipment have the worst RCA indicators (we ranked by the 2008 value to avoid distortions because of weak global metal demand in 2009). Consumer goods such as furniture and food products follow suit. Import duties decrease exactly for goods, where Kazakhstan's competitiveness is low.

Table 3: Revealed comparative advantage (RCA) indicators: $(\text{export}-\text{import})/(\text{export}+\text{import})\times 100$

	2006	2007	2008	2009
Goods with highest RCA indicators				
Manganese ores & concentrates inc mangnfrs iron ores	100.0	100.0	100.0	99.9
Copper ores and concentrates	96.8	100.0	100.0	100.0
Chromium ores and concentrates	99.9	99.9	100.0	99.9
Sulfur of all kinds nesoi	99.6	100.0	100.0	99.9
Bovine or equine leather, no hair nesoi	99.8	99.9	100.0	99.9
Wheat or meslin flour	99.8	99.8	99.7	99.4
Ferrous waste & scrap, remelt scrap iron/steel ingot	98.7	99.5	99.6	99.1
Wheat and meslin	99.2	99.9	99.3	96.5
Gold (incl put plated), unwr, semimfr or powder	99.5	99.9	99.1	98.9
Refined copper & alloys (no mast alloy), unwrought	99.1	98.0	98.9	99.4
Aluminum oxide (incl art corundum), alum hydroxide	99.0	98.5	98.8	99.6
Copper wire	97.8	98.5	98.8	79.7
Silver (incl prec plated), unwr, semimfr or powder	100.0	99.4	98.2	98.6
Zinc, unwrought	99.9	96.0	98.0	99.8
Flat-roll iron & na steel n/un600mm wd cold-rl, no clad	95.1	94.1	97.1	97.5
Goods with lowest RCA indicators				
Food preparations	-97.6	-98.3	-98.7	-96.1
Furniture and parts thereof	-98.7	-99.2	-98.8	-99.1
Motor cars & vehicles for transporting persons	-99.1	-99.7	-98.8	-98.6
Agricult etc mach for soil etc, lawn rollers, pts	-98.1	-97.0	-98.9	-99.1
Medical, surgical, dental or vet inst, no elec, pt	-99.7	-99.9	-99.2	-99.5
Insecticides, rodenticides, fungicides etc, retail	-97.0	-98.8	-99.2	-99.5
Refrigerators, freezers etc, heat pumps nesoi, pts	-99.4	-99.3	-99.2	-98.4
Machinery etc for temp change treat mat, w heat, pt	-98.9	-98.1	-99.3	-95.7
Insulated wire, cable etc, opt sheath fib cables	-99.2	-99.6	-99.5	-98.9
Public-transport type passenger motor vehicles	-99.4	-99.7	-99.6	-97.2
Carbonates, peroxocarbonates, comm amm carbonate	-99.0	-99.8	-99.7	-99.7
Alloy steel bars, angles etc, hol dr st bars etc	-99.2	-100.0	-99.7	-92.5
Milk and cream, concentrated or sweetened	-86.5	-93.9	-99.9	-86.3
Polymers of ethylene, in primary forms	-99.2	-100.0	-100.0	-100.0
Particle board & similar board of wood etc.	-99.7	-99.8	-100.0	-100.0

Ranked by 2008 values; 2009 is not representative due to very weak international demand for metals.

Source: Calculated by ATFBank Research based on data of the Customs Control Committee and the web-site of the Customs Union.

Summary.

According to our calculations the Customs Union will very likely not cause an inflation shock in Kazakhstan. Prices will increase for some commodity groups, which can not be adequately substituted by imports from Russia. The increase in prices for imports from non-customs-union countries will be largely offset by cheaper imports from Russia.

Our calculations were based on the country structure of imports of 2009, when imports came to Kazakhstan under roughly the same conditions from all countries. From 2010 on, the choices of Kazakhstani purchasers will however be influenced by uneven import tariffs. Third-country commodities

will become more expensive, prompting consumers to shift towards imports from Russia, sometimes perhaps also in spite of losses of product quality. Russia's share in imports is thus likely to increase, while this shift will have a moderating impact on inflation.

The less liberal foreign trade regime vis-à-vis third countries resulting from the Customs Union - in particular with regard to investment goods - will have a negative impact on Kazakhstan's manufacturing. Economic policy measures might be required to alleviate the impact of the Customs Union on the non-resources sectors in order to sustain diversification.

ANNEX.

Table 4: Main import items, % (rates according to our calculations)

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Longitudinal tubes and pipes manufactured using submerged arc-welding method, external diameter 530 mm and more, of steel with resistance to rupture (breaking strength) of 565 m	15	11.3	5	5.5	24.7
Oil	0	0.0		4.8	100.0
Other tubes and pipes, having circular cross sections, the external diameter of which exceeds 406,4 mm, of iron or steel:- - Other	15	14.9	5	2.7	0.4
Other medicaments packed in forms or packings for retail sale	10	9.4	0	1.5	5.8
Other Steel construction of iron or steel	15	11.5	15	1.5	23.5
Other Petroleum oils, content of lead not more than 0,013, With an octane number (RON) of less than 95	5	0.0	5	1.2	100.0
Gaseous Natural gas	0	0.0	0	1.0	22.7
filtering or purifying machinery and apparatus for other gases:- - Other:	0	0.0	0	0.9	0.4
Tubes, pipes, external diameter 406,4 mm, other	20	17.5	5	0.8	12.4
Boards, panels, consoles, desks, cabinets and other bases for electrical equipment equipped with two or more apparatus, voltage exceeding 1000 V but not exceeding 72,5 kV	0	0.0	0	0.7	6.5
Tank wagons of all types	10	6.6	0	0.6	34.1
Other stands and other equipment for scaffolding, shuttering, propping or pit-propping of iron or steel	15	14.9	15	0.6	0.5
Other new motor cars with internal-combustion engine, spark-ignited, with internal-combustion engine with engine capacity exceeding 3000cm ³	30, but not less than 2.8 EUR per 1 cubic cm engine volume	29.9	10, but not less than 0.1 EUR per 1 cubic cm engine volume	0.6	0.3
Harvesters, other	15, but not less than 20 EUR per 1 KW engine power	9.1	0	0.6	39.5

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Other new Motor cars with internal-combustion engine, spark-ignited and with crank motion with engine capacity 1800 cm ³ but not exceeding 3000cm ³ :	30, but not less than 2.15 EUR per 1 cubic cm engine volume	27.9	10, but not less than 0.1 EUR per 1 cubic cm engine volume	0.5	7.1
Other Boards, panels, consoles, desks, cabinets and other bases for electrical equipment equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity For a voltage not exceeding 1000 V	0	0.0	0	0.5	19.8
Gas oils With a sulphur content exceeding 0,05 % by weight but not exceeding 0,2 % by weight	5	0.7	5	0.4	85.8
For other purposes, Motor oils, compressor lube oils, turbine lube oils	5	3.2	5	0.4	36.3
Other new Tractors for agricultural work (except for pedestrian-controlled tractors) and tractors for forestry with capacity more than 90 kW	15	14.9	5	0.4	1.0
Other drilling and head-road machines	0	0.0	0	0.4	2.1
Other Coke and semi-coke of coal	5	1.1	5	0.4	78.9
Petroleum bitumen	5	0.0	0	0.4	100.0
washing and cleaning preparations, packed for retail sale	15	2.5	5	0.4	83.3
Other Taps	10	6.1	5	0.4	39.5
Machinery for crushing or grinding	0	0.0	0	0.4	23.6
other sea-going vessels for the transport of both persons and goods	5	5.0	5	0.4	0.0
Other Portland cement	5	1.4	0	0.3	72.5
rods of iron or non-alloy steel, Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	5	0.5	0	0.3	90.7
Other parts for Machinery for sorting, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, for machinery for agglomerating, shaping or moulding	0	0.0	0	0.3	12.3
Other Sea-going vessels including salvage vessels except for rowing boat	10	9.9	5	0.3	0.9
other Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	5	5.0	0	0.3	0.5
Electrical energy	0	0.0	5	0.3	41.6
Other Cigarettes containing tobacco	30, but not less than 3 EUR per 1000 pieces	0.5	30, but not less than 3 EUR per 1000 pieces	0.3	98.4
Parts suitable for use solely or principally for boring or sinking machinery of subheading 8430 41 or 843049	0	0.0	0	0.3	6.4
tyres used on buses or lorries with a load index exceeding 121	15, but not less than 5 EUR per piece	5.3	15, but not less than 5 EUR per piece	0.3	64.7
Disodium carbonate	5	0.6	5	0.3	87.8
Other herbicides	5	4.6	5	0.3	8.2
Other equipment to filtrate fluids	0	0.0	0	0.3	5.5

Продолжение таблицы >

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Other Wood sawn or chipped lengthwise of a thickness exceeding 6mm:- Coniferous:- - - Pine of the kind of "Pinus sylvestris L."	15	0.0	5	0.3	100.0
Self-propelled drilling and head-road machines	0	0.0	0	0.2	4.0
Other black tea (fermented) and other partly fermented tea Tea, whether or not flavoured:-	0	0.0	0	0.2	0.0
Other Polyethylene having a specific gravity of 0,94 or more	10	8.5	0	0.2	15.0
Machines and mechanical appliances - Other:	0	0.0	0	0.2	23.1
New pneumatic tyres, of rubber:- Of a kind used on motor cars (including station wagons and racing cars):	20, but not less than 6.9 EUR per piece	9.9	15	0.2	50.5
Other Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and other prepared additives, for mineral oils and for other liquids	5	4.6	5	0.2	8.8
Other Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations:-	15	10.4	5	0.2	30.6
Uranium enriched in U 235 and its compounds, Other	5	5.0	5	0.2	0.0
electric conductors for voltage not more than 1000 w, with insulated conductors with diameter of more than 0,51 MM	15	7.7	0	0.2	48.8
Tubes, pipes of stainless steel, with external diameter of not more than 406,4 mm, casing pipes and tubing strings for work in environment containing sulphuretted hydrogen	15	15.0	5	0.2	0.0
full-circle crawler-mounted excavators, other:	5	4.5	0	0.2	9.4
Central driven precision spacing seeders	0	0.0	0	0.2	0.9
Napkins and napkin liners for babies and similar sanitary articles	5	4.2	5	0.2	16.6
Not mechanically propelled floating vessels for the transport of persons or goods	5	3.6	5	0.2	27.1
Parts of pumps, other	0	0.0	0	0.2	41.6
transformers with liquid dielectric Having a power handling capacity exceeding 10000 kVA	10	8.8	0	0.2	12.4
other electric conductors, for voltage more than 80w	15	13.3	0	0.2	11.2
Nickel tubes, pipes Of nickel alloys	5	5.0	5	0.2	0.0
Other Particle boards	15	5.0	5	0.2	66.9
Sausages and similar products, of meat, meat offal or blood; food preparations based on these products:- - Other	25, but not less than 0.4 EUR per kg	0.3	25, but not less than 0.4 EUR per kg	0.2	99.0
bottles of colorless glass, for storing, transporting or packing of goods, More than 0,33 l but less than 1 l:	15	5.7	5	0.2	61.7
Parts suitable for use solely or principally with the machinery of headings 8425 to 8430, except for 8428 90 3000:- - Other:	0	0.0	0	0.2	9.0
reception apparatus for television, color display apparatus whether or not incorporating videorecording or reproducing apparatus with LCD or plasma screen	10	10.0	10, but not less than 20 EUR per piece	0.2	0.4

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Tubes, pipes with external diameter more than 168,3mm but not more than 406,4mm	15	14.6	5	0.2	3.0
Cruise ships, excursion boats and similar vessels principally designed for the transport of persons; ferry-boats of all kinds:- - Other	5	3.6	5	0.2	27.2
Other rods, of silico-manganese steel:- - Not further worked than hot-rolled, hot-drawn or extruded; hot- rolled, hot-drawn or extruded, not further than clad	5	0.2	5	0.2	96.1
Discs for laser reading systems for the reproduction of commands, information about sound or image recorder in binary code to which interactive acces is provided for users with help of subtracting machine	10	9.3	0	0.2	7.0
sunflower or cotton-seed oil and fractions thereof, in primary packs of net volume of 10 l or less	15, but not less than 0.14 EUR per kg	1.7	20	0.2	89.0
apparatus of calculating machines; commutators for wire telephony and telegraph communication; apparatus for wire carrier-current relaying system or for cable communications system	0	0.0	0	0.2	18.5
Portable automatic data-processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display	0	0.0	0	0.2	0.2
Discs for laser reading systems, Other	10	9.8	0	0.2	2.3
Other longitudinal welded tubes and pipes having circular cross sections, the external diameter of which exceeds 406,4 mm, of iron or steel:- -	15	7.8	5	0.2	48.0
Heat exchange units (b)	0	0.0	0	0.2	21.2
Other Machines, aggregates and facility	0	0.0	0	0.2	12.1
Other multi-stage centrifugal pumps:	0	0.0	0	0.2	27.1
Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters:- Parts:	0	0.0	0	0.2	11.0
Other Petroleum oils, content of lead not more than 0,013, With an octane number (RON) of less than 95, With an octane number (RON) of 95 or more but less than 98	5	0.0	5	0.2	100.0
Beer made from malt:- - In bottles of 10 l or less	0.6 EUR per liter	-	0.6 EUR per liter	96.4	
Electrodes for electrolysis installations	5	4.8	0	0.0	5.0
Printed books, brochures and similar printed matter, whether or not in single sheets:- - Other :	0	0.0	0	50.1	0.0
Flanges of of iron or steel	15	12.8	5	3.6	14.5
Diesel-electric locomotives	10	9.0	0	3.3	9.7
Railway or tramway wagons, not self- propelled:- - Open, with non-removable sides of a height exceeding 60 cm	10	9.4	0	39.9	6.0
Aluminium structures for use in structures:- Other:- - Other	20	16.4	5	9.6	18.1
Household or laundry-type washing machines, including machines which both wash and dry:- - Fully-automatic machines:- - - Front-loading machines, with capacity not more than 6 kg of dry linen	15	13.2	10	19.1	12.1

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves:- Parts	10	9.0	5	1.6	9.8
Ammonium nitrate, Other	10	9.7	0	65.1	3.5
Sugar (saccharose) free chewing gum or chewing gum with artificial sweetener:- Other:	20, but not less than 1.2 EUR per kg	19.9	20, but not less than 1.2 EUR per kg	98.4	0.3
Front-end shovel loaders, other	5	4.8	0	3.0	4.9
Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel:- Other:	15	12.8	5	0.4	14.9
food preparations containing cocoa in briquettes, bars with filling	20, but not less than 0.6 EUR per kg	19.7	20	93.7	1.3
Tubes, pipes and hoses Of polymers of ethylene:- - - Seamless and of a length exceeding the maximum cross-sectional dimension, whether or not surface-worked	10	9.9	10	92.0	0.8
Other instruments and appliances used in medicine:- - Other	0	0.0	0	8.7	0.0
Prepared explosives, other than powders	20	17.6	20	40.9	11.8
Other drill pipe	15	13.0	5	10.9	13.4
Tubes, pipes and hollow profiles of circular section of iron or alloy-free steel, with external diameter not more than 168.3 mm :- - Other	20	18.2	5	56.1	8.8
Other new Motor cars with internal-combustion engine, spark-ignited and with crank motion with engine capacity exceeding 1500 cm ³ but not exceeding 3000cm ³ :	30, but not less than 1.5 EUR per 1 cubic cm engine volume	23.9	10, but not less than 0.1 EUR per 1 cubic cm engine volume	32.1	20.4
Positive-displacement compressors, rotary compressors, single-rotor compressors	0	0.0	0	0.1	0.0
Containers (including containers for the transport of fluids and gases) specially designed and equipped for carriage by one or more modes of transport:	15	13.1	0	17.2	12.4
Stranded wire, ropes, cables Of stainless steel	15	12.8	5	0.2	15.0
Transmission apparatus for radio-telephony, radiotelegraphy, radio- broadcasting or television, whether or not incorporating reception apparatus	10	9.0	0	2.2	9.8
Other straight-through valves	10	9.0	5	3.0	9.7
Other articles of iron or steel, stamped	15	12.9	10	5.2	14.2
Parts suitable for use solely or principally with the machinery of headings 8407 or 8408, other	5	4.8	0	30.5	3.5
Food preparations not elsewhere specified or included:- Other:	15	13.7	10	42.3	8.7
Automatic data processing machines, Other, presented in the form of systems:	0	0.0	0	13.9	0.0
Shampoos	15	13.5	5	31.3	10.3
Medicaments packed in forms or packings for retail sale:- Containing other antibiotics:	10	9.1	0	7.2	9.3
Reservoirs of iron or steel, For solids	15	14.5	15	77.6	3.4
Telephone sets for cellular networks or for other wireless networks	5	4.8	0	0.0	5.0

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Articles of jewellery and parts of other precious metal, whether or not plated or clad with precious metal	20	18.3	5	56.9	8.6
Bottles used for the storage, conveyance or packing of goods of coloured glass, with nominal capacity of more than 0,33 l but less than 1 l:	15	14.2	5	63.0	5.6
Other parts of carriages, axis in parts or in the assembled condition, wheels and their parts,	5	4.9	0	69.3	1.5
Iron ores and concentrates, except for roasted iron pyrites:- - Non-agglomerated	0	0.0	5	33.3	0.0
Parts suitable for use solely or principally with the machinery of headings 8426, 8429 or 8430:- - Other:	0	0.0	0	17.7	0.0
Prepared additives for cements, mortars or concretes	5	4.8	5	12.9	4.4
Radar equipment, other	5	4.8	0	3.5	4.8
Paper, coated, impregnated, laminated paperboard:- - Other:	5	4.8	5	13.6	4.3
Other chocolate sweets, filled or not	20, but not less than 0.6 EUR per kg	18.0	20	48.8	10.2
Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surface-worked but not otherwise worked, Of polymers of poly vinyl chloride	10	9.4	5	38.8	6.1
Other seeders	0	0.0	0	11.4	0.0
Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated, not rolled, without further processing:- - Of a thickness exceeding 15 mm:	0	0.0	0	79.3	0.0
Toilet waters	15	13.0	5	10.8	13.4
Angles, shaped and special profiles with cross-section that can be inserted into a square with a side of 80 mm	5	5.0	5	82.7	0.9
Other edible mixtures or finished products of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils	20, but not less than 0.2 EUR per kg	19.1	15, but not less than 0.12 EUR per kg	78.0	4.4
other gas turbines of a power exceeding 50 000 kW:	10	9.0	0	0.0	10.0
White sugar without flavour additives or coloring additives, from July 1 to December 31	USD 340 per 1000 kg	-	30, but not less than 0.12 EUR per kg	1.2	
Other liquid Paints and varnishes made based on polyesters:-	5	4.9	5	69.9	1.5
Helicopters of an unladen weight exceeding 2000 kg (b)	20	18.5	0	62.0	7.6
Self-discharging wagons, other than those of subheading 860610	10	9.2	0	17.2	8.3
Other Parts of boilers:- :	10	9.9	0	94.2	0.6
Electrically controlled lifts and skip hoists:	0	0.0	0	5.2	0.0
Base stations	0	0.0	0	1.4	0.0
Sodium salt of adenosine triphosphoric acid packed in packs	10	9.1	0	12.7	8.7
paper of a kind used for writing of 1m2 40 gr or more but not more than 150 gr in sheets	15	14.7	5	84.9	2.3

	New customs rate	New customs rate, netting out Russia	Previous customs rate	Import share	Share of Russia in imports
Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods, Containing more than 50% of the elements Mg, Ca or Cr, expressed as MgO, CaO or Cr2O3 :	20	17.6	5	39.7	12.1
Other Parts except for parts of equipment for medical industry	0	0.0	0	15.4	0.0
Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528:- Other:	10	9.1	0	13.2	8.7
Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing:- Other:	15, but not less than 0.06 EUR per kg	14.0	15	54.8	6.8
Machines for processing grains or dried leguminous vegetables, other than farm-type machinery:-	0	0.0	0	1.4	0.0
New tyres and rubber Of a kind used on construction or industrial handling vehicles and machines and having a rim size exceeding 61 cm	5	4.8	5	0.0	5.0
shuttleless weaving machines For weaving fabrics of a width exceeding 30 cm	0	0.0	0	0.0	0.0
Machinery for sorting, screening, separating or washing	0	0.0	0	6.4	0.0
Other wooden furniture for kitchens and rooms	15	13.2	15	18.3	12.3
Continuous conveyors, elevators for goods or materials, belt type:	0	0.0	0	45.9	0.0
Steel constructions mainly made of sheet material:- Other	15	13.7	15	41.7	8.7
Machines and mechanical appliances for Mixing, kneading, crushing, grinding, screening, sifting, homogenising, emulsifying or stirring	0	0.0	0	4.9	0.0
Glazed ceramic tiles with maximum thickness not more than 15 mm:- Other:	15, but not less than 0.06 EUR per kg	14.3	15	70.4	4.4
Doors and their frames and thresholds:- - Coniferous	20	18.9	10	72.0	5.6
Other mechanisms, self-propelled, elevating	5	4.8	0	38.1	3.1

Source: ATFBank Research calculations based on data from the Customs Control Committee of the Republic of Kazakhstan and the Customs Union websites

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