

**EMBASSY OF INDIA  
ASTANA  
(Commercial Wing)**

**Monthly Commercial Report for April 2015**

**1. Trends in Bilateral trade and investment :-**

(US\$ Million, for the period Jan – Feb, 2015)

*(Source : Customs Department & Agency of Statistics, Republic of Kazakhstan)*

**(i) Bilateral Trade**

**(In US\$ Million)**

	Export	Import	Total	Growth% of Export	Growth% of Import
Kazakhstan's Trade with India	6.41	41.63	48.04	-98	+14
Kazakhstan's global trade.	8533	4859	13393	-45	-12

**(ii) Top 10 items of Export to India**

**(In US \$Million)**

Sl.No. with HS Code	Commodity	Period (Jan-Feb 2015)	% growth over corresponding period of 2014	%Share in total export to India
1. (2524)	Asbestos	5.10	+ 43	79.56
2.(7202)	Ferroalloys	0.562	+ 36	8.72
3. (2106)	Food preparations not elsewhere specified or included	0.518	-	8.32
4. (2707)	Oils and other products distillation of high temperature coal tar; similar products in which the weight of the aromatic constituents exceeds that of the nonaromatic	0.085	-	
5. (8474)	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing etc	0.031	-	1.32
6. (9031)	Measuring or checking instruments, appliances and machines, profile projectors	0.019	-	1.11
7. (7404)	Copper, waste and scrap	0.018	--	0.28
8. (1211)	Licorice root	0.017	-	0.26
9. (7326)	Other articles of Iron or steel	0.015	+ 2900	0.21
10. (8484)	Gaskets and similar joints of metal sheeting	0.009	-	0.12

**(iii) Top 10 items of Export to the World**

**(in US \$ million)**

Sl.No with HS Code	Commodity	Period(Jan - Feb 2015)	% growth over corresponding period of 2014	%Share in total Export
1 (2709)	Petroleum oils and oils obtained from bituminous minerals.	5693	-52	66.7

<b>2 (2711)</b>	Oil and other gaseous hydrocarbons.	347	-41	4.06
<b>3 (2710)</b>	Oil and oils obtained from bituminous minerals, other than crude;	340	-20	3.98
<b>4 (7403)</b>	Refined copper and copper alloys, unwrought.	316	-0.31	3.7
<b>5 (7202)</b>	Ferroalloys.	205	-8	2.4
<b>6 (7901)</b>	Unwrought zinc.	105	+21	1.23
<b>7 (1001)</b>	Wheat and meslin.	101	-47	1.18
<b>8 (2603)</b>	Copper ores and concentrates.	86.36	+101	1.01
<b>9 (1101)</b>	Wheat or rye.	75.22	-11	0.88
<b>10 (7106)</b>	Silver (including silver plated with gold or platinum), unwrought or in semi, or in powder form	57.07	-17	0.66

**(iv) Top 10 items of Import from India**

**(In US \$Million)**

<b>Sl.No with HS Code</b>	<b>Commodity</b>	<b>Period(Jan-Feb 2015)</b>	<b>% growth over corresponding period of 2014</b>	<b>% share in total import to Kazakhstan</b>
<b>1 (3004)</b>	Medical products consisting of mixed and non mixed products for therapeutic and preventive use, packaged in drug dosage forms	14.91	+78	35.81
<b>2 (0902)</b>	Tea (with and without flavor additives)	8.70	-23	20.89
<b>3 (8411)</b>	Turbojets, turboprops	2.40	↓	5.76
<b>4 (2401)</b>	Raw tobacco; tobacco refuse	1.04	+22	2.49
<b>5 (7325)</b>	Castings of iron or steel	0.823	+483	1.97
<b>6 (8429)</b>	Bulldozer with orbital angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers.	0.677	↓	1.62
<b>7 (2921)</b>	With an amine functional group	0.664	+421	1.59
<b>8 (6903)</b>	Other refractory ceramic goods other than those of siliceous fossil meals or similar siliceous earths	0.653	+716	1.56
<b>9 (8421)</b>	Centrifuges,(including-centrifugaldryers; machinery/apparatus for filtering liquids or gases)	0.637	+2448	1.53
<b>10 (8484)</b>	Gaskets and similar joints of metal sheeting combined with other material or layers of metal; Sets or assortments of gaskets and similar joints.	0.456	+1069	1.09

**(v) Top 10 items of Import from the World**

**(In US\$ Million)**

<b>Sl.No with HS Code</b>	<b>Commodity</b>	<b>Period(Jan - Feb 2015)</b>	<b>% growth over corresponding period of</b>	<b>%Share in total Import</b>
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			2014	
<b>1 ( 8411)</b>	Turbojets, turboprops	262	+1005	5.3
<b>8 (8703)</b>	Motor cars and other motor vehicles principally designed for the transport of persons (except motor vehicles of heading 8702)	166.95	-48	3.4
<b>2 (8517)</b>	Telephone devices, including cellular networks & other wireless networks; Other apparatus for transmission or reception of voice, images or other data, apparatus for communication and Internet	138	+4.5	2.8
<b>3 (3004)</b>	Medicines (other than goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products, for therapeutic or prophylactic uses.	124	+2.4	2.5
<b>9 (2711)</b>	Gases oil and other gaseous hydrocarbons	104	+6.5	2.1
<b>5 (7304)</b>	Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron)	82.25	-29	1.6
<b>4 (8502)</b>	Electric generating sets and rotary converters	82.04	+535	1.6
<b>7 (8481)</b>	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or reducing valves and thermostatically controlled valves	71.57	-14	1.4
<b>8 (8474)</b>	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing etc	69.98	+36	1.4
<b>6 (8471)</b>	Calculating machines and units thereof	66.85	-50	1.3
<b>10 (6402)</b>	Other footwear with outer soles and uppers of rubber or plastics	56.71	+7.4	1.16

**(vi) Top 5 competitors of India's top 5 exports**

**(In US\$ Million)**

Sl. No.	Commodity (Including HS codes)	Competitors
1	Medical products consisting of mixed and non mixed products for therapeutic and preventive use, packaged in drug dosage forms <b>(3004)</b>	1. France (15.97) 2. Germany (15.83) 3. Russia (8.89) 4. Italy (7.89) 5. Slovenia (6.09)
2	Tea (with and without flavor additives <b>(0902)</b> )	1. Kenya (6.24) 2. Russia (1.89) 3. Sri-Lanka (0.78) 4. China (0.359) 5. UAE (0.205)
3	Turbojets, turboprops, <b>(8411)</b>	1. USA (109) 2. Italy (90.72) 3. Canada (28.27) 4. China (17.58) 5. Netherlands (6.03)
4	Raw tobacco; tobacco refuse <b>(2401)</b>	1. Russia (1.69) 2. Brazil (1.46) 3. China (0.321) 4. Turkey (0.252) 5. Tanzania (0.230)
5.	Castings other of iron or steel <b>(7325)</b>	1. Russia (0.918) 2. China (0.847) 3. USA (0.092) 4. Germany (0.037)

		5. Poland (0.035)
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**e. Feedback from local commercial visitors to trade fairs in India, including under BSM, number of visas issued:**

SI No	Particulars of trade fair, dates etc	Number of participants	List of large participants	Number of business visas issued in April 2015	Feedback received
1	1 <sup>st</sup> Indian Global Exhibition on Services(GES) organized by CII on April 22-23	2		44	Two Kazakh businessmen who attended the GES reported possibility of tie-ups with Fortis Health Care Hospital in Mumbai

**4. Investment:**

**(a) Opportunities for investment/assets on offer/major company divestment:**

SI No	Particulars of Assets/Company	Contact Details
1.	Project Initiator: Green Island Kazakhstan» LLC Project name: Greenhouse complex construction with a capacity of 300 tons of vegetables per year Lisakovsk Project Location: Kostanay region Project cost: 4.5 mln USD Project duration: 2014-2015 Output Product: Growing high-quality, export-oriented, non-GMO vegetables (tomato and cucumber)	Project director – Mr.Kazirsizov Abilgazy Tel:+7 777 271 40 22, 503 316 Fax:+7(7142)392500, Email:- <a href="mailto:tleof@spk-tobol.kz">tleof@spk-tobol.kz</a>
2.	Project Initiator: Lisakovskiy Cardboard - Paper Complex" LLC Project name: Carton production Project Location: Kostanay region Project cost: US \$ 2.26 Project duration: 2010-2021 Output Product: production of cardboard, corrugated containers and trays of eggs	E-mail: <a href="mailto:kbk_lisakovsk@mail.ru">kbk_lisakovsk@mail.ru</a> Tel:+7(7142)-54-14-27 Fax:+7(714)33-3-93-37
3	Project Initiator: Zharkol-007" LLC Project name: Construction of the plant for processing of oilseeds Project Location: Kostanay region Project cost: US \$ 2.2 Project duration: 2010-2019 Output Product: construction of a plant for the processing of oilseeds to produce high-quality vegetable oil based on modern German technologies (cold pressed)	+7(7142)-54-14-27 +7(777)-416-00-60 E-mail: <a href="mailto:mail@spk-tobol.kz">mail@spk-tobol.kz</a>  Zaverukha Nikolay Kostanay region, v. Fedorovka Engels st, 1111900
4	Project Initiator: rudnenskiy cement plant" llc Project name: Cement plant capacity of 1500 tons of clinker per day in Rudniy city Project Location: Kostanay region Project cost: US \$ 74 million Project Duration: 2014-2019	E-mail: <a href="mailto:mail@spk-topbol.kz">mail@spk-topbol.kz</a>  +7(7142)54-12-27

	Project objective: Creation and development of industrial production of building materials with advanced technology of preparation of raw meal, clinker and grinding.	
5	Project Initiator: «Al-BM» LLC Project name: Production of starch, gluten and condensed concentrated feed wheat, capacity of 5 tons / hour Project Location: Kostanay region Project cost: US \$ 45.4 million Type of investment: Greenfield project Types of goods/product produced: Gluten-humidity:8%-4,500tons per annum; starch humidity 10%-23600 tons per annum and dry pelleted feed 12%-23,000 tons p.a. Investment assignment: New construction	Khaliolla Murpaguzhinov Cell phone: +7 (701)705-55-97 E-mail: <a href="mailto:tleof@spk-tobol.kz">tleof@spk-tobol.kz</a>
6	Project Initiator: LLC "Esil-Srtoy kz" Project name: Ceramic brick production plant construction Project Location: Project cost: US \$ million Project duration: not provided Project objective: New plant construction in Petropalv for production of simple and solid ceramic bricks using semi-dry press method with a capacity of 10 million units per year. Type of investment: Greenfield project Investment assignment: <b>New construction</b>	Principal shareholder: Yermekbay Askhat Yermekbayuly 8(7152)52-01-20

web-site: <http://baseinvest.kz/project/>

**(b) Information on tender Notices for projects and procurements of interest to Indian project exporters/suppliers**

Sl. No	Tender/procurement notice No and date	Sector and nature of project	Value of tender (in US \$ mln)
1.	4374530; last date is 12.05.2015	Development of design of construction and modernization of gas distribution networks in the framework of the project" - Modernization, renovation and new construction of gas distribution networks of settlements of Mangistau region	1.47
2.	4376878; last date is 12.05.2015	Casing d = 245 mm x 8.9 "D" with accompanying services (storage, delivery, unloading on the well m / p Zhetybai, Asar at the request of the Customer) and (storage, delivery to the base of CLS m / p Kalamkas at the request of the Customer)	1.22
3.	4374531 Last date is 12.05.2015	Development of design and estimate documentation "New construction and modernization of gas distribution networks in the framework of the project" Modernization, renovation and new construction of gas distribution networks of settlements of Mangistau region " PHASE II	0.784
4.	4374527 Last date is 19.05.2015	Development of design and estimate documentation "New construction and modernization of gas distribution networks in the framework of the project" Modernization, renovation and new construction of gas distribution networks of settlements of Mangistau region " PHASE III	0.526
5.	4385104 Last date is 17.5.2015.	Passenger cars /railways (Technical details :Class C, the middle class, improved configuration. Maximum length of 4.2-4.4 m, width of 1.6-1.75 m, security system ABS, SRS, Power Steering, probe, air conditioning, central locking, adjustable steering column angle)	0.509

6.	4374529 Last date is 19.05.2015	Development of design and estimate documentation "New construction and modernization of gas distribution networks in the framework of the project" Modernization, renovation and new construction of gas distribution networks of settlements of Mangistau region "	0.443
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Information on tenders issued in Kazakhstan are available on [www.tender.kz](http://www.tender.kz) (available in English). The website is interactive and need to log in to obtain more information and apply.

**c. Information regarding upcoming major investment in India from respective country:**

Sl.No.	Particulars of the asset/company	Sector of investment	Quantum of investment

**d. Details of trade research, information dissemination activity of the commercial wing:**

Sl. No	Nature of activity (trade research, information dissemination, seminars etc)	Details (date, venue & Number of participants, copy of research sent to DOC
1.	Dissemination of information on investment policy, tenders and exhibitions	<p>Information on investment preferences for foreign companies wishing to invest in Kazakhstan was circulated to DOC, MEA and other trade bodies on 27.4.2015</p> <p>Information on Industrial Exhibition "Expo-Russia Kazakhstan 2015" was circulated to all trade bodies in India with a copy to DOC on 23.4.2015</p> <p>Tender Notices of ONGC were disseminated locally on 24.4.2015.</p> <p>Nominations were sought from local pharma companies for participation in the IPHEX 2015 reverse BSM to be held in May, 2015. 11 nominations have been received and approved for participation by Pharmexcil.</p>

**5. Details of activities conducted out of Trade Promotion budget:**

BE for 2013-14	RE for 2014-15	Amount utilized	Details of Activity
Rs 3,00,000	Rs 3,00,000	Rs 1,57,000	To organize BSM on pharma products in collaboration with the Pharmaceutical Export Promotion Council, in Almaty on March 16.
<b>BE 2015-16 - Not received</b>			

**6. Action taken on the previous JWG, Joint Commissions, Sub-commissions etc. (issues that Mission had to follow up with host government):**

Sl. No	Detail of JWG/JEC	Action Point	Action Taken

<b>1</b>	<b>11<sup>th</sup> IGC</b>	<p>(i) Finalisation of Work Plan on Agriculture under MoU signed between ICAR and Kazagro-Innovation.</p> <p>(ii) India had carried out dry run of cargo container from Mumbai to Astrakhan (INSTC route) in 2014 through Freight Forwarders Association of India. Both sides had agreed to form JWG on Transport.</p>	<p>Mission forwarded the Kazakh draft to the ICAR and M/o Agriculture and sought their comments. Our last reminder is dated April 30, 2015.</p> <p>Mission has written to MEA regarding Indian participants in the constitution of JWG on transport.</p> <p>Mission wrote to Ministry of Foreign Affairs seeking nominations for participation of local stakeholders in the one day INSTC conference to be held on June 12, 2015 in India.</p>
	<b>10<sup>th</sup> IGC</b>	<p>(iii) MoU on cooperation in Pharmaceutical sector. Indian side had invited Kazakh pharmaceutical experts, researchers etc to visit Indian laboratories, Institutes of Medical Research etc. Consequently</p>	<p>Mission vide its mail of November 7, 2014 had conveyed the composition of Kazakh side to Eurasia division and Dept. of Pharmaceuticals. Reminder was sent in April to Dept of Pharmaceuticals requesting for a date for the visit.</p>

**a. Trade Queries from India**

<b>S. No.</b>	<b>Enquiry originator</b>	<b>Product</b>	<b>Nature (Import/Export) &amp; value in US\$ (\$ mln)</b>	<b>Action Taken</b>
1	Shree Ganesh Trading Co	Manufacturer of tobacco products	Requested for list of Kazakhstan importers	List sent by E-mail
2	Mr. Dharmesh Pamar	Manufacturer of pharmaceutical products	Requested for list of importers in Kazakhstan	List sent by E-mail
3	Mr. Atul Gandhi	Exporter of ceramic tiles and sanitaryware	Requested the list of importers for their products	List sent by E-mail
4	Mr. K. Jayachandran	Exporter of agro commodities (rice, fruits, coconut oil, spices and etc)	Requested the list of importers for their products	List sent by E-mail
5	Mr. Deep Batra	Exporter of cosmetic products	Requested the list of importers for their products and list of chamber of commerce and industry	List sent by E-mail

6	Mr. Utkrash Mehta	Manufacturer of direct dyes, reactive dyes, acid dyes and etc	Requested the list of importers for their products	List sent by E-mail
7	Mr. Abhay Tandel	Exporter of chemicals	Requested the list of importers for their products	List sent by E-mail
8	Aroma Industries	Manufacturer of garment industries	Requested the list of importers for their products	List sent by E-mail

**b. Trade Queries from Kazakhstan (April-2015)**

S. No.	Enquiry originator	Product	Nature (Import/Export) & value in US\$ (\$ mln)	Action Taken
1	Mr. Sergey Pak	Advertising company	Requested the list of Indian chamber of commerce	Information has been sent by E-mail
2	Ms. Nargiza Karimova	World Transport LLP	Requested the list of Indian cargo companies	Information has been sent by E-mail

**6. Any other issue of importance :-**

- The presidential election was held in Kazakhstan on April 26 which attracted a 95.21% voter turnout. President Nazarbayev was declared winner with 97.75%. The inauguration ceremony of the President was held on April 29. In his address at the ceremony, President Nazarbayev attributed his victory to the unity of the nation and the trust reposed by people in “Manglik El” national idea, Kazakhstan 2050 Strategy, Nurly Zhol programme and five institutional reforms proposed by him in his election manifesto. He outlined five external challenges that threaten further development of Kazakhstan, five strategic tasks facing the nation and committed to implement the five institutional reforms through formation of a National Commission for Modernization of the Nation. President Nazarbayev signed a Decree on the establishment of the National Commission for Modernization on April 30. Prime Minister Karim Massimov will head the commission with Mr Nurlan Nigmatulin, Head of President’s Administration as Deputy Chairman.
- After his reelection, President Nursultan Nazabayev also stated at the inauguration ceremony, that as part of the policy to diversify the economy, he will attract multinational companies in the processing industry to enable Kazakhstan to be the logistic centre of Eurasia on the basis of high – technology infrastructure and to enter the global market.
- According to the Ministry of Investment and Development, an amount of US\$ 5.5 billion will be raised from international financial institutions for construction and reconstruction of roads within the framework of Nurly Zhol Programme. Under the programme, the Ministry will be implementing 11 new highway construction projects which are connected to the Western Europe-Western China Road Corridor.
- The Committee for Industrial Development under the Ministry of Investment and Development has identified 150 new commodity items with the objective of establishing manufacturing units of these items in Kazakhstan under the “Nurly Zhol” programme. The product items have been identified based on the demand for the products.
- At a joint media briefing, the Minister of National Economy of Kazakhstan and Chairman of Kazakh Committee of Statistics released information about performance of Kazakh economy in the first quarter of 2015, according to which the GDP for 1<sup>st</sup> quarter grew in real terms by 2.2%, while overall inflation grew by 1.1%, prices of food grew by 1.6% and that of services by 2.2%, but prices of non-food products reduced by 0.6%. The volume of investments in Kazakhstan increased by 2.9% in the 1<sup>st</sup> quarter 2015 compared to the same period in 2014. Mining sector



grew by 1.1%; manufacturing by 0.5%; agriculture by 3%, transport services by 7% and communications sector by 7.3%. Minister of Industry and Development Asset Issekeshov informed that state support measures were provided to 25 enterprises in metallurgical, 20 companies of the engineering sector, 8 chemical industry companies and 10 construction firms.

- The international reserves of Kazakhstan touched US\$ 98.8 billion in 1<sup>st</sup> quarter 2015, which was a marginal decrease compared to 1<sup>st</sup> quarter 2014. The decrease was due to the reduction of the assets of the National Fund in foreign currency by 5.2% used for financing some of "Nurly Zhol" programmes.
- President Nazarbayev signed a new law on April 22 which limits government's participation in business activities. The law mandatorily terminates full government ownership of enterprises and corporate bodies and bans the State from establishing and having share in small businesses. As per the new law, the anti-monopoly agencies are required to conduct checks on companies for any inappropriate State involvement in entrepreneurship. The new law requires the joint-stock companies to post information about the major shareholders and managers on their official websites and lays down rules for protection of the rights of minority shareholders. The law, however, permits full state ownership to companies dealing in critical areas like national security, defence, strategic state-owned facilities, in areas where private enterprise is absent and in public interest.
- According to Minister of Energy Vladimir Shkolnik, the production of oil and its condensates touched 20.3 million tons in the first quarter of 2015, which is a 9% increase compared to the 1<sup>st</sup> quarter of 2014. Total volume of basic fuel resources of Kazakhstan is equivalent to 35 bln tons of oil.
- According to the Deputy Minister of National Economy Kairbek Uskenbayev, 1/3<sup>rd</sup> of the work population is employed in small and medium-sized industries, and its share in the country's GDP is 18%. In order to increase the share of the small and medium-sized business in the GDP of the country, it is planned to extend micro credit facilities within the Business Road Map-2020 to all SMEs in the country.
- The National Chamber of Entrepreneurs informed that Kazakhstan plans to introduce a visa-free regime for an additional 26 countries to increase business links and in holding the EXPO-2017 successfully.
- At a press conference on "Transport Corridors of Eurasia: New Ways of Cooperation", "Kazakhstan Temir Zholy" announced that the freight flow through Kazakhstan is estimated to increase by 10 million tons by 2020. According to its Vice-President, the current freight flow is 117 million tons and that 90% of the total volume is by sea transport. To integrate Kazakhstan into the international transport system, "Kazakhstan Temir Zholy" JSC will be implementing a large scale programme till 2020 with investments upto US\$ 36 billion US dollars, which includes implementation of big investment projects like new railroads of more than 1000 kms to connect north and south and east and west, which will reduce transportation costs by 30%, reduce delivery time to 3 days and increase transit potential of Kazakhstan.
- The International Energy Agency, Ministry of Energy of Kazakhstan and "Kazenergy" Association signed a memorandum of understanding aimed at strengthening technical cooperation in energy security, development of renewable energy sources and access to energy.
- According to Ministry of National Economy, Kazakhstan's meat exports to the countries of the Eurasian Economic Union increased 56 times from 2012 and the value of meats exports to Russia increased to US\$ 9 million compared to US\$ 1.4 million in 2013.
- KazMunaiGaz Drilling & Service" LLP and Nabors Drilling International Ltd signed an agreement to form a joint venture company "KazMunaigaz Nabors Drilling Company", which will engage in drilling works at the Tengiz Oil deposits, both in the currently implemented projects and future ones. Under the joint venture, KazMunaigaz is expected to also benefit from the best practices and technology transfer from Nabors Company.

#### Bilateral :-

- India Tourism Office, Frankfurt, Tea Board of India and several prominent Indian tourist and travel companies including M/s Concord Exotic Voyages, Goa, M/s Caper Travel Co. Pvt. Ltd., New Delhi, M/s Tamarind Tours, Gurgaon, M/s Citra Holidays, M/s Sharp Travels (India) Pvt. Ltd., M/s

Minar Travels (India) Pvt. Ltd., M/s Indian Holidays Pvt. Ltd. and M/s The Leela, Goa participated in Kazakhstan International Tourism Fair in Almaty from April 22-24, 2015.

- Mr Naveen Kaul and Mr J.P. Chaudhry, executives from M/s Pamposh Constructions Ltd, met Ambassador to discuss their interest in affordable housing projects announced by the Kazakhstan government under Nurly Zhol programme. Embassy arranged a meeting with KAZNEX Invest for them.
- Executives from Shapooji Paroonji met Ambassador to discuss possible construction projects in Kazakhstan.

(sd/-)

(R. Gururaj)

First Secretary(Commercial)

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