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**Working Party on the
Accession of Kazakhstan**

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ACCESSION OF KAZAKHSTAN

Submission from the Republic of Kazakhstan

Revision

Domestic Support and Export Subsidies in the Agricultural Sector

The following submission, dated 2 September 2004, is being circulated at the request of the Delegation of the Republic of Kazakhstan.

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Measures exempt from the reduction commitment - "Green Box"

Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program description
	KZT 000s	US\$ 000s	
1	2		3
para 2: General Services			
(a) research, including general research, research in connection with environmental programmes, and research programmes relating to particular products			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 2 b. Measures for pest control, plant diseases protection, and veterinary measures			Development and implementation of preventive veterinary, sanitary, and anti-epizootic measures; diagnostics and control of infectious diseases of livestock; state veterinary control over imports, exports, transit, and intra-Republican movements of products and raw materials of animal origin, fodder, chemicals, pharmaceutical products, other cargo subject to control, as well as control over movements of cattle. Analysis of phytosanitary conditions, natural spreading of pests and diseases of crops, their migration patterns, and possibilities to use various plant protection products with the view to prevent their further spreading; quarantine measures, liquidation of focuses of infection; plant protection measures.
1996	1,635,779	24,313.0	
1997	1,995,324	26,463.2	
1998	1,813,784	22,672.3	
average for 3 years	1,814,962	24,482.8	
(c) training services, including both general and specialist training facilities			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	

Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program description
	KZT 000s	US\$ 000s	
1	2		3
(d) extension and advisory services, including the provision of means to facilitate the transfer of information and the results of research to producers and consumers			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 2e. Assessment and control of quality of seeds and new seed varieties			Intergovernmental state control over quality, and storage of crop seeds, as well as measures taken by agricultural enterprises as preparation for sowing; fulfillment of the national standards on seeds, improvement of the quality of works relating to seed production and certification; control and documenting of sowing characteristics of seeds of all agricultural crops. Reliable assessment of new varieties of agricultural crops selected in the Republic of Kazakhstan or abroad aimed at the selection of varieties best suited for regionalization and production purposes.
1996	222,266	3,303.6	
1997	145,455	1,929.1	
1998	129,000	1,612.5	
average for 3 years	165,574	2,281.7	
(f) marketing and promotion services, including market information, advice and promotion relating to particular products but excluding expenditure for unspecified purposes that could be used by sellers to reduce their selling price or confer a direct economic benefit to purchasers			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	

Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program description
	KZT 000s	US\$ 000s	
1	2		3
para 2 g. Operation of water reservoirs, channels, implementation of protecting, commissioning, adjusting, anti-sludge, anti-flood works connected with administering and regulation of water usage			Operation of water reservoirs; operation of national, oblast, and rayon channels, and other facilities relating to water supply of consumers; implementation of protecting, commissioning, adjusting, anti-sludge, anti-flood works connected with administering and regulation of water use.
1996	285,469	4,243.0	
1997	192,494	2,553.0	
1998	462,712	5,783.9	
average for 3 years	313,558	4,193.3	
para 2 g. Development of forecasting and regional programs on land use and protection. Implementation of topographic, geodetic, and other research works, soil survey and geobotanical prospecting, land monitoring			Implementation of land relations in the sphere of state control over land resources. Creation, development, and modernization of national geodetic networks; development and updating of paper-based topographic maps of all scales, design and compilation of political administrative maps, and atlases. Management of land rights in the Republic of Kazakhstan, including introduction of measures on improvement of land legislation to allow expansion of leasing and mortgage operations. Introduction of the national land register and land monitoring. Compilation and management of the data bank on the state of land resources in the Republic of Kazakhstan; land zoning, and state control over land use and protection under set procedures, protection of rights of owners of land lots and land users, by issuing documents certifying their rights; creation of favorable conditions for the development of the land market; land organization of settlements.
1996	321,000	4,774.1	
1997	628,614	8,337.0	
1998	572,155	7,151.9	
average for 3 years	507,256	6,754.3	
para 3. State stocks for food security purposes			Grain procurement for the national reserve of the Republic of Kazakhstan. The national reserve serves to meet mobilization needs and ensure food security of the Republic of Kazakhstan. Grain of the national reserve has been sold in the domestic market at market prices to winning bidders of open biddings or marketed in the commodity exchange.
1996	6,000,600	89,188.5	
1997	0	0	
1998	0	0	
average for 3 years	2,000,200	29,729.5	
para 4. Domestic food aid			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 5. Direct payments to producers			
1996	0	0	

Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program description
	KZT 000s	US\$ 000s	
1	2		3
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 6. Decoupled income support			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 7. Government financial participation in income insurance and income safety-net programmes			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 8. Payments (made either directly or by way of government financial participation in crop insurance schemes) for relief from natural disasters			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 9. Structural adjustment assistance provided through producer retirement programmes			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 10. Structural adjustment assistance provided through resource retirement programmes			

Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program description
	KZT 000s	US\$ 000s	
1	2		3
1996			
1997			
1998			
average for 3 years			
para 11. Structural adjustment assistance provided through investment aids			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 12. Payments under environmental programmes			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
para 13. Payments under regional assistance programmes			
1996	0	0	
1997	0	0	
1998	0	0	
average for 3 years	0	0	
TOTAL:			
1996	8,465,114	125,822	
1997	2,961,887	39,282	
1998	2,977,651	37,221	
average for 3 years	4,801,551	67,441.7	

¹ Data source: budgetary documents of the Ministry of Agriculture of the Republic of Kazakhstan. Subsidies of these categories have been based on budgetary programs, and have not been granted to farms. Operating costs have not been subsidized. Subsidies have not been connected with consumer prices.

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Measures exempt from reduction commitments - Special and Differential Treatment - "Development Programs"

	Measure type	Name and description of measure with reference to criteria in Article 6:2 of the Agreement on Agriculture	Monetary value of measures		Program description	Data Sources
			KZT 000s	USD 000s		
	1	2	3		4	5
(a)	"Investment subsidies generally available to agriculture"	1. Preferential credits to agriculture			Subsidies have been granted in the framework of the Loan Agreement concluded between the Republic of Kazakhstan and the Asian Development Bank on 11 December 1995 to fund purchase of agricultural production and processing facilities, agricultural machinery, establishment of wholesale markets and other market infrastructure, necessary to sell agricultural products, as well as to finance the required working capital.	Ministry of Agriculture, ExImBank, ADB
		1996	2,683,149	39,880		
		1997	829,242	10,998		
		1998	3,130,952	39,137		
		average for 3 years	2,214,448	30,005		
		2. State guarantees on external non-governmental loans			In 1996 state guarantees have been settled under the Resolution of the Government of the Republic of Kazakhstan No. 1022 of 14 September 1994 "On Implementation of the Investment Project of Purchase of Agricultural Machinery by JSC" "Ken Dala" in the Framework of the Loan Granted by the American ExImBank for Supply of Combine Harvesters and Cotton Harvesters "John Deere"	Ministry of Finance
		1996	7,719,236	114,733		
		1997	0	0		
		1998	0	0		
		average for 3 years	2,573,079	38,244		
		3. Leasing of Agricultural Machinery			Budgetary funds have been allocated to provide agricultural producers with agricultural machinery on a leasing basis in order to replace existing obsolete machines and tractors.	Ministry of Agriculture
		1996	605,520	9,000		
		1997	800,000	10,610		
		1998	529,100	6,614		
		average for 3 years	644,873	8,741		

	Measure type	Name and description of measure with reference to criteria in Article 6:2 of the Agreement on Agriculture	Monetary value of measures		Program description	Data Sources
			KZT 000s	USD 000s		
	1	2	3		4	5
	TOTAL:	1996	11,007,905	163,613		
		1997	1,629,242	21,608		
		1998	3,660,052	45,751		
		average for 3 years	5,432,400	76,991		
(b)	Input subsidies generally available to low-income or resource-poor producers	1. Subsidies through the Foundation for Support of Small and Medium Businesses			Soft loans allocated to small businesses from the Republican budget, including low-income and resource-poor agricultural producers for agricultural production purposes and for the purchase of equipment and mini-technologies, for a term of 10 years at the interest rate of 11 per cent per annum	Foundation for Support of Small and Medium Businesses
		1996	3,364,000	50,000		
		1997	1,629,242	21,608		
		1998	4,787,876	7,044		
		average for 3 years	3,260,373	26,217		
	TOTAL:					
		1996	14,371,905	213,613		
		1997	3,258,484	43,216		
		1998	8,447,928	52,795		
		average for 3 years	8,692,772	103,208		

DOMESTIC SUPPORT: KAZAKHSTAN
Reporting Period: Calendar Years 1996-1998

Measures exempt from the reduction commitment - Direct Payments under Production-Limiting Programs- "Exempt Direct Payments"

Measure type		Name and description of measure with reference to criteria in Article 6:5 of the Agreement on Agriculture	Monetary value of measure		Data source
			KZT 000s	USD 000s	
1		2	3		4
(a)	"payments based on fixed areas and yields"		0	0	-
(b)	"payments based on 85 per cent or less of the base level of production"		0	0	-
(c)	"livestock payments made based on a fixed number of heads"		0	0	-
Such type of subsidies was not granted					

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Calculation of the Total Aggregate Measurement of Support

Description of basic products (including non-product specific AMS)	Calendar year	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)		Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)		Gross Output		Current Total AMS to Gross Output (de minimis)	
		KZT 000s	US\$ 000s		KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	%	de minimis
1	2	3		4	5		6		7	
1. Seeds of grain crops	1996	211,800	3,147		211,800	3,147	5,284,500	78,545	4.0	de minimis
	1997	364,920	4,840		364,920	4,840	2,366,000	31,379	15.4	
	1998	400,000	5,000		400,000	5,000	2,267,800	28,348	17.6	
	average for 3 years	325,573	4,329		325,573	4,329	3,306,100	46,091		
2. Seeds of potatoes	1996	58,800	874		58,800	874	311,600	4,631	18.9	
	1997	0	0		0	0	310,240	4,115	-	
	1998	0	0		0	0	219,889	2,749	-	
	average for 3 years	19,600	291		19,600	291	280,577	3,832		
3. Maize seeds	1996	141,500	2,103		141,500	2,103	988,932	14,699	14.3	
	1997	0	0		0	0	892,801	11,841	-	
	1998	0	0		0	0	130,658	1,633	-	
	average for 3 years	47,167	701		47,167	701	670,797	9,391		
4. Sugar-beet seeds	1996	2,500	37		2,500	37	10,800	161	23.0	
	1997	0	0		0	0	0	0	-	
	1998	0	0		0	0	0	0	-	
	average for 3 years	833	12		833	12	3,600	54		
5. Fruits	1996	13,400	199		13,400	199	874,921	13,004	1.5	de minimis
	1997	13,000	172		13,000	172	772,628	10,247	1.7	de minimis
	1998	0	0		0	0	902,700	11,284	-	
	average for 3 years	8,800	124		8,800	124	850,083	11,512		
6. Cattle	1996	350,300	5,205		350,300	5,205	5,015,433	74,546	7.0	de minimis
	1997	510,000	6,764		510,000	6,764	5,293,223	70,202	9.6	de minimis
	1998	456,000	5,700		456,000	5,700	2,324,420	29,055	19.6	
	average for 3 years	438,767	5,890		438,767	5,890	4,211,025	57,934		

Description of basic products (including non-product specific AMS)	Calendar year	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)		Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)		Gross Output		Current Total AMS to Gross Output (de minimis)	
		KZT 000s	US\$ 000s		KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	%	de minimis
1	2	3		4	5		6		7	
7. Sheep Breeding	1996	536,500	7,972		536,500	7,972	3,494,440	51,939	15.3	
	1997	540,000	7,162		540,000	7,162	3,618,006	47,984	14.9	
	1998	413,000	5,163		413,000	5,163	1,467,590	18,345	28.1	
	average for 3 years	496,500	6,765		496,500	6,765	2,860,012	39,423		
Total: Product-specific measures (sum of all measures)	1996				1,314,800	19,536				
	1997				1,427,920	18,938				
	1998				1,269,000	15,863				
	average for 3 years				1,337,240	18,112				
Total: Product-specific measures (noting de minimis)	1996				739,300	10,985				
	1997				904,920	12,002				
	1998				1,269,000	15,863				
	average for 3 years				971,073	12,950				
Non-product-specific measures (from Table DS:9)	1996				32,530,510	483,366	312,814,660	4,649,445	10.4	
	1997				73,320,854	731,415	298,950,000	3,963,803	24.5	
	1998				89,376,370	1,117,206	238,500,000	2,981,250	37.5	
	average for 3 years				65,075,911	777,329				
TOTAL: Current Total AMS	1996				33,269,810	494,351				
	1997				74,225,774	743,417				
	1998				90,645,370	1,133,069				
	average for 3 years				66,046,985	790,279				

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product-Specific Measures of Support: Market Price Support.

Description of basic products	Calendar year	Measure type(s)	Applied administered price	External reference price	Eligible production	Associated fees/levies	Total market price support	Data source
1	2	3	4	5	6	7	⁸ ((4-5*6)-7)	9
NIL								

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product-specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic product	Calendar Year	Measure type(s)	Applied administered price	External reference price	Eligible production	Total price-related direct payments	Other non-exempt direct payments		Associated fees/levies	Total direct payments		Data source
							KZT 000s	US\$ 000s		KZT 000s	US\$ 000s	
1	2	3	4	5	6	7 ((4-5)*6)	8		9	10 (7+8-9)		11
1. Seeds of grain crops	1996	Compensative					211,800	3,147.1		211,800	3,147.1	Ministry of Agriculture
	1997	Budgetary					364,920	4,839.8		364,920	4,839.8	
	1998	Payments					400,000	5,000.0		400,000	5,000.0	
	average						325,573	4,329		325,573	4,329	
2. Seeds of potatoes	1996	Compensative					58,800	873.7		58,800	873.7	Ministry of Agriculture
	1997	Budgetary					0	0.0		0	0.0	
	1998	Payments					0	0.0		0	0.0	
	average						19,600	291		19,600	291	
3. Maize seeds	1996	Compensative					141,500	2,102.5		141,500	2,102.5	Ministry of Agriculture
	1997	Budgetary					0	0.0		0	0.0	
	1998	Payments					0	0.0		0	0.0	
	average						47,167	701		47,167	701	
4. Sugar-beet seeds	1996	Countervailing					2,500	37.1		2,500	37	Ministry of Agriculture
	1997	Budgetary					0	0.0		0	0	
	1998	Payments					0	0.0		0	0	
	average						833	12		833	12	
5. Fruits	1996	Soft Loans					13,400	199.1		13,400	199	Ministry of Agriculture
	1997						13,000	172.4		13,000	172	
	1998						0	0.0		0	0	
	average						8,800	124		8,800	124	
6. Cattle	1996	Compensative					350,300	5,205		350,300	5,205	Ministry of Agriculture
	1997	Budgetary					510,000	6,763.9		510,000	6,764	
	1998	Payments					456,000	5,700.0		456,000	5,700	
	average						438,767	5,890		438,767	5,890	
7. Sheep breeding	1996	Compensative					536,500	7,971.8		536,500	7,972	Ministry of Agriculture
	1997	Budgetary					540,000	7,161.8		540,000	7,162	
	1998	Payments					413,000	5,162.5		413,000	5,163	
	average						496,500	6,765		496,500	6,765	

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic product	Calendar year	Measure type(s)	Other product-specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies	Total other product-specific support	Market price support (Supporting Table DS:5)	Non-exempt direct payments (Supporting Table DS:6)		Total AMS	
								KZT 000s	US\$ 000s	KZT 000s	US\$ 000s
1	2	3	4	5	6	7 (4+5-6)	8	9		10 (7+8+9)	
1. Seeds of grain crops	1996	Compensative Budgetary Payments						211,800	3,147.1	211,800	3,147.1
	1997							364,920	4,839.8	364,920	4,839.8
	1998							400,000	5,000.0	400,000	5,000.0
	average							325,573	4,329	325,573	4,329
2. Seeds of potatoes	1996	Compensative Budgetary Payments						58,800	873.7	58,800	873.7
	1997							0	0.0	0	0.0
	1998							0	0.0	0	0.0
	average							19,600	291	19,600	291
3. Maize seeds	1996	Compensative Budgetary Payments						141,500	2,102.5	141,500	2,102.5
	1997							0	0.0	0	0.0
	1998							0	0.0	0	0.0
	average							47,167	701	47,167	701
4. Sugar-beet seeds	1996	Countervailing Budgetary Payments						2,500	37.1	2,500	37.1
	1997							0	0.0	0	0.0
	1998							0	0.0	0	0.0
	average							833	12	833	12
5. Fruits	1996	Soft Loans						13,400	199.1	13,400	199.1
	1997							13,000	172.4	13,000	172.4
	1998							0	0.0	0	0.0
	average							8,800	124	8,800	124
6. Cattle	1996	Compensative Budgetary Payments						350,300	5,205	350,300	5,205.0
	1997							510,000	6,763.9	510,000	6,763.9
	1998							456,000	5,700.0	456,000	5,700.0
	average							438,767	5,890	438,767	5,890
7. Sheep breeding	1996	Compensative Budgetary Payments						536,500	7,971.8	536,500	7,971.8
	1997							540,000	7,161.8	540,000	7,161.8
	1998							413,000	5,162.5	413,000	5,162.5
	average							496,500	6,765	496,500	6,765

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product Specific Equivalent Measurements of Support

Description of basic products	Calendar year	Measure type(s)	Applied administered price	Production eligible to receive the applied administered price	Market price support budgetary outlays	Equivalent measurement of support (include calculation details)	Non-exempt direct payments	Other product- specific support	Associated fees/levies	Total monetary value of equivalent commitment	Data source
1	2	3	4	5	6	7	8	9	10	11	12
NIL											

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Non-Product-Specific AMS

Measure type(s)	Program description	Calendar year	Non-product-specific budgetary outlays		Other non-product-specific support (include calculation details)	Associated fees/levies	Total non-product-specific support		Data source
			KZT 000s	US\$ 000s			KZT 000s	US\$ 000s	
1	2	3	4		5	6	7		8
1. Fertilizers	Reduction of fertilization costs for agricultural producers	1996	242,100	3,597			242,100	3,597	Ministry of Agriculture
		1997	200,528	2,660			200,528	2,660	
		1998	100,000	1,250			100,000	1,250	
		average	180,876	2,502			180,876	2,502	
2. Plant Protection	Reduction of costs incurred by agricultural producers using pesticides	1996	436,100	6,480			436,100	6,480	Ministry of Agriculture
		1997	425,000	5,637			425,000	5,637	
		1998	400,000	5,000			400,000	5,000	
		average	420,367	5,706			420,367	5,706	
3. Mixed Fodder	Reduction of costs incurred by agricultural producers by the purchase of mixed fodder	1996	22,250	331			22,250	331	Ministry of Agriculture
		1997	0	0			0	0	
		1998	31,000	388			31,000	388	
		average	17,750	240			17,750	240	
4. Farm Development	Soft loans granted to farms for a term of 5 years at the interest rate of 10 per cent per annum for implementation of new production technologies, purchase of agricultural machinery, breeding stock, and selected seeds, etc.	1996	299,200	4,446			299,200	4,446	Ministry of Agriculture
		1997	150,000	1,989			150,000	1,989	
		1998	536,604	6,708			536,604	6,708	
		average	328,601	4,381			328,601	4,381	
5. Deferred Debts	Given the current grave conditions and insolvency of agricultural producers, their debts relating to centralized and target-oriented loans, loans for wages payments and working capital, purchase of petroleum products and electric energy, extrabudgetary funds, etc. have been rescheduled	1996	5,333,373	79,248			5,333,373	79,248	Ministry of Agriculture, Ministry of Finance, Ministry of Economy, ExImBank, KazMunaigas, etc.
		1997	72,545,326	962,140			72,545,326	962,140	
		1998	88,308,766	1,103,860			88,308,766	1,103,860	
		average	55,395,822	715,082			55,395,822	715,082	

Measure type(s)	Program description	Calendar year	Non-product-specific budgetary outlays		Other non-product-specific support (include calculation details)	Associated fees/levies	Total non-product-specific support		Data source
			KZT 000s	US\$ 000s			KZT 000s	US\$ 000s	
1	2	3	4		5	6	7		8
6. Forgiven Debts	Under the Resolution of the Government of the Republic of Kazakhstan of May 28, 1995, 50 per cent of the principal and the overall amount of past due interest, fines, and penalties have been forgiven.	1 996	26,197,487	389,264			26,197,487	389,264	Ministry of Agriculture
		1 997	0	0			0	0	
		1 998	0	0			0	0	
		average	8,732,496	129,755			8,732,496	129,755	
Total non-product-specific support		1996					32,530,510	483,366	
		1997					73,320,854	972,426	
		1998					89,376,370	1,117,206	
		average					65,075,911	857,666	

EXPORT SUBSIDIES: KAZAKSTAN
REPORTING PERIOD: 1996 - 1998¹

Description of basic products	Direct export subsidies	Sales of Stock	Producer financed subsidies	Cost reduction measures	Internal transport subsidies ² Thousands Tenge	Total product specific export subsidies Thousands Tenge	Total product specific export subsidies in Thousands US\$	Quantity of subsidized exports (Tons)	Data Source
1	2	3	4	5	6	7	7 A	8	9
Meat and products thereof:									
Beef									Documentation of
1997					513,390	513,390	6,809	34,226	Anti-monopoly
1998					137,378	137,378	1,717	9,038	Committee
Lamb									Documentation of
1997					12,857	12,857	171	989	Anti-monopoly
1998					1,390	1,390	17	107	Committee
Horse meat									Documentation of
1997					4,801	4,801	64	378	Anti-monopoly
1998					2,625	2,625	33	208	Committee
Poultry									Documentation of
1997					7,252	7,252	96	560	Anti-monopoly
1998					3,637	3,637	45	280	Committee
Other dairy products (cheese, curd, milk, milk powder, butter)									Documentation of
1997					14,769	14,769	196	1,171	Anti-Monopoly
1998					4,027	4,027	50	310	Committee
Vegetables									Documentation of
1997					114,393	114,393	1,517	84,651	Anti-monopoly
1998					104,780	104,780	1,310	75,279	Committee
Wheat									Documentation of
1997	1,623,272				4,826,222	6,449,494	85,537	2,678,553	Anti-monopoly
1998	7,850,015				3,595,678	11,445,693	143,071	1,937,477	Committee
Wheat flour									Documentation of
1997					654,894	654,894	8,686	210,705	Anti-monopoly
1998					601,371	601,371	7,517	187,849	Committee
Rice									Documentation of
1997					61,157	61,157	811	9,864	Anti-monopoly
1998					181,982	181,982	2,275	29,352	Committee

¹ Such subsidies were not granted in 1996.

² In 1997-1998, the tariffs to transport certain agricultural products by railroad in the CIS territory were reduced

Description of basic products	Direct export subsidies	Sales of Stock	Producer financed subsidies	Cost reduction measures	Internal transport subsidies ² Thousands Tenge	Total product specific export subsidies Thousands Tenge	Total product specific export subsidies in Thousands US\$	Quantity of subsidized exports (Tons)	Data Source
1	2	3	4	5	6	7	7 A	8	9
Barley									Documentation of
1997					596,411	596,411	7,910	490,382	Anti-monopoly
1998					433,955	433,955	5,424	346,415	Committee
Oats									Documentation of
1997					13,218	13,218	175	13,218	Anti-monopoly
1998					8,072	8,072	101	8,072	Committee
Corn									Documentation of
1997					14,866	14,866	197	13,201	Anti-monopoly
1998					9,322	9,322	117	8,037	Committee
Rye									Documentation of
1997					4,230	4,230	56	4,083	Anti-monopoly
1998					15,251	15,251	191	14,292	Committee
Malt									Documentation of
1997					3,273	3,273	43	1,211	Anti-monopoly
1998					4,730	4,730	59	1,699	Committee
Sugar									Documentation of
1997					8,846	8,846	117	1,957	Anti-monopoly
1998					9,550	9,550	119	2,019	Committee
Non-alcoholic beverages, juices									Documentation of
1997					38,986	38,986	517	3,462	Anti-monopoly
1998					10,710	10,710	134	1,190	Committee
Cotton									Documentation of
1997					32,759	32,759	434	2,909	Anti-monopoly
1998					2,176	2,176	27	186	Committee
Wool									Documentation of
1997					11,179	11,179	148	1,909	Anti-monopoly
1998					29,943	29,943	374	5,075	Committee
Total: 1997	1,623,272				6,933,502	8,556,774	113,485		
1998	7,850,015				5,156,577	13,006,592	162,582		

ANNEX 1

Deferred and Overdue Debts of Agricultural Producers

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Forgiven Debts								
Forgiven Debts, under the Resolution of the Government of the Republic of Kazakhstan No. 651 of 28 May 1996 "On Agreement of 17 May 1996 Concluded Between the Ministry of Finance of the Republic of Kazakhstan and the State Foundation for Agricultural Support"	26,197,487	389,264	0	0	0	0	100 per cent of past due interest and 50 per cent of the principal of agricultural producers has been foregiven, namely: debt relating to target-oriented loans secured by the Ministry of Finance, debts relating to target-oriented loans secured by oblast administrative bodies, overdue debts relating to short-term loans, loans issued for payment of wages of agricultural producers, loans issued to meet debit balance of the intra-republican netting of enterprises.	The Ministry of Finance takes a unilateral decision on cancellation of debts of agricultural producers before the State Foundation for Agricultural Support, regarding debts for which it has received the right of reclaim.
Deferred Debts								
Decree of the President of the Republic of Kazakhstan No. 1578 of 14 February 1994 "On Support of Agricultural Enterprises in 1994"		0	1,161,100	15,399	1,161,100	14,831	Deferral has been granted to debts of agricultural producers, irrespective of the form of ownership, overdue debts relating to bank loans (except target-oriented loans for the renewal of working capital) allocated from centralized credit resources of the National Bank of the Republic of Kazakhstan as of 1 January 1994.	Settlement of debts shall start on 1 January 1999 in the form of equal instalments for a term of five years. No interest shall be accrued.
Resolutions of the Government of the Republic of Kazakhstan No. 671 of 3 June 1996 'On Measures Relating to State Support of Energy Supply and Agricultural Enterprizes of the Republic of Kazakhstan' and No. 1076 of 22 October 1998 "On Rescheduling of Fines and Penalties Payable by Agricultural Producers'			4,271,184	56,647	4,949,134	63,215	Tax arrears of agricultural producers payable to the budget rescheduled for collection in 1 year.	
Overdue debts								
Resolution of the Government of the Republic of Kazakhstan No. 651 of 28 May 1996 "On Agreement of 17 May 1996 Concluded between the Ministry of Finance of the Republic of Kazakhstan and the State Foundation for Agricultural Support"	5,333,373	79,248	5,286,460	70,112	5,256,128	67,137	The Ministry of Finance has transferred to the State Foundation for Agricultural Support the right to claim that end borrowers pay 50 per cent of the principal, in particular: taget-oriented loans, secured by oblast administrative bodies, overdue debts relating to short-term loans, loans issued for payment of wages of agricultural producers, loans issued to meet debit balance of the intrarepublican netting of enterprises as of 1 March 1995.	The Foundation concludes individual contracts with borrowers on their obligations to settle debts relating to the specified loans.

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Resolution of the Government of the Republic of Kazakhstan No. 1719 of 14 December 1995 "On Transfer of Debts for Centralized and Target-Oriented Loans to the State Foundation for Agricultural Support"		0	796,900	10,569	796,268	10,171	The Ministry of Finance, the Ministry of Agriculture, the State Foundation for Agricultural Support of the Ministry of Agriculture, jointly with the National Bank of the Republic of Kazakhstan have effected the transfer to the above Fund of the entire volume of debts relating to centralized and target-oriented loans issued to JSCs Selmash, Ken Dala, Onim, Kazagroremmash, Republican Association 'Kazzoovetsnab', the National Joint-Stock Company 'Kunarlylyk', as well as enterprises - former parts of the National Joint-Stock Company 'Tagam', the settlement of which is due after 1 March 1995.	The Foundation concludes individual contracts with borrowers on their obligations to settle debts relating to the specified loans.
Resolution of the Government of the Republic of Kazakhstan No. 1130 of 17.1996 "On Settlement of Financial Obligations in the Agricultural and Energy Sectors of the Republic of Kazakhstan"		0	22,775,795	302,066	16,307,035	208,290	One of the main constraints to the development of the agricultural and energy sectors of the national economy crippling all efforts to overcome the ongoing crisis is represented by vast amounts of accumulated payables and receivables for petroleum products and energy, produced and consumed between 1993 and 1995. In order to settle debts of agricultural producers for electric energy and petroleum products consumed in 1994-1995, create optimal conditions for their post-privatization operation, as well as to enable privatization of enterprises operating in the energy and oil and gas sectors, the Government of the Republic of Kazakhstan has transferred the entire volume of debts of agricultural producers before enterprises of the Ministry of Energy and Coal Industry accumulated between 1994-1995 for consumption of heat and electricity to the State Foundation for Agricultural Support, based on comparative checks with subsequent write-off as losses of energy enterprises following their privatization.	Debts for consumed energy transferred to the State Foundation for Agricultural Support are written off balance of the Fund following privatization of energy enterprises by offsetting them against financial performance of the latter.

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Resolutions of the Government of the Republic of Kazakhstan No. 1147 of 22 July 1997 "On Measures Relating to Supply of Petroleum Products for Sowing and Harvesting Activities in 1997", and No.187 of 9 March 1998 'On Measures Relating to Supply of Petroleum Products for Sowing Activities in 1998"		0	4,417,998	58,594	4,151,923	53,033	Overdue debts of agricultural producers for petroleum products, supplied by the National Company 'KazakhOil', OJSC 'Mangystaumunaygas', OJSC 'Karazhanbasmunaygas', OJSC 'Kaztransoil' for sowing and harvesting activities.	At present, given the insolvency of agricultural producers, debts of this category have not been settled and remain on balance of specified national oil companies. The Government of the Republic of Kazakhstan has taken no decisions to address the issue.
Overdue debts of agricultural producers before the Fund of Economic Reforms of the Ministry of Economy of the Republic of Kazakhstan.		0	2,100,085	27,853	5,555,205	70,957	Overdue debts of agricultural producers for loans granted by the Fund of Economic Reforms of the Ministry of Finance of the Republic of Kazakhstan. The Fund of Econmic Reforms has been founded to provide investment support of the ongoing process of economic reforms targeted at the development of an efficient society-oriented market economy and enhancing its competitive power. The loans in question have been granted under Resolutions of the Government of the Republic of Kazakhstan No.614 of 15 July 1993 'On Use of Resources of the Fund of Economic Reforms of the Republic of Kazakhstan in 1993' and No. 105 of 27 January 1994 'On Use of Resources of the Fund of Economic Reforms of the Republic of Kazakhstan in 1994'.	At present, given the insolvency of agricultural producers, debts of this category have not been settled and remain on balance of the CJSC Rehabilitation Fund of the Ministry of Finance of the Republic of Kazakhstan. The Government of the Republic of Kazakhstan has appointed an intergovernmental committee charged with collection and restructuring of loans granted from the Republican budget and funds allocated from the Republican budget in the framework of nongovernmental external loans, secured by the Republic of Kazakhstan. The Committee is engaged in debts rescheduling on a case-by-case basis for each economic agent.
Debts of agricultural producers before state energy distribution companies for electricity, consumed in 1993-1995.		0	4,126,943	54,734	7,453,640	95,206	Outstanding debts of agricultural producers before state energy distribution companies for electricity, consumed in 1993-1995	At present, given the insolvency of agricultural producers, debts of this category have not been settled and remain on balance of the Fund of Economic Reforms. The Government of the Republic of Kazakhstan has taken no decisions to address this issue.
Debts of agricultural producers before the Republican budget for non-governmental external loans, secured by the State			17,979,045	238,449	32,977,467	421,222	Outstanding debts of agricultural producers before the Republican budget relating to non-governmental loans, secured by the Government of the Republic of Kazakhstan	At present, given the insolvency of agricultural producers debts of this category have not been settled. The Republic of Kazakhstan has appointed an intergovernmental committee charged with collection and restructuring of loans granted from the Republican budget and funds allocated from the Republican budget in the framework of nongovernmental external loans, secured by the Republic of Kazakhstan. The Committee is engaged in debts rescheduling on a case-by-case basis for each economic agent.

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Debts of agricultural producers before the national extrabudgetary funds (Road Fund, Employment Promotion Fund, Social Insurance Fund, Pension Fund)			13,901,000	184,363	14,650,000	187,125	Outstanding debts of agricultural producers before extrabudgetary funds (Road Fund, Employment Fund, Social Insurance Fund, Pension Fund). For description of the above funds, see attachment.	The Government has taken no decisions on debts of this category.
Total	5,333,373	79,248	76,816,510	1,108,787	93,257,900	1,165,724		

ANNEX 2

Extrabudgetary Funds of the Republic of Kazakhstan

The National Employment Fund (Resolution of the Cabinet of Ministers of the Kazakh Soviet Socialist Republic of 30 April 1991 No. 277 "On Establishment of the National Employment Fund") (hereafter – the Employment Fund) was established to finance measures taken to implement state policies on employment and enhancement of efficiency of state employment services. The Employment Fund represented an independent financial and banking system with a single current account. Its funds did not comprise a part of the State budget. Enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities, were required to transfer monthly mandatory contributions to the Employment Fund. The amount of contributions was calculated based on the wage-bill and adjusted annually by the Government of the Republic of Kazakhstan, while the costs incurred by employers were charged against production costs of goods (works, services).

The National Social Insurance Fund of the Republic of Kazakhstan (the Decree of the President of the Republic of Kazakhstan No. 2837 of 18 March 1992 "On Establishment of the National Social Insurance Fund of the Republic of Kazakhstan") was established to effect payment of temporary disablement benefits, maternity benefits, child benefits, death allowances, treatment and rehabilitation allowances, provide services to the employed population of the Republic of Kazakhstan and their families, and for other purposes relating to the state social insurance. The Fund was managed by the Ministry of Social Protection of the Republic of Kazakhstan. Enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities, were required to transfer monthly mandatory contributions to the Fund. The amount of contributions was adjusted annually by the Government of the Republic of Kazakhstan, while the costs incurred by employers were charged against production costs of goods (works, services).

The Pension Fund of the Republic of Kazakhstan (Resolution of the Cabinet of Ministers of the Republic of Kazakhstan No. 1120 of 6 October 1994) formed an integral part of the system of social protection of the population of the Republic of Kazakhstan, its funds being used for pension payments to workers of retirement age. The Fund was managed by the Ministry of Social Protection of the Republic of Kazakhstan. Enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities, were required to transfer monthly mandatory contributions to the Fund. The amount of contributions was adjusted annually by the Government of the Republic of Kazakhstan, while the costs incurred by employers were charged against production costs of goods (works, services).

The Road Fund of the Republic of Kazakhstan (the Decree of the President of the Republic of Kazakhstan No. 2701 of 21 December 1995 "On Road Fund") was established to finance costs relating to maintenance, construction, and reconstruction of motorways, and facilities. The Road Fund received mandatory contributions of enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities. The value of contributions was calculated based on the annual aggregate income. All of the above were required to effect payments at a rate of 0.1 per cent of the annual aggregate income of a legal entity, irrespective of the type of economic activities.
