



The Food and Beverage Market Entry Handbook: Kazakhstan

A Practical Guide to the Market in Kazakhstan
for European Agri-food Products



*Promotion of
agricultural
products*



The Food and Beverage Market Entry Handbook

Kazakhstan

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Note: the term EU in this handbook refers to the EU-27 excluding the UK, unless otherwise specified. For product trade stats, data is presented in order of exporter size for reasons of readability.

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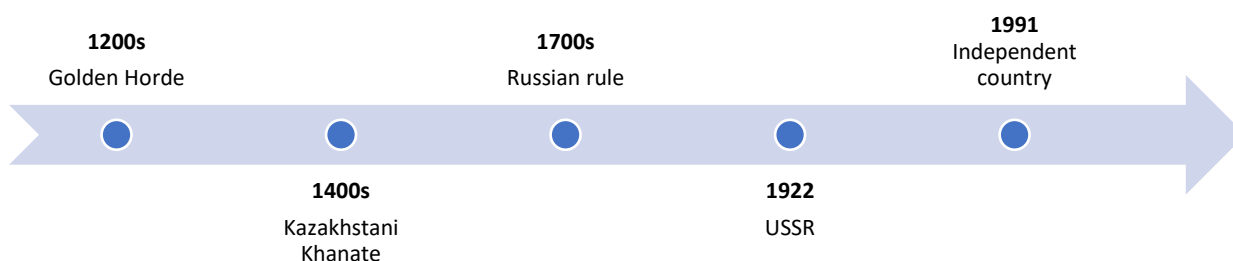
Kazakhstan country summary

Key statistics at a glance

	
Capital:	Astana (<i>referred to as Nur Sultan between 2019 and 2023</i>)
Population:	19.6 million (2023) – 66 th largest in the world
Area:	2.7 million sq. km – 9 th largest country in the world
Major languages:	Kazakhstani and Russian
Major religions:	Islam (69%), Christianity (Orthodox) 22%, Atheism (9%)
Life expectancy:	71 years (men), 74 years (women) (139 th in the world)
Currency:	Kazakhstani Tenge ₸, (1 EUR = 481 KZT as of March 2024)
GDP growth (2022):	3.2% in USD terms (<i>Comparison: 3.1% world / 3.6% Asia</i>)
Main exports:	Natural resources led by crude petroleum (40% of exports) and gold (~7.5%),
Main imports:	Machinery , led by mechanical (14%), electronics (10%) and vehicles (8%)
Unemployment rate:	4.7% (2022)
Labour force:	68.8% (2022)
Main industries:	Agriculture: ~5% of GDP; Manufacturing: ~34%; Services: ~61%
Average per household income (2022):	EUR 19 985
Food and beverage market size (2022):	EUR 51.4 billion

Potted history

Kazakhstan is located along the key **crossroads of the Eurasian Steppe**, a region that for centuries has facilitated trade and transit of different people between Europe and Asia. **Kazakhstani identity** began to emerge towards the end of the **15th century** during the **end of the rule of the Mongol Golden Horde**. Neighbouring **Russia** gradually **incorporated Kazakhstan during the 18th century**, and the country remained under the rule of Moscow for most of the period up to the late 20th century. Russian rule evolved into **the rule of the Soviet Union**; however the Soviet Union began to disintegrate at the end of the 1980s and **Kazakhstan became independent in 1991**.



Macro-economic overview

The **dissolution of the Soviet Union** severely impacted the economy of Kazakhstan through the **1990s**. However, **Kazakhstan bounced back during the 2000s** with GDP growth rates of 9% and above recorded between 2000 and 2007; with the economy riding a boom in the price of natural resources. Indeed the **economy of the country continues to be heavily influenced by international prices for raw materials** such as oil and gas; which explains why the economy slowed down in 2014, when prices fell rapidly.

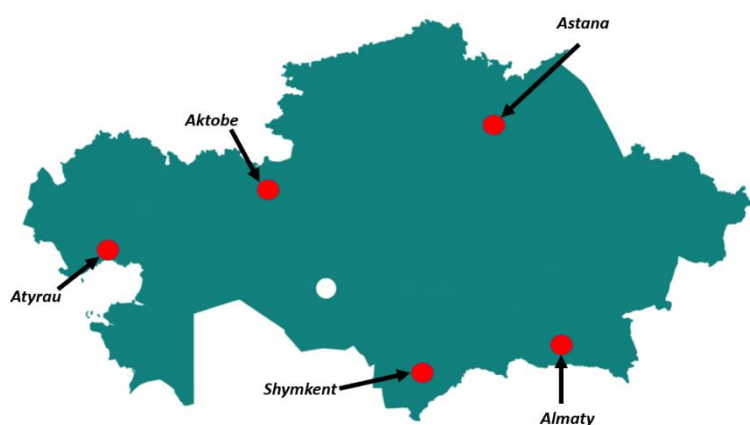
Russia has been and remains a **key trading partner** for Kazakhstan, with the two countries closely linked through their **membership of the Eurasian Economic Union (EAEU)**. However, the country has **opened trade to new markets in recent years** with the EU combined being the largest trading partner for Kazakhstan, plus China a further important partner. The war in Ukraine has indirectly impacted the Kazakhstani economy and led to further increased trade with different partners.

Going forward, the country is likely to see **moderate economic growth of 3-5% per year**. The population is likely to grow by around 20% in the next decade; urbanisation is an increasing trend in the country; plus Kazakhstan is an increasingly popular destination for migrants from other central Asian countries seeking higher life standards.

Population overview

The **population** of Kazakhstan stands at around **19 million**. **Ethnic Kazakhstanis account for 70% of the population**. There is also a **sizable ethnic Russian minority** at around 15% plus other **central Asian ethnicities** such as Uzbeks, Tajiks and Uyghurs which each account for around 1-2% of the population.

With a **fertility rate of 3.1 children per woman** coupled with **increasing migration** to Kazakhstan from other central Asian countries, **the population is growing** and should peak at around 24 million in upcoming years. The **median age is currently 32**, with this expected to fall slightly going forwards. However, this median age is **due to a large demographic of millennials** (aged late 20s to early 40s) **and Generation Alpha** (under 12), with a **very small Gen Z population** (teenage to late 20s).



cities. **Atyrau** (350 000) is the largest city in the west of the country.

With the country occupying a huge area, it has **one of the lowest population densities in the world**. Increasingly, the population is concentrated in urban areas. The current urban population percentage of 58% is expected to grow to 70% by the end of the decade. **Almaty** (population 2 million), **Astana** (1.1 million), **Shymkent** (1 million) and **Aktobe** (750 000) are the largest

Looking for more info?

⇒ [Section 2 of the handbook](#)

SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The largest economy in Central Asia; and hence a possible initial entry point for companies interested in the wider region. ▪ Europe is generally a well-regarded region and hence origin for food products. The EU is a common travel destination, creating some first-hand experiences. ▪ A recent increased focus on diversification of sourcing practices; benefitting both alternative import origins and domestic production. ▪ A growing and evolving market; the population is growing plus becoming wealthier; and increasing exposure to outside influences. 	<ul style="list-style-type: none"> ▪ Market is currently limited in size – it is an upper-middle income country of 19m people at present. ▪ Historically, Kazakhstan has been a price sensitive market. Despite ongoing shifts in consumer attitudes, it largely remains so. ▪ Landlocked country with difficult shipping access. Around half the border is with Russia and traditionally transiting Russia is a major route for imports. Logistics for perishable products particularly difficult. ▪ EAEU membership means Kazakhstan is subject to rules introduced/managed by the EAEU and in some cases other EAEU Member States.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Population is growing steadily as well as becoming wealthier; and the youth-weighted population, which is forecast to get even younger, offers longer term opportunities. ▪ Consumers are beginning to express interest in wider product variety rather than focusing primarily on value. ▪ Sourcing diversification - most notably a move away from Russia - may open up new and fast-moving opportunities. There are early signs of such opportunities in some sectors. ▪ Increasing, varied niche opportunities – whether it be products targeting well-travelled, or foods suitable for outdoor nature activities. ▪ The use of a local partner specific to Kazakhstan can offer exporters advantages in a market that exporters often either overlook, or take a regional approach to. 	<ul style="list-style-type: none"> ▪ EAEU member Russia is the key source of most imports, often accounting for 80% or more of imports in a sector (though some of these may be re-exports). ▪ The current geopolitical situation has made logistics for exporting to the market more complex, costly and time consuming. It is particularly tough to export perishable products in the current environment. ▪ In view of the above, it is difficult for EU exporters to compete on price on more commodity-style products. There is, however, greater potential to compete in the area of processed products. ▪ Evolving regulation is a threat; the regulatory landscape in Kazakhstan can be opaque; and good local contacts may be needed in order to navigate the country's systems.

Retail landscape and intermediaries

- The **retail landscape** in Kazakhstan is **fairly fragmented**. **Traditional grocery retail outlets** remain the **preferred distribution channel**, accounting for half or more of sales in most food product categories. There has been **notable growth in modern grocery retail outlets**, particularly in the largest cities.
- *Magnum*, *Ramstore*, and *Interfood* are the **largest modern retailer chains**. There are other retail chains, including some of EU origin such as *Metro* and *Spar*.
- **Imported food and beverages** are most commonly found in **modern retail outlets**. A few supermarket chains prefer to **import directly**, while others **work with local distributors**. **Companies with foreign owners** may make use of **parent company distribution** and logistics, sourcing through the overseas parent company.
- Smaller **gourmet supermarket chains or individual stores** may also offer a large selection of **higher-end imported products**. They may either work with intermediaries, or import directly.
- In the **food service** area, **international hotel chains, high-end restaurants** and **independent high-end hotels** often actively seek imported products to ensure consistency and quality. They may work with intermediaries.
- Kazakhstani **importers and agents** typically **do not focus on very specific origins or product categories**. Rather, they prefer to have a **diversified portfolio of imported products**, though those products may have some overarching common traits (e.g. all from the broader beverage category).
- Working with a **local Kazakhstani partner** provides **various advantages** compared to the use of a non-local (often Russian) regional partner. The likely advantages include lower logistical costs, easier navigation of local systems and better sales performance.
- Large retail chains and the infrastructure serving them are **primarily located in the southern part of the country**, making this commonly a more attractive area to launch products. More specifically, **Almaty** is sometimes used as a **proof of concept test market** before other markets are targeted.
- The use of **multiple local partners does occur**, but also involves some **complexities**. Regional restrictions may be needed alongside a coherent pricing strategy.

Looking for more info?

⇒ [Section 4.4](#) of the handbook

Cultural considerations – do’s and don’ts for business

As a general rule...

DO	DON'T
<ul style="list-style-type: none"> • Dress conservatively in an office or formal setting. For men this tends to mean suits; for women, suits or business dresses; with dark colours safe bets. While headscarves are not commonly expected, women will often partially or fully cover their arms and legs. • Wait until you are invited before using someone’s first name. • Make sure to have Russian and English-language versions of your business card available. The Kazakh language is not expected but will likely be hugely appreciated in business contexts. • Make sure to be on time for any meetings. While Kazakhstanis tend to be a bit more relaxed about timekeeping compared to western nations, timekeeping is appreciated. • Reach out / follow up with any contacts made at industry events or trade shows; and be aware whether or not the interlocutor is a decision-maker. • Expect to be served bread and tea or coffee as a guest, even if the event is not a dinner. • Make an effort to speak the Kazakh language; even a small effort will be appreciated. Knowing some Russian will also be useful for traveling to the country. 	<ul style="list-style-type: none"> • Stare at people; this will be perceived as rude. • Compare Kazakhstan with other central Asian states, and do not compare the country to Russia. • Use negative stereotypes or refer to negative portrayals of Kazakhstan which can sometimes be depicted in western media. This is considered insulting. • Expect to travel easily around the country; the main urban centres, Astana and Almaty, are over 500 km away, with the country itself being one of the largest and least densely populated in the world. • Refer to any anti-government gatherings or make negative remarks about the Kazakhstani government itself. • Expect to close deals without establishing a relationship first. A high value is generally placed on relationship and trust building. • Expect to be able to rush meals or social events – these tend to take a long time in Kazakhstan, and they can form an important part of relation building even in a business context. • Be surprised if alcohol is consumed at functions in a business context; but also, do not assume that alcohol in this context is acceptable. Ultimately attitudes to alcohol vary in Kazakhstan.

Looking for more info?

⇒ [Section 7 of the handbook](#)

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1 The Food and Beverage Market Entry Handbook: Kazakhstan

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Kazakh market. This Handbook provides **step-by-step guides** on entering the agri-food market in Kazakhstan including relevant information such as **analysis of the Kazakh market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Kazakh market.

How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Kazakh food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Kazakh market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Kazakh market.

2 Country introduction and overview

 	
Capital:	Astana (referred to as Nur Sultan between 2019 and 2023)
Population:	20 million (2023)
Area:	2.7 million sq. km – 9 th largest country in the world
Political structure:	Unitary Dominant Party Presidential Republic
Major languages:	Kazakh and Russian
Major religions:	Islam (69%), Christianity (Orthodox) 22%, Atheism (9%)
Life expectancy:	71 years (men), 74 years (women) (139 th in the world)
Currency:	Kazakh Tenge ₸, (1 EUR = 501 KZT)
GDP growth:	3.2% in USD terms (2022)
Exports:	24% of GDP (2022)
Imports:	33.5% of GDP (2022)
Main exports:	Crude Petroleum (40.2%), Gold (7.45%), Refined Copper (7.2%), Ferroalloys (4.8%), Copper Ore (3.4%).
Main imports:	Machinery, mechanical appliances and parts (13.5%), Electrical Machinery and electronics (10%), Vehicles (7.6%), Iron and Steel (4.1%), Clothing (4.1%).
Unemployment rate:	4.7% (2022)
Labour force:	68.8% (2022)
Main industries:	<p>Agriculture: 4.7% of GDP</p> <p>Manufacturing: 34.1% of GDP</p> <p>Services: 61.2% of GDP</p>
Average per household income (2022):	EUR 19 985
Per household expenditure on food and beverages (2022):	EUR 9 386
Food and beverage market size (2022):	EUR 51.4 billion

Sources: Euromonitor International: Economies and Consumers, 2023; IMF; UN, World Bank; WHO, ECB, Statistics Kazakhstan. * Goods only listed

2.1 Country overview: Kazakhstan at a glance

2.1.1 Past economic and political trends

- *Kazakhstan is located along the key crossroads of the Eurasian Steppe, a region that has facilitated the trade and transit of different tribes and ethnicities between Europe and Asia for centuries.*
- *Kazakh identity and culture began to emerge during the end of the rule of the Mongol Golden Horde towards the end of the 15th century.*
- *Neighbouring Russia, with its much larger industrial base and population, incorporated Kazakhstan over time throughout the 18th century, with Kazakhstan remaining under the rule of Moscow for much of its history between the 18th and 20th centuries.*
- *Russian rule evolved into the rule of the Soviet Union, which was one of the most influential countries globally throughout the 20th century. The Soviet Union, however, began to disintegrate at the end of the 1980s, with Kazakhstan becoming independent in 1991.*

Kazakhstan is the largest country located within the key historic and contemporary crossroads of the Eurasian steppe, with the country playing the role of being a key transit hub for traders and explorers of multiple ethnicities and kingdoms throughout history. The territory of Kazakhstan was well renowned for its capacity to support agricultural activity, which gave rise to several tribes that either settled or migrated through the area, such as the Akatziri, Sabir's, and even the Bulgars, a tribe that would migrate westwards from Kazakhstan to play a key role in the historic development of the EU member state of Bulgaria.

In the 13th century, the territory of Kazakhstan was conquered by the Mongol Empire under the rule of the Golden Horde. The rule of the Golden Horde began to fall apart by the end of the 15th century; however, the Golden Horde played a key role in consolidating political rule and a structure across the previously largely isolated cities within the territories of Kazakhstan. It was within this time frame that the first instances of Kazakh identity and ethnicity began to emerge. A Kazakh Khanate emerged after the end of the Golden Horde rule; however, the territory remained largely divided between warring tribes and factions up until the beginning of the 18th century.

Russians began to take an interest in Kazakh territory through the beginning of the 18th century and, over time - due largely in part to a rivalry with the British Empire regarding influence in Central Asia during a period known as the “Big Game” - began to assert control over Kazakhstan, with the country effectively becoming a part of the wider Russian Empire by the end of the 18th century.

Kazakhstan would remain under the control of Russia throughout most of its recent history, with the country forming part of the Soviet Union between 1920 and 1991, a country that was one of the most influential countries globally throughout the 20th century. The Soviet Union began to disintegrate, and Kazakhstan declared independence in 1991.¹

¹ Kazakhstan History, About Kazakhstan, Available at <https://aboutkazakhstan.com/about-kazakhstan-history>

2.1.2 Current economic situation and mid-term outlook

- *Kazakhstan recorded large economic growth during the 2000s on the back of a large economic slowdown during the 1990s due to the collapse of the Soviet Union.*
- *The economy of the country continues to be heavily influenced by international prices for raw materials such as oil and gas, which explains why the economy grew rapidly between 2000 and 2007, when prices for these resources were high, and why the economy slowed down in 2014, when prices fell rapidly.*
- *While Russia remains a key market for Kazakh goods and the war in Ukraine continues to impact indirectly the Kazakh economy, the country has opened trade to new markets in recent years with the EU combined being the largest trading partner for Kazakhstan. China is also a key trading partner.*
- *Going forward, the country is likely to see moderate economic growth hovering around 3-5% per year, the population is likely to grow by around 20% in the next decade and urbanisation is an increasing trend in the country. Kazakhstan is also evolving to become a destination for migrants from other Central Asian countries seeking higher life standards.*

The dissolution of the Soviet Union severely impacted the economy of Kazakhstan through the 1990s, as total demand for the country's raw mineral resources collapsed as its largest trading partners were also dealing with the economic fallout of the end of the Soviet Union. The government of the country began to implement market reforms towards the end of the 1990s in an effort to liberalize the economy and open up to new trading partners outside of their traditional partners, which consisted mainly of other ex-Soviet republics. While total GDP fell by up to 26% throughout the 1990s, the economy began to bounce back as the country entered the 2000s, aided by the high price of many of the country's mineral resources, such as oil, natural gas, and ferrous metals.

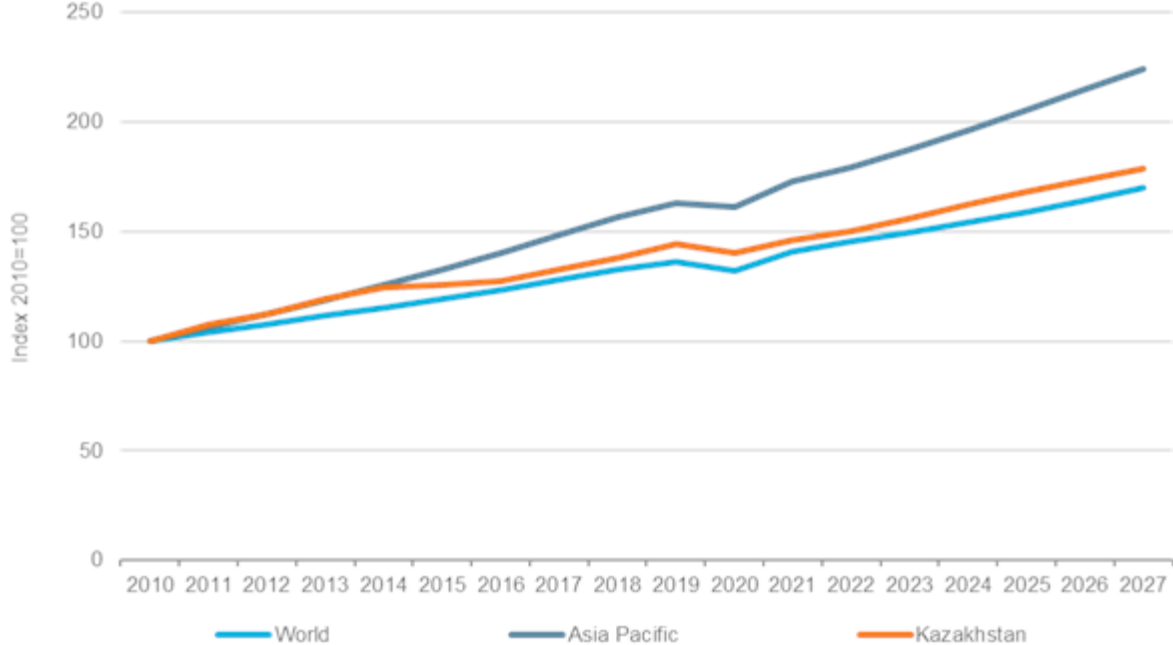
The economy throughout the 2000s recorded consistent economic growth, with GDP growth rates of 9% and above recorded between 2000 and 2007. While the economy continued to grow into the 2010s, there was a notable slowdown in total growth rates, which was influenced by the fall in global prices for oil around 2014 and then the outbreak of the war in Ukraine in 2014, which continues to impact the economy to this day, with the total impact of the war impacting Kazakhstan further in 2022 due to Russia's invasion of Ukraine. Russia remains a key trading partner for Kazakhstan, although the economy has evolved in recent years to reach out to new partners, for example, the EU combined is the largest trading partner for Kazakhstan as of the time of writing², with China also being very important for trade.

The outbreak of Covid-19 in the country led to a negative GDP growth rate of around -4.4% in 2020, although this was replicated across the world as the global economy went into shutdown. Post-Covid-19, the country has returned to positive economic growth despite the increasingly challenging geopolitical situation with Ukraine and neighbouring Russia. Kazakhstan is likely to sustain moderate economic growth in the coming years, with GDP growth expected to hover around 3-5% per year, meaning it is expected to grow more quickly than the world as a whole, but slower than the Asia Pacific average (Figure 2-1). Although many unknown externalities may

² EU-Kazakhstan Trade Factsheet, European Commission, available at https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/kazakhstan_en

influence this figure, the population is likely to grow by around 20% in the upcoming decades if current trends are sustained. Also, the country is increasingly a destination for migrants from other Central Asian countries as the economy of Kazakhstan provides higher living standards. Currently, the economy of Kazakhstan is the world’s 53rd largest by nominal GDP.³

Figure 2-1: Real GDP Growth in Kazakhstan: 2010-2027



Note: Data for 2023 onwards is forecast.

Source: Euromonitor International: Economies and Consumers, 2023

2.1.3 Population trends

- The population of Kazakhstan stands at around 20 million, although the country is the world’s 9th largest by total area, resulting in Kazakhstan being one of the least densely populated countries in the world.
- Ethnic Kazakhs account for 70% of the population, although there is also a sizable ethnic Russian minority at around 15% and other Central Asian ethnicities such as Uzbeks, Tajiks and Uyghurs which tend to each account for around 1-2% of the population.
- A fertility rate of 3.1 children per women coupled with increasing migration to Kazakhstan from other Central Asian countries means the population should peak at around 24 million in upcoming years.

³ Kazakhstan 2041, the next twenty-five years, Institute for security and development policy, available at <https://isdpc.eu/publication/kazakhstan-2041/>

- *Increasingly, urban areas are accounting for the vast majority of where the population settles in Kazakhstan with the current urban population percentage of 62% expected to grow to 70% by the end of the decade.*

The population of Kazakhstan currently stands at around 19 million, which ranks the country as the world's 63rd most populous country. Considering Kazakhstan is the world's 9th largest country by total area, the country is extremely underpopulated, with the country being the world's 183rd most densely populated country with around 7 people per square kilometre. For context, the least densely populated EU member state, Finland, still has double the population density of Kazakhstan at 16 people per square kilometre. The low population density of Kazakhstan is best explained by looking at the climate of the country. Most of the country is made up of a desert or semi-arid climate, particularly in the west and southwestern portions of the country, which makes large-scale human settlement extremely difficult in these areas.

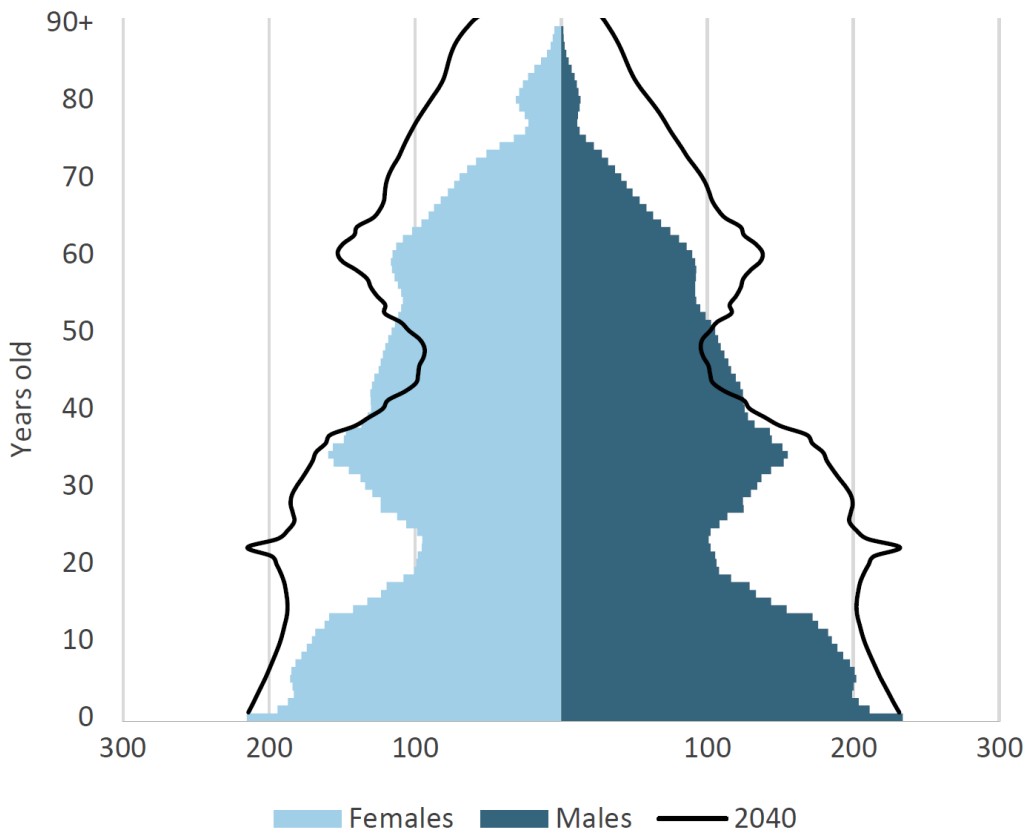
The larger settlements of Kazakhstan therefore tend to either be located in the north of the country, within the immediate vicinity of the Caspian Sea in the west, or within the southeast of the country due to more favourable climatic conditions. The urbanization rate of Kazakhstan is currently around 62%, although this is expected to reach up to around 70% by the end of the decade as large segments of the population, particularly younger individuals, continue to migrate to larger urban centres in search of economic opportunities.

Demographically, the population is made up of around 70% ethnic Kazakhs and 15% ethnic Russians, with the rest of the population being largely made up of ethnic groups from other Central Asian countries such as Uzbeks, Tajiks, and Uyghurs. There is also a sizeable Ukrainian population, which accounts for around 1.2% of the population and largely settled in Kazakhstan during the Soviet period. When Kazakhstan declared independence, the ethnic Russian and Kazak populations were roughly equal, although many Russians have since migrated back to Russia, which was also encouraged by the Russian government to help tackle its internal demographic issues. The Russian population of the country tends to live in the north of the country, nearer to Russia itself.

Currently the fertility rate of Kazakhstan is around 3.1 children per women which is well above the replacement rate of 2.1 children. This in turn is resulting in the total population continuing to grow; it is estimated that the population of Kazakhstan may peak at around 24 million in upcoming years. Migration from other Central Asian countries is increasingly common as individuals migrate to Kazakhstan in search of economic opportunities, the current immigrant population is estimated to be around 3-4 million. A sizeable number of Kazakhs also emigrate to neighbouring Russia although this figure continues to decline as the domestic economic situation continues to improve.

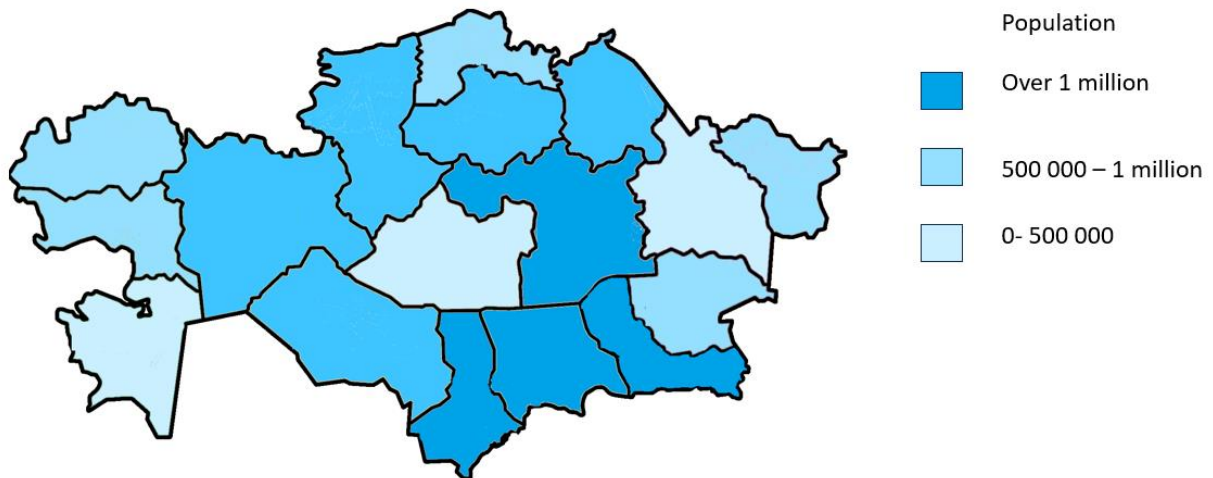
In terms of age and gender structure (Figure 2-2), the population is slightly weighted towards women, with around 1.04 women to every man. There are sizeable young (under 10) and mature working age (mid 30s to 60s) populations. The Gen-Z demographic on the other hand is very limited. This disjointed demographic make-up leads to a median age of around 32 at present. As the population matures over the next twenty years, it is forecast that there will be large young and old demographics, with somewhat of a void in the middle age segment; leading to a slight fall in the median age to around 29.

Figure 2-2: Age Pyramid in Kazakhstan, 2021 and 2040



Source: Euromonitor International: Economies and Consumers, 2023

Figure 2-3: Population of Kazakhstan by region



Source: Agra CEAS

2.2 Geography and key markets

Kazakhstan is the world's 9th largest country by total area and is located in Central Asia. The country borders five other countries, with the largest border being with Russia, followed by Uzbekistan, China, Kyrgyzstan, and Turkmenistan. The country is separated from Mongolia by a small Chinese and Russian corridor, which only stretches around 40 km between Kazakhstan and Mongolia. Kazakhstan is the world's largest landlocked country, although the country does border the Caspian Sea, which itself is surrounded by land. Across the Caspian Sea is the country of Azerbaijan, which is in close proximity to Kazakhstan. Kazakhstan is also partly home to the Aral Sea, which at one point was the world's fourth-largest lake. However, due to climate change and, more largely, the mismanagement of the lake's resources, the Aral Sea today has largely dried up, leaving behind a desert that was once a seabed.

While most of Kazakhstan lies within the widely recognized borders of Asia, there is a small segment of the country to the west that is often categorized as being a part of Europe (around 4.4% of the territory of Kazakhstan).

As noted above, the majority of Kazakhstan's largest settlements are located to the north of the country along the border with Russia, within immediate proximity to the Caspian Sea, and to the southeast of the country. The country is largely made up of a desert or semi-arid climate, which has made historic human settlement in the interior of the country particularly difficult and helps explain the low population density of the country.

2.2.1 Overview of urban markets

Kazakhstan is divided into 17 regions, with these regions being further divided into sub-regions. Three cities - the cities of Shymkent, Almaty and the capital Astana - form their own respective regions (rather than part of the surrounding region, which often has the same name – e.g. Almaty City is not part of the wider region of Almaty). In 2022, the government announced the creation of three new regions in the country: the regions of Abai, Ulytau, and Jetisu.⁴ There is also finally the city of Baikonur, which is home to the Baikonur Cosmodrome. The city and region are currently leased to Russia until 2050 and effectively act as a Russian enclave within the territory of Kazakhstan.

⁴ Regions of Kazakhstan, Opulent Routes, available at <https://www.opulentroutes.com/services/regions-in-kazakhstan/>

Figure 2-4: Regions of Kazakhstan

Source: Agra CEAS based on various

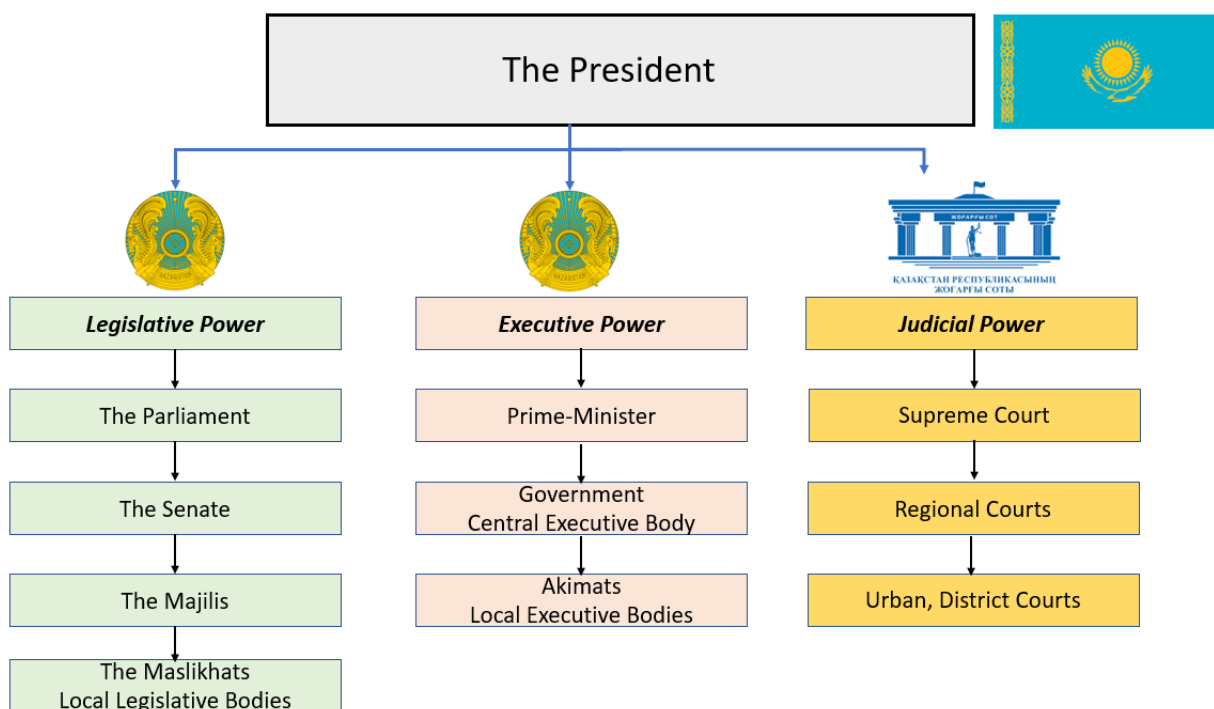
Table 2-1: Regions of Kazakhstan

Region	Capital
Abai	Semey
Akmola	Kokshetau
Aktobe	Aktobe
Almaty	Konayev
Atyrau	Atyrau
East Kazakhstan	Oskemen
Zhambyl	Taraz
Jetisu	Taldykorgan
Karaganda	Karaganda
Kostanay	Kostanay
Kyzylorda	Kyzylorda
Mangystau	Aktau
North Kazakhstan	Petropavl
Pavlodar	Pavlodar
West Kazakhstan	Oral
Turkistan	Turkistan
Ulytau	Jezkazgan

In addition to the regions of Kazakhstan, there are also the cities of Almaty, Astana and Shymkent which are classified as cities of republican significance.

The political structure of Kazakhstan takes shape within the framework of a presidential republic, whereby the president of Kazakhstan is the head of state and the head of government. Executive power is exercised by the government, while legislative power is split between the government and the two chambers of parliament. There are 65 judges on the Supreme Court of Kazakhstan who exercise judicial powers. The constitutional court was re-established in 2023 with the aim of ensuring the supremacy of the constitution of Kazakhstan throughout the territory of the country. Currently, the Amanat Party is the largest political party in the country. Officially, Kazakhstan is a democratic, secular state. Figure 2-5.

Figure 2-5: Simple overview of the political structure of Kazakhstan



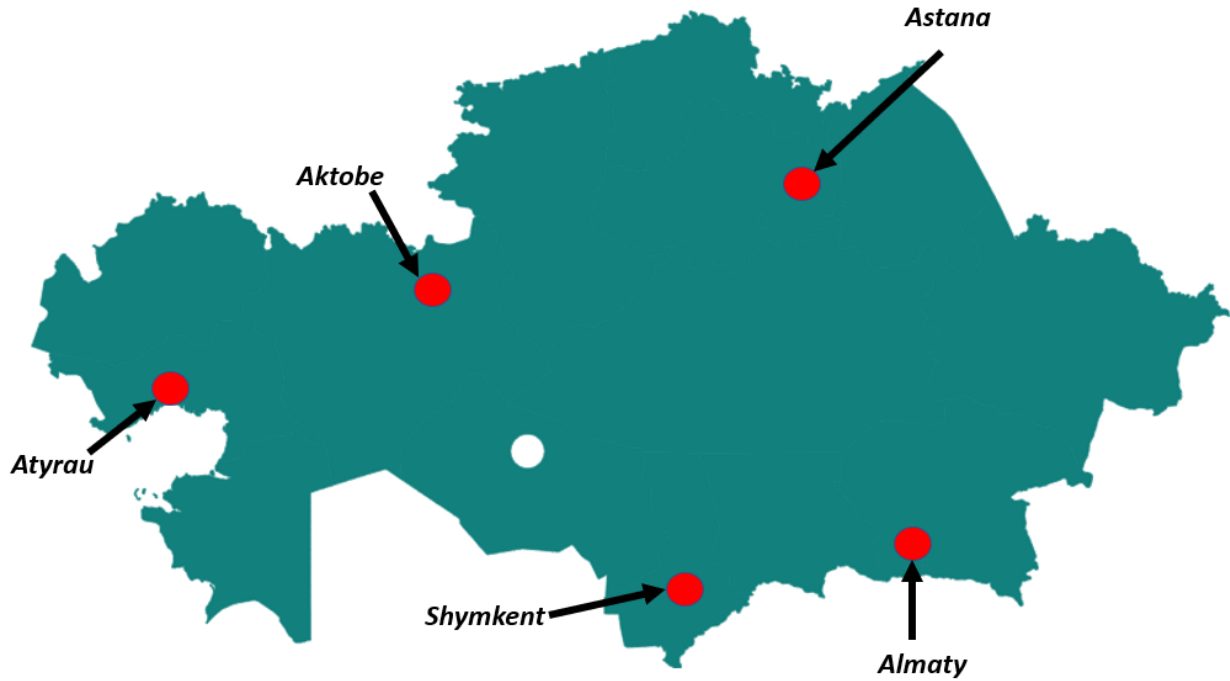
Source: Agra CEAS based on various

2.2.2 Snapshots of important markets

Within the country of Kazakhstan, the cities of Almaty, Astana, Shymkent, Aktobe, and Atyrau stand as the biggest consumer markets of interest for EU food and beverage producers seeking to enter the Kazakh market. The first three mentioned cities, Almaty, Astana, and Shymkent, are by far the largest cities in Kazakhstan, with Astana being increasingly noticed as a potential tourism hub for EU visitors as visitors travel to the city to marvel at its unique architecture, which offers a blend of traditional and futuristic designs. Almaty was the former capital of Kazakhstan and remains the largest and most populous city in the country. It is also a point of entry for EU citizens arriving in Kazakhstan by air. Shymkent is the third-most populous city and acts as a key transport hub for rail and road infrastructure in Kazakhstan. Aktobe is the largest city in western Kazakhstan, with a growing population expected to reach over 1 million in the short term. Finally,

Atyrau is the key hub for the oil and gas sector in Kazakhstan. These cities are outlined in further detail below.

Figure 2-6: Location of focus markets



Source: Agra CEAS

Astana**Key facts:**

GDP (2022):	<i>EUR 25 billion</i>
GDP growth (2022):	<i>3.2%</i>
Population:	<i>1.1 million</i>

Astana is the capital city of Kazakhstan, replacing Almaty shortly after the country declared independence. The more central location of the city within the borders of Kazakhstan played a key role in the decision to relocate the capital to the city, and since then, the economy and prestige of the city have grown exponentially. The city of Astana has grown to become the main focal point for the government, which is seeking to shed most of its Soviet legacy. Throughout Astana, there are numerous buildings with futuristic designs, such as the national concert hall and the Khan Shatyr Entertainment Centre. The government of Kazakhstan has invested heavily in showcasing the culture of Kazakhstan through the portrayal of Astana as a city, with numerous statues and monuments that pay homage to the nomadic culture and history of the region and Kazakhstan.

As the city has grown in importance in recent years, it has emerged as one of the more modern cities of Central Asia which in turn encourages tourism which extends to citizens of the EU. Astana currently has established flights with EU cities such as Frankfurt and Warsaw and has grown in recognition in recent years. The local football team FC Astana through increased investments has become a regular participant in the largest football tournaments in Europe (With Kazakhstan being a member of the European football federation, UEFA) this in turn has encouraged visits from football supporters from across the EU in recent years and increased interest in the city from EU media outlets reporting on the games and by extension the city itself.

Astana has largely outpaced Almaty in terms of international recognition (although Almaty remains the most populous city in the country), as a result, it is likely at least for EU visitors to Kazakhstan that Astana will be their first point of entry into the country. There is growing interest in EU foods, and in particular EU oriented food and beverage outlets such as Irish pubs or Italian restaurants which can now be found in the city.

Going forward, the population of the city is likely to continue growing as Astana has positioned itself as the key economic centre of the country's service sector, the government continues to invest in large scale projects across the city with the aim of continuing to raise the prestige of the city across the globe.

Sources: Nur-Sultan (Astana), A city Profile, Eye on Asia, available at <https://www.eyeonasia.gov.sg/other-asian-countries/central-asia/nur-sultan-a-city-profile/>, Nur Sultan (Astana), Lonely Planet, available at <https://www.lonelyplanet.com/kazakhstan/northern-kazakhstan/astana>

Almaty**Key facts:**

GDP (2022):	<i>EUR 31 billion</i>
GDP growth (2022):	<i>13.9%</i>
Population:	<i>2 million</i>

Almaty is the old capital city of Kazakhstan, being replaced by Astana in 1997. The city was the capital of Kazakhstan for most of the 20th century and during the times of Soviet rule. Being the capital city for such a long period has had the lasting impact of making Almaty the largest, most populous, and most ethnically diverse city in Kazakhstan, with a population of just over 2 million. Almaty is still a major cultural and economic hub within Kazakhstan. Almaty is located in the mountainous region of southern Kazakhstan, along the border with neighbouring Kyrgyzstan.

The city remains one of the most developed cities in Kazakhstan and has one of the highest proportions of ethnic Russians in the region, as many ethnic Russians travelled to Almaty in search of work during the period of Soviet rule as Almaty was a key industrial hub in the region. Today, the city's population is made up of around 63% ethnic Kazakhs, while ethnic Russians form 19.8% of the population. There is also a sizeable minority of ethnic Uyghurs, Koreans, and Germans.

Post- independence, the city, despite losing its status as the capital of Kazakhstan, has remained a city of importance, with investments such as the opening of the Almaty metro system in 2011 showcasing the growth of the city's economy. The city overall accounts for around 20% of the total GDP of Kazakhstan and is regarded as the most economically powerful city in Central Asia. The city is home to the headquarters of many banks and financial institutions, with finance and activities in the financial sector accounting for a significant proportion of the city's economy.

The city of Almaty continues to open up to the wider global economy, which in turn has brought in western-oriented retail outlets and restaurants. For example, there are a number of Irish pubs in the city, and French and Italian restaurants are increasingly common too. The city's population is much more cosmopolitan than the population located in more rural areas in the region of South Kazakhstan, which also helps to make the city a key market of interest for EU food and beverage exporters.

Sources: Almaty, a city profile, Eye on Asia, available at <https://www.eyeonasia.gov.sg/other-asian-countries/central-asia/almaty-a-city-profile/>; Almaty, lonely planet, available at <https://www.lonelyplanet.com/kazakhstan/almaty>

Shymkent



Key facts:

GDP (2022):	<i>EUR 6.3 billion</i>
GDP growth (2022):	<i>28.6%</i>
Population:	<i>1 million</i>

Shymkent is the third-largest city in Kazakhstan by both size and total population. The city is located around 700 km to the west of Almaty, along the border with Uzbekistan. The city, upon achieving a population of 1 million in 2018, received the status of a city of republican significance alongside Almaty and Astana.

The economy of the city was formerly dominated by lead mining and copper, with the city being crucial to the efforts of the Soviet military during its rule, with 75% of all bullets fired by the Soviet Red Army being produced in Shymkent. The industrialization of the city influenced the city's character, with mining being a key characteristic associated with the city of Shymkent amongst the Kazakh population. The city remains one of the largest industrial and economic corridors within Kazakhstan. Tourism is also a growing sector within the city's economy, as the city is home to many sites of importance to Kazakh culture, such as the Koshkar Ata Mosque and the Shymkent old city.

The population of the city is made up of around 67% ethnic Kazakhs, 17% ethnic Uzbeks (owing to the city's location near Uzbekistan), and 8% ethnic Russians. There are also small minorities of other ethnic groups from Central Asia, such as Tajiks and Uyghurs. The population of the city is expected to continue growing as it attracts many migrants from other Central Asian nations.

In terms of importance for EU food and beverage exporters, while not as internationally known as Astana and Almaty, the city is of growing importance to the Kazakh state, as highlighted by its recent elevation in status, which in turn is encouraging investment in the city. The city will likely grow to be one of the main tourism hubs in the country, and industrial and agricultural output from the city also continues to grow as the city's municipal government announced in 2021 up to EUR 3.1 billion worth of projects to be rolled out across the city. Indeed, development of the city is reflected by the high 2022 GDP growth rate which was spurred by a combination of a bounce back from Covid and high levels of investment.

Sources: Shymkent, Jewel of South Kazakhstan, Info Shymkent, available at <https://www.shymkent.info/about-shymkent/>, Shymkent is the capital of South Kazakhstan, Central Asia Guide, available at <https://central-asia.guide/kazakhstan/destinations-kz/shymkent/>

Aktobe**Key facts:**

GDP (2022):	<i>EUR 8.7 billion</i>
GDP growth (2022):	<i>5.2%</i>
Population:	<i>750 000</i>

Aktobe is the largest city located in western Kazakhstan in the region, also named Aktobe. The city currently has a population of around 750 000 (metro area); however, due to migration and high birth rates compared to the rest of the country, it is expected that the city will reach a population of over 1 million by the end of the decade, with the population already doubling between 2003 and 2023.

The city is one of the most religiously diverse cities in Kazakhstan, with Islam and Christianity both heavily adhered to by the population. The city's population is around 79% ethnic Kazak and 15% ethnic Russian.

Agriculture is one of the key sectors of the local economy, with beef and dairy products from this region being consumed throughout Kazakhstan. The region operates as a “breadbasket” within Kazakhstan, with many of the country's main agricultural products being produced within the region of Aktobe. The country's alcohol sector is also heavily concentrated within the city. The local vodka producer, Wimpex, is the largest in the country, and overall activities within the food and beverage sector contribute greatly to the economy of Aktobe.

The location of the city as the largest within western Kazakhstan has elevated its status to that of a key transit hub in the region. Rail links to Russia, Uzbekistan, and Kyrgyzstan are available from the city, and flights across the region are available from the local airport. The city is a gateway into western Kazakhstan and will likely be a point of entry for any EU citizens seeking to visit the region.

The growth of the city, coupled with the increasingly cosmopolitan population, has made the city one of the key target markets for EU food and beverage producers. It is likely that EU food and beverage producers seeking to enter the market may have to travel to Aktobe as the city is home to many of the larger agriculturally based businesses within Kazakhstan.

Sources: Aktobe, About Kazakhstan, available at <https://aboutkazakhstan.com/aktobe-city>, Aktobe, electric city in Western Kazakhstan, The Astana Times, available at <https://astanatimes.com/2018/03/aktobe-eclectic-city-in-western-kazakhstan/>

Atyrau**Key facts:**

GDP (2022):	<i>EUR 16 billion</i>
GDP growth (2022):	13.2%
Population:	355 000

Atyrau is the major city in the west of Kazakhstan, located near the mouth of the Ural river. At its foundation, the city was located at the confluence of the Ural river and Caspian Sea. However, the fall in the level of the latter has effectively resulted in the city moving inland.

The city is one of the main hubs for the nation's oil and gas sector and has expanded in importance in recent years as the population and economy of the city continue to grow. Atyrau is currently the 10th largest city in Kazakhstan by population, but it is also one of the fastest growing, with the population growing by 86% between 2000 and 2023, aided by the presence of the oil and gas sectors in the city.

The city is made up of around 88% ethnic Kazakhs and 8% ethnic Russians, with other minorities including Koreans, Tatars, and Uzbeks. The city is divided by the Ural River and is considered one of the few trans-continental cities in the world, being located along the generally accepted border of Europe and Asia.

The importance of the city as a market for EU food and beverage producers comes from the city's status as the main hub of the country's oil and gas sector, which has seen the city grow rapidly in recent years in terms of size and population. The city is likely to be one of the main locations that individuals from the EU interested in or working within the oil and gas sector will visit if conducting business in Kazakhstan. The city even has an established flight route between itself and Amsterdam, one of the few cities with direct flights to EU cities from Kazakhstan.

Sources: Atyrau city, About Kazakhstan, available at <https://aboutkazakhstan.com/atyrau-city>, Atyrau, Central Asian Guide, available at <https://central-asia.guide/kazakhstan/destinations-kz/atyrau/>

2.3 Domestic agricultural production and regions

Domestic agriculture plays a small role within the economy of Kazakhstan, with agriculture accounting for just 4.7% of the total GDP of the country, although the sector is significant in terms of employment and economic activity outside of the country's urban areas. The country of Kazakhstan was often referred to as the breadbasket of the Soviet Union while it was within the union. This is due to the high levels of wheat, barley, cotton, and rice production in the country, coupled with an established livestock and dairy sector.

Kazakhstan is one of the largest **wheat** producers in the world, ranking as the 12th largest producer and 6th largest exporter of **wheat** in 2022⁵. The country is also the 11th largest producer of barley, the 20th largest producer of potatoes, the 12th largest producer of watermelons, the 13th largest sunflower seed producer, and the 5th largest melon producer. It also produces a significant amount of tomatoes, onions, cabbages, sugar beets, rice, and maize. Most of the wheat and other grains produced in Kazakhstan are produced in the three regions of Akmola, North Kazakhstan, and Kostanay. Indeed, along the border with Russia towards the north of Kazakhstan the more fertile lands of the country are found, while the interior of the country is made up of a desert or semi-arid climate that extends south towards the more mountainous regions of the country.

Animal husbandry remains a key economic activity across Kazakhstan as well as a cultural activity, as Kazakh culture leans heavily into a nomadic lifestyle. Up to 75% of the agricultural land used in Kazakhstan is used for animal grazing, with sheep being the main livestock species produced in the country, followed by cattle, pigs, horses, and camels.⁶

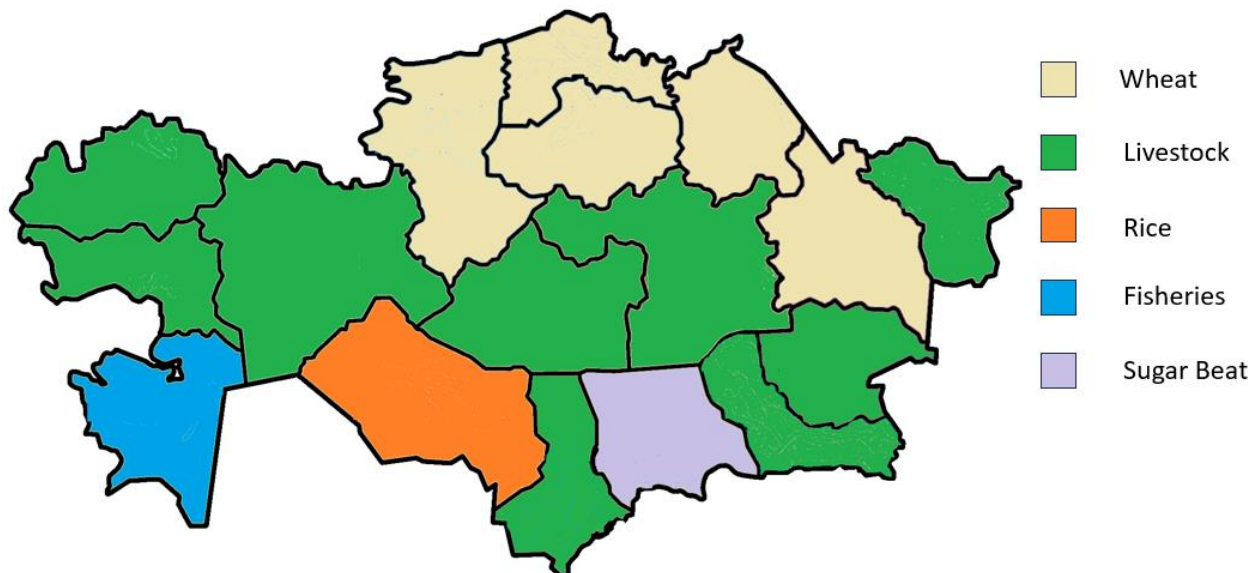
Wine in Kazakhstan remains a small sector relative to other major producers in the “old world” and it is mainly concentrated within the proximity of the mountains east of Almaty. The production of beer and spirits is concentrated in four regions of the country: Aktobe, Astana, Almaty, and Shymkent.

Food processing remains small relative to the size of the Kazakh market, but most consumers continue to prefer fresh variants of products such as meat, fruit, and vegetables. There are three main modern meat processing plants in the country, while fruit and vegetable processing facilities remain small and localized. It is estimated that Kazakhstan currently has the capacity to process up to 45 000 metric tons of meat products.⁷

⁵ Mixed fortunes for Kazakh Grain, The Diplomat, available at <https://thediplomat.com/2022/04/mixed-fortunes-for-Kazakh-grain/>

⁶ Kazakhstan, Country Commercial Guide, US International Trade Administration, available at <https://www.trade.gov/country-commercial-guides/kazakhstan-agricultural-sector#:~:text=Wheat%20is%20the%20country's%20largest,Central%20Asian%20countries%20and%20Afghanistan.>

⁷ Kazakhstan, Country Commercial Guide, US International Trade Administration, available at <https://www.trade.gov/country-commercial-guides/kazakhstan-agricultural-sector#:~:text=Wheat%20is%20the%20country's%20largest,Central%20Asian%20countries%20and%20Afghanistan.>

Figure 2-7: Agricultural products commonly associated with the regions of Kazakhstan.

Source: Agra CEAS based on various sources

The agricultural sector of Kazakhstan has been affected by the management practices in place during the decades under Soviet rule. These continue to impact total production capacity of the country to this day, although significant investments have been announced by the government in recent years to raise the total production capacity of the country's agricultural sector. The country is considered by many to have a large untapped agricultural potential to which the government is increasingly paying attention. It is estimated that Kazakhstan has the potential to be one of the larger producers of organic agricultural products globally. The country also potentially could become an even more important grain producer if untapped fertile areas of the country were to be fully utilised. The sparse population of the country coupled with the need to invest heavily into the modernisation of the country's agricultural sector remain two of the larger obstacles in the way of Kazakhstan fully utilising its agricultural potential. It is estimated that the country could in theory produce enough food to satisfy the needs of over three times its population however it is currently reliant on imports to satisfy domestic food and beverage demand.⁸

⁸ Food Security in Kazakhstan, Do Gender Inequalities Affect? InTechOpen, available at <https://www.intechopen.com/chapters/70300>

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products.

Kazakhstan is a key market within Central Asia, with the cities of Astana and Almaty standing out as two of the more modern cities located in the region. Kazakhstan's sheer size and geographical location as a crossroads between Asia and Europe further elevate the country's status as a key gateway hub for EU food and beverage producers seeking to enter the Central Asian market. Kazakhstan itself is a member of the Eurasian Economic Union, which ties many aspects of its economy to those of other member states, particularly Russia, which remains a large trade partner of agricultural products for the country. Despite this, Kazakhstan continues to increasingly import agricultural products from the EU, which grew significantly in 2022 and will be further analysed throughout this handbook.

Various factors have influenced the demand for EU food and beverage products in Kazakhstan, such as: the desire to not be reliant on one major trading partner to cater to the country's food security; the rise in living standards in the country which is leading increasing demand for higher end food and beverage products (with EU food and beverage products almost certainly being considered a higher end or luxury product in Kazakhstan); and the general opening up of the country post-independence which has seen a rise in international investments coupled with a rise in tourism both into Kazakhstan from EU citizens and also from Kazakh citizens visiting the EU seeking out products they may have consumed on their travels.

Relative consumer expenditure on food and beverages is high in Kazakhstan. While the average percentage of a salary spent on food and beverages by EU consumers hovers around 10%, in Kazakhstan, this figure is around 50%. High food and beverage prices are driven by the country's continuing need to import food and beverages to satisfy domestic demand, general inflation, which has been exacerbated by the wider geo-political situation in the region, and a small tendency for farmers in the country to export their products in order to seek higher prices. As food and beverage prices are high in Kazakhstan even for the more basic of products, this leaves a market for expensive EU food and beverage products that is almost exclusively aimed at the highest earners in the country or the upper middle class amongst consumers who like to splurge at times.

3.1.1 F&B market summary

As noted in section 2.3, agriculture is a small overall segment of the economy, with agriculture accounting for just 4.7% of GDP. That said it is speculated that if Kazakhstan's resources were fully utilized, the total sector could be valued at double or even triple its current rate, and the country would not be reliant on imports to satisfy domestic demand. Although investments have been announced, there are a number of obstacles in place that prevent Kazakhstan from fully optimizing its agricultural potential, which results in the country today continuing to rely on imports to satisfy domestic demand.

The country was home to just under 2 000 food processing companies in 2021. These companies were spread fairly evenly across the country, though with slightly higher concentrations in the regions of: Kostanai and Almaty (each around 180); East Kazakhstan (160); and Akmola and North Kazakhstan (each just under 150). There was far less food production in the west of the country.⁹

The overall market for food and beverages in the country has grown in recent years; however, it is heavily concentrated in the larger urban centres of the country. Modern grocery retail outlets continue to expand their presence within the larger urban areas of the country, although traditional outlets continue to be the preferred channel of food and beverage distribution across most products. Outlets such as Small, Spar, Galmart and Magnum Cash and Carry are among the larger modern retail outlets in the country and one of the main distribution channels for international brands. E-commerce is growing, but it remains focused on urban centres of the country. Traditional stores are unlikely to stock many EU food and beverage products, with the small exception of alcoholic beverages. A further breakdown of retail outlets in Kazakhstan is provided in Section 4.4.2.

The total value of the country's food e-commerce is estimated to be around EUR 425 million, which is small on a global scale but one of the largest within Central Asia.¹⁰

As noted, Kazakhstan has been shifting away from relying on one major food and beverage trading partner (namely, Russia) in recent years which is resulting in new markets expanding their presence within the country's food and beverage market which includes EU producers.

3.1.2 International trade in F&B

As explained above, despite being one of the largest producers of wheat globally, the country of Kazakhstan remains a net importer of food and beverages and has been a net importer since the early 2000s.

In 2022, Kazakhstan imported around EUR 5.6 billion worth of agricultural products with Russia accounting for EUR 3 billion worth of this figure. Kazakhstan has been slowly seeking out new partners to loosen its dependency on imports from Russia which has been accelerated in 2022 due to the wider geo-political situation, in 2022 there are notable increases in total imports from other markets such as Uzbekistan, China and the US. The larger exporters of agricultural products from the EU include Italy (EUR 69 million), Germany (also EUR 69 million) and Poland (EUR 67 million). Some of the larger imported agricultural products into Kazakhstan in 2022 included mixed food preparations and ingredients (EUR 76 million), horticulture products (EUR 57 million) and preparations of fruit and vegetables (EUR 52 million). Italy mainly exports food preparation products to Kazakhstan while Germany mainly exports chocolate. A further breakdown of the trade of agricultural goods between the EU and Kazakhstan is explained further in the section below.

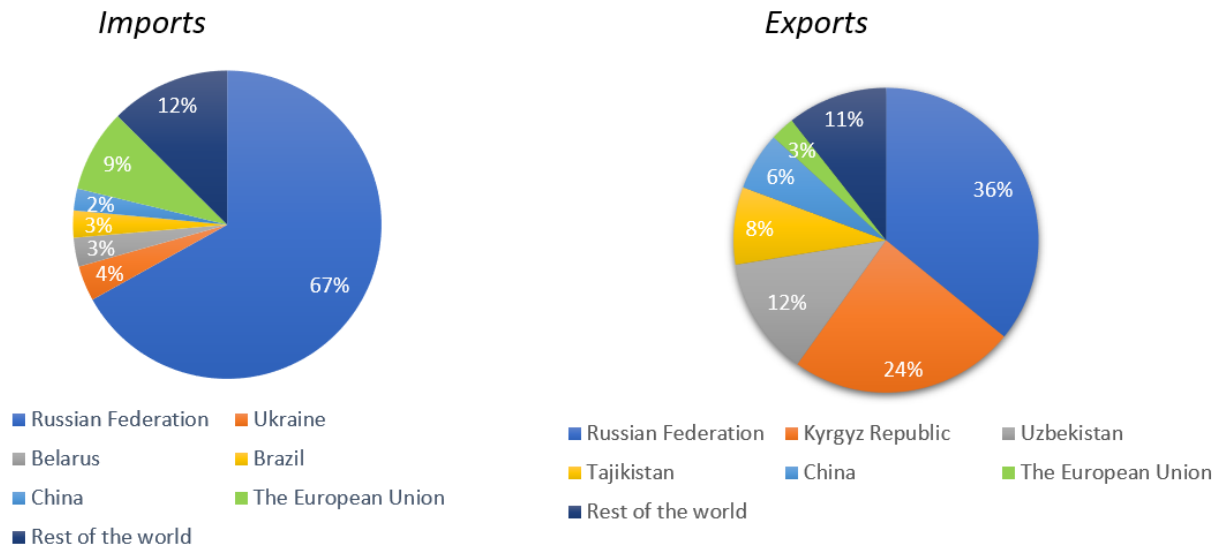
As shown in Figure 3-1 and noted above, Russia is the main source of food imports for Kazakhstan, accounting for around 67% of total agricultural product imports by the country. This is followed by the European Union combined, Ukraine, Belarus, China, and Brazil. On the other hand, Kazakhstan mainly exports food products to China, followed by Kyrgyzstan, Uzbekistan,

⁹ Based on available data and information from Kazakhstan Statistics Committee

¹⁰ Food and personal care market in Kazakhstan, ECDB, Available at <https://ecommercedb.com/markets/kz/food>

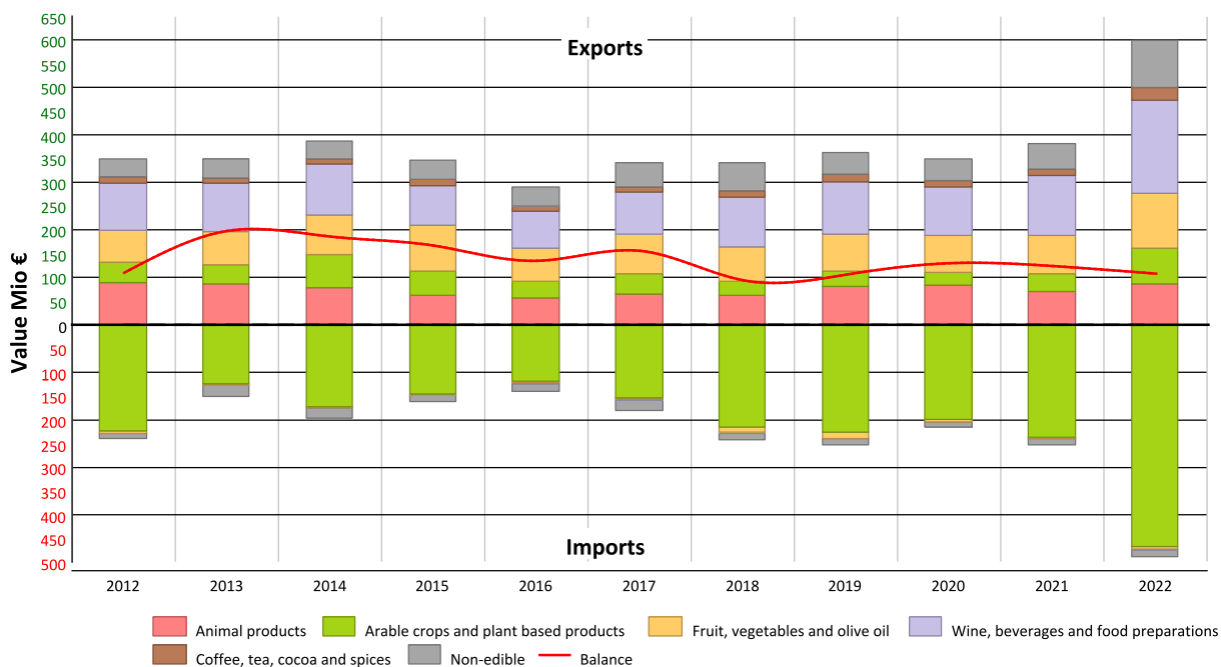
Russia, and the European Union. Central Asia and Russia remain the main food and beverage trading partners for Kazakhstan; however, as shown, the European Union now constitutes a significant amount of international agricultural trade for Kazakhstan.

Figure 3-1 Top five countries of Kazakhstan food exports and imports by value



Source: World Integrated Trade Solution (WITS), Databank from the World Bank; Data from 2021 (note: some agri-food sectors covered in this Handbook may be missing).

The EU has a positive trade balance with Kazakhstan regarding the trade of food and beverages, as Kazakhstan is a net importer of food and beverage products; this is despite some of the products facing challenges for market access (see section 4.3.4). In 2022 EU exports to Kazakhstan increased significantly as shown in Figure 3-2, this can be partly explained by increasing interest in the region from EU food and beverage producer coupled with the wider geopolitical situation which is incentivising Kazakhstan to diversify its trading partners with the agricultural space to loosen its reliance on Russia, the biggest origin. There are however indications that some imports from other EAEU members (most notably Russia) to Kazakhstan may include products which originated outside the EAEU but first arrived in the other EAEU member state before being later sent on to Kazakhstan; leading to the slight accidental inflation of the trade figures.

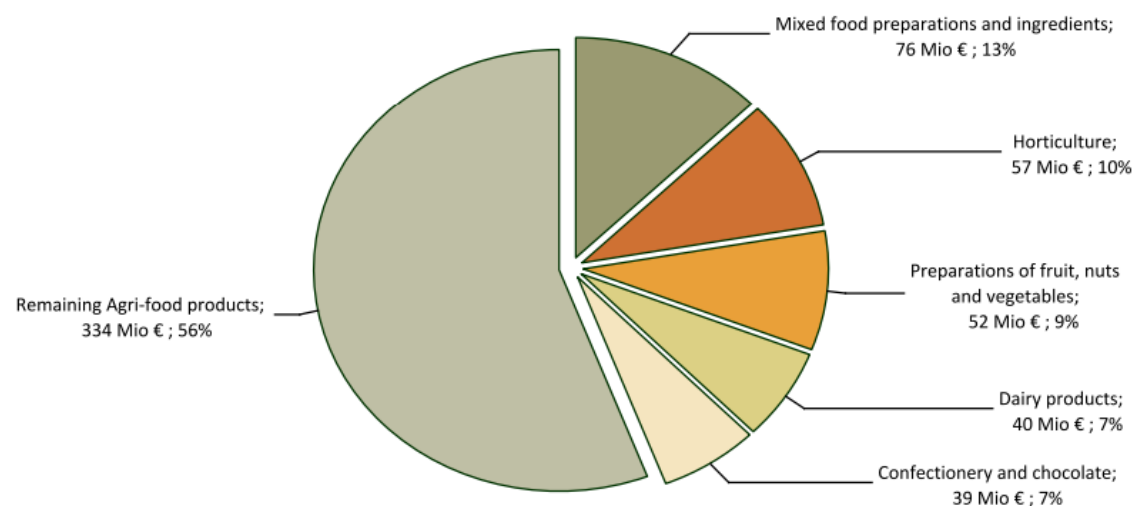
Figure 3-2: Structure of EU-27 agri-food trade with Kazakhstan, 2012 to 2022

Source: European Commission: agri-food trade statistical factsheet, European Union – Kazakhstan. Based on Eurostat-COMEXT data.

As per Figure 3-3 the major exports from the EU to Kazakhstan in 2022 were, in terms of value:

- Mixed food preparations and ingredients - EUR 76 million, 12.7% of total agri-food exports from the EU to Kazakhstan.
- Horticulture products – EUR 57 million, 9.5% of total agri-food exports.
- Preparations of fruit, nuts and vegetables – EUR 52 million, 8.7% of total agri-food exports.

Other notable exported products include other dairy products (EUR 40 million), around 6.7% of all exports; confectionary and chocolate (EUR 39 million), 6.5%; and fruit and nuts (EUR 36 million), about 6%.

Figure 3-3: Top EU-27 agri-food exports to Kazakhstan in 2022

Source: European Commission: agri-food trade statistical factsheet, European Union – Kazakhstan. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

Kazakhstan has import demand for the following products. Even if the EU at present is not a major exporter of these products it should be noted as total exports of agri-food products to Kazakhstan is expected to continue growing:

- **Chocolate and confectionery.** Germany is one of the main exporters of chocolate to Kazakhstan, ranking as the second largest behind Russia with a value of EUR 15 million. Kazakh consumers are increasingly curious about the consumption and trade of chocolate confectionary products, and while production is growing in Kazakhstan, there is increasing interest in high-end chocolate products that predominantly come from the EU. Confectionery products are also picking up in terms of popularity in Kazakhstan, which is one of the agri-food areas where the EU has a large influence on total trade.
- **Alcohol.** Despite having a large Islamic population, Kazakh consumers are large consumers of alcohol, with spirits being popular in the country. Vodka is the most common spirits product consumed in the country, which is common throughout Central Asia; this is followed by beer and, to a much lesser but growing extent, wine products. Demand for premium variants of these products tends to benefit EU products due to their association with luxury and quality.

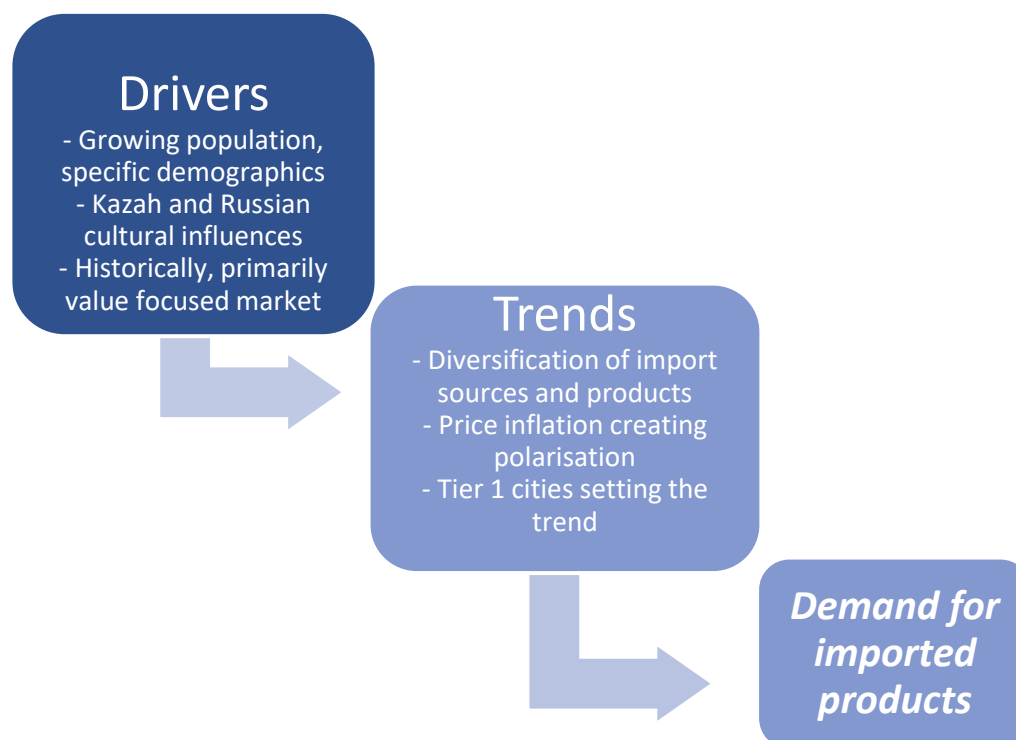
Other high-quality European goods such as pet food, pasta, chocolate, confectionery, and olive oil are also gaining traction amongst high-earning Kazakh consumers, aided by the continued interest in western products amongst this consumer group.

Detailed information on the market for different individual imported product categories can be found in the corresponding market snapshots in section 5.

3.2 Growth Drivers and Trends

The key factors affecting the food and beverage market in Kazakhstan are:

- **Growing population with specific demographic nuances.** The fertility rate in Kazakhstan is high at 3.1 children per woman, leading to the population growing at around 1% per year. On top of that, the country has recently seen an influx of foreign nationals due to the situation in nearby countries (the Russia-Ukraine war in particular). These factors provide some positive tailwinds in terms of market size. However, there are further demographic nuances to be aware of which impact the overall. Due to exceedingly low birth rates in the 1990s and early 2000s, there is somewhat of a void of consumers aged between teenage and late 20s (the earlier part of generation z). However there are large groups of millennials, young generation z and generation alpha (those born after 2010). Going forward, this is likely to lead to a large young population with a falling median age. Furthermore, women outnumber men by 1.04 to 1; and while around 70% of the population is ethnically Kazakh, there is notable diversity in the remainder of the population.
- **Historical influences of Kazakh and Russian cultures.** Kazakhstan has its own deep rooted influences which have affected food and beverage consumption patterns. This is most notable, for example, in consumption patterns of livestock products and dairy. However, there are notable Russian influences from a combination of the country's history as part of the USSR, and the geographical proximity to Russia. This is visible in sectors such as pasta, where there is a leaning towards consumption of Russian-style pasta. The mix of these contrasting influences is particularly noticeable for products such as meat and alcohol. Around 70% of the population is Muslim, meaning that pork and alcohol should not be consumed, although strict adherence to religious consumption habits are observed to a lesser degree in Kazakhstan than in many other Islamic markets. With regards to the former (pork), the market in the country is small, reflecting the Muslim influences. In the case of the latter, data shows a fairly high level of alcohol consumption which is similar in nature to that of Russia (i.e. heavily weighted towards spirits, and more specifically, vodka).
- **Historically, a value focused market.** The Kazakh consumer has historically been quite strongly focused on value, with price commonly one of the most important criteria (if not the most important criterion) that they consider. There is, to an extent, a chicken and egg situation here. The vast majority of food available on the market has been more value-orientated production either from domestic producers, or from neighbouring countries (Russia in particular). At the same time, demand for more highly priced imports has been limited. There are some early signs of changes in this pattern.

Figure 3-4: Growth drivers and trends – the Kazakh food and beverage market

Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International, and various.

In terms of current trends, the following stand out:

- **Diversification of import sources and increase in the range of products available.** As noted above, products on the market have predominantly been either from domestic production, or imports from neighbouring countries – Russia in particular. In the last couple of years, there has been a small but notable trend of food and drink products from other origins entering the market. While this trend does still appear to be early stage, spurred by recent events which have demonstrated the risks of current sourcing, there are signs that the country is looking to move away from its strong reliance on ex-USSR neighbours for imports (they tend to account for more than 90% of imports for most food and drink categories). Alongside this, it can be seen that consumers themselves are expressing an increasing interest in product variety. Whereas historically product ranges in small local retailers and key supermarket chains have often been more limited in variety – a reflection of the historical price focus of the market – new retail players are entering the market offering wider product ranges, and some existing retailers are expanding their ranges.
- **Price inflation creating polarisation.** Price increases in multiple sectors have put a squeeze on Kazakh consumers. While inflation has been a fairly universal phenomenon, Kazakhstan has found itself exposed to higher inflation in certain sectors (including food and drink) due to geopolitical instability which has impacted its historical sourcing origins/routes. These price increases have been handled in different ways by Kazakh consumers. In many cases, they have focused on trading down or substituting (e.g. for sweet snacks, moving away from more expensive chocolate and confectionery to cheaper biscuits). However, some consumers have also taken the view that, if they are to pay more

anyhow, they would rather purchase a product of better quality. This is most noticeable in the alcohol sector and among wealthier consumers.

- **New trends starting in tier 1 cities.** The country overall is dominated by a more traditional landscape, which includes the high importance of traditional, small independent retailers and a food service sector focused more on Kazakh and Russian influenced offerings. However, changes are observable, with modern retailers such as supermarkets growing their market share of distribution, and an increasing number of alternative – often western – food service outlets. These trends are most notable in the tier one cities of Almaty and Astana, which can effectively be considered the trend-setters for the country.

3.3 Consumer profiles and preferences

3.3.1 Consumer profiles

There are some important aspects of Kazakh demographics touched on in section 2.1 which impact the nature of Kazakh consumers:

- **Uneven age demographics.** As noted in the aforementioned sections, as well as the previous section, Kazakhstan has a rather unique age pyramid, with large demographics of millennials/gen x and young gen z / gen alpha; but a small cohort of consumers aged from teenage to late 20s. This obviously affects the makeup of key consumer groups. A further factor which must be taken into account when considering this demographic divide is the impact of the breakup of the USSR. While the older millennials were fairly young when the USSR ended (and hence have passed the vast majority of their life in an independent Kazakhstan), the large generation X cohort will have spent a more noticeable amount of time living in Kazakhstan when it was part of the USSR). Furthermore, as noted in section 2.1.2, the 1990s were largely a bumpy economic period for the country, and both groups of consumer will have lived through this period as teenagers or young adults. These experiences may explain some of the more traditional consumption preferences of these groups. The small size of the current teenager and young adult cohort means that there is currently a limited number of consumers reaching adult age which have experienced grown up in the more stable and open country (and may have had their consumption preferences impacted accordingly). However, due to the huge group of consumers under the age of 15, this will change massively in the coming years.
- **Differences in genders.** As previously mentioned, the Kazakh population slants slightly towards women, with 1.04 women for every man. Furthermore, there are some important characteristics of the female population; their life expectancy is roughly 10 years greater than that of males (early 70s compared to early 60s); and there is a high level of participation of women in the working population. These various factors make women a consumer group which should not be overlooked.
- **Family and household size.** Following on from the first point above, Kazakh households are much more geared towards family than both other countries in the region and countries across the world. Under 20% of households are single person, compared to a global average of closer to 25%. This leaves some 80% or so of households, which are either couples with or without children, single parent families or other arrangements (notably multi-generational living).

- **Ethnicity, religion and heritage.** Kazakhstan is both majority ethnically Kazakh, and majority Muslim (in both cases, around 70%). Nonetheless, this leaves some 30% of the population with a different ethnic group and a different religion; demonstrating the fair level of diversity and an acceptance of non-Muslim consumption habits. Consumption habits are heavily influenced by a couple of key points of heritage – the Kazakh culture, the Russian culture and elements of nomadic culture not encapsulated in the above.
- **Fairly high level of equality.** By various metrics, Kazakhstan shows a fairly high level of equality. For example, the Gini Index is 30%, close to the 0% end of the scale which represents perfect equality; and indicating that the country is more equal than countries like Japan and South Korea which are considered to be more equal. Over 90% of the population have income levels under USD 20 000 per year, with the vast majority of the population earning between USD 3 500 and 15 000 per year. The number of people earning over USD 50 000 per year is very small (estimated under 100 000). In age terms, average income levels increase fairly quickly (just over USD 5 000 for under 19s, to USD 7 500 to those aged 20-24) but then level out around USD 9 000 at age 30 up until retirement.

Against the background set out above, the consumers which are likely to be of greater interest to EU exporters include: the young emerging adult segment, which will grow in number as well as income over the next years; families (including intergenerational families living in the same household); and working women. The most interesting parts of these groups will be those which are found in the two largest cities, as they tend to offer somewhat higher income levels and as already seen have the largest consumer markets.

As already noted, overall Kazakh consumers are quite value driven, and against that background, European products offering a good price-quality relationship are more likely to target the large part of the population with earning in the USD 3 500 and 15 000 per year. However, there is a well-travelled, generally wealthier consumer niche which is likely to be interested in European products offering higher quality at corresponding price points; the previous exposure of this type of consumer to European products during their travels likely being a key driver of their interest. Expatriates are another generally higher income segment which is more likely to seek out higher quality, more expensive European products.

3.3.2 Cultural sensitivities and other considerations

Cultural sensitivities can be another consideration when it comes to understanding the Kazakh consumer and wider trends in Kazakhstan. Understanding other social factors within Kazakhstan that shape consumer behaviour and trends can be important in the context of the market.

Multi-cultural population

As a country located at the crossroads of various cultures from the Turkic and Slavic worlds, as well as being a member of the multi-ethnic Soviet Union, which encouraged heavy inward migration, the modern country of Kazakhstan is quite multi-cultural. Ethnic Kazakhs, upon independence in 1991, did not form the majority ethnicity; however, today they form around 70–71% of the population. Ethnic Russians today account for 15% of the population and are mainly located in northern Kazakhstan and within Almaty. Other minorities with a notable population in Kazakhstan include Ukrainians, Uzbeks, Uyghurs, Germans, and Tatars. Each ethnicity will incorporate their own cultural sensitivities, with Uzbeks and Uyghurs tending to adhere to Islam

to a higher degree than ethnic Kazakh; and these sensitivities have impacts in terms of food and beverage consumption. Around two-thirds of the population speak Kazakh, a Turkic language closely related to other Central Asian languages, while Russian is widely understood and spoken between ethnicities.

Shedding of Soviet Legacy

Kazakhstan has taken a number of steps aimed at shedding its Soviet legacy and embracing its independence. This includes the modernization of its current capital, Astana, and the incorporation of numerous monuments and landmarks that reference the country's nomadic and Turkic-oriented culture. The country is also now taking steps to replace the use of the Cyrillic alphabet with the Latin alphabet in order to broaden the appeal of the Kazakh language abroad and internally. As is the case in many ex-Soviet republics, the legacy of the Soviet Union tends to be mixed in Kazakhstan, with different viewpoints coming from different demographics (age groups in particular).

Nomadic inspired cuisine

The culture of Kazakhstan leans heavily into embracing the qualities of a nomadic lifestyle, which is encouraged by the country's location along the Great Steppe, which has been a traditional area of mass nomadic activity. Traditional Kazakh foods tend to be inspired by foods that were easier to find for nomadic tribes historically, which include horse and camel meat as well as milk dishes. Many of the more famous Kazakh foods, such as *Beshbarmak*, one of the main national dishes of Kazakhstan, this dish is made of chopped boiled meat, mixed with dough and an onion sauce and the dish *Kuyrdak* which is a traditional meat dish made from lamb, mutton, beef or sheep liver. These dishes were inspired by their durability and ability to be preserved, which was a key trait important to nomadic tribes that often remain on the move for many months at a time. While camel and horse meat have traditionally been the main meats consumed in Kazakhstan, sheep and cow meat are also popular today.

Hierarchical Society

The culture of Kazakhstan is quite hierarchical, which can also be linked to the country's nomadic past, where the most experienced were revered. Older people are viewed as wise and therefore respected among Kazakh citizens. Older people will sit at the head of the table and will eat first before everyone else begins. It is best not to show any advertisement that portrays elderly consumers in a negative light, as this will not be well received in the hierarchical society.

Gifting and Hospitality

Kazakhs are well known throughout Central Asia and even in Russia for their hospitality to guests; indeed, the country plays the role of a crossroads of cultures quite well in this regard. It is common for Kazakhs to invite complete strangers to their homes to dine with them, and guests will often be given bread or, if appropriate, an alcoholic beverage upon entering a Kazakh household. Gifting is growing in popularity and tends to involve chocolates, confectionery or a homemade baked good.

Nauryz

Nauryz of the Persian New Year has been celebrated across the nations of the Great Steppe since ancient times and marks a new year for the ethnic Kazakh population (and other minorities from Central Asia). During the Nauryz holiday, large and small cities and villages become festival centres, and a number of celebrations and dances take place across the country. *Nauryz Kozhe*, a type of traditional Kazakh soup, is consumed on this day, and it is considered good luck to consume this soup on the day of Nauryz.

Outdoor activities

The expansive and beautiful nature of Kazakhstan, including its impressive mountains, means that many Kazakhs will spend significant parts of their free time outdoors, whether hiking, horseback riding, hunting, fishing or other outdoor activities. In terms of the food and drink market, this creates interest in food which can be consumed during such activities. Recently, there has been particular niche interest in readymade food for outdoor activities.

Public holidays

- **New Year** (1st January). Celebration of the Gregorian calendar new year which is marked as a public holiday in Kazakhstan.
- **Orthodox Christmas** (7th January). Celebrated amongst the orthodox population of Kazakhstan (tends to be the Slavic population), this date is marked a public holiday in Kazakhstan.
- **International Women's Day** (8th March). The international women's day holiday has long been celebrated in Kazakhstan as it was also an important holiday within the Soviet Union. The country marks the day as a public holiday, and it is common to gift mothers and female friends presents such as chocolates on this date.
- **Nauryz** (21st-23rd March). As mentioned above, Nauryz is a date that marks the beginning of the spring equinox and the beginning of the traditional Persian new year. This date is one of the most important in Kazakhstan and the wider region and is marked by celebrations and dances throughout the country as well as consuming meals together with family and friends.
- **Unity Day** (1st May). This date has replaced the previous celebration of workers day and is a date the celebrates the cultural diversity of Kazakhstan. Kazakhstan is a multi-ethnic nation, and this date is used to celebrate the cultural differences and unity within the state of Kazakhstan.
- **Victory Day** (9th May). This date commemorates WW2, with many Kazakhs serving within the Soviet Red Army. The day is marked by military parades and gatherings to commemorate the Kazakh soldiers who lost their lives during the conflict.
- **Capital City Day** (6th July). Capital city day is celebrated within Astana and is marked by firework displays and concerts in the city.
- **Eid Al-Adha** (Varies). The majority religion in Kazakhstan is Islam and this date is one of the most important in the Islamic calendar. A key element of this date in Kazakhstan is the sacrificing of a cow, camel, horse, or sheep which is then shared with those in need. Festivals are held across Kazakhstan which attracts consumers of other religions as well.
- **Constitution Day** (30th August). Constitution Day marks the celebration of the basic principles of the Kazak states as established in the constitution of the country. Sport

festivals are held across the country with ancient nomadic games such as *asyk atu* and other competitions taking place on this date.

- **Republic Day** (25th October). This holiday, which has been recently restored, celebrates the day of declaration of sovereignty by the Kazakh SSR in 1990. This preceded the 1991 independence (see below).
- **Independence Day** (16th-17th December). This date marks the independence of Kazakhstan which took place in 1991. The country marks this date with concerts and festivals across the country and high-level politicians use this date to set out their agendas for the following year via a national address.

Important cultural symbols

The large size and cultural diversity of Kazakhstan means that there are many different cultural symbols important to different parts of the population. However, on a national level the following cultural symbols are universally important to most Kazakhs.

The flag of Kazakhstan

The flag of Kazakhstan is one of the more visually striking flags used globally and incorporates many cultural symbols of the country. It features a gold sun with 32 rays above a soaring steppe eagle with a turquoise background. The colour is an important colour within the Turkic culture and features on the flag of neighbouring Uzbekistan. The soaring eagle has been used on banners and emblems representing Kazakh tribes for centuries and the golden eagle is the national animal of the country.



Traditional clothing

The traditional clothing of Kazakhs is also an important cultural symbol as it references the country's nomadic past and unique cultural identity. Men tend to wear what is known as a *shapan* robe with felt hat (*kalpat*) during the winter months and a skullcap (*takiyu*) during the summer months. For women, they tend to wear a traditional long dress made of a thin felt. Younger women under the age of 30 regularly wear red dresses although this is a social taboo for older women.

National Games

There are many national games played largely only in Kazakhstan and the surrounding region which includes games such as *Kokpar* and *Baiga*. Wrestling is also quite popular in Kazakhstan, particularly in rural areas where it has been a traditional sport for centuries. The country is very proud of its national games and many of the more major events involved within the context of these national sports will draw in large crowds and is often finished by the gathering of spectators for a large meal.

4 Market access and entry

This section provides details on the necessary requirements for entry into the Kazakh market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Europe is generally a well-regarded region and hence origin for food products. While Turkey and UAE tend to be the most common destinations for those who travel, Europe is not far behind, creating a segment of the population with first hand European experience. ▪ There has recently been an increased focus on diversification of sourcing practices, partly spurred by recent geopolitical events. This has not only resulted in increased efforts to boost domestic production in some areas, but also in terms both of the substitution of domestic processed food production due to challenges with inputs; and some substitution of import origins. ▪ Population is growing and becoming wealthier; and there is increasing exposure to outside influences. All these factors create a growing and evolving market. ▪ The largest economy in Central Asia; and hence a possible initial entry point for companies interested in the wider region. 	<ul style="list-style-type: none"> ▪ Historically, Kazakhstan has been a price sensitive market, and despite ongoing shifts in consumer attitudes, it largely remains so. ▪ Landlocked country with difficult shipping access. Around half the border is with Russia and traditionally transiting Russia is a major route for imports. ▪ EAEU membership a bonus in that it means products conforming with standards also comply with standards for the wider EAEU market. However at present the potential for exporters on that market is low and EAEU membership subjects it to rules introduced/managed by the EAEU and in some cases other EAEU member states. ▪ Market is currently quite limited in size – it is an upper-middle income country of 20 million people at present. That said, it is expected to continue to develop in terms of both metrics. ▪ Exporting perishable products is challenging due to logistics, which have been further complicated by the Russia-Ukraine conflict.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Any moves away from Russia as the key source for products due to the above sourcing diversification may open up new and fast-moving opportunities, whether for import or investment for domestic production. There are early signs in some 	<ul style="list-style-type: none"> ▪ Driven by Kazakhstan's EAEU membership, Russia is the key source of most imports, accounting for 80% or more of imports in many sectors (though some of these are believed to be re-exports).

<p>sectors that such opportunities are emerging.</p> <ul style="list-style-type: none"> ▪ Population is growing steadily as well as becoming wealthier; and the young-weighted population, which is forecast to get even younger on average, offers longer term opportunities. ▪ Consumers are also beginning to express interest in wider product variety rather than focusing primarily on value. ▪ There are increasing various niche opportunities – whether it be products targeting well-travelled, generally higher income consumers; or foods suitable for outdoor nature activities. ▪ The use of a local partner specific to Kazakhstan can offer exporters advantages in a market that many exporters either overlook, or rely on Russian partners with a regional approach which lack the interest or knowledge necessary for success in the market. 	<ul style="list-style-type: none"> ▪ In order to be able to export certain types of agricultural products to Kazakhstan, export establishments need to be included in a special register, upon approval of all EAEU Member States. This process might be lengthy, costly, and involve a physical inspection by representatives of EAEU countries, including Russia. ▪ The current geopolitical situation has made logistics for exporting to the market more complex, costly and time consuming. It is particularly tough to export perishable products in the current environment. ▪ In view of the above, it is difficult for EU exporters to compete on price on more commodity-style products. There is, however, greater potential to compete in the area of processed products. ▪ Evolving regulation is a threat; the regulatory landscape in Kazakhstan can be opaque; and good local contacts may be needed in order to navigate the country's systems. There is a risk of being exposed to corruption.
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4.2 Food and beverage legislation and regulations

The food regulation landscape in Kazakhstan is a mix of EAEU legislation and national implementation, and this does create a certain level of complexity. Exporters should pay attention to ensure that there are no discrepancies in the documents they provide; that they have the necessary certificates, permits and declarations; that they are authorised for export; and that labelling is in line with requirements. There can nonetheless be challenges with ensuring compliance, but the use of a good local partner can help with navigation of the regulatory system.

4.2.1 Import requirements/restrictions, customs procedures and documentation

Import procedures and requirements tend to vary by product. Table 4-1 sets out the general documents required for all shipments.

There are also various product specific requirements. Table 4-2 provides a more detailed overview of the different specific documents which are required for the different categories covered by this handbook.

Table 4-1: General requirements for goods exported to Kazakhstan (including F&B)

Name	Description	To be prepared by	Language
Air Way bill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or his agent)	EN
Bill of Lading	A document containing the details of the international transportation of products by sea.	Carrier (or his agent)	EN
Rail Waybill conforming to COTIF and SMGS	A document notifying of international transportation of goods by rail. Must conform to the convention concerning international carriage by rail (COTIF) and the agreement concerning international freight traffic by rail (SMGS).	Carrier (or his agent)	EN, RU, DE or FR
Waybill	A document notifying of international transportation of goods by road.	Carrier (or his agent)	EN (or translation into EN)
Manifest	A document notifying the authorities of the arrival of a vessel/an aircraft and summarising the goods loaded therein. To be submitted within 24 hours from time of arrival.	Freight forwarder (or his agent)	EN, KZ or RU
Advanced notification of arrival	A document notifying authorities of the arrival of goods by any means of transport. A pre-requisite for the manifest.	Freight forwarder (or his agent)	KZ or RU
Commercial Invoice; pro forma invoice	A document containing the details of the transaction. There are requirements on minimum content for customs clearance though these are fairly standard invoice requirements. Pro forma invoice generally contains the same information as commercial invoice, though may be more precise. May be required for deliveries which are free of charge.	Exporter	Any language but translation to RU or KZ normally needed.
Customs import declaration	Official form for customs clearance; also contains information required for assessment of dutiable value. In exceptional circumstances a declaration of dutiable value must also be completed.	Importer	KZ or RU
Declaration of dutiable value	Document containing necessary information for assessment of dutiable value of a shipment.	Importer	KZ or RU
Packing List	A document containing the details of the shipment and serving as a basis for the treatment of goods by customs.	Exporter	EN, KZ or RU.
Business registration certificate	Document proving that a company intending to conduct business in Kazakhstan is registered with the Unified State Registry.	Importer (<i>also exporter if they are carrying out direct business</i>)	KZ or RU
Tax registration certificate	Document confirming that an importer is on the State Register of Taxpayers.	Importer	KZ or RU
Proof of preferential / non-preferential origin	A document confirming the preferential / non-preferential origin of the goods to be imported. While not always necessary, it may be	Exporter	Normally EN, KZ or RU; FR

Name	Description	To be prepared by	Language
	requested by customs or the importer if there are doubts about the origin.		may be accepted
Registration with ASYCUDA	Document proving that foreign trade participants who wish to use the electronic trade clearance system have obtained access to the Automated System for Customs Data (ASYCUDA)	Importer	KZ or RU

Source: European Commission Access2Market.

Table 4-2: specific market entry requirements mapped to handbook categories

Name and description	F&V (apples)	Dairy	Alcohol (spirits, wine, beer)	Olive oil	Chocolate / confectionery	Processed meat	Pasta	Processed F&V	Biscuits / cereal bars	Baked goods	Breakfast cereals	Baby food
Declaration of conformity of the EAEU. Self-declaration document prepared by importer declaring that the product conforms to the standards and technical regulations of the Eurasian Economic Union (EAEU).												
Free sale certificate. Document confirming goods are freely sold in the country of export.												
Certificate of conformity of the EAEU. Document certifying that the product conforms to the standards and technical regulations of the EAEU, obtainable from the Federal Agency for Technical Regulation and Metrology.												
Veterinary health certificate for animal products. Issued by authorities of the country of export. Must be in Russian and either the language of the country of export or English.												
Permit to import animal products and products of animal origin. Document permitting import of these products. Obtainable from the Ministry of Agriculture, Committee for Veterinary control.												
Phytosanitary certificate. Issued by authorities of the country of export.												
Phytosanitary inspection certificate. Document confirming phytosanitary inspection												

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at the border control point completed. No fee except those related to sampling; processing time varies; valid only for one importation.												
Licence to deal in alcoholic beverages. Document proving the bearer is licenced to deal in alcoholic beverages. Obtainable from the Federal Service for Regulation of the Alcohol Market.			exc. Beer									

Source: Agra CEAS based on Access2Market



required for the category



only required for category in specific cases, consult Access2Market for more data

It should be noted that the EAEU has its own system of customs codes. This system is very similar to the common nomenclature / harmonised system – 2 digit and 4 digit codes are basically the same. However, there are differences at lower levels e.g. 6 digit and 8 digit. The EAEU customs code system can be found here: <https://www-alta-ru.translate.google/ett/? x tr sl=ru& x tr tl=en& x tr hl=en-GB& x tr pto=nui>

It should be noted that the **declaration of conformity** is a requirement to ensure conformity with technical standards for many products including most agri-food products. Kazakhstan follows the list set out in list approved by the CU Commission Decision 620, this can be found here: <https://www-alta-ru.translate.google/? x tr sl=ru& x tr tl=en& x tr hl=ru& x tr hist=true#ql22>

As a general rule, these declarations of conformity should be drafted by importers and registered with the authorities. Various documents may be used to as a basis for drawing up these declaration, including:

- Relevant documents required for the product.
- Certificates confirming the system of quality, conformity, etc.
- Records of product testing carried out by official laboratories or the importer.
- Testing records on raw materials / ingredients.

The declaration of conformity allows the product to be marked with the EAEU conformity mark (see section 4.2.3).

As is implied in the table above, certain products must be under **veterinary or phytosanitary control**. The lists of these products are set out at EAEU level by CU Commission Decision No. 317 and CU Commission Decision No. 318 respectively. In brief:

- **Products under veterinary control:** meat and meat by products; live animals; fish / seafood and by-products; milk and dairy; eggs / egg products; material of animal origin; feed and feed additives (including petfood); legumes used for veterinary purposes or as animal feed.
- **Products under phytosanitary control:** the list is divided, by customs code, into high risk and low risk. In short almost all fresh and dried fruit and vegetables fall into the high-risk list. A link to decision no 318 can be found at the following page: <http://www.eurasiancommission.org/en/act/txnreg/Pages/acts.aspx>

As noted above, a veterinary health certificate and import permit is required for **products under veterinary control**. In addition to this, only suppliers on the approved supplier list are permitted to access the market. The Kazakh Ministry of Agriculture now handles the accreditation process (previously it was handled centrally in Russia for the whole EAEU). Requests normally have to be submitted through the Ministry of Agriculture of the exporting country; and there is a fee for the facility inspection required for the accreditation process. The most recent list identified can be found at the link below; though it is recommended that the embassy in Kazakhstan of the exporting country be consulted for the most up to date information. It has been signalled that, with the Kazakh Ministry of Agriculture only recently taking over the process of listing establishments, there may be challenges in obtaining listings for new establishments.

https://www.gov.kz/api/v1/public/assets/2021/12/3/deb52dfd21661feaa046b1d0af339ad_origin_al.858624.xls

High risk products under **phytosanitary control** most notably require a phytosanitary certificate.

Central Asia Gateway and Kazakh Trade Portal

The **Central Asia Gateway** is an EU funded trade portal which provides easily accessible information on the export procedures for products to Kazakhstan with step-by-step instructions and examples of the documents required. The Gateway can be found at the following address:

<https://infotradecentralasia.org/>

The **Kazakh Trade portal** contains detailed and government verified information on export procedures as well as templates for documents and forms to be used. The portal can be found at the following address:

<https://tradeinfo.kz/?l=en>

4.2.2 Food safety and other food certification requirements

Key bodies and structures

Kazakhstan is a founding member of the Eurasian Economic Union (EAEU), and this has had an important impact on food regulations in the country since the founding of the Union in 2015. The country's EAEU membership means that standards and regulations are a combination of domestic and EAEU ones; and are overseen by a combination of domestic authorities, the EAEU and authorities of other EAEU member states (notably Russia). Import policies are also in the process of being adjusted following Kazakhstan joining the WTO in 2015, which resulted in its signing up to the SPS agreement of the WTO.

The main bodies in Kazakhstan responsible for imported food and food safety are:

- **The Ministry of Agriculture** which comprises authorities for regulating plant and animal imports. This includes:
 - **The Committee of the Veterinary Control and Surveillance**, which oversees issues of animal health, including at borders.
 - **The Agricultural State Inspection Committee of the Ministry of Agriculture**, which oversees plant health requirements.
- **The Committee for Sanitary Epidemiological Surveillance** of the **Ministry of Health**, which is responsible for food safety.
- **The Ministry of Trade and Integration (MTI)** which oversees most food and agricultural trade issues. This includes **the Committee on Technical Regulation and Metrology**, which determines if a product conforms to national standards.

In addition to this, the **Eurasian Economic Commission (EEC)** of the **EAEU** oversees various regulatory aspects, including customs related ones, technical regulations and sanitary/veterinary and phytosanitary measures.

The main overarching pieces of legislation impacting food safety in Kazakhstan are:

- Law No. 301-Z on the safety of foodstuffs of 2007. This is a national Kazakh law which has subsequently been updated. Available at: <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC081549/>

- CU Technical Regulation TR TS 021/2011 on Food Safety (last amended December 2019) <http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/PischevayaProd.a.spx> This most notably adopts an extensive set of food safety related technical standards. A full translation of the original 2011 version can be found here: http://www.rustandard.com/images/CU_TR/TR_CU_021.2011_Safety_of_Food_Product_s.pdf
- CU Commission Decision No. 299 on the Application of Sanitary Measures in the Customs Union; an extensive document which sets out various sanitary requirements at EAEU level including e.g. pesticides and contaminant residues. This can be found at either: <https://docs.eaeunion.org/ru-ru/Pages/DisplayDocument.aspx?s=%7be1f13d1d-5914-465c-835f-2aa3762eddda%7d&w=9260b414-defe-45cc-88a3-eb5c73238076&l=%7b8a412e96-924f-4b3c-8321-0d5e767e5f91%7d&EntityID=8916> or https://docs.eaeunion.org/docs/en-us/0017349/cuc_28062010_299_doc.pdf

There are a range of more specific pieces of legislation, including e.g. technical regulations at EAEU level on the safety of specific food and beverage products. Key ones of relevance to products covered by this handbook are set out in Table 4-3 below. Most of these have subsequently been updated since first being introduced (but not replaced). There are further technical standards for products not covered by this handbook, such as fish and bottled water.

Table 4-3: Key EAEU technical regulations relevant for products in the handbook

Product	Standard
Oils and fats	CU Technical Regulation on Oils and Fats TR TS 024/2011 http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/MasloGirov.aspx
Dairy	CU Technical Regulation On the Safety of Milk and Dairy Products TR TS 033/2013 http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/%D0%A2%D0%A0-%D0%A2%D0%A1-033.aspx
Meat and meat products	CU Technical Regulation On the Safety of Meat and Meat Products TR TS 034/2013 http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/%D0%A2%D0%A0-%D0%A2%D0%A1-034.aspx
Alcohol	EAEU Technical Regulation TR EAEU 047/2018 on the Safety of Alcohol Products (currently expected to enter into force in Kazakhstan on 1 July 2024)* http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/TR_EAEU_047.aspx National legislation: <ul style="list-style-type: none"> • State regulation of the ethyl spirit and alcohol products manufacturing and circulation” No 429 dated July 16, 1999 • Requirements on Alcohol Products Safety No 1081 dated October 20, 2010

* The entry into force of this regulation has been postponed multiple times since its adoption in 2018. For most of 2023, it was expected that it would enter into force on 1 January 2024. However, the EAEU proposed delaying its entry into force for one more year till 1 January 2025. Kazakhstan was not in favour of this delay, instead insisting on its entry into force from 1 July 2024, which at present is understood to be the expected date of entry into force. In view of the history of delays in implementation, exporters of alcohol products are well advised to monitor the status of this regulation with the assistance of local intermediaries.

The most recent update on this legislation at the time of writing from the Kazakh Prime minister's office can be found at the following link: <https://primeminister.kz/ru/news/na-sovete-EEK-kazakhstan-ne-podderzhal-perenos-sroka-vvoda-v-deystvie-tekhreglamenta-po-bezopasnosti-alkogolnoy-produktsii-26666>

Food additives

The key piece of legislation for food additives is the EAEU level Technical Regulation of the Customs Union on Safety Requirements for Food Additives, Flavourings, and Technological Aids (TR TS 029/2012). This contains a list of food additives which can be used in products. The original document, in Russian, can be found here: <http://www.eurasiancommission.org/ru/act/tehnreg/deptexreg/tr/Pages/bezopPischDobavok.aspx> It should however be noted that updates are occasionally proposed.

The Russian regulation SanPiN 2.3.2.1078-01 is referred to in the above technical regulation. It also contains a list of food additives allowed for manufacturing of food products; and it continues to apply across the EAEU as well as long as it does not contradict TR TS 029/2012. The Russian regulation can be found at the following link: <https://base.garant.ru/4178234/>

Pesticide residues; contaminants

Provisions for maximum residue levels (MRLs) are primarily included in CU Commission Decision No. 299: Requirements for Pesticides and Agrochemicals, as subsequently amended. Pesticides are covered in section 15. A translation of the original unamended 2010 decision without the list of MRLs can be found here:

https://docs.eaeunion.org/docs/en-us/0017349/cuc_28062010_299_doc.pdf.

The 2015 amendment introducing a comprehensive list of pesticide MRLs can be found here: <https://docs.eaeunion.org/ru-ru/Pages/DisplayDocument.aspx?s=%7be1f13d1d-5914-465c-835f-2aa3762eddda%7d&w=9260b414-defe-45cc-88a3-eb5c73238076&l=%7b8a412e96-924f-4b3c-8321-0d5e767e5f91%7d&EntityID=8916>

In addition to this it should be noted that product specific technical regulations frequently contain additional provisions, though these tend to relate to contaminants more than to pesticide residues. Notable ones of relevance to products covered by the handbook include:

- RS1343 Customs Union Food Technical Regulations in Force as of 1 July 2013¹¹
- RS1382 Customs Union Technical Regulation on Milk and Dairy Products
- RS1384 Customs Union Technical Regulation on Meat
- TR EAEU 047/2018 EAEU Technical Regulation on Safety of Alcohol Products (see also above).

Certain products require **registration** before they can be sold in the EAEU. This requirement is set out in EAEU legislation (RS1233 Customs Union Technical Regulation on Food Safety). The products requiring registration are:

¹¹ These contain separate regulations for different products such as grain, oil, juice; and contain some overarching standards.

- any kind of baby food/ ingredient for baby food;
- foods for special dietary purposes;
- foods for sportsmen, pregnant and nursing women;
- mineral water with mineralization above 1 mg/dm³ or those of lower mineralisation but containing biologically active substances in the amount of not less than balneological norms;
- biologically active food additives;
- novel foods.

There is a separate procedure for importers (and domestic producers) to obtain a certificate of state registration for certain products before the product in question can be sold in Kazakhstan. This notably includes feed and feed additives; biologically active supplements for child nutrition; and food contact materials, among others.

Some products are subject to a **mandatory safety assessment (declaration of conformity, which subsequently allow importers to mark products with the sign of conformity)**. While there is currently no unified EAEU list of these, Kazakhstan follows the list approved by CU Decision 620 (https://www-alta-ru.translate.google.com/translate/tamdoc/11sr0620/?x_tr_sl=ru&x_tr_tl=en&x_tr_hl=ru).

This includes animal, bird and fish feed; as well as packaging.

In addition to this there are separate conformity procedures by product for various food products, as reflected by provisions in the individual technical regulations for food product types.

Additional requirements apply for **products under veterinary control** (which includes meat/meat products and dairy). These requirements are covered by CU Commission Decision No. 317, and its amendments; and more information is provided where relevant in product snapshots. Similarly, **products under phytosanitary control** are covered by CU Commission Decision No. 318.

4.2.3 Labelling requirements

Labelling requirements are primarily set out at EAEU level (and hence harmonised across the Union), with only minor, specific different requirements at national level. The key piece of EAEU legislation is Technical Regulation (TR) TS 022/2011 of the Customs Union on Food Products Labelling. This can be found at:

<http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevkaMarkirovka.aspx>

- Product name.
- Manufacturer's name, address, country; or those of the manufacturer's representative or importer.
- Net weight (grams/kg), volume (ml/litres), or quantity (number of pieces).
- Ingredients in order of importance (with some exceptions, e.g. for unprocessed fresh fruit and vegetables, or single-component foods, for which ingredients are not required).
- Nutritional information (energy in joules or calories; protein, fat, carbohydrates, vitamins and minerals per 100g / 100ml / one portion).
- Date of production and packaging.

- Use-by (best before) date or shelf-life (products with unlimited shelf life should be marked “The shelf life is unlimited provided the storage conditions are observed”).
- Storage conditions (either those set out by the producer or prescribed by technical regulations of EAEU. Any change in these after opening should be specified, along with changes in quality and safety.
- Recommendations or limitations of usage, including mode of preparation.
- “Eurasian Conformity” mark to show the circulation of the product on the market of the Customs Union Member States.
- Information about the presence of genetically modified / engineered components.

Information on the label must be provided in both Kazakh and Russian.¹² Label translations may be applied via a sticker.

The requirements above are the general labelling requirements for packaged food. It should be noted that there are additional, product specific requirements in some cases. These are either set out in (TR) TS 022/2011 or in technical regulations specific to the product. Key ones are referenced in corresponding product snapshots .

Eurasian conformity mark

Products must be marked with this to show that the product has been produced in accordance with the relevant EAEU technical regulations and is used for products circulating on the EAEU market. The conformity mark (right) and the need for its use was approved by Decision of the CU Commission No. 711 of July 15, 2011. It can be either black text on a white or vice versa.



Digital labelling



The EAEU is phasing in mandatory digital labelling of consumer goods. This started with phasing in for non-food goods in 2019. The aim of this system is to: strengthen the circulation of goods on the EAEU market; fight illegal trade; and combat counterfeit goods. The system is run by the National System of Digital labelling (also known as “Honest Mark”. While EU agri-food producers do not need to be fully aware of the system at the time of writing as it has not been made fully mandatory for agri-food goods, it is worth being aware of the system going forwards as further pieces of legislation mandating its use for food and beverage products may occur in the future; and different EAEU member states are at different stages with the extension of digital labelling to food. More information on the system can be found at: <https://chestnyznak.ru/>

¹² Under EAEU rules, the information must be provided in Russian plus the national language of the member state if so required by the Member State. In the case of Kazakhstan, Kazakh labelling is required. If the product were to be sent on to another EAEU member state it may require labelling in the national language of that member state.

There are specific, customs union-wide requirements for **alcohol labelling** which are being introduced by the EAEU Technical Regulation on Safety of Alcohol Products (TR EAEU 047/2018) which enters into force 1 January 2024. These are:

- Alcoholic product appellation.
- Name and address of producer and their representative within the EAEU.
- Percentage alcohol by volume.
- Volume.
- Mass concentration of sugars.
- Ingredients.
- Date of production.
- Storage conditions.
- Name of food additives used in production.
- For **fruit wines, ciders, vodkas** and **brandies**: the fruit from which they are made.
- For **aged** and **bottled wines**, the vintage.
- For **superior sparkling wines**, the production method (traditional or tank).
- For **cognac, brandy, superior brandy, calvados, fruit brandy, whisky**, and **rum**, the aging period of the distillate.
- For **beer**, the type, processing method, information about non-filtration, extract content (in percent).

Alcoholic beverages must be marked with a registration and control stamp showing that taxes and duties have been paid, as set out in Minister of Finance Order No 143. There is a specific stamp for imported products.

Mandatory warning

There is a mandatory warning which must be displayed on **alcoholic beverages** in Kazakhstan. Containers must include the following text in Kazakh and Russian: "Alcohol is contraindicated for persons under the age of 21, pregnant and lactating women, persons with diseases of the central nervous system, kidneys, liver and digestive organs."

There is also a mandatory warning for **non-alcoholic beverages** with a caffeine content greater than 150 mg/l (or any other plant based ingredients that can have a tonic effect due to the level of their presence). This warning, which is similar to that for alcoholic beverages, reads "Not recommended for consumption by children under the age of 18, during pregnancy and nursing, and by people suffering from increased nervous irritability, insomnia, and arterial hypertension."

Organic labelling requirements are regulated by two pieces of legislation:

- The Organic Production Law No 423-V, which states that organic production must use the national mark and be produced in accordance with organic production rules. This can be found, in Russian, at the following link: <https://adilet.zan.kz/rus/docs/Z1500000423>
- Minister of Agriculture Order No 230 which specifies the organic standards for crop and livestock products. This can be found at the following link: <http://adilet.zan.kz/rus/docs/V1600013875>

There is no organic equivalence agreement between the EU and Kazakhstan at present.

Packaging requirements are covered by the CU Technical Regulation “On Safety of Packaging” (TR TS 005/2011). This contains requirements for all different kinds of packaging (e.g. metal, polymer/plastic, glass, etc). A declaration of conformity must be obtained for packaging before it can be released onto EAEU territory. An amendment to the technical regulation was released in 2021 and this notably included packaging sustainability measures which were similar to the EU approach to restrictions on the use of single use plastics.

Halal standards: Kazakhstan has adopted five national Halal standards. These are:

- ST RK 3483-2019 on Halal Products. Main Provisions.
- ST RK 3453-2019 on Requirements for slaughtering
- ST RK 3484-2019 on the National sign for Halal compliance - technical requirements and labelling.
- ST RK 3485-2019 on Halal Conformity Assessment
- ST RK 3454-2019 on Halal Catering

These standards are voluntary. Products covered by the scope of the standards is broad and is not just limited to meat and meat products or products of livestock origin.

The halal market in Kazakhstan and likelihood of requests for certification

In view of the voluntary nature of halal standards, the demand for halal certification in Kazakhstan is often influenced by consumer preferences, particularly among the Muslim population. It is estimated that 10-15% of the total food and beverage market in Kazakhstan is now halal certified. The main products for which halal certification is requested are:

- Meat and poultry
- Certain processed food items (in particular those with meat)
- Dairy products
- Snacks and confectionery

Some international halal certification bodies are understood to now be recognised and accepted in Kazakhstan, though no accessible public list of these has been identified. For exporters interested in addressing the Kazakh market, it is recommended either to contact Halal Damu (<https://halaldamu.kz/>) and/or to further discuss certification possibilities with the exporter’s local import partner.

4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

IPR legislation in Kazakhstan had developed greatly over the last 20 years and is still further evolving following the country’s adhesion to the WTO in 2015. The most recent change to IPR law was in 2022, and this change most notably introduced the concept of Geographical Indications. Qualifying products are defined as having at least one of the stages of goods production, that has a significant impact on the formation of its characteristics, carried out on the territory of this geographical object. While the legal system has evolved, there have been reports of enforcement lagging in some cases leading to some counterfeiting.

QazPatent, the National Institute of Intellectual Property is responsible for IPR legislation. The office provides extensive information, in English, on the different types of IPR protection and

processes. This includes information on the application procedure. This information can be found at the following links:

- **Trademarks:** <https://qazpatent.kz/en/ip-objects/trademark/general-information/what-trademark>
- **Appellation of origins:** <https://qazpatent.kz/en/ip-objects/appellation-origin/general-information/what-appellation-origin>
- **Geographical indications:** <https://qazpatent.kz/en/ip-objects/geographical-indications/general-information/what-are-geographical-indications>

The link above for GIs contains details of protected GIs on the state register – no EU GIs were identified on this register at the time of writing. However, it must be remembered that the GI system was only introduced in 2022 so the GI register only contains products registered after this date. There was a previous system of appellations of origin under which a handful of EU GIs had been registered (Prosecco, Gorgonzola, Parmigiano Reggiano and a handful of Czech beers). The registry of appellation of origins can be accessed at the following link: <https://qosreestr.kazpatent.kz/>

Kazakhstan is a signatory to the Madrid protocol.

The EU and Kazakhstan signed an Enhanced Partnership and Cooperation Agreement (EPCA) in 2015. This has been provisionally applied since 2016, and entered into force in 2020. It includes some chapters on IPR, including one on geographical indications¹³. However, the EPCA focuses on the general principles on the protection of GIs and does not include the specific GIs to be protected under the agreement. That said, the European Commission has recently (May 2023) received a mandate to negotiate a protocol on the protection of Geographical Indications for agricultural products and foodstuff, wines and spirits, and has started negotiations in this respect with Kazakhstan. This may ultimately lead to the protection in their territory, under the bilateral Protocol, of the EU GIs listed in the Protocol.

It should be noted that, due to the EAEU technical regulations and their definitions of different products, there may be some problems with certain alcohol GIs – most notably, cognac.

4.2.5 Relevant authorities for IPR and GI protection and further contacts

<p style="text-align: center;">General IP, including trademarks QazPatent (National Institute of Intellectual Property) 010000, Astana, Mangilik El Avenue, 57A  https://qazpatent.kz/  +7 (7172) 62-15-15  kazpatent@kazpatent.kz</p>
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¹³ Articles 81 and 82. Text available at: https://www.eeas.europa.eu/delegations/kazakhstan/enhanced-partnership-and-cooperation-agreement-between-european-union-and_en

4.3 International trade

4.3.1 Kazakhstan and foreign trade

The Eurasian Economic Union (EEAU)

The Eurasian Economic Union is an economic union made up currently of five member states, those being Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. The EEAU incorporates many elements found within the European Union (EU) such as the development of a single market, common policies on transport and regulatory alignment. As Kazakhstan is a member of the EEAU, the country's economic and international policy decision making is heavily influenced by overall objectives of the EEAU.

Kazakhstan's economy has traditionally been very tied to those of other ex-Soviet republics, as the country operated as a key source of raw minerals and resources for what was once the world's second-largest economy. Post-independence, the country has gradually opened up to new markets, which was further aided by the growth of its internal oil and gas sector coupled with the need to reduce its reliance on Russia as its sole main trading partner. Currently, EU is Kazakhstan's biggest trading partner representing 30.8% of the country's total trade. In 2022, total trade between the EU and Kazakhstan came to a value of EUR 40.2 billion, a 74% increase from 2021 alone.¹⁴ The country is also increasingly trading with China, the US, and India and has evolved into a largely open economy for trade. However, as a member of the Eurasian Economic Union (EEAU), alongside Armenia, Belarus, Kyrgyzstan, and Russia, its foreign trade objectives continue to be largely tied to the economic objectives of the EEAU.

4.3.2 Key trade agreements, present, and future

Kazakhstan has entered into Free Trade Agreements (FTAs) and bilateral agreements with several countries as outlined in Table 4-4.

Table 4-4: Chronological list of Kazakh trade/economic agreements with third countries/regions

Partners	Type of agreement	Entry into force
EEAU (Armenia, Belarus, Kyrgyzstan, and Russia)	Customs Union	2000 (Original Inception)
Commonwealth of independent states free trade area (Armenia, Azerbaijan, Belarus, Kyrgyzstan, Moldova, Tajikistan, Russia, Uzbekistan)	Comprehensive Economic Cooperation Agreement	2010

¹⁴ Kazakhstan and Trade, European Commission, Available at https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_kazakhstan_en.pdf

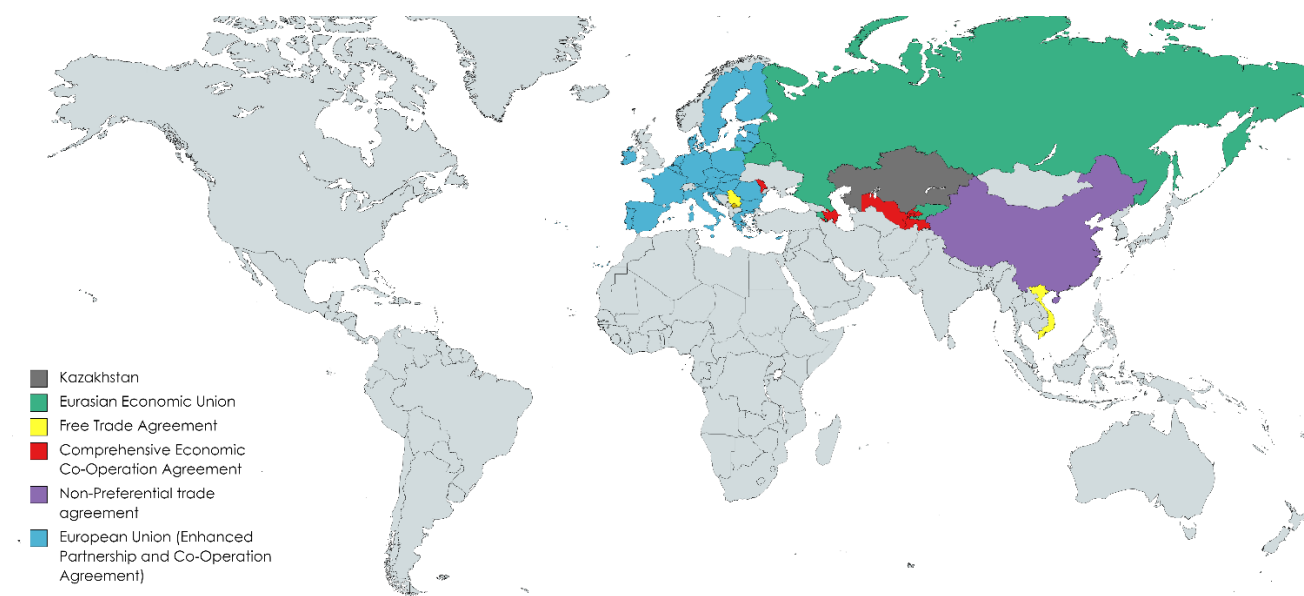
Serbia (Via the EEAU)	Free Trade Agreement	2014
Vietnam (Via the EEAU)	Free Trade Agreement	2016
China (Via the EEAU)	Non-preferential trade Agreement	2019
The European Union	Enhanced Partnership and co-operation agreement	2020
Iran (Via the EEAU)	Free Trade Agreement	2021

Source: Agra CEAS based on various sources

Kazakhstan's EAEU membership weights its trade towards other EAEU members. There are however indications that some trade flow data from other EAEU members to Kazakhstan may include some quantities of products which originated outside the EAEU but first arrived in the other EAEU member state before being sent on to Kazakhstan.

As a member of the EAEU, Kazakhstan has taken a more proactive role in seeking FTAs, and these agreements have increasingly been viewed as boosting economic growth, particularly due to the Covid-19 pandemic. FTAs the EAEU is currently negotiating include:

- EAEU-China FTA
- EAEU-Egypt FTA
- EAEU-India
- EAEU-Pakistan FTA
- EAEU- Mongolia FTA
- EAEU-ASEAN FTA
- EAEU- Morocco FTA
- EAEU-Tunisia FTA
- EAEU-Argentina FTA
- EAEU-Chile FTA
- EAEU- Ecuador FTA
- EAEU- Cuba FTA
- EAEU- South Korea FTA
- EAEU Bangladesh FTA



4.3.3 EU - Kazakhstan Trade Relations

The EU and Kazakhstan signed an Enhanced Partnership and Co-Operation Agreement in 2015, which entered into force in 2020 after it was ratified by every EU member state. Total trade between 2021 and 2022 subsequently grew by up to 74% to a total value of EUR 40.2 billion. The European Union combined is now Kazakhstan's largest trading partner, highlighting the increasing importance of the EU for the Kazakh economy and also increasing within the food and beverage sector, as total exports of agricultural goods to Kazakhstan came to a value of EUR 599 million in 2022 from EUR 379 million the year before.

4.3.4 WTO disputes and other trade barriers

As the EU and Kazakhstan signed an Enhanced Partnership and Co-Operation Agreement in 2015, many of the major disputes involving both parties were resolved (or at least many of those remaining are not considered to be a major barrier to trade). One of the remaining and most pressing barriers to trade between the EU and Kazakhstan regarding the trade of agricultural goods is the lack of updates to the list of approved establishments that can export to Kazakhstan. Despite the establishment of the Kazakh National Registry of **approved establishments that can export to the country**, previous authorizations were dependent on Russian authorities. As a result, no establishments have been approved by the Kazakh authorities for the past four years at the time of this writing. Consequently, certain EU companies (mainly newer or those that did not have access to the Russian market) are not allowed to send their produce to Kazakhstan as they are not present on the old list of authorized establishments.

Another issue of note regards a decision in 2017, the EAEU introduced a **new phytosanitary requirement for certain products**. This includes requirements such as certifying products as originating from places free from several pests without taking into account the intended use of the actual products. Clarifications are still partly missing as to how exactly these certification requirements could be fulfilled as well as to whether the new requirements are applicable only to import or also to the local produce of the EAEU.

It has been reported that there may be some challenges with **regionalisation in the case of animal disease outbreaks**. While in some cases, regionalisation has been recognised, in others it has not; though some issues with the lack of recognition of regionalisation have subsequently been solved in dialogue.

Finally, the new **Technical Regulation of Alcohol Safety** which is expected to enter into force in July 2024 has been flagged as potentially creating problems for certain alcohol products. The conformity assessment requirement could be problematic as it would require an authorised representative based in the EAEU to initiate the process. Alcohol and sugar content limitations could provide challenges to certain types of beer (e.g. Trappist beers); and certain sparkling wines could fall outside the lower limit of the bracket of required alcohol content. The classification of sparkling wines by sugar could also be a challenge. Overall, however, given the implementation of the technical regulation has been delayed several times and there remain some uncertainties about when it will be implemented / if provisions will remain as in the original version, alcohol exporters are advised to monitor the situation with local partners rather than be concerned in order to ascertain if the technical regulation ultimately causes any problems.

Further information, as well as an up-to-date list of trade barriers, can be found here:

<https://trade.ec.europa.eu/access-to-markets/en/barriers/results/countries=KZ>

4.3.5 Summary of key trade barriers

As mentioned above there remains one main key barrier to agricultural trade between the EU and Kazakhstan, this being the need for Kazakh authorities to timely update their list of approved establishments that can export to the country following duly substantiated inclusion requests from third-country export establishments.

4.4 Operating in the Kazakh food and beverage market

4.4.1 Logistical services and transportation infrastructure

Kazakhstan is located along a key global trade route between the markets of Europe and Asia and, as such, is a key transit hub for trade between the two regions. The country is the world's largest landlocked country, which results in the country relying on road rail and, to an extent, sea routes along the Caspian Sea for the transit of goods into and out of the country. Historically, the country has utilised trade routes from within Russia to access western markets, using Russian rail and road routes to transit goods to European markets; however, this has become trickier in the past year as sanctions on Russia have limited Kazakhstan's ability to transit goods through the country, also leading to rising logistical costs for the country. Sending goods via the Caspian Sea through Azerbaijan and onto the port of Poti in Georgia, which links to Romania or Bulgaria, has been a notable workaround; however, it comes with additional costs compared to traditional routes. Heavy investments into the logistical infrastructure of Kazakhstan have taken place over the past decade, aided by the Chinese-led Belt and Road Initiative. Examples of Chinese-led investments into the Kazakh logistical infrastructure system include the New Eurasian Land Bridge and the Chongqing-Xinjiang-European Railroad System, which links Duisburg to China via Kazakhstan.

It should be noted that the EU has worked on initiatives to enhance the capacity of the Trans-Caspian Corridor. The EBRD completed a study on sustainable transport connections with Central Asia between 2021 and 2023 (https://transport.ec.europa.eu/transport-themes/international-relations/study-sustainable-transport-connections-central-asia_en); and there was an Investors Forum on the same subject in Brussels in January 2024 (https://international-partnerships.ec.europa.eu/news-and-events/investors-forum-eu-central-asia-transport-connectivity_en).

Impact of the Russia-Ukraine conflict on transport of goods from the EU to Kazakhstan

As touched on above, the Russia-Ukraine conflict has impacted the ease with which goods can be shipped to Kazakhstan. The situation is somewhat fluid, but at the time of writing, key points to be aware of are:

- The route across Russia is open for commercial traffic, though multiple EU member states have taken the decision to close certain border crossing points to Russia and Belarus.
- Flexibility regarding shipping across the Russia route can be considered lower. For example, while previously loading and unloading once in EAEU territory may have been possible to combine different loads, reports are that this is no longer possible. The documentation load has been reported to be heavier, and inspections more frequent meaning containers need to be packed in a way to enable easy inspection.
- Insurance premiums have increased in view of the situation; and generally shipping is taking a lot longer.
- Volume shipped across the lower route (Bulgaria/Romania – Georgia – Azerbaijan – Kazakhstan) has roughly tripled. However this route takes about 1 month; and overall the Russia route is reported to remain the more popular one.
- The current environment is particularly challenging for the shipment of perishable products or those with short shelf lives.

Shipping

Despite being a landlocked country, Kazakhstan shares a shoreline with other countries via the enclosed Caspian Sea, which is bordered by Azerbaijan, Iran, Russia, and Turkmenistan. Kazakhstan operates two major seaports, those being the ports of Aqtau and Kuryk. Aqtau port is the largest port in the country and is increasingly important for the trade of goods between Asian and European markets. Producers have sought to bypass Russia due to current sanctions, with Aqtau being connected to the main railroad lines of Kazakhstan, which extend into Central and Eastern Asia.

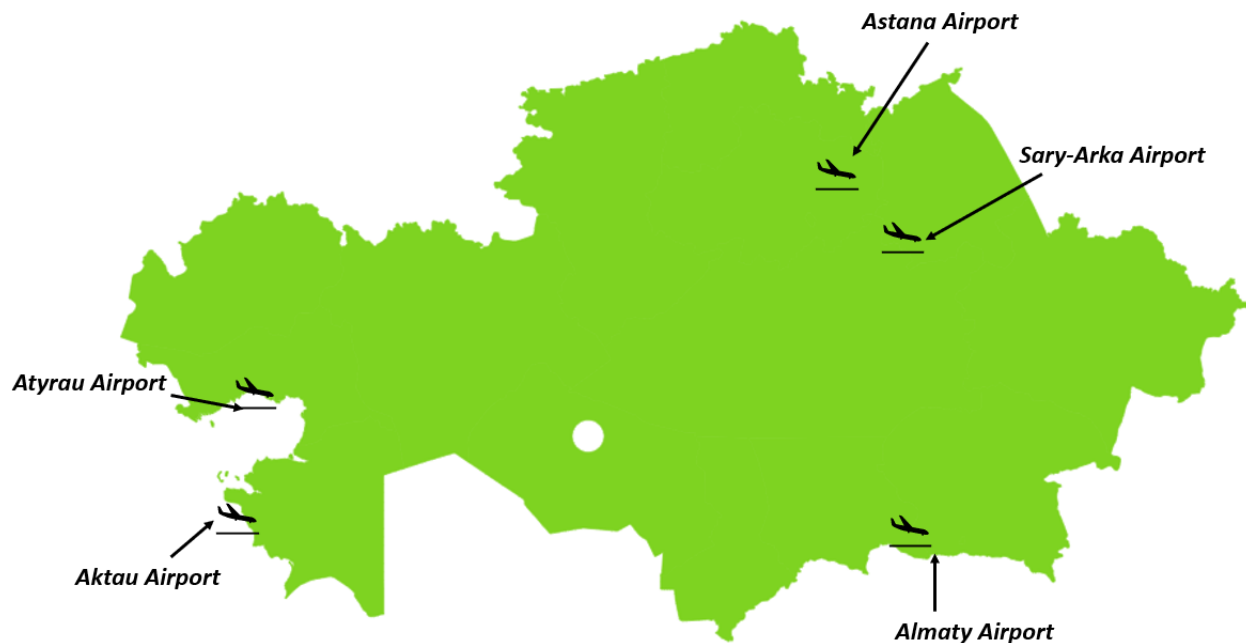
Figure 4-1 Main ports in Kazakhstan

Source: Agra CEAS

Air freight

Air freight is a growing method of importing and exporting goods into Kazakhstan, with Almaty being the busiest by total cargo volume. Almaty's location towards the south of Kazakhstan within the proximity of other Central Asian countries, coupled with the city being the largest in the country by population, help to explain why this airport is the most used for freight in the country. The airport has an established cargo route with the airport of Luxembourg. Furthermore, a new international terminal at the airport is scheduled to become operational in June 2024, with the current terminal being converted to use for domestic flights. As a result of this new terminal, cargo at traffic at Almaty airport expected to reach 100 000 tons a year.

Cargo is less utilized at Astana Airport, but there are established links with Luxembourg and Brussels regarding flight routes used exclusively for cargo. Other airports with a notable amount of cargo movement include Aktau airport, Atyrau airport, and Sary-Arka airport, although these airports tend to focus on the movement of goods from Russia and other ex-Soviet states. The only exception is Sary-Arka airport, which has an established cargo airfreight route with the airport of Chateauroux located in central France.

Figure 4-2: Major International cargo airports in Kazakhstan

Source: Agra CEAS based on various

Rail freight

Rail freight in Kazakhstan is very important in the country; around 68% of all cargo freight movement through Kazakhstan is undergone via rail. Kazakhstan lies on a key rail freight transit route between Europe and Asia, with a significant amount of cargo being moved from China to Europe being transited through Kazakhstan. Some of the more significant rail routes that pass through Kazakhstan include the Eurasian Land Bridge and the Chongqing-Xinjiang European Railroad System. The country also uses the same rail gauge as neighbouring Russia, Uzbekistan, Turkmenistan, and Kyrgyzstan. Due to the Soviet history these countries share, this allows for the smooth transportation of cargo goods via rail between these countries in the region.

Road Freight

Road freight is the second most significant channel of freight movement in Kazakhstan with the country utilising its road network to move 3.3 billion metric tons of freight in 2021.¹⁵ Some of the more important road networks in Kazakhstan include the M36, which connects Astana with Almaty; the A2, which links the southern cities of Kazakhstan from the border with China down

¹⁵ Amount of freight transported by road in Kazakhstan from 2003 to 2021, Statista, Available at <https://www.statista.com/statistics/1373962/kazakhstan-road-freight-volume/>

into Central Asia; and the A33 along the Caspian Sea, which forms a key route to help sustain the country's oil and gas sector.

4.4.2 Distribution – retail channel overview

Within the larger urban centres (mainly Almaty and Astana), there has been notable growth in modern grocery retail outlets, which have grown to also expand their presence on the platform of e-commerce in the country. Despite this, however, traditional grocery retail outlets remain the preferred distribution channel in Kazakhstan. Indeed, outside of the two major cities of Almaty and Astana, traditional grocery retail chains form the most crucial distribution channel for consumers seeking food and beverage products.

Looking at major channels:

Hypermarkets and Supermarkets: As mentioned above, the retail space for modern grocery retail outlets remains largely untapped in Kazakhstan, with modern grocery retailers tending to focus on the main cities of Almaty and Astana. Throughout the rest of the country, their presence is limited. Some of the larger hypermarkets and supermarkets operating in Kazakhstan include Magnum Cash & Carry (historically the largest chain), Small, Galmart, Gastronom, and Interfood. The main foreign retailers tend to be Russian, although there are some stores with their parent company based in the EU such as the German outlet, Metro. Spar has very recently expanded into the Kazakh market, which may signal to other major retailers that the country is increasingly a market of interest for their activities; and as part of its market entry, it has introduced a wider variety of products than those which have been available historically in the large local supermarkets.¹⁶ Carrefour SA were active in the Kazakh market however pulled out of the market after just 15 months in operation.

Traditional channels: Traditional channels such as the local bazaar or corner shop remain the largest channels of food and beverage distribution in Kazakhstan. Bazaars are spread out across the country, with many of the larger ones being located underneath large dome structures to protect consumers and food and beverages from outside winds and the sun. In rural areas and small or even medium-sized cities, traditional retail outlets are often the only distribution channels available for food and beverage products. Traditional channels are unlikely to be large distributors of EU food and beverage products (with the exception of certain alcoholic beverages and chocolates) in Kazakhstan.

E-commerce: Food and beverages account for the majority of the e-commerce market in Kazakhstan, with sales of food and beverages via e-commerce reaching a value of EUR 426 million in 2022. Some of the largest players in the e-commerce food and beverage delivery market in Kazakhstan include Arbutz, Magnum, Glovo, Kaspi Shop Market.Kz, and Yandex Eats.Kz. Most e-commerce usage is within the cities of Almaty and Astana, although it is growing throughout the country, aided also by the outbreak of Covid-19 as restrictions were implemented.

Foodservice sector: The food service sector is growing in Kazakhstan as the country adopts more western-oriented consumption patterns. Within the larger cities of the country, there are a number of western fast-food restaurants, as well as restaurants inspired by Italian, French, and

¹⁶ Spar continues expansion with entry into Kazakhstan, SPAR, Available at <https://spar-international.com/news/spar-continues-expansion-with-entry-into-kazakhstan/>

Spanish cuisine, particularly in Almaty and to a lesser extent in Astana. Almaty tends to be at the forefront of western-styled foodservice outlets Intermediaries

The approach traditionally taken by many if not most exporters to Kazakhstan is to appoint someone in Russia who also covers other markets in the region, including Kazakhstan. **For exporters serious about the Kazakhstan market, this approach should be considered sub-optimal.** Firstly, for most Russia-based partners, Kazakhstan is not likely to be one of the priority target markets. Secondly, Russia-based intermediaries are unlikely to have the local connections (including with authorities) which will greatly assist with actual import as well as placing on the market; and in the case they do, it will mean an extra link in the chain and related expense. Ultimately, working with a local Kazakh partner is likely to both reduce logistical costs, and result in better sales performance.

Kazakh importers and agents typically do not focus on very specific origins or products. Rather, they prefer to have a diversified portfolio of imported products, though those products may have some commonalities (e.g. all be fresh foods requiring refrigeration infrastructure; or all be in a broader overall category such as drinks; or mainly target the premium segment). This allows them to ensure they have steady business across the whole year. By way of example, the same importer may combine different drink categories such as juice and coffee due to greater demand for the former during summer months and the latter during winter months. As often importers act as distributors as well, they will have to maintain distribution networks (e.g. trucks and delivery drivers) throughout the year. As a very broad rule, mid-sized and smaller importers or agents often make better partners – they tend to be both more motivated and flexible (the largest importers may be inflexible in their working methods).

In the **few cases that importers are more specialised**, they are both likely to be small or very small in size; and are likely to prefer to work closely with larger Russian distributors. There are three reasons for this. Firstly, logistics are expensive and the larger Russian distributors may be able to help with some of the cost. Secondly, Russian distributors may offer “combi-truck” shipping services (i.e. mixing different products in a single shipment – something which European exporters may be unwilling or unable to do. Thirdly, due to EAEU membership, it is generally easier for products to be shipped from Russia. In the limited cases that small-scale specialist importers import directly from Europe – which is more or less only in the case of alcohol - they may have warehouses in Europe where they consolidate different goods into one shipment for further delivery to Kazakhstan.

Looking at the different end markets:

- The overall **retail** market in Kazakhstan is fragmented and unstructured. Informal retailing has long existed in the country, with bazaars, local markets, kiosks and independent small grocers example of this (and many of these may not provide receipts to consumers). The dependency of the country on imports means that some imported products may ultimately be found in these outlets (having first passed through wholesalers). However, the majority of products offered in this more informal sector will be locally sourced, and only a few more elaborate imported products such as bulk tree nuts, wine, and pre-packaged confectionery are likely to be found.

Imported food and beverages tend to be restricted to modern retail outlets such as supermarkets and hypermarkets. Supermarket supply chains vary by company. A few supermarket chains prefer to import directly, while others work with local distributors. Companies with foreign owners may make use of parent company distribution and logistics, sourcing through the overseas parent company. Overall, the use of distributors

is more common than self-supply, as domestic retail chains do not generally possess their own distribution centres and warehouses on a sufficient scale to allow them to safely keep the required level of inventory and prevent “out of stock” situations.

Smaller gourmet supermarket chains or individual stores may also offer a large selection of imported products. They may either work with intermediaries, or import directly.

- The **Horeca / foodservice** sector in Kazakhstan relies on various distributors who procure products both locally and internationally. These distributors are generally attentive to their clients' needs and readily introduce new products. International hotel chains (e.g. Marriott, St. Regis, Radisson, Hilton, Ibis) plus high-end restaurants and independent high-end hotels actively seek imported products to ensure consistency and quality. In contrast, quick-service restaurants and cafeterias tend to prefer sourcing exclusively from local suppliers, only importing if items are not available domestically (e.g. frozen fries) and more likely sourcing from Russia in the first instance (with the European Union as a backup).
- The **food processing** sector is limited by the relatively small domestic demand for processed foods. Furthermore, much food processing is localized, with just a few brands available nationwide. This overall creates limited demand for imported products as inputs to domestic food processing; indeed probably the most notable imports for food processing tend to be tree nuts (almonds and pistachios), with the US the most common origin.

Some final tips for dealing with intermediaries in Kazakhstan are as follow:

- As would be expected based on the information above, there is **no standard minimum order quantity** – they vary greatly depending upon the product, the segment it is targeting (mass-market or premium) and hence the rate of inventory turnover. Importers generally tend to prefer to buy relatively small volumes of new products. As a very rough indication, for premium and non-staple food categories, the minimum quantity value might start from EUR 2 000. Against this background, it may be advantageous for exporters to offer multiple stock keeping units (SKUs) – at least ten, and if possible, 20 or more.
- Large retail chains and the infrastructure serving them are **primarily located in the southern part of the country**. As these chains expand to the north, they will bring their product assortment with them. Against this background, the south of the country may provide a more fertile initial hunting ground for potential local partners.
- Along similar lines, launching high-value products in Almaty is often used as a proof of concept of the product's success before other markets are targeted. It is important to note that, nonetheless, sustained promotion is still required until the brand becomes established.
- It should be remembered that the **country size and population density** impact logistic expenses, resulting in higher costs in some regions.
- The use of **multiple local partners** does occur, but also involves some complexities. Firstly, in the case that multiple partners are used, it is generally necessary to assign each a geographically restricted region. Secondly, care must be taken to avoid offering different pricing or conditions to different distributors for identical products. Finally, premium segment retailers may prefer exclusivity and may avoid working with multiple distributors, especially for critical products.
- **Trade shows** can offer a nice focal point for either an introductory visit to the market, or to strengthen relationships with existing clients in Kazakhstan. However, it is important to conduct additional outreach both in and outside the show during any visit. This is especially true of FoodExpo, where key decision-makers may not plan to attend unless

specifically invited. It is also worth considering product presentations at origin, such as special fairs/exhibitions in Europe, as potential distributors may come in order to select potential partners from various products on offer.

- In terms of **marketing**, social media, especially Instagram and TikTok, tend to be popular and effective marketing channels. Promotions such as gifts for purchase value and loyalty card bonuses/discounts may also be effective.
- Care should be taken with **packaging** – to ensure it is both visually appealing and compliant with Eurasian Economic Union regulatory requirements. It is worth considering logistics costs when developing individual packaging for a product so that it remains cost-effective. Discussions with partners may help in this regard.
- Kazakhs place a high value on **hospitality**, both in everyday interactions and more formal festivals and celebrations. This in turn may create opportunities for some products. For example, novel or unique snack items, confectionery, and beverages are often sought-after as hosts seek to provide new experiences for their guests. The calendar of holidays also plays a role in the types of food consumed (see also section 3.3.2).

Business Contact Database:

A database of importers, wholesalers, retailers and distributors can be found in section 8.5

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3 Business environment

Despite being rather closed off economically post-independence, a combination of economic liberalization in the 1990s, foreign investments, and the oil and gas sector has helped to ease the difficulties of working within the Kazakh market. The country ranked in 2020 as the world's 25th country on the ease of doing business index, which was ahead of certain EU member states such as Austria and Spain. Indeed, Kazakhstan is one of the more globalized economies of the former Soviet Union, and the government has signalled its intention to keep the economy open to trade via a simplified tax code coupled with internal desires to diversify the economy. Astana and Almaty are the two economic hubs of Kazakhstan, and it is likely that any visits to conduct business in the country will at least result in transiting through these cities at a minimum. Kazakhstan also operates special economic zones (SEZs), 14 of them in total. Within these zones, there are certain tax exemptions and investment grants to incentivize businesses to move some of their activities to Kazakhstan.

4.4.4 Key operational considerations and challenges: summary

There are a number of key operational considerations that should be considered for the Kazakh market. Firstly, the country is huge, ranking as the 9th largest country by total area; however, international business activity is heavily concentrated within the two largest cities, Astana and Almaty, with Almaty being more renowned for its international business sector. Outside of these two cities, it is highly likely that any major international business activity will revolve around the primary sector of the economy, such as activities in the oil, gas, and raw mineral extraction industries, rather than the services sector.

The price of food and beverages in Kazakhstan is high, with up to half of a consumer's total expenditure going towards food and beverage products. With this in mind, it is key to target consumers with the financial ability to purchase imported food and beverage products, as even basic food and beverage items in the country can be expensive already.

Russian is understood throughout the population and will often be used as a language of business as it is a language generally understood by all of the many ethnicities in Kazakhstan to some extent. Kazakh is more likely to be used within rural areas or within companies located in cities with a significant Kazakh population (with Kazakh representing 70% of the population). German is spoken among the sizable ethnic German population, although it is highly likely that ethnic Germans can also speak Russian in Kazakhstan. English is picking up in popularity amongst younger citizens and may be used in a business setting if pre-agreed; however, it is likely the need for a translator will be present if conducting in-person business activity in English in Kazakhstan.

It is important to remember that Kazakhstan is a member of the Eurasian Economic Union (with Armenia, Belarus, Kyrgyzstan, and Russia), which results in many EAEU regulations being in place in Kazakhstan. Customs duties between these countries do not exist, and there is a common tariff in relation to trade with third countries. Also, a number of product permits that are given to export to Kazakhstan (such as an import license) will also be acceptable across the EAEU.

Kazakhstan's economy has been much more open (particularly in recent years) compared to the economies of other EAEU states such as Belarus and Russia, which makes Kazakhstan a key gateway into trading with the EAEU bloc; although sanctions on members of the EAEU have limited Kazakhstan's ability to fully utilize this position in recent years. Kazakhstan is gradually continuing to liberalize its economy and will continue to benefit from international trade agreements such as the Enhanced Partnership and Cooperation Agreement with the EU or international investments such as the Chinese One Belt, One Road initiative, which will continue to incentivize the country to operate an open and increasingly globalized economy.

4.4.5 Other relevant information

Methods of payment in Kazakhstan

The currency of Kazakhstan is the Kazakh tenge, which is the sole accepted currency in Kazakhstan. Online/digital payments are the most common form of payment in the country, with cash being used to a significantly lesser extent. The exchange of dollars, euros, and roubles to tenge is quite common, and virtually all major ports of entry in the country will have a kiosk to facilitate currency exchange.

Major credit cards, such as Visa and Mastercard, are accepted in Kazakhstan and can be used to withdraw money from ATMs, which are plentiful in the country. Kaspi.kz – a “super-app” by the bank / financial services provider Kaspi with around 13m active monthly users – has become highly popular in recent years (see <https://ir.kaspi.kz/platforms/payments/> for more information). Figure 4-3 below is the EUR-KZT currency exchange rate for the past five years (October 2018–October 2023). This graph highlights the levels of fluctuation that occur in the currency exchange rate. During this period, the exchange rate ranged from 1 EUR = 405 KZT in April 2020 to 1 EUR = 573 KZT in April 2023. Covid-19 and the wider geopolitical situation in the region and its influence on Kazakhstan played a key role in currency price fluctuations.

Figure 4-3: Five-year evolution of the EUR-KZT currency exchange rate: 2018-2023

Source: XE Currency converters: Euro to KZT exchange rate chart, available at <https://www.xe.com/currencycharts/?from=EUR&to=KZT&view=5Y>

Travel from the EU to Kazakhstan

Kazakhstan, owing to the push from the government to open the economy in the late 1990s and to boost international interest in the country, currently operates a relaxed visa policy for outside visitors from the EU. EU citizens seeking to go to Kazakhstan can visit the country visa-free for up to 30 days. There are some direct flights to Kazakhstan from the EU, such as from Warsaw and Frankfurt, although it is highly likely that a stopover in Istanbul will be required by EU citizens in transit to Kazakhstan. Traveling to Kazakhstan used to be popular by rail, as many EU citizens transited along the trans-Siberian railroad, which included stops at stations that continued onward to Kazakhstan. For now, air remains the most common form of travel to Kazakhstan for citizens of the EU.

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Note on import/export data: Kazakhstan’s EAEU membership tends to weight its trade heavily towards other EAEU members. However, there are indications that some imports from other EAEU members to Kazakhstan may include products which originated outside the EAEU but first arrived in the other EAEU member state before being later sent on to Kazakhstan. Subsequently, for all products examined in this section, imports from other EAEU members – Russia and Belarus in particular – may be slight overestimates; and imports from other origins may be slightly underestimated.

Fresh fruit and vegetables	Dairy	Wine
Spirits	Olive oil	Chocolate confectionery
Beer	Baked Goods	Processed meat
Pasta	Processed Fruit and Vegetables	Breakfast cereals
Biscuits / cereal bars	Sugar confectionery	Baby food

5.1 Fresh fruit and vegetables

5.1.1 SWOT analysis

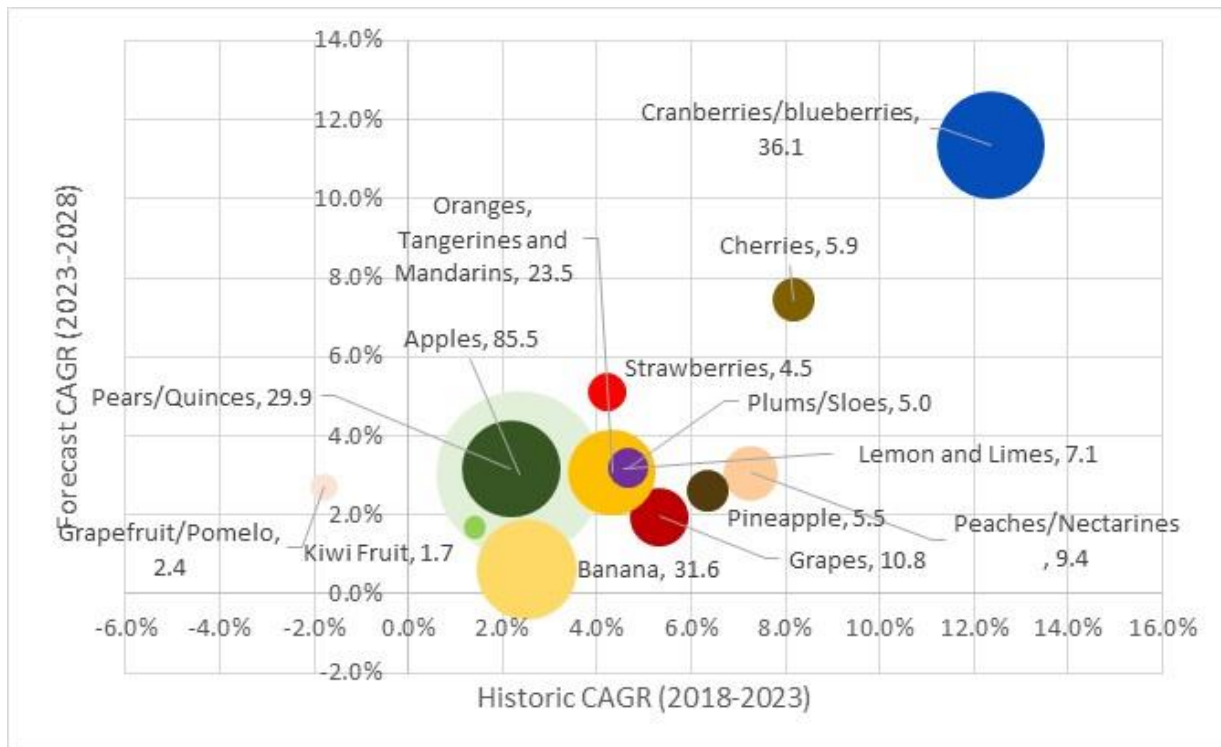
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Vegetable per capita consumption in Kazakhstan is high, and vegetables form a key component of many traditional dishes. ▪ Kazakhstan suffers from supply shortages for various fruits and, to a far lesser degree, certain vegetables. ▪ Polish exports of apples and pears have grown in recent years to a value of EUR 29 million in 2022, smaller export value of EUR 4.3 million for Belgian exports of apples. 	<ul style="list-style-type: none"> ▪ Kazakhstan has expanded vegetable production in recent years due to food security concerns. ▪ Kazakhstan is geographically located near large fruit and vegetable producers such as China and Russia, being in a customs union with the latter. ▪ The price of EU fruit and vegetables means they will likely only appeal to the highest earners in Kazakhstan, generally.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Apples stand as the main opportunity area in this market and the only area where there is any major EU exportation of fruit and vegetables of note. ▪ The rising population of Kazakhstan, which is increasingly consuming more fruit per capita, already consumes a large amount of vegetables per capita. ▪ The geo-political situation of the region has encouraged Kazakhstan to seek out alternative sources to enhance food security. 	<ul style="list-style-type: none"> ▪ The influx of cheaper fruit and vegetable products from neighbouring Uzbekistan, Tajikistan, and Turkmenistan ▪ Ecuadorian and Iranian exports have grown in recent years. ▪ Kazakhstan has various ongoing initiatives to boost fruit and vegetable production, including notably the use of greenhouses, dedication of a greater acreage and expansion of irrigation efforts to certain regions of the country.

5.1.2 Consumption

Evolution of consumption

Figure 5-1 provides an overview of estimated fruit consumption in Kazakhstan. The overall fruit market in Kazakhstan was estimated at around 270 000 tonnes in 2023, having grown over the previous year at 4.5%. The overall market is forecast to grow at 4.3% over the coming years to 2028. Looking at the different categories, apples are the largest category at 85 500 tonnes – about 1/3 of the whole fruit market. Cranberries / blueberries (36 100 tonnes), which have been fast growing, bananas (31 600 tonnes), pears/quinces (29 900 tonnes) and oranges, tangerines and mandarins (23 500 tonnes) are the other notable categories. All other fruit categories have consumption levels of under 10 000 tonnes, with the exception of grapes (10 800 tonnes).

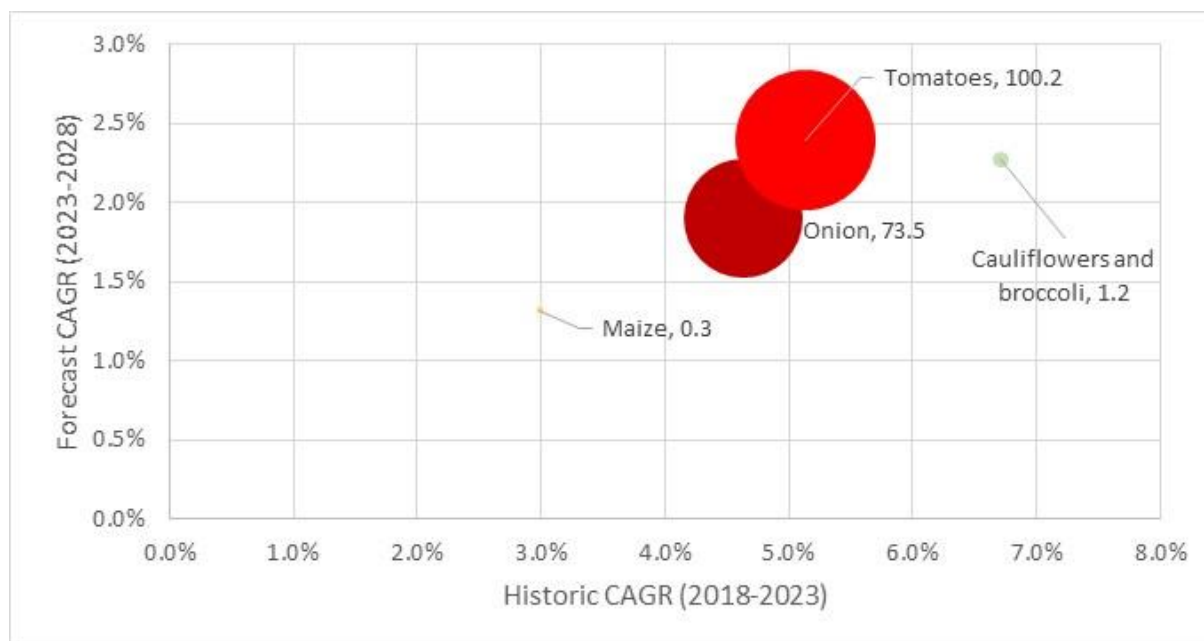
Figure 5-1: Evolution and forecast of fruit market (volume, 000 tonnes) in Kazakhstan, 2018-2028



Source: Euromonitor International / Agra CEAS based on primary and secondary research

Figure 5-2 provides an overview of estimated vegetable consumption in Kazakhstan, excluding potatoes. Tomatoes are most commonly consumed at 100 200 tonnes (per year? or between 2018 and 2023?), followed by onions (73 500 tonnes). Growth of the vegetable market is slower, both historically and going forwards. The overall vegetable market is forecast to grow at around 2% per year over the period to 2028. It should be noted that potatoes, which are not shown in the chart, are by far the most popular root / vegetable, with total annual consumption of around 2 000 tonnes and a growth rate around the 3% per year level.

Figure 5-2: Evolution and forecast of vegetable market (volume, 000 tonnes) in Kazakhstan, 2018-2028



Source: Euromonitor International / Agra CEAS based on primary and secondary research

Consumers

Consumption of fruit in Kazakhstan is slightly below the EU average, with fruit per capita consumption being around 54 kg (per year?). Fresh vegetable consumption is far higher, (generally accepted at over 100kg per capita) and above that of most EU member states. Both levels of consumption have grown over time.

Apples have been grown in Kazakhstan for thousands of years and are a symbol of the country's agricultural heritage. Bananas are not indigenous to Kazakhstan but are imported from neighbouring countries. Watermelons are a popular summer fruit that is often served as a sweet dessert after meals. Blueberries are grown in Kazakhstan's mountainous regions and are used in a variety of traditional dishes, including the Kazakh dairy product known as *kurt*. Because of its high price, pineapple is not a popular fruit in Kazakhstan. Apricots are a popular fruit that is often dried to make traditional Kazakh snacks such as *chak-chak*. Pomegranates are considered a symbol of fertility and abundance in many Central Asian countries, including Kazakhstan. Against the background of consumption levels set out above, consumers of fruit in Kazakhstan can come from any major ethnic or income class, with ethnic Russians and Kazakhs sharing similar consumption patterns regarding fruits, which extends to having a particular fondness for apples.

Vegetable consumption is high in Kazakhstan, and many of the country's most commonly produced dishes include vegetables such as the dishes *Beshbarmak* (which incorporates onions), *Kurdak* (also incorporates onions), and *Lagman* (soup with peppers, carrots, and cabbage). Consumers come from any major income or ethnic class, as the consumption of vegetables has been long established within the culinary culture of Kazakhstan, with the category considered a staple with a variety of uses.

In terms of consumers who are more likely to consume imported European fruit and vegetables, there are some challenges in differentiating these from the broader group of consumers. Fresh produce imported from Europe most commonly covers categories for which there is domestic production or imports from neighbouring countries. Given that more often than not, fresh produce is not packaged for sale, in most cases consumers are unlikely to independently be able to differentiate imported produce and/or those with quality certifications from domestic/regional produce. This is different from the case of produce without a domestic/local equivalent, where consumers tend to be more inherently aware of the imported status. That said, import from the EU of certain fruit such as apples is more likely to happen just outside the Kazakh growing season. Against this background, consumers of imported EU produce may include: higher income individuals, who have the means to afford the higher prices; food enthusiasts and chefs, seeking out specific varieties of certain fruits; and expatriates.

Drivers and method of consumption

There are several key drivers of fruit and vegetable consumption in Kazakhstan. First, as mentioned, many fruits, particularly apples and pomegranates, are well ingrained within Kazakh culture, as the country's nomadic history encouraged the consumption of these and other versatile fruits. Consumers appreciate the nutritional value of fruits, and their relatively cheap price within a market of generally expensive food and beverage items makes fruits further stand out in terms of a key source of nutritional value. Methods of consumption include the consumption throughout the day, as many Kazakh-style breakfast meals often include fruits with apples and bananas commonly consumed alongside porridge. Dates and pomegranate are also, at times, featured as a compliment to larger dinner meals.

Key drivers surrounding vegetables in Kazakhstan also include the incorporation of vegetables into many Kazakh dishes, with vegetable consumption in Kazakhstan per capita being high in the country. Rising urbanization has led to innovation within the Kazakh consumer market for vegetables, with vegetable specialty stores emerging in Astana and Almaty in recent years; coupled with a rise in vegetarianism across the country, although total vegetarianism remains small by western and southern Asian standards. Pre-packaged salads and ready-to-eat vegetable dishes have become more common in recent years, which is the overall convenience driver behind vegetable consumption in Kazakhstan.

For both fruit and vegetables, it should be noted that climate/region and seasonality do play a slight role, with consumers more likely to consume the produce which is locally available in their region at the corresponding time of year. This for example leads to a greater level of consumption of fruits like apricots, grapes, and melons in the south of the country. That said, for particularly popular produce such as tomatoes and apples, there is a certain level of year round demand.

Purchase criteria

Common purchasing criteria include the versatility of fruits and vegetable products, with fruits such as apples and pomegranates being notably popular in part because of these traits. Consumers expect fruits in Kazakhstan to be reasonably inexpensive and accessible, particularly via small local grocers and increasingly via modern retail channels; the latter of which are more likely to stock imported fruits. Consumers in Kazakhstan and throughout Central Asia are further known for avoiding any fruits with visual blemishes or irregular shapes, meaning consumers will expect fresh and visually appealing fruit products, as well as ones which demonstrate other quality characteristics such as freshness, juiciness and sweetness.

Vegetable purchasing criteria largely mirror those of fruits in the sense of the desire for fresh, reasonably affordable, and nutritious vegetable products from consumers in the country. Vegetables are often incorporated into many of the main traditional dishes of Kazakhstan, which only enhances the desire for fresh, affordable vegetable products. Certain vegetables tend to be more sought-after during certain seasons of the year, which include:

Spring: Spinach, lettuce, and arugula

Summer: Tomatoes, cucumbers, and zucchini

Autumn: Carrots, cabbages, and potatoes

Winter: Onions, potatoes, and preserved vegetables

There are small but growing segments of consumers who are attracted by the organic status of their fruit and vegetables; and by the country of origin of products. These consumers are however generally more limited to certain modern retail channels where such indications may be readily available.

Fruit and vegetables on retailers' shelves in Kazakhstan

The availability of imported fruit and vegetable products varies between stores. In most mainstream supermarkets, the availability of clearly labelled imported products is frequently limited – around 10% or less of products on offer. In more expensive gourmet stores, they may account for up to 50% of products on offer. The presence of imported fruit and vegetable products is most visible among exotic products.

Using the example of apples and pears, rough price ranges are:

- **Economy** KZT 200 to 500 (EUR 0.20 to 1) per kg
- **Mid-range** KZT 500 to 2 000 (EUR 1 to 4.10) per kg
- **Premium** above KZT 2 000 (EUR 4.10) per kg

It should be noted that imported apples from Poland, when available at retail, frequently fall in to the mid-range price bracket, making them fairly competitive on the market.



Above and below: packaged and loose fruit and vegetable products (including some imported ones) in higher end supermarkets.

Fruit and vegetables are most commonly sold loose. In a few cases, there are packaged products.



Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

One of the more recent market trends affecting the fruit sector of Kazakhstan is the rise of inflation in the country, which is taking its toll with regards to the purchasing power of Kazakh consumers. Increasingly, Kazakh consumers have had to prioritize purchasing more conventional fruits, such as apples and pomegranates. Post-Covid-19, there has been a notable shift towards increasing fruit consumption amongst consumers, as health consciousness is a key trend in the country. However, total fruit consumption per capita still lags behind per capita consumption levels seen in neighbouring countries in Central Asia. With regards to vegetables, there has been a notable rise in vegetarianism in recent years, particularly amongst younger consumers, though this remains low compared to western countries.

Food service outlets catering particularly to the sale of vegetable-based products (and, to a lesser extent, fruit) are increasingly common in the larger urban centres of Kazakhstan, and growing concerns surrounding environmental issues and sustainability are likely to compound the rise of vegetarianism in Kazakhstan.

The modernisation of retail infrastructure is also having an impact on the accessibility and visibility of imported fresh produce, with imported products both more readily available and more easily identifiable in such channels. In parallel, while it is early days, e-commerce is starting to be used for the distribution of fresh produce to an extent; though the main players involved are the same as those active in modern retail channels.

5.1.3 Offer

Domestic production

Fruit production in Kazakhstan is concentrated within the three regions of Almaty, Turkistan, and Zhambyl, which are all located to the south of the country. These regions, which are home to around 40% of the population, have with favourable climatic conditions for fruit cultivation. Small-scale producers still account for the majority of fruit cultivation in Kazakhstan, although it is increasingly common for large-scale multinational producers (mainly from Russia or, to a lesser degree, China) to set up production in southern Kazakhstan. Kazakhstan is known within Russia and Central Asia for its production of high-quality apples, which is also a cultural symbol of the country in the region. Indeed based on the history of apples and the fruit's popularity, there is a national target of achieving self-sufficiency in the fruit by 2024. Apple production is currently concentrated around Almaty, known as the "father of apples," with about 260 000 tonnes produced in 2022 (a 45 000 tonne increase from 2021). To help meet this self-sufficiency target, Kazakhstan has established new intensive orchards covering 6 600 hectares. These orchards are strategically concentrated in major horticultural regions such as Almaty, Zhambyl, Turkistan, and Shymkent.

Other fruits of note produced to scale in Kazakhstan include grapes, apricots, cherries, plums, pears, and various berries; practically all of these products are grown to scale in southern Kazakhstan.

Regarding vegetables, the production of vegetables was recorded to be around 4.6 million metric tons (when potatoes are included, of which production is several million tonnes), with production growing year on year as the government of Kazakhstan has sought to increase food security within an unstable period for the region. The southern regions of Almaty, Taraz, and Shymkent have a more favourable climate for the production of leafy greens such as cabbages and lettuce,

while the northern regions tend to focus more on the production of versatile vegetables such as onions, carrots, and cabbages due to the harsher climate of this region. There have been ongoing efforts to enhance irrigation efforts within the centre of Kazakhstan to expand vegetable production; however, this remains mostly ongoing, with most consumers in this region having access to vegetables that are grown within small garden plots or small-scale farms.

Kazakh production of vegetables largely caters to domestic demand for most conventional vegetable products, although there has been a notable rise in the importation of carrots, and onions in recent years. While the country has historically been more or less self-sufficient in tomatoes, imports have picked up in recent years. With regards to fruit on the other hand, the country is more reliant on imports to cater to domestic demand.

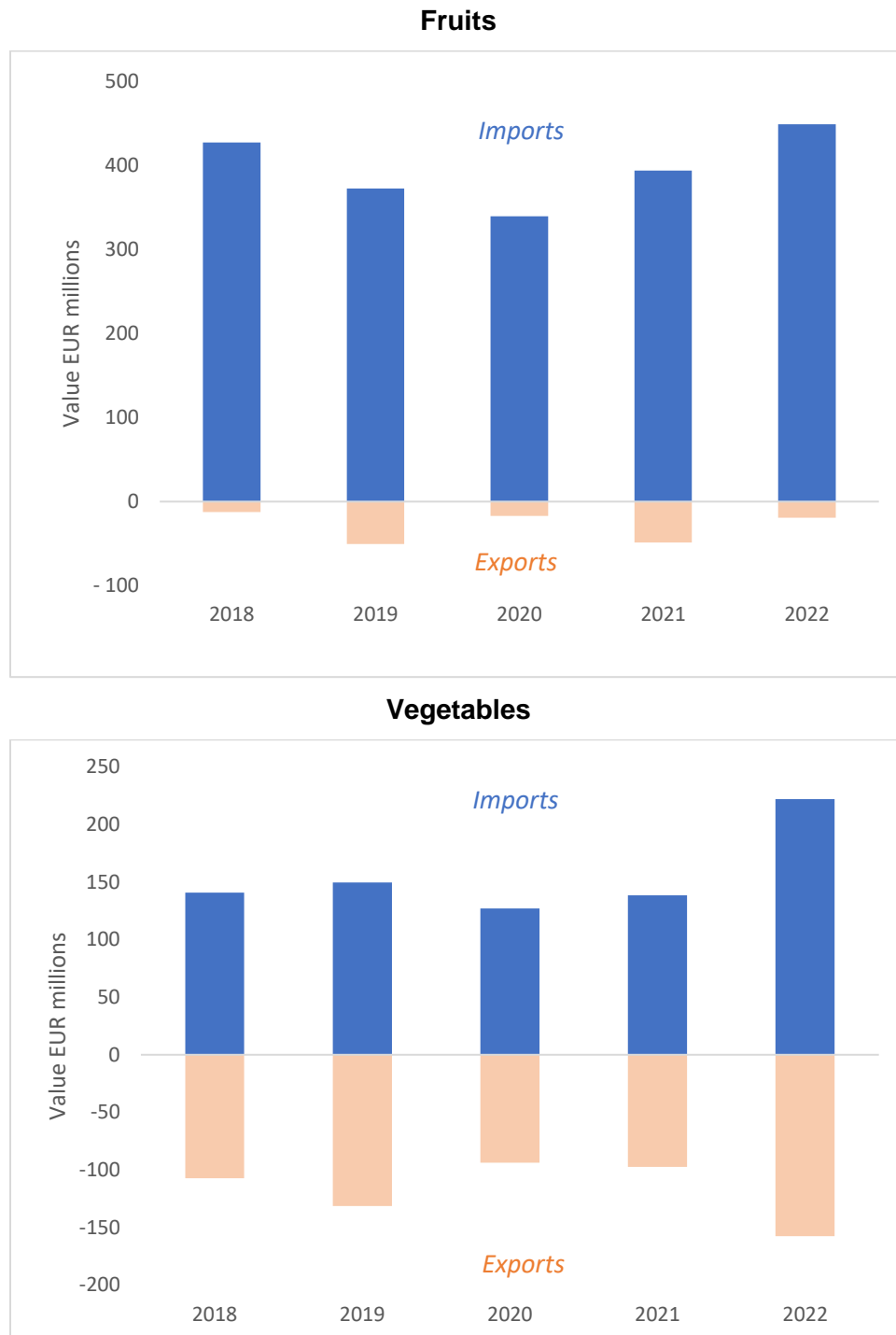
Kazakh producers of fruit and vegetables continue to also be impacted by the influx of cheaper fruit and vegetables from neighbouring Central Asian states such as Tajikistan and Uzbekistan. The country overall is targeting a higher level of self-sufficiency in essential foodstuffs, and as part of this an expanding acreage is being devoted to various crops including fruit and vegetables. In parallel, greenhouse production is increasing and is being seen as an important method of boosting domestic production (in 2022 around 180 000 tonnes of tomatoes and cucumbers were harvested in greenhouses). Government subsidies are helping domestic producers to roll out greenhouse complexes.

Imports and exports

Figure 5-3 shows that Kazakhstan is a net importer of fruit, with the country importing around EUR 440 million worth of fruits in 2022, which is broadly in line with the previous five years. The country is susceptible to climatic or human activity events that may impact the harvest, with land degradation being a particular issue in the north of the country and around the areas near the now almost evaporated Aral Sea, which historically were key regions of fruit production.

Kazakhstan is less reliant on imports of vegetables to satisfy domestic demand as vegetables are more adaptable to the climate of Kazakhstan. The country imported EUR 222 million worth of vegetables in 2022, although it also exported EUR 157 million worth of vegetables in the same year.

Figure 5-3: Trade balance (imports and exports) of fruits and vegetables In Kazakhstan, 2018-22; value EUR millions

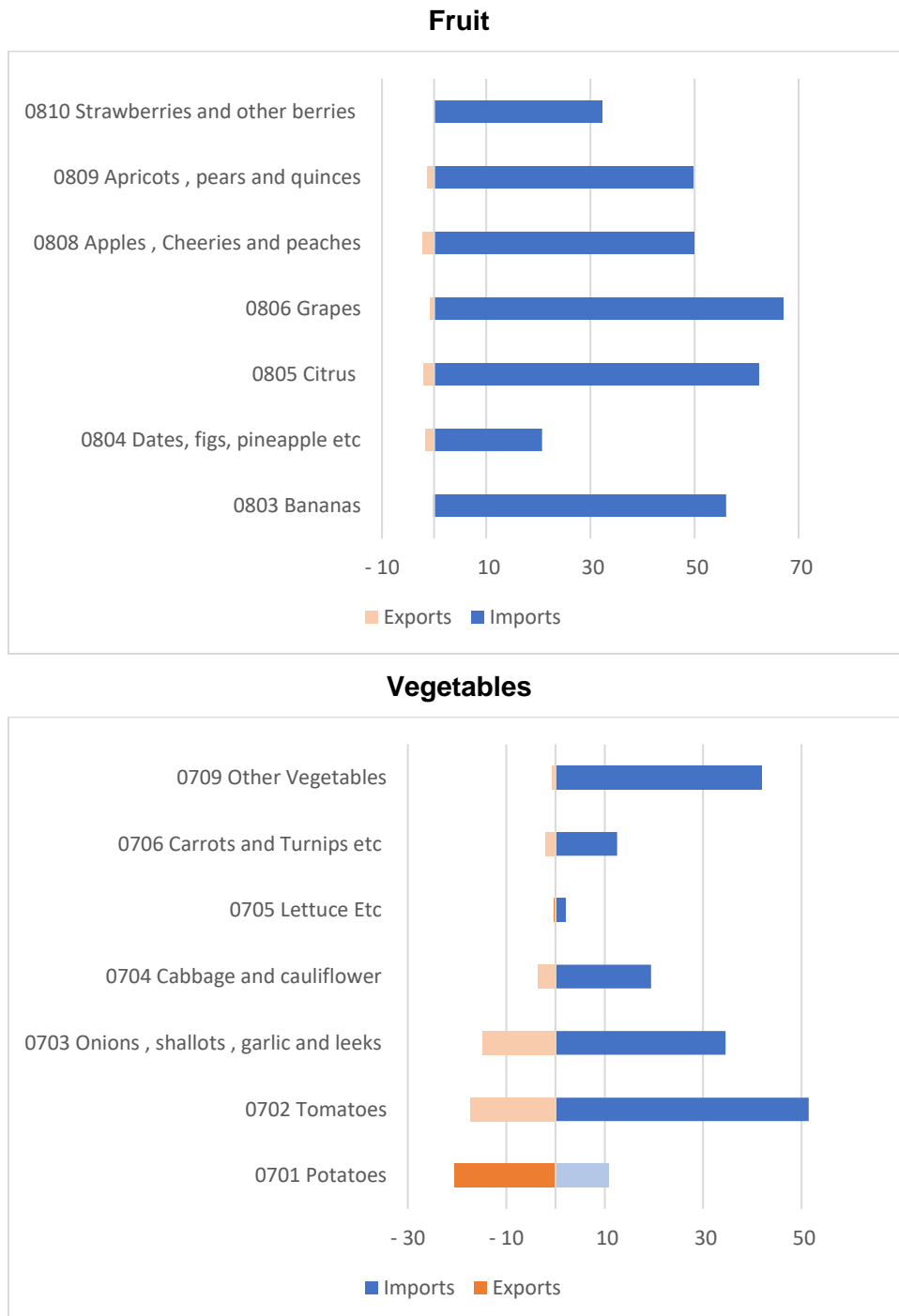


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 07 and 08.

Figure 5-4 further shows the trade balance for fruit products at an individual level. The country is a net importer of all fruit and vegetable categories shown except potatoes. Among fruits, it is a substantial importer of all of the major categories shown including apples; though grapes and citrus stand out as those with the largest absolute net imports. Among vegetables, tomatoes stand out as a category with substantial net imports.

Figure 5-4: Trade balance of fruit and vegetables by type in Kazakhstan, 2022 (value EUR millions; selected types only)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases.

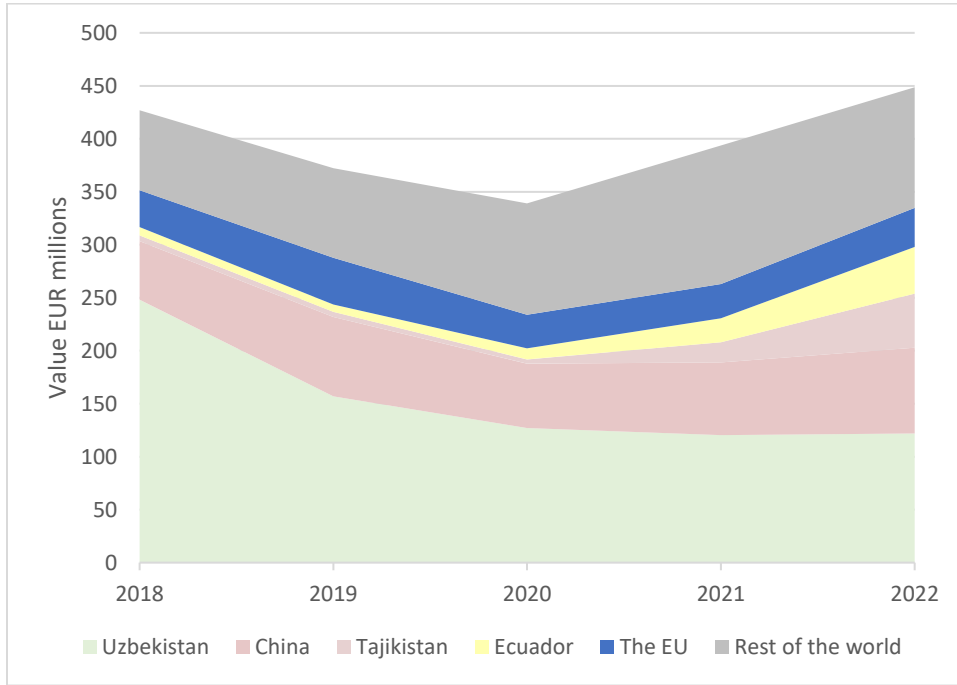
Only indicated CN codes presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

Figure 5-5 shows that Uzbekistan is the largest exporter of fruits to Kazakhstan, with the country exporting around EUR 100 million, which is followed by Tajikistan. Increasingly, Ecuadorian fruits have also made their way to the Kazakh market, and in 2022, total exports from Ecuador reached a value of EUR 46 million. The largest EU exporter in 2022 was Poland, which is largely from the trade of apples and pears and has a value of EUR 29 million. Exports from other EU member states are minimal, with only Belgium notable for its exportation of EUR 4.3 million, also mainly within the trade of apples and pears.

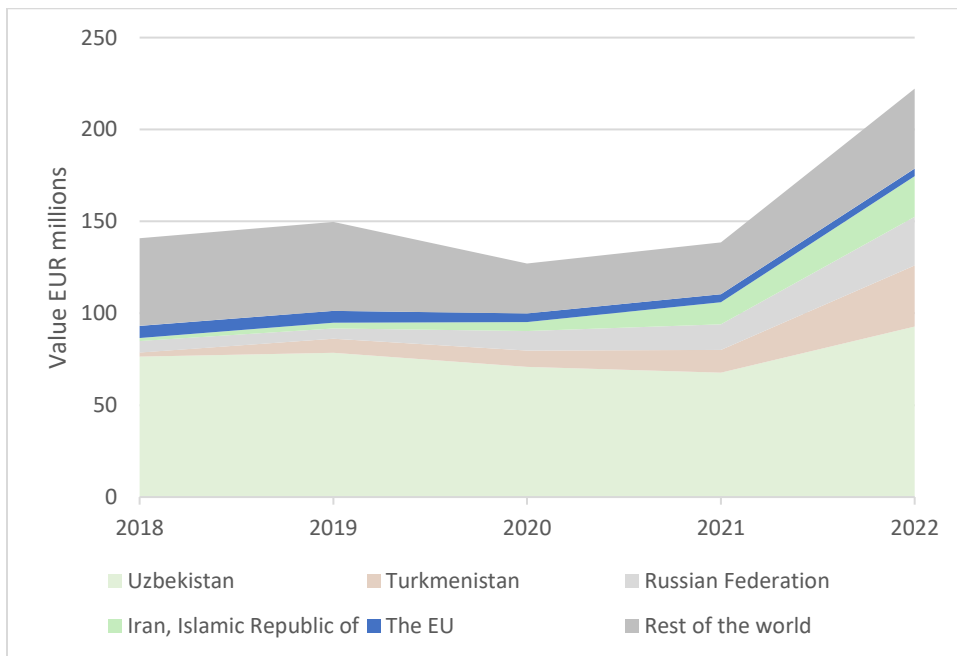
Uzbekistan, Turkmenistan, and Russia account for just over half of all vegetable exports to Kazakhstan, with exports from Iran also growing in recent years. EU exports are minimal, with the largest exporter being Poland, with a value of EUR 1.8 million.

Figure 5-5: Kazakh imports of fruits and vegetables by country, 2018-22; value EUR millions

Fruits



Vegetables



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 07 and 08.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs for fruits and vegetables were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

Domestic producers and the influx of even cheaper fruit and vegetables from nearby Tajikistan, Turkmenistan, and Uzbekistan stand as the main competitors for EU fruit and vegetable products in this market. Russian exports are also present, and increasingly, exports from both Iran and Ecuador further provide competition. While Kazakhstan itself is a net importer of both fruit and vegetables, there are various ongoing initiatives to increase production and hence self-sufficiency – most notably through the use of greenhouses. The fruit market offers the biggest opportunity area due to production shortfalls within Kazakhstan itself, although for EU member states it is largely limited to the exportation of apples and, to a lesser extent, pears.

5.1.4 Specific market entry requirements

Market access and entry

As noted in section 4.2.1., fruit and vegetables are products under phytosanitary control; and generally on the high risk list (see: <http://www.eurasiancommission.org/en/act/txnreg/Pages/acts.aspx>). As such, a phytosanitary certificate and phytosanitary inspection certificate are required.

In terms of tariffs, these vary based on the fruit and vegetable type. Apple tariffs vary based on the season and the variety. In percentage terms they range from 5% to 10%; in per kilogram terms they are either EUR 0.015 or 0.03 per kg. It is recommended that the precise CN code be consulted at the link below for precise tariff information.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – apples category (0808) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0808&origin=FR&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of fresh fruit and vegetables. This can be found at:

https://tradeinfo.kz/objective/search?!=en&embed=&includeSearch=true&filter_tab=1&right_drawer=false&flt_1=49&prd_1=&flt_2=54&prd_2=

Standards, SPS measures, labelling

As noted in section 4.2.2, fruit and vegetables are products under phytosanitary control and hence are covered by CU Commission Decision No. 318.

As noted in section 4.3.4, there are a couple of SPS related challenges relevant for fruit and vegetables, with the new Eurasian Economic Union common phytosanitary requirements arguably the most notable. It is recommended to consult this section for further details.

5.1.5 Distribution

Distribution of fruit and vegetables is split mainly between traditional markets (bazaars) which account for an estimated 70%+ of distribution and modern retail channels (supermarkets, hypermarkets) which are estimated to account for around 20%. Imported products are only likely to be found in the latter, and even in these cases, their presence will be limited. Convenience stores and direct to consumer stands play a limited role in urban areas and growing regions respectively. Some more niche channels such as speciality stores and e-commerce are more likely to offer imported vegetables, but their importance in the wider context of fruit and vegetable distribution remains minimal.

5.1.6 Challenges for EU products

The main challenges for EU producers concern the expectation that fruit and vegetables will be reasonably cheap for most Kazakh consumers. The influx of very cheap fruit and vegetables from neighbouring Central Asian states makes it additionally difficult for EU fruit and vegetable producers to compete in this market. EU exports tend to be focused around the exportation of apples and, to a lesser degree, pears, with vegetable exports being minimal. This further highlights the difficulty of exporting different fruits and vegetables to Kazakhstan in greater volumes, as the country has a significant production sector and is located within the vicinity of large (and cheaper-priced) producers such as China and Russia. Domestic production is ramping up which further increases the competition for EU exporters. Finally, since the onset of the Russia-Ukraine conflict, transporting overland to Kazakhstan – the main method through which fresh produce has traditionally been shipped from Europe to the country – has become increasingly complicated both in nature and in terms of time. This is an important consideration in the context of the perishability of fruit and vegetables.

Market Takeaway: Fresh fruit and vegetables

Consumption: *Fruit consumption per capita is lower on average compared to other countries in the region; however, vegetable consumption is among the highest in the region. Virtually all consumers consume fruit and vegetables regularly; however, only higher-income earners are likely to seek out fruit or vegetables of EU origin.*

Competition: *The influx of fruit and vegetables from Uzbekistan, Turkmenistan, and Tajikistan, which tend to be even cheaper than Kazakh produce, provides significant competition, with Russian, Iranian, and increasingly Ecuadorian imports further proving to be competitive. Domestic production is both significant and increasing due to various initiatives.*

Distribution: *primarily markets (bazaars) and modern retail channels, though distribution of imported produce is limited in these channels – the former in particular. Imported F+V is more likely to be sold through certain niche channels.*

Challenges: *Price and the logistics of sending fruit and vegetables from the EU to Kazakhstan are the two main challenges in this market; with consumers in Kazakhstan expecting fruit and vegetables to be cheap and having access to reasonably priced domestic products coupled with cheaper imports from neighbouring countries.*

Opportunities: *Apples and, to a lesser degree, pears are the two products in which the EU has exports of note to Kazakhstan from this sector; these fruits, coupled with the increasingly urban population of Kazakhstan, stands as the main opportunity area in the market. There may also be some counter-seasonal opportunities, though the scope for EU producers to take advantage of these may be limited by the EU's own main growing season.*

5.2 Dairy

5.2.1 SWOT analysis

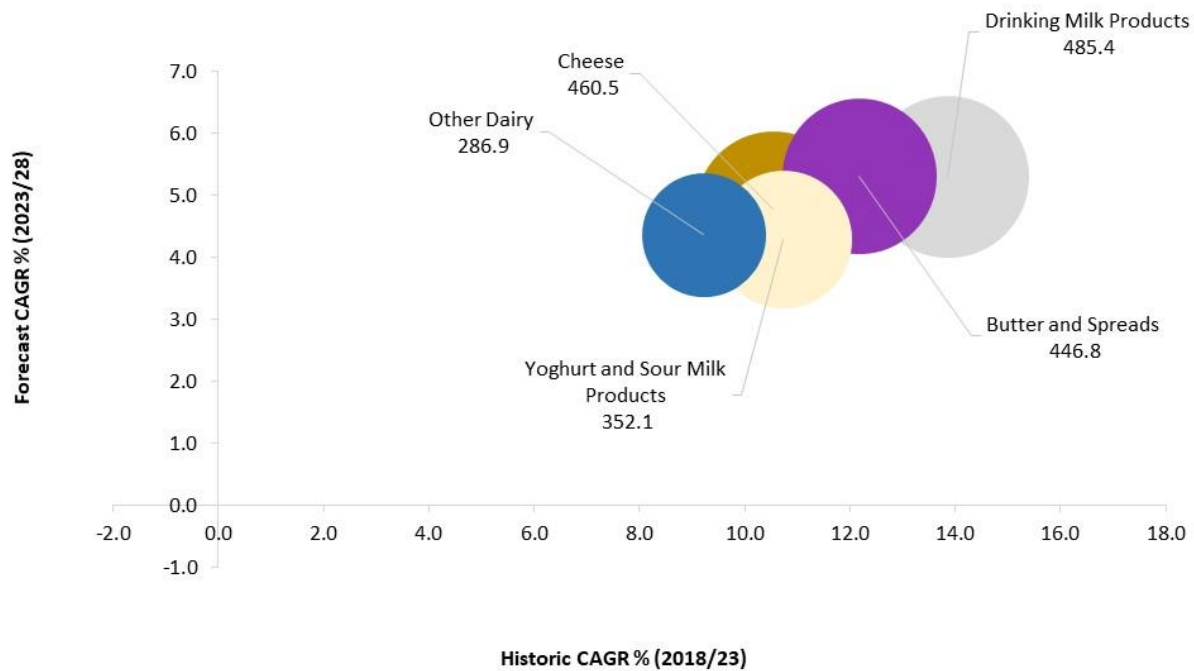
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Kazakh consumers are among the highest consumers of milk products per capita in the world. ▪ Growing curiosity and demand for international products, which extends to dairy products. ▪ French unsweetened milk, whey and butter has penetrated the market to a degree, as have Lithuanian cheeses. 	<ul style="list-style-type: none"> ▪ Over half of the population is estimated to be lactose intolerant. ▪ Traditional dairy products remain more popular in Kazakhstan and are not produced to scale in the EU. ▪ The logistics of sending dairy products from the EU to Kazakhstan are expensive and becoming increasingly difficult due to the war in Ukraine.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The food service sector and modern retail sectors are expanding, aiding in the sale and knowledge of EU dairy products across the consumer base. ▪ Rising demand for dairy products which include fortified added nutritional content. ▪ The rising urbanization and metropolitan culture of the cities of Astana and Almaty are encouraging consumers to seek out niche products, which extend to EU dairy products. ▪ Different varieties of cheese are increasingly in demand by some consumers, though volumes generally remain low. 	<ul style="list-style-type: none"> ▪ Domestic production, which already offer stiff competition, is further growing on the back of increasing investments and initiatives from the government. ▪ Established customs unions with neighbouring and nearby large dairy producers in Belarus and Russia. ▪ High inflation in recent years have made even domestically produced dairy products expensive for Kazakh consumers.

5.2.2 Consumption

Evolution of consumption

The dairy market in Kazakhstan had a retail value of around EUR 1.7 billion in 2023, with drinking milk products being the most valued dairy product in the market with a total retail value of EUR 485 million. This is followed closely by cheese, with a retail value of EUR 460 million, and butter and spreads, with a retail value of EUR 446 million. Yoghurt and sour milk products had a total retail value of EUR 352 million, followed by the other dairy category with a value of EUR 286 million. Dairy markets are growing rapidly in Kazakhstan, with each dairy product, with the exception of the other dairy category, recording a double-digit CAGR between 2018 and 2023, with drinking milk products recording the largest growth rate of 13.9% annually between 2018 and 2023. Total growth rates are forecast to slow down, with drinking milk products expected to continue to be the fastest-growing product in the market, with a forecasted CAGR of 5.3% expected between 2023 and 2028 (Figure 5-6).

Figure 5-6: Evolution and forecast of dairy market (retail value, EUR millions) in Kazakhstan, 2018-2028



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Dairy consumption in Kazakhstan across most product categories is broadly in line with global averages, except for the case of milk, where Kazakh consumers rank as one of the highest per capita consumers of milk in the world¹⁷. As consumers of particular dairy products can vary, a detailed overview is provided below, covering each major dairy category:

Milk: As mentioned above, Kazakh consumers have one of the highest rates of milk consumption per capita in the world. Fermented milks are the most commonly consumed milk products in the country, with *Shubat* (camel milk) and *Kumys* (mare or donkey milk) being the most popular milk varieties in the country. *Katyk* and *Aryan* (both cow milks) are also relevant in the market and commonly consumed. Consumers of milk can be of any major income or ethnic class, although camel and donkey milk is more likely to be consumed amongst the ethnic Central Asian population of the country (i.e., Kazakhs, Uzbeks, and Tajiks), with the ethnic Russian population being more likely to consume milk from cows. It is important to note that around 60% of the population of Kazakhstan is lactose-intolerant.

¹⁷ Highest milk consumption per capita, Ranking Royals, Available at <https://rankingroyals.com/agriculture/highest-milk-consumption-per-capita-top-185-countries>.

Cheese: Cheese consumption in Kazakhstan has been growing rapidly in recent years, aided by changing consumption patterns among Kazakh consumers and the growth of the country's food service sector. Traditional cheeses continue to remain among the more popular cheeses in the country, which include cheeses such as *Kashk* and *Kaymak*¹⁸. Hard cheese remains the most popular cheese category in Kazakhstan over soft cheeses. International cheeses such as cheddar, mozzarella, and feta are among the fastest growing in popularity in the country, as these cheeses are commonly found within the food service sector, with the cities of Astana and Almaty now being home to various outlets that source these cheeses from abroad. Consumers of international imported cheeses are likely to be of a middle- or higher-income class with the additional financial capacity to spend on international products such as imported cheeses.

Yoghurt: Yoghurt consumption in Kazakhstan is growing rapidly with the product recording a 10.3% CAGR in the market between 2018 and 2022, as the country expands its capacity to produce a wider variety of yoghurt products, with producers increasingly adopting production practices from abroad, such as the production of Greek-styled yoghurts. The main consumers of yoghurt presently in Kazakhstan are consumers seeking low-fat, high-protein products, which extends to consumers who are increasingly health conscious.

Butter and Spreads: Butter consumption in Kazakhstan has been slowing down in recent years as butter is increasingly viewed as an unhealthy product amongst younger consumers in the country. The market for butter and spreads is mature in the Kazakh market which has incentivized producers to switch to healthier variants of their products to stand out. Local butter production revolves around cow milk production to produce traditional butters such as *Sary Mai*. Consumers span demographics, however traditional butters are more likely to be consumed by the various Central Asian ethnicities of the country, while Volgodra butter is more popular amongst the ethnic Russian population.

Other Dairy: The largest products present within this category include fromage frais, cream, and condensed milk. These products are most likely to complement other dishes commonly consumed in Kazakhstan, such as traditional pies or pastries. Consumers of other dairy products are likely to be of a middle- or higher-income class, as these products are not viewed as conventional in the country and perceived more as luxury products.

The notable structural shortage of most dairy products means that imported products will be universally consumed to some extent. Looking however at more gourmet imported products, such as specialist cheeses and butters, consumers are, as can be expected, more likely to: have higher incomes; be based in the larger cities; and be better educated and/or have a strong culinary interest. The young professional sub-set of the above group is a notable group which may embrace convenient imported products plugged into more global trends (such as milk alternatives and novel products for coffee and tea). Expatriates are a further notable group which may seek out certain more specialist products – cheeses in particular.

Drivers and method of consumption

Kazakh consumers have a long tradition of dairy consumption stretching back to the country's original nomadic past. Traditional dairy products such as *Shubat* and *Kumys* (camel and donkey milk) were popularized due to their availability throughout the country, even in more difficult climates. This also helps explain the popularity of fermented dairy products in general in

¹⁸ Traditional Kazakhstan Food, Advantour, Available at <https://www.advantour.com/kazakhstan/food.htm>

Kazakhstan, as consumers traditionally had to store dairy products for a prolonged period of time. *Shalap* is a particularly popular traditional Kazakh fermented milk drink, which somewhat spans the categories of milk and yoghurt / sour milk. A breakdown of the key drivers and methods of consumption per dairy product is provided below:

Milk: Kazakh consumers, as mentioned, are among the highest consumers of milk in the world. The nomadic heritage of the country's culinary traditions, where the consumption of milk from camels, donkeys, and cows has ingrained a deep appreciation for milk products in the country, milk is also viewed as a key source of protein, calcium, and other essential nutrients, which encourages consumption. Milk is commonly consumed on its own or as a complement to teas and, increasingly, coffee. Milk tends to be consumed more in the morning and evenings in Kazakhstan, alongside breakfast and dinner meals.

Cheese: Although historically it has not been a major food item consumed in Kazakhstan, the past twenty years have seen cheese establish itself within the market as the growth of the food service sector and modernized retail outlets have allowed for the rise of prolonged cheese storage and sales in the country. *Kurt* and *Kaimak* are the two main traditional cheeses consumed in Kazakhstan and are commonly consumed as a snack or as a complement to lunch and dinner meals, which is the main driver behind the sale of these two products. Rising domestic production is also a key driver of cheese consumption in the country, as domestic producers have diversified to offer variants of popular international cheeses such as mozzarella and cheddar, which are also commonly consumed at lunch or dinner. The consumption of cheese with bread – whether in a sandwich, or just as an accompaniment to bread and tea, is increasing. Similarly, the consumption of cheese at breakfast has become more common. Despite the increasing variety of domestic cheese production, some consumers are attracted to imported cheeses due to the broader selection on offer compared to locally produced options and/or perceived higher quality.

Yoghurt: Health consciousness has been the key driver of yoghurt sales in Kazakhstan in recent years as consumers seek out low-fat, high-protein products. Local and international producers have been actively marketing their yoghurt products across Kazakhstan in recent years in a push to outline the nutritional benefits of their products among an increasingly curious Kazakh consumer base. Yoghurt is commonly consumed on its own or as a complement to wider dishes such as fruit or salad in Kazakhstan.

Butter and spreads: The butter market in Kazakhstan is mature, with several domestic and Russian producers operating in the market. Kazakh consumers are driven to consume butter primarily as a cooking medium for various recipes, as butter is used to add flavour and richness to various dishes; or as part of their breakfast plate. *Sary Mai* and *Volgoda* remain the more popular butter varieties in Kazakhstan; however, there is growing demand for European-styled butter, which is generally defined as butter churned longer to achieve at least 82% butterfat.

Other dairy: Other dairy products remain largely niche in Kazakhstan, with products such as milk condensers and fromage frais having a small following, which is largely focused within the cities of Astana and Almaty. Key drivers for these products include growing incomes amongst urban workers, the growth of the country's modern retail channels, and finally, the general rise in curiosity surrounding international products in Kazakhstan.

Purchase criteria

The key purchasing criteria for dairy products in Kazakhstan include the taste, adaptability, and nutritional value of the dairy product in question. Kazakh consumers prioritize fresh and good-

quality products, with consumers having access to a wide range of milk and, increasingly, cheese products of various varieties and tastes. As consumers have grown increasingly health-conscious in the country, there has been an emerging demand for high-protein products, which has acted as a key driver behind the sale of yoghurts in the country but also extends to high-protein milks and other dairy products. Price is another key purchasing criterion, as the price of even conventional dairy products in Kazakhstan can be perceived as expensive, especially as inflation has grown in the country due in part to the conflict in Ukraine. Kazakh consumers will expect milk and conventional cheeses, butters, and spreads to be affordable, with yoghurts and other dairy products often priced slightly higher per unit. Sustainability concerns are a growing purchasing criterion amongst younger and middle-aged consumers, as a wider appreciation for the climate and domestic production has grown in recent years. Finally, convenience packaging is a key purchasing criterion, with consumers expecting dairy products to be easy to carry and suitable to feed an individual or with the option to purchase larger units of products to feed the family.

With regards specifically to **imported cheeses**, against the background of key consumers and drivers described above, the communication of quality is an important influencing factor. This can ultimately translate to the creation of a unique identity through communication of heritage / tradition and / or strong branding. The indication on packaging of country of origin (e.g. through flags) is one such commonly used communicator; as are any indications of craftsmanship. Variety / the uniqueness of variety is a further factor which can assist certain imported cheeses. One challenge which imported cheeses can face in this regard is that of availability; generally consumers will consider the cheese options in their normal shopping locations, meaning ready availability in key channels is important. While price can be a further challenge for the mass market, there are consumer niches for imported cheese which are likely to be less price sensitive.

Dairy products on retailers' shelves in Kazakhstan

Approximate price ranges for cheese (125 or 150 grams) are:

- **Economy** KZT 500 to 2 000 (EUR 1 to 4.10)
- **Mid-range** KZT 2 000 to 4 000 (EUR 4.10 to 8.20)
- **Premium** KZT 4 000 and above (EUR 8.20)

Imported drinking milk products, including non-dairy ones, generally retail for around KZT 2 000 (EUR 4.10) per litre.



Above: imported cheese section in a popular supermarket.

Imported cheese typically accounts for between 20 and 40% of cheese products on sale in modern retailers. Russian imports tend to be strongly present among these in the area of hard cheese. A few imported drinking milk products can be found. There is little, if any imported yoghurt and butter.

When prepacked, cheese is most commonly packaged in flexible transparent plastic packaging. In some cases, an additional folding carton layer may be included. Some retailers

will package cheese on site, most commonly procuring wheels and dividing them in to small shrink-wrapped sections of around 200 grams.

Pack sizes largely depend on the positioning of the cheese in question. For high-quality premium imported cheese, single packs in the range of 125 to 200 grams are more popular. However, for budget or mass-market cheese, multipacks and/or large pack sizes are preferred due to the greater value for money they tend to offer.



Above and below: cheese counters featuring imported products, including some loose items, in two more gourmet-focused supermarkets.



In view of the traditional connection between cheese and nutritional benefits, some more premium products highlight the health credentials of the product.

Point of sale samples or tasting sessions are methods used by some importers to help build the familiarity of Kazakh consumers with new cheese products.





Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

Demand is growing substantially within the yoghurt and cheese markets, which represent the two key growing products within the dairy sector of Kazakhstan, with milk and butter and spreads being two more mature and established markets. A breakdown of the key recent market trends is provided below.

Milk: Milk consumption remains among the highest in the world per capita in the Kazakh market. Overall sales of milk continue to grow, largely in part due to the population of Kazakhstan growing in recent years, with many Kazakhs being introduced to milk at a very early age. Fresh milk continues to struggle in Kazakhstan to a degree, as the shorter shelf life and slightly higher costs offset many consumers who continue to prefer fermented milk products instead. As tensions remain between Ukraine and Russia, the government of Kazakhstan has helped scale up domestic production and the country is now largely self-sufficient in the production of most drinking milk categories enjoyed in Kazakhstan.

Cheese: The cheese market continues to grow in Kazakhstan, with international cheeses such as cheddar, feta, and mozzarella gaining a foothold in the market over the past decade. Inflation continues to impact the market, however, the continuing war in Ukraine has also encouraged domestic production to grow to help offset any major supply issues. Kazakh consumers are

increasingly seeking cheeses with added nutritional value, such as cheeses with fortified benefits like added vitamins or minerals.

With regards specifically to imported cheese, two trends can be seen. Firstly, there is increasing interest in diverse flavours. This does not just extend to some new cheese types, but also to new varieties of some well-established cheeses. For example, cheddar and gouda are both already popular, but different aged varieties of these have been introduced to increase the offering while building on this established popularity. Secondly, some producers have been adapting certain cheese varieties or create new blends that align with local Kazakh preferences – for example, one producer has created a mozzarella mini-cheese which is a hybrid of mozzarella and a semi-hard cheese. To this end, there have been cases of EU exporters collaborating with local brands.

Yoghurt: International producers continue to have a strong presence in this market as domestic production seeks to catch up. Most international producers, however, tend to be either Russian or Belarusian, with yoghurt producers from outside of these nations being limited. Overall, yoghurt and sour milk products are expected to register double-digit current value growth but much more muted volume growth.

Butter and Spreads: Butter and spreads have continued to register moderately constant value and volume growth over the forecast period. While butter and spreads form a mature product area, continuing population growth has helped to sustain sales in the country. Consumers are increasingly paying more attention to the product's taste and quality than just its price.

Other dairy: Other dairy has registered moderate value and volume growth over recent years, with continuing population growth supporting volume sales. The main driver of value sales growth over the forecast period will continue to be competitive pricing. As such, discounts and promotions will continue to be a key driver of volume sales growth. Despite rising population growth, condensed milk will only register marginal volume growth. It is increasingly perceived as an unhealthy product, and this will dampen volume sales in Kazakhstan.

5.2.3 Offer

Domestic production

The ongoing war in Ukraine has encouraged the Kazakh government to invest increasingly in its domestic production of food and beverages, with the dairy sector in particular being susceptible to outside externalities as Kazakhstan imports a significant amount of dairy products from Russia, Belarus, and, to a lesser extent, Ukraine. Due to this, production across all major dairy categories has increased (having already shown a long term uptrend); but generally remains limited, creating notable structural shortages in most categories. Overall the dairy sector in Kazakhstan faces several challenges: low animal productivity / milk yields; volatile market prices for milk; climate-change related issues (which exacerbate the first two factors); and challenges in formalising part of existing milk production.

Against this background, the Kazakh government has a 2025 plan for the development of the dairy industry. This focuses on addressing several of the challenges the domestic sector currently has, including through: improved quality / formalised production which meets EAEU technical standards; organised farm development; capacity building; stability and quality of feed supply; support to assist with reducing the return on investment period; and agricultural laboratory infrastructure.

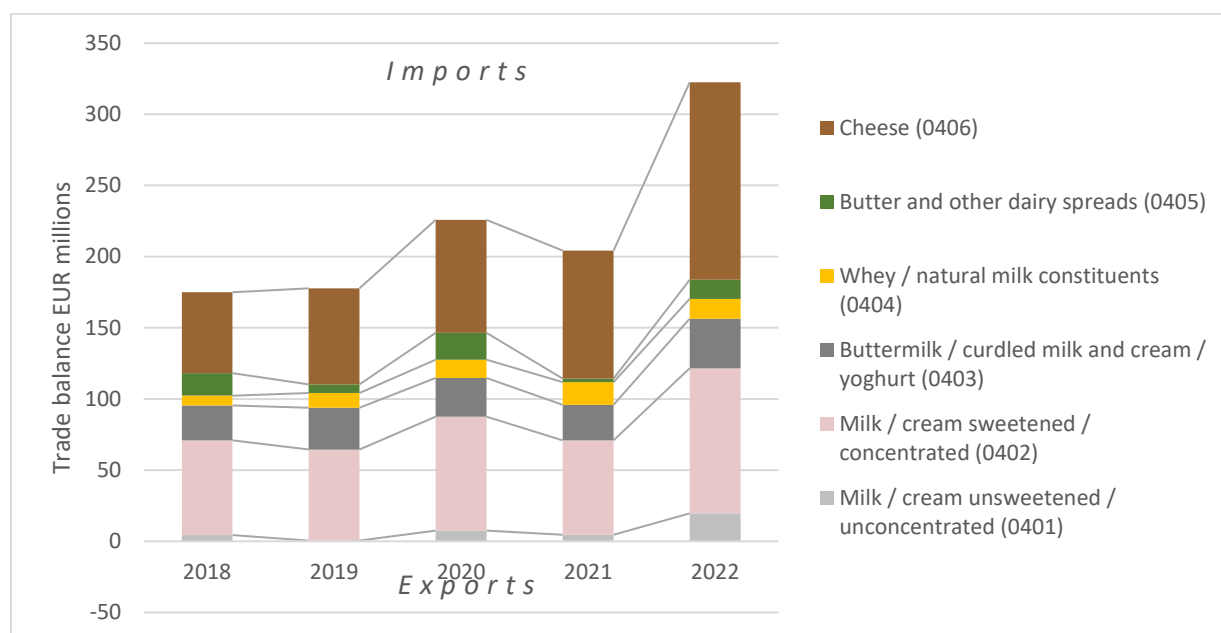
A breakdown of production and major players by dairy product is provided below:

- **Milk:** Milk production is one of the few food and beverage areas where Kazakhstan enjoys near 100% self-sufficiency. The country has a large number of dairy cattle, including native breeds such as the Kazakh white-headed cow. Kazakhstan produces between 1.5 million and 1.8 million metric tons of milk per year, which is more or less enough to meet domestic demand for drinking milk, and though it does not meet demand for production of all dairy products. Production is focused along the centre of the country along the great steeps and within the vicinity of larger urban centres. The largest producers in the country as of 2023 are Food Master AO (23% share of the market), Agroprodukt Asia (12% share of the market), and Raimbek Agro (11% share of the market).
- **Cheese:** Although production has grown in recent years, Kazakhstan remains reliant on imports to fully meet domestic demand for cheese; indeed imports are estimated to account for up to 50% of cheese supply. Kazakh producers are increasingly focusing on the production of cheeses of foreign origin, such as cheddar and feta; however, the production of traditional hard and soft cheeses continues to be the main focus in the country. The largest producers in the country as of 2023 are Food Master AO (around 20% share of the market), Kovel-Moloko VAT (17% of the market), and Gadyachsyr ZAO (a bit under 10% share of the market).
- **Yoghurt:** Yoghurt production in Kazakhstan remains small and concentrated amongst international producers, as the product does not have a significant history of major production in Kazakhstan. The largest producers currently operating in Kazakhstan include Food Master AO (just under ¼ of the market), Danone Berkut (just under 15% of the market), and finally Campina OOO (around 10% of the market). Production is growing in the country as demand for yoghurt rises; however, Kazakhstan will remain reliant on imports to satisfy domestic demand going forward.
- **Butter and spreads:** Butter and spread production remains limited in fully satisfying domestic demand (it falls short by around 10-15%); however, the government of Kazakhstan has continued to increasingly invest in the production sector due to supply shortages following the war in Ukraine. Kazakh producers mainly rely on cow milk to produce butter products in the country, with the largest producers being Maslo-Del (28% of the market), Eurasian Foods Corp (just under 20% of the market), and finally Wimm-Bill-Dann Produkty (around 10% of the market).
- **Other dairy products (e.g., cream):** Production in this sector is small, with the largest producers being Food Master AO (just under 20% share of the market), Danone Berkut (13% share of the market), and Will-Bill-Dann Produkty (well under 10% share of the market).

Imports and exports

As can be seen in Figure 5-7, Kazakhstan is a net importer of all dairy categories to different extents. In absolute terms, it is a net importer of cheese to the greatest extent. Imports have been growing year on year recently, although Kazakhstan has increasingly sought out alternative markets.

Figure 5-7: Trade balance (imports and exports) of dairy in Kazakhstan, 2018-22; EUR millions



Source: Trade Map, International Trade Centre – <https://www.trademap.org/>

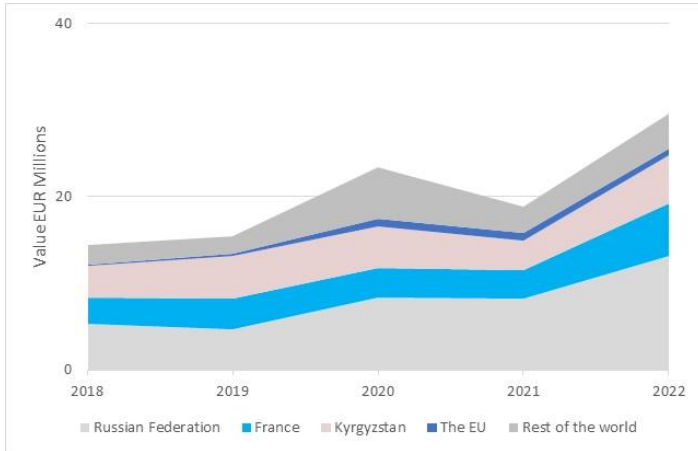
CN codes in brackets.

Figure 5-8 shows the various dairy products that are imported by Kazakhstan and their country of origin. Russia and Belarus tend to be the predominant exporters of dairy products across most categories, although new players have emerged in recent years.

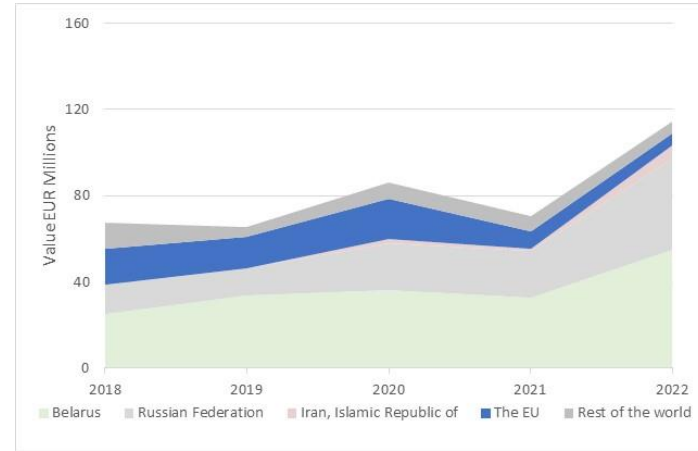
- **Milk/cream unsweetened/concentrated:** Russia is the largest exporter in this category to Kazakhstan, although French exports are also significant, with France being the 2nd largest exporter. Total exports from other EU member states are minimal.
- **Milk/cream sweetened/concentrated:** Belarus and Russia dominated the exports in this category to Kazakhstan. The largest EU exporter is Lithuania, which ranks as the 5th largest exporter overall to Kazakhstan, with a value of EUR 2.5 million.
- **Buttermilk / curdled milk and cream / yoghurt:** Russia, Belarus, and increasingly Kyrgyzstan are the main exporters to Kazakhstan, with total EU exports being minimal.
- **Whey/natural milk constituents:** Russia, Belarus, and France are the main exporters of this product to Kazakhstan. French exports came to a value of EUR 11 million in 2022.
- **Butter/dairy spreads:** Belarus, Russia and France are also the main exporters of butter and dairy spreads to Kazakhstan. French exports came to a value of EUR 52 million in 2022.
- **Cheese:** Russia, Belarus, and Ukraine are the three major exporters of cheese to Kazakhstan, with Lithuania also being significant with a total export value of EUR 8.2 million in 2022. Total exports from the rest of the EU came to a value of EUR 6.2 million.

Figure 5-8: Kazakh imports of different dairy categories by country, 2018-22; EUR millions

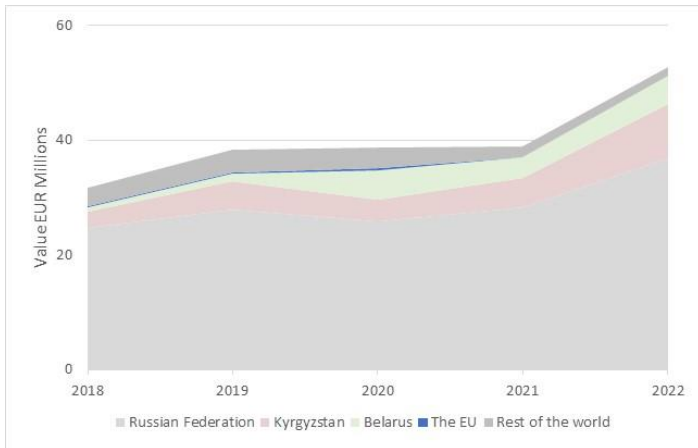
0401 Milk/cream unsweetened/concentrated.



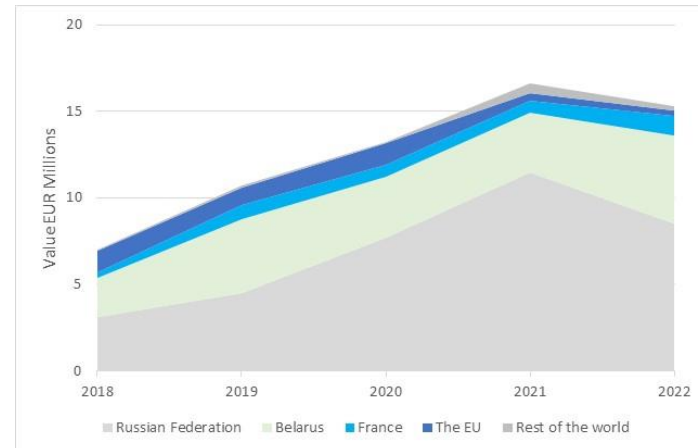
0402 Milk/cream sweetened/concentrated.



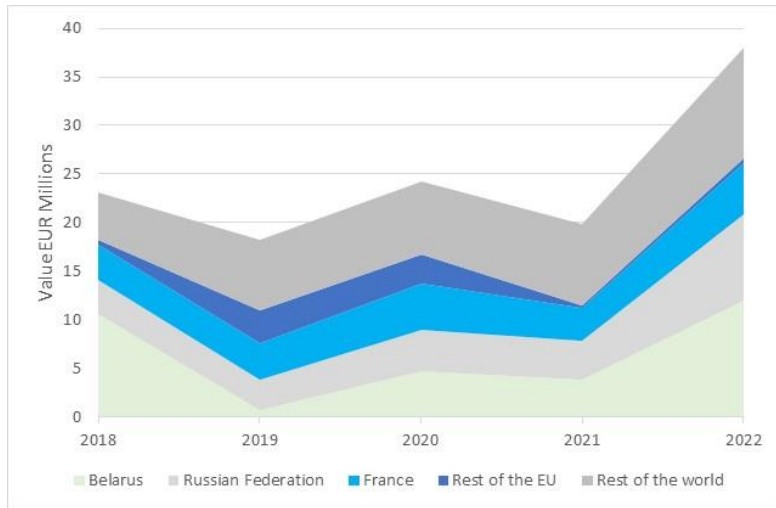
0403 Buttermilk / curdled milk and cream / yoghurt



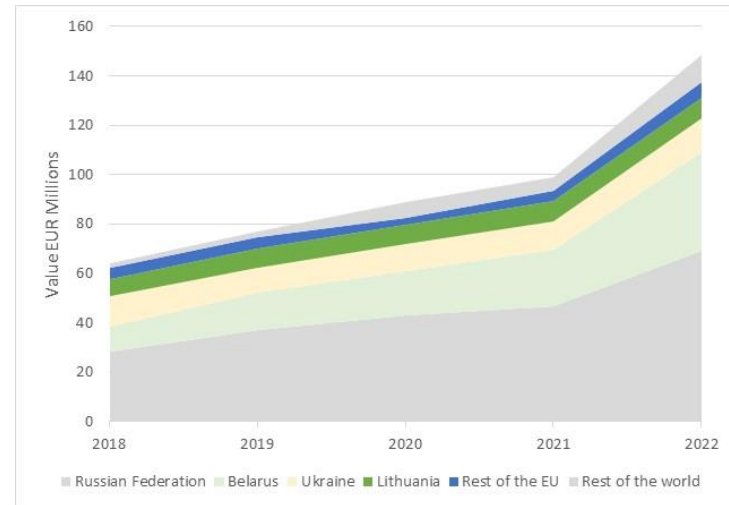
0404 Whey/natural milk constituents



0405 Butter/dairy spreads



0406 Cheese



Source: Trade Map, International Trade Centre – <https://www.trademap.org/>
 CN codes in brackets.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. While no EU GIs were identified in the Kazakh state register for GIs at the time of writing, two GIs had been previously registered and are protected under the appellation of origin system. These are Gorgonzola and Parmigiano Reggiano.

Main competitors

Domestic dairy production for milk and butter is one of the main product areas where domestic production poses a significant challenge to imported products. Outside of this, while there is competition from domestic producers to a degree, it is imports from Russia and Belarus that tend to stand as the biggest competitors for EU dairy products in Kazakhstan. France is a major exporter in certain categories (unsweetened milk, whey, and butter); while not verifiable through trade data, it is understood that at least some of this may be due to French multinational Lactalis, which has had a long presence in the country.

5.2.4 Specific market entry requirements

Market Access and Entry

Dairy is classed as a product under veterinary control, and hence a veterinary health certificate and import permit is required. A declaration and a certificate of conformity plus free sale certificate are also typically required.

It is important to remember that countries and facilities have to be approved for the export of dairy product to Kazakhstan (see also section 4.2.1).

In terms of tariffs, most dairy products face an ad valorem tariff of 15%; three are a couple of cases of different tariff rates (most commonly 5%, 12% and 14%).

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general cheese category (0406) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0406&origin=FR&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of dairy products. This can be found at:

https://tradeinfo.kz/objective/search?!=en&embed=&includeSearch=true&filter_tab=1&right_drawing=false&flt_1=49&prd_1=&flt_2=52&prd_2=

Standards, SPS measures

The main piece of legislation for dairy products is CU Technical Regulation TR TS 033/2013 on the Safety of Milk and Dairy Products, as subsequently amended. This can be found at the following link:

<http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/%D0%A2%D0%A0-%D0%A2%D0%A1-033.aspx>

An amendment on this was introduced in August 2023. This amendment introduced new definitions such as “reconstituted milk”, “dry ice cream mixture”, “dry milk whey”, and “curd mass”. It also introduced some labelling changes. More information can be found at the following links:

<https://www.gov.kz/memleket/entities/mti/press/news/details/593268?lang=en>

<https://naceks.kz/izmeneniya-v-tehnicheskij-reglament-tamozhennogo-soyuza-o-bezopasnosti-moloka-i-molochnoj-produkczii-tr-ts-033-2013/>

Labelling

Dairy products must conform to the labelling requirements for packaged foods set out in section 4.2.3. There are specific addition requirements in the aforementioned CU Technical Regulation TR TS 033/2013, with requirements varying based on the dairy product. It is recommended that the regulation itself be consulted.

5.2.5 Distribution

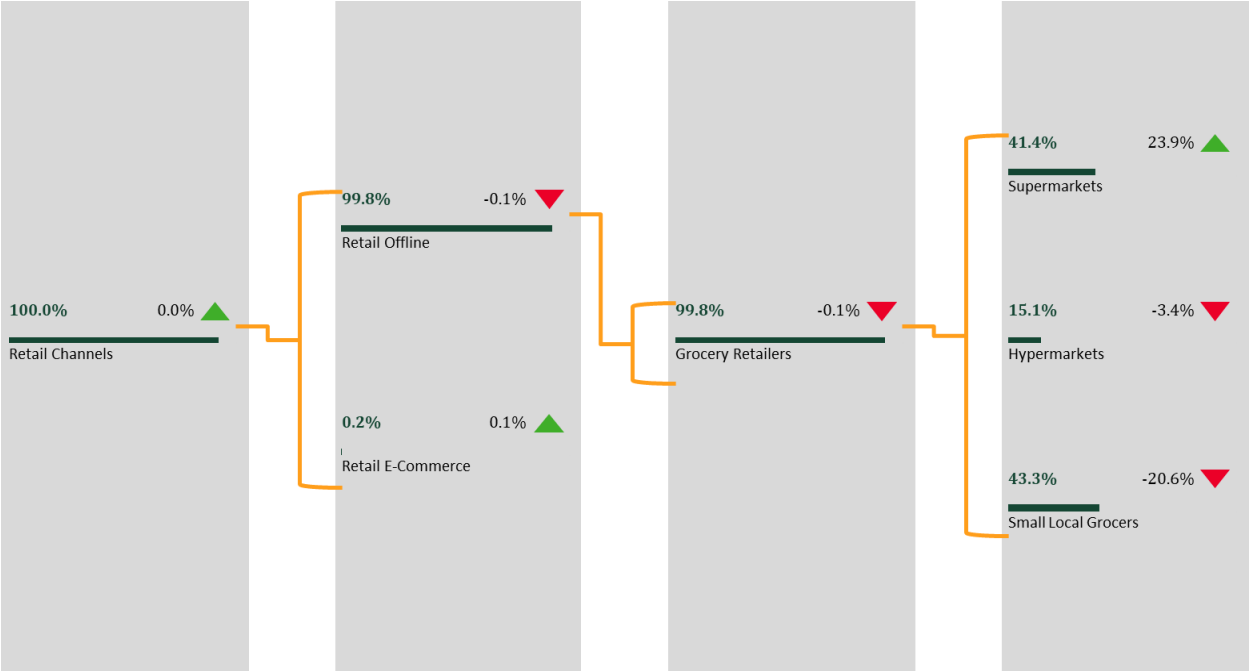
As shown in Figure 5-9, store-based retailing dominates the sale of dairy products in Kazakhstan, with small local grocers being the largest distributors of dairy products in the country with a share of 43.3% of sales, closely followed by supermarkets with a share of 41.4% of sales. Hypermarkets largely account for the rest of the market, with a share of 15.1%, followed by retail e-commerce with a share of 0.2%.

There are some further nuances by product. More specifically:

- **Drinking milk:** The distribution of drinking milk is primarily focused on off-trade channels, although it is also used in foodservice establishments. The biggest retail distributors of drinking milk products in Kazakhstan are supermarkets, with a share of 43.8% of the market, followed by small local grocers with a share of 39.6% and hypermarkets with a share of 16.6%.
- **Cheese:** Cheese is distributed within the retail sector primarily via small local grocers (44.8% share of distribution) and supermarkets (41.5% share of distribution), with hypermarkets accounting for 13.6% of sales.
- **Yoghurt:** Yoghurt is primarily distributed via retail channels, with supermarkets accounting for 43.9% of distribution. This is followed by a share of 37.7% for small local grocery outlets and 18.2% for hypermarket outlets.
- **Butter and spreads:** Butter and spreads are primarily distributed through grocery retail. Small local grocers account for 57.6% of all sales, with supermarkets accounting for 34.7% of all sales. Hypermarket outlets account for a share of 7.3% of sales.
- **Other dairy:** Distribution of these products is primarily via supermarkets, which account for 44.6% of all other dairy product sales in Kazakhstan, followed by small local grocers

with a share of 31.8% of sales, followed by hypermarkets with a share of 23.5% of all sales.

Figure 5-9: Distribution channel overview of dairy in Kazakhstan (2023); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2023.

5.2.6 Challenges for EU products

Kazakhstan is within the vicinity of large dairy producers, which includes Russia and Belarus, with both of which Kazakhstan currently has a customs union. This makes it additionally difficult for EU dairy products to penetrate the Kazakh market; however, there are certain products of EU origin, such as butter, spreads, and whey, that have begun to develop a foothold in the market. Kazakh consumers continue to be impacted by inflation, which limits their ability to purchase more expensive imported dairy products, which in turn further acts as a challenge for EU consumers. Domestic production is growing across most product categories as the Kazakh government has begun to significantly invest in this sector to help offset supply issues caused mainly by the ongoing conflict in Ukraine; and domestic producers are now making their own versions of common European style cheeses.

Altogether, while consumption across most dairy categories is growing in Kazakhstan, there continues to be limited growth for EU products, which has been compounded by the rise of inflation in the country. Opportunities tend to revolve around cheese, unsweetened drinking milk, and whey products. Exporters should nonetheless be aware of the potential logistical challenges (most notably for dairy products in a form which require refrigeration; plus the fact that for more niche products, order volumes may be small).

Market Takeaway: Dairy

Consumption: Milk consumption stands out, as per capita consumption rates are among the highest in the world for drinking milk products in Kazakhstan. Across other dairy products, consumption rates are more on par with global averages, with cheese and yoghurt growing in consumption in recent years. Consumers of EU dairy products are likely to be high-income earners living in Astana or Almaty and are likely to have visited the EU regularly in the past.

Competition: Domestic production is growing but remains insufficient to meet demand for certain products, such as cheese and yoghurt. Russian and Belarussian dairy exports pose the largest non-domestic competition for EU dairy products, with exports from Kyrgyzstan also being notable.

Distribution: Small local grocers account for most distribution across major dairy products with supermarket and hypermarkets catching up. Supermarkets are likely to surpass small local grocers in terms of share of distribution in upcoming years.

Challenges: High inflation in Kazakhstan, coupled with the country having a customs union with Belarus and Russia, makes it additionally difficult for EU dairy products to penetrate the Kazakh market. Consumption rates for cheese, butter, and yoghurt tend to be lower than EU averages. Logistics and export volumes may be challenging.

Opportunities: A rising desire for the Kazakh government to diversify imports away from Russia and Belarus, coupled with growing incomes in Kazakhstan, act as two key opportunity areas for producers from the EU seeking to enter the market.

5.3 Wine

5.3.1 SWOT analysis

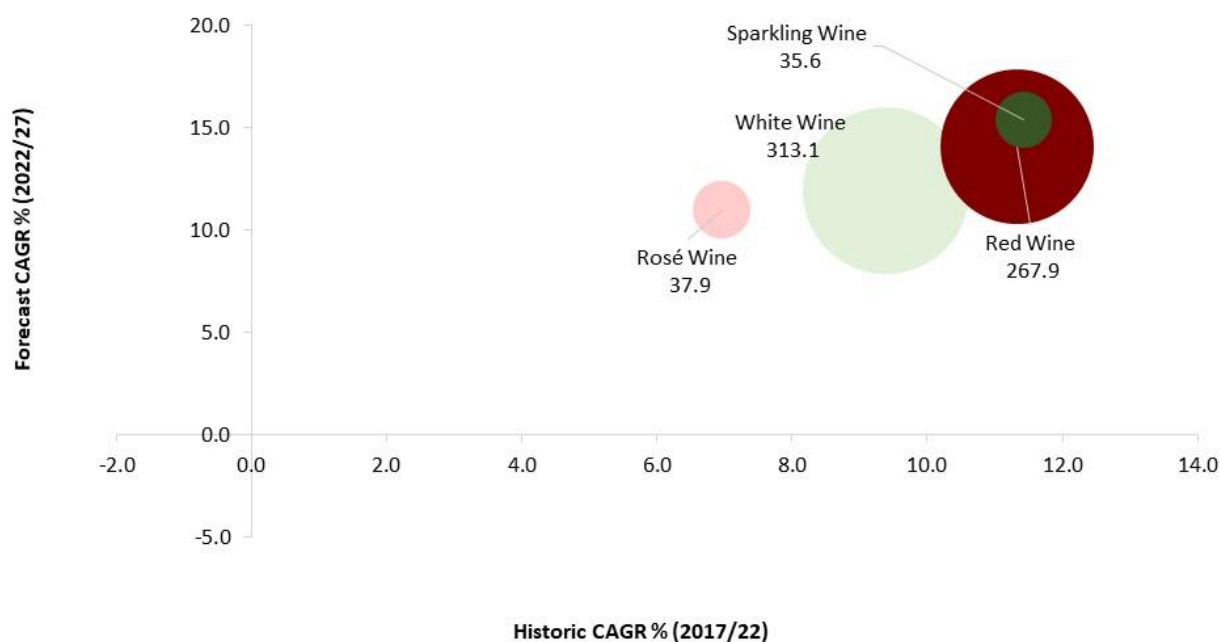
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Market is highly reliant on imports to meet demand. ▪ Long history of wine production which was interrupted in the 1980s means there is some tradition of production and consumption. 	<ul style="list-style-type: none"> ▪ Other types of alcohol are much more popular than wine. ▪ Market historically skews towards the economy end with consumer tastes and methods of consumption not particularly developed.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The wine market overall is weighted towards mid-range to economy wines. This makes it one of the few markets with the greatest potential for EU producers for such products. ▪ Furthermore, with the market still developing, some consumers are moving up the quality scale, providing fairly early-stage opportunities both for some higher quality products and for exporters offering a range of products from economy to more premium. ▪ Wine consumers are often younger, creating a long runway for exporters who can capture their loyalty. Some are starting to use online channels to inform themselves and purchase products. 	<ul style="list-style-type: none"> ▪ Nearby Georgia is a major competitor, as is to a lesser extent Moldova. ▪ Domestic production is beginning to pick up again following a complete pause in the 1980s.

5.3.2 Consumption

Evolution of consumption

In value terms, white wine is the largest segment in Kazakhstan with a market value of EUR 313m. Red is closely behind with a market value of EUR 268m; however in volume terms, red wine is actually more popular than white. Sparkling and rose wine remain more niche products, with market values of EUR 36m and 38m respectively. All categories of wine have grown quickly over the last five years and are forecast to continue to grow. However, red and sparkling have the highest growth both historically (over 11% per year) and forecast (around 15%). White wine's forecast growth rate is just under 12%, while that of rose is 11% (Figure 5-10).

Figure 5-10: Evolution and forecast of wine market (million Euros) in Kazakhstan, 2017-2027; total value



Source: Euromonitor International: Alcoholic Drinks, 2023.

Consumers

Wine makes up quite a small proportion of Kazakhstan's fairly high alcohol consumption. Indeed, in volume terms (unadjusted for alcohol content), the wine market is both smaller than that of spirits, and far behind that of beer (less than 1/8th of the size); once alcohol content is adjusted for, wine lags far behind spirits and is still accounts for just a fraction of the alcohol consumed through beer.

Against this background, the key wine consumer segment skews towards the young end. More specifically, wine attracts consumers under 44 (and most commonly under 30) whose focus of consumption is to enjoy wine and/or experiment, rather than to get drunk. Indeed, the tastes of some of this younger consumer segment is developing. Furthermore, the consumer base skews moderately female. As a result, the Kazakh wine consumer can be considered to be becoming more sophisticated and while economy wines dominate, there is a consumer niche which is interested in higher quality wines i.e. mid-range and premium. This more sophisticated consumer can be split into two subgroups. The first is the over 45 sub-group of generally well-travelled consumers which tends to have more established preferences and is more likely to exhibit brand loyalty. The second is the 25-45 year old group of more adventurous and affluent consumers who may or may not have travelled as much.

Despite the existence of the aforementioned growing niche of sophisticated consumers, overall the market still skews towards more economy products.

Drivers and method of consumption

Unlike the situation with certain spirits, consumers of wine tend to favour consumption for savouring and experimentation rather than for intoxication.

For sparkling wine consumption, there is a strong historical connection with special events – above all, new year’s celebrations. However, this is beginning to change, and consumers are considering sparkling wine for more general consumption.

Increasingly, consumers are pairing wine with food – a reflection of the aforementioned ongoing sophistication of Kazakh consumers. Many of these pairings are similar to those in Europe, though a couple of Kazakhstan-specific pairings. Sparkling wines are often matched with traditional Kazakhstan appetisers or desserts like *Bauyrsaki* (Kazakh doughnuts) and *Sanza* (dumplings) at formal occasions such as weddings. Dry Rieslings are sometimes paired with the local dishes of *Uyghur Hoshan* (fried dumplings) and the rich flavours of *Besbarmak* (noodles with boiled meat); while for the Uyghur meat pan-fried Gosh-nan Pie, a Pinot Noir is sometimes paired; and Cabernet Franc may be used to compliment traditional roast lamb or beef cheesecake with onions, potatoes, and spices.

Overall alcohol consumption tends to be higher in winter, due to the harsh climate, and this is no different for wine.

Purchase criteria

While Kazakh wine consumers are increasingly interested in new and different types of wine, price or price range tends to be probably the main criterion that consumers bear in mind when purchasing. As mentioned above, the wine market in Kazakhstan overall skews towards the economy end. Against this background, sales and discounts can be particularly effective towards the lower end of the market. That said, with increased knowledge, some consumers are beginning to consider more advanced factors such as food pairing. Furthermore, inflationary pressures are resulting in increases in prices, which are in turn affecting consumer perceptions of prices for wine.

Looking outside towards the mid-range and premium segments, producer reputation, brand reputation and awards / recognition are common purchase criteria. Expert reviews and online platform coverage may also impact consumer decisions (for example, the positive coverage on rating websites of some domestic wines from local producer Arba has served to increase the recognition of their wines as higher quality). Wines with limited-edition releases or those considered rare can also create a sense of exclusivity which can influence the higher end purchasing decision.

Wine on retailers’ shelves in Kazakhstan

Retail prices for a 750ml bottle of wine in Kazakhstan are broadly as follow:

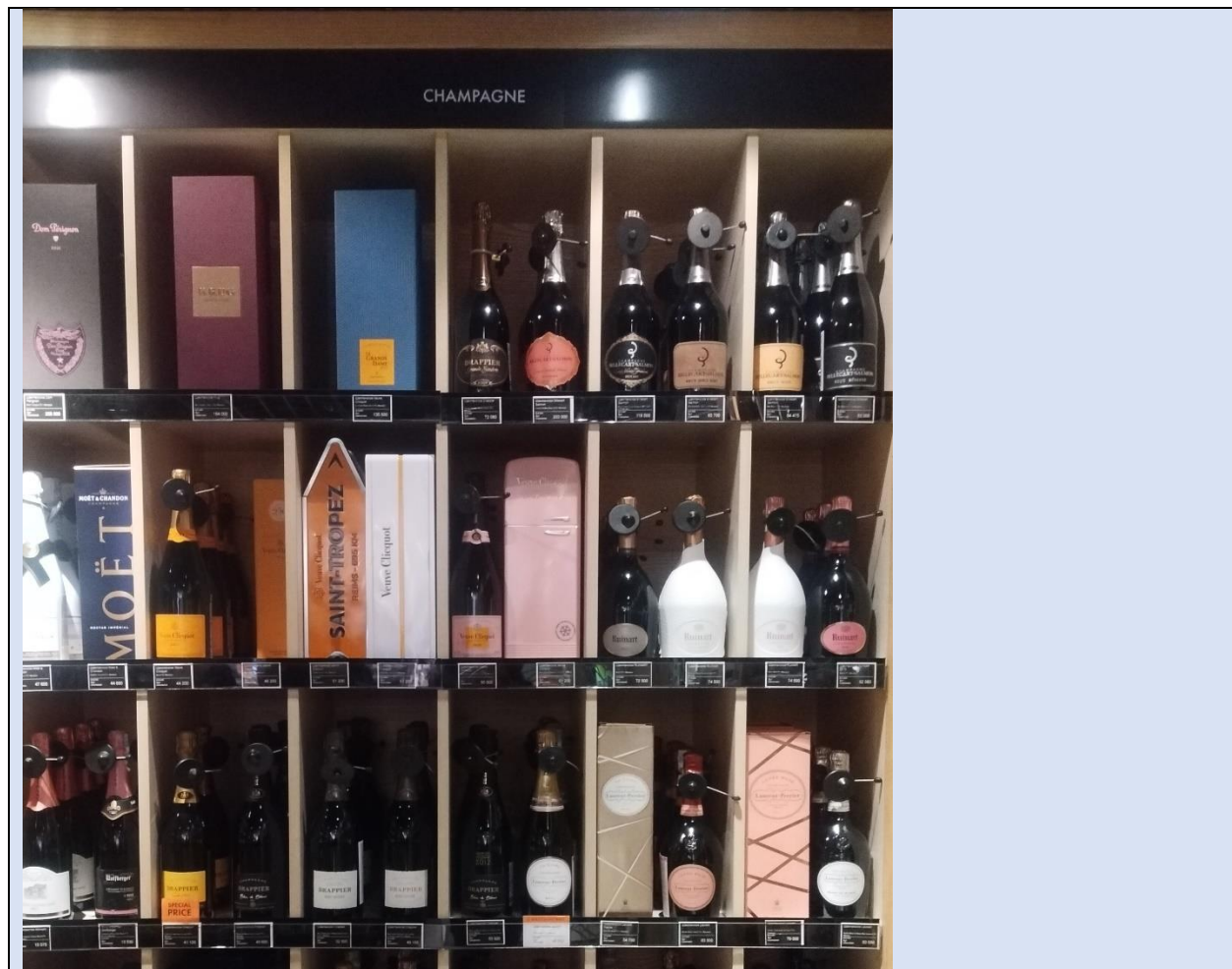
- **Economy** KZT 1 000 to 3 000 (EUR 2 to 6)
- **Mid-range** KZT 3 000 to 15 000 (EUR 6 to 31), with the majority of products under KZT 10 000 (EUR 20)
- **Premium** KZT 15 000 to 40 000 (EUR 31 to 82)
- **Super premium** from KZT 40 000 (EUR 82)

Imported wine typically accounts for at least 50% of shelf space. In more premium/gastro stores, their presence can approach 100% of shelf space. Most commonly, bottles are arranged firstly by country of origin, and secondly by price. In some cases, red and white wine may be entirely separated; in other cases, they may be together under the country of origin section, with red wine more commonly at a stoop level in such cases (and white wine occupying the touch/eye level). Wine is frequently sold at a separate counter.



Above: wine in two different retailers. On the left, a mainstream retailer. The arrangement is more eclectic. On the right, a specialist gourmet retailer, with a dedicated area for wine and organised products, starting with arrangements by country.

750ml glass bottles are most common in Kazakhstan, though 500ml, 700ml and 1 litre bottles may be found in some cases. In order to communicate the sophistication which emerging wine consumers expect, the use of cork closures and labels using the colours gold and red and/or including pictures of estates are common; particularly for wines which are positioning themselves as traditional. Products positioned as novel may use more colourful, contemporary labels. Super premium wines, including notably champagne, often feature folding outer packaging.



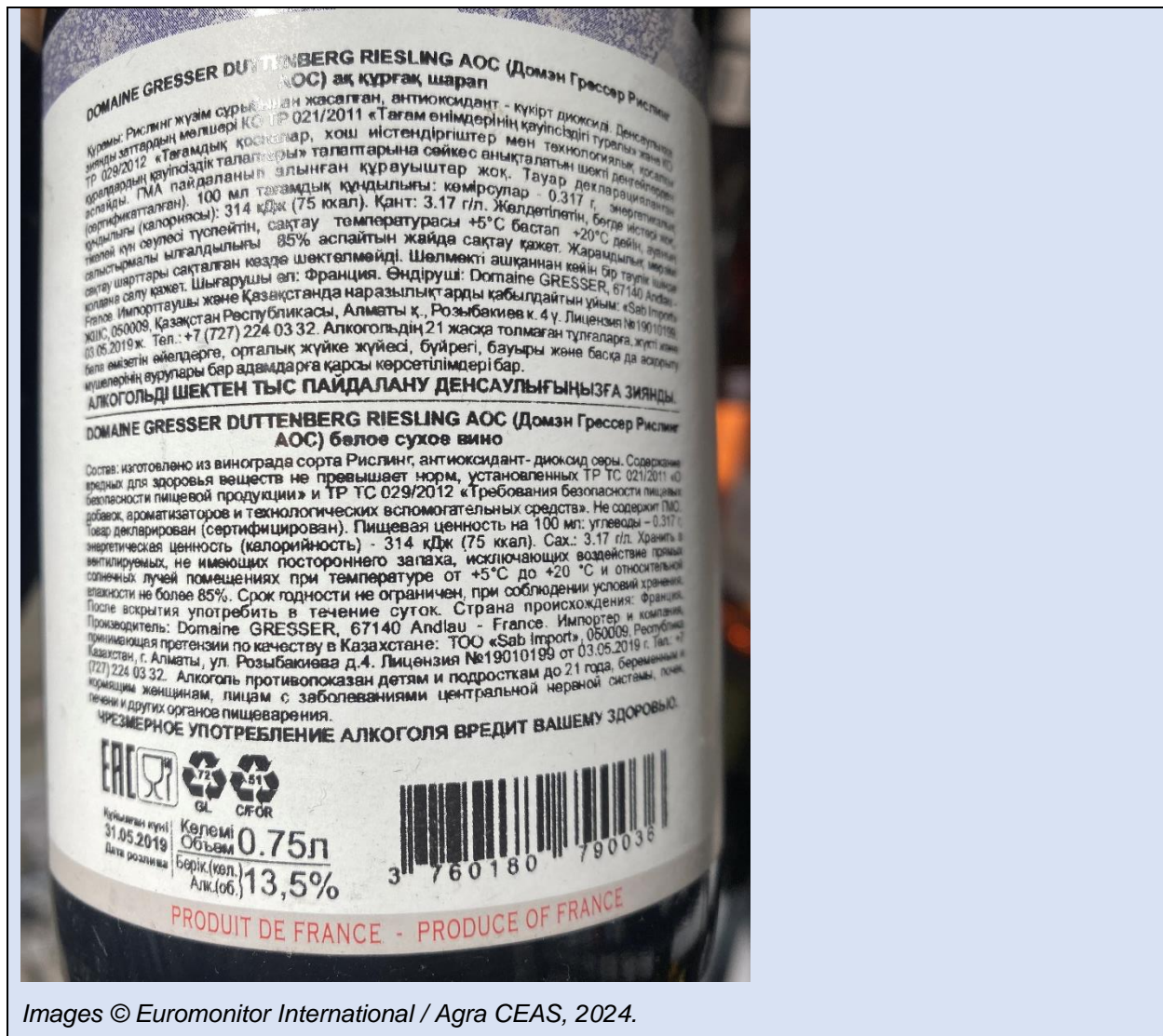
Above: champagne in a gourmet retailer, with box packaging. Below: wine packaged as more traditional (left), using chateau imagery and traditional colours / labelling; next to products

marketed as more novel, using modern labelling and stronger colours.



In view of restrictions on advertising, the use of point of promotion through on-trade engagements is common – for example, tasting events for premium wines; wine festivals; and restaurant partnerships.

Below: close up of a wine label on the bottle.



Recent market trends

The following recent market trends stand out:

- **Increase in unit prices.** Inflationary pressures and geopolitical unrest have played a notable role in the increase of wine prices in Kazakhstan over the last year or two. However, there is also an element of consumer tastes advancing as consumers become more sophisticated, leading to increasing interest in more premium products and those which are considered to be natural. Most interestingly, the market has continued to grow in volume terms despite much higher unit values; between 2020 and 2022 the volume of wine sold increased by just under 20%, while the value increased by close to 60% in local currency terms.
- **Interest in sparkling wine.** As noted above, consumers are beginning to consider sparkling wine as a suitable drink for various occasions and not just major celebrations (above all New Year). The preference has been for dry and brut varieties rather than sweet

ones. Prosecco, and to a lesser extent, Lambrusco have benefitted from this trend. Even local producer Bacchus is producing sparkling wine; it claims *Bacchus Cuvée semi-dry* is the only domestically produced sparkling wine.

- **Low interest in no-low alcohol wines.** Despite the majority Muslim population, there has so far been no interest in low / no alcohol wines. This may well be due to the fact that wine is not seen as a refreshing beverage and rather has a slight winter seasonality. The no/low alcohol trend is therefore favouring other products such as beer at present. Domestic producers have not yet attempted to create low alcohol wines; if and when they do, it could be the first sign of interest in the category emerging.
- **Digital engagement of urban wine-drinking millennials.** This younger demographic demonstrates a preference for digital channels in both obtaining information and making purchases. Online platforms such as Alco24, and Alcolux have been gaining in popularity for making purchases amongst this segment.

5.3.3 Offer

Domestic production

Wine production has a long history in Kazakhstan, dating back to around the 7th century. During the time of the Soviet Union, vineyards were initially a common sight in the south east of what is now Kazakhstan (as well as other nearby countries such as Georgia); however an alcohol ban in 1985 had massive impacts on the industry, with the majority of vineyards on what is now the territory of Kazakhstan, as well as in other areas of the USSR, abandoned or replaced with other forms of production. Post USSR, farmers slowly returned to viticulture, with a large scale experiment with varieties leading to the conclusion that the varieties of Saperavi (red) and Rkatsiteli (white) would be most suitable to domestic production. This has in turn led to them becoming the most common varieties for Kazakh wine as larger scale production returned to the country.

Nowadays, the country has around 13 000 hectares of vineyards which produce around 24m litres of wine per year?. Nonetheless, domestic production is far from sufficient to meet demand, and the majority of the wine consumed in Kazakhstan (an estimated 60% or so) is imported. Production remains focused in the south east of the country, with Assa Valley the most notable wine area. Around 40 companies produce wine, with Arba, Winnac Elite, Silk Alley, Bacchus and AgroWinProm among the largest wineries. In addition to Saperavi, common red varieties include Pinot Noir, Cabernet Franc, Malbec and Syrah/Shiraz. Common white varieties other than Rkatsiteli include Riesling, Gewurztraminer and Chardonnay. While local production is both growing and improving, achieving a quality comparable to that of major wine growing EU countries remains generally challenging.¹⁹

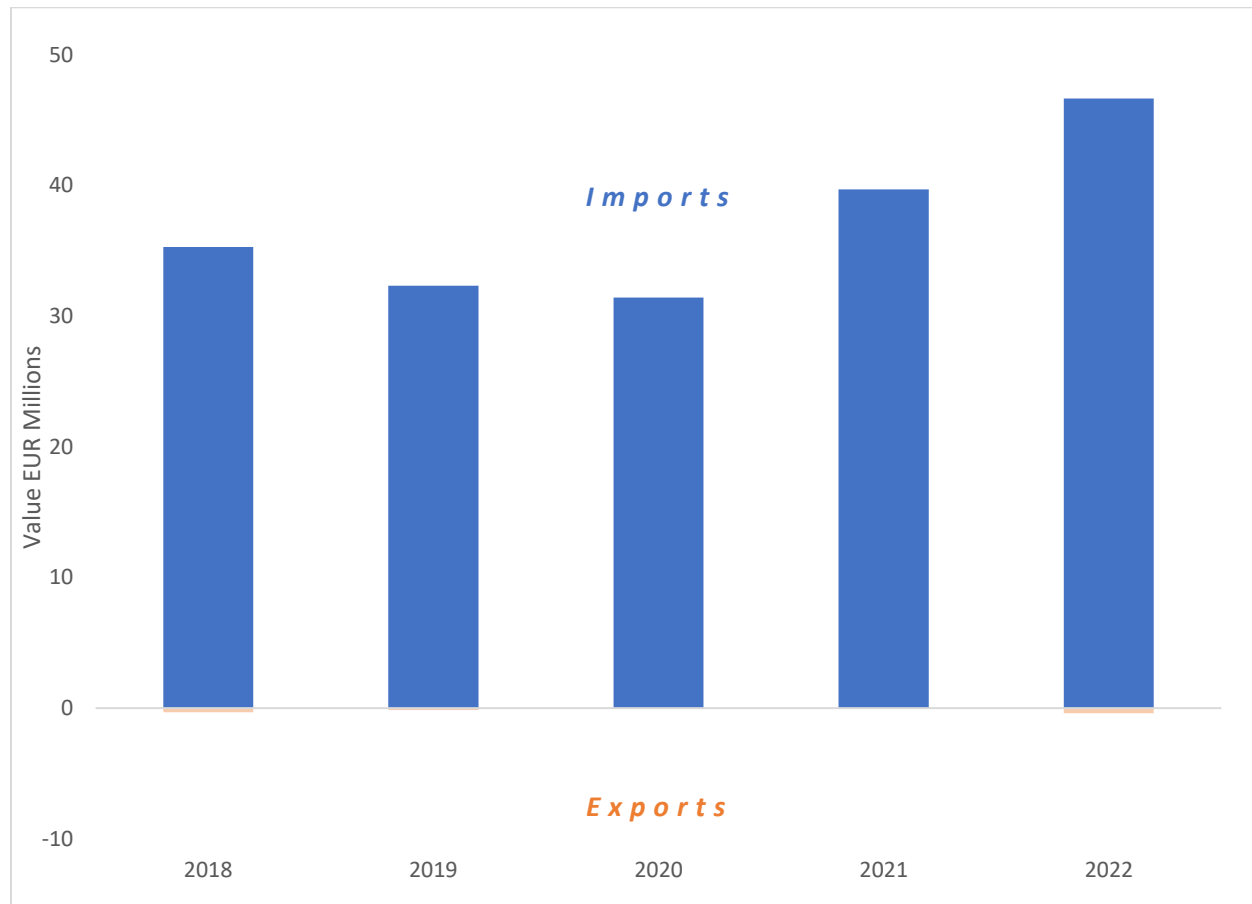
Imports and exports

Kazakhstan is a near absolute net importer of wine, as can be seen in Figure 5-11. Imports show a moderate upward trend over the last five years, albeit with a dip until 2020. 2022 imports stood

¹⁹ <https://www.travelingwithmj.com/Kazakh-wine-an-introduction-to-the-wines-of-kazakhstan/>;
<https://astanatimes.com/2021/10/Kazakh-wine-producers-given-permission-by-european-commission-to-access-european-markets/>

at just under EUR 47m, up from EUR 35m in 2018 (and EUR 31m in 2020). At EUR 0.4m, imports in 2022 were near negligible while also being at their highest level of the last five years.

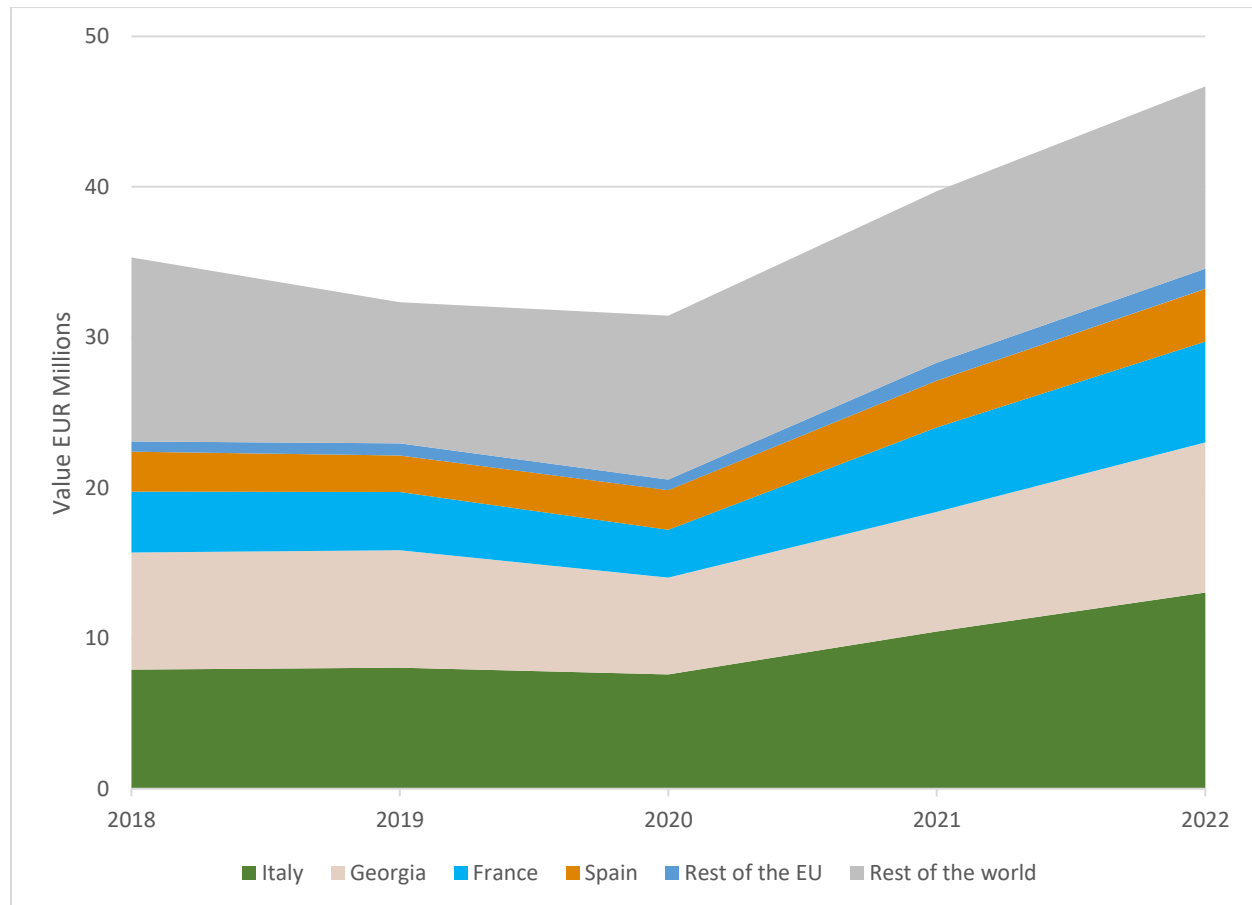
Figure 5-11: Trade balance (imports and exports) of wine in Kazakhstan, 2018-22, EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

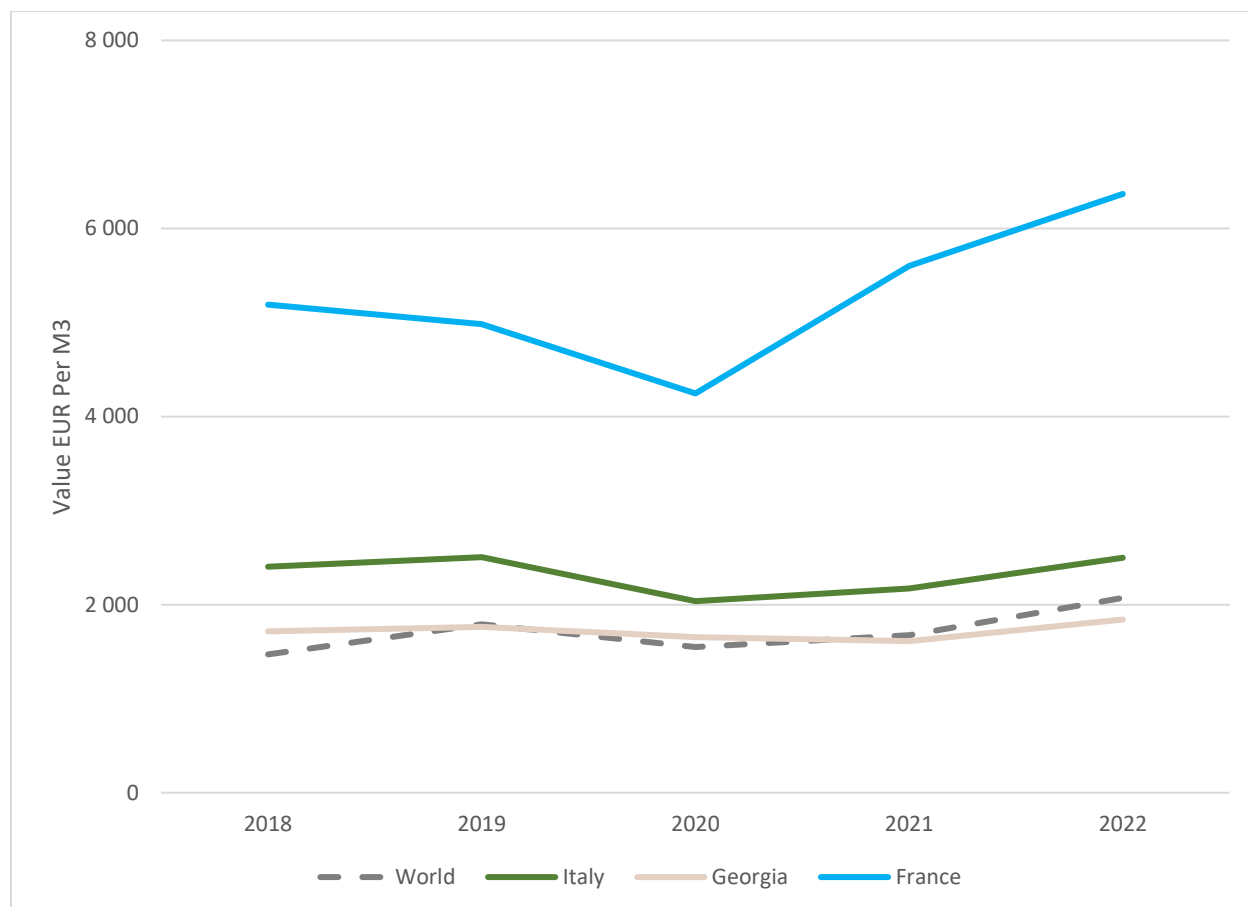
Import origins are quite diverse. Italy is the largest exporter in value terms, accounting for EUR 13m around $\frac{1}{4}$ of imports by value. It is followed by Georgia with just under EUR 10m (or around 20%). France (EUR 6.7m) and Spain (EUR 3.5m) follow. The rest of the EU combined accounts for EUR 2.2m (Figure 5-12).

Figure 5-12: Kazakh imports of wine by country, 2018-22; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

The unit values of imports may be considered quite low compared to that of many importing markets around the world; a reflection of the stage of development of the market. The average of all imports in 2022 was EUR 2 072 per m³, having increased from EUR 1 471 over the preceding five years (Figure 5-13). The unit value of leading exporter Italy was above the global average in 2022, at EUR 2 499, while number two exporter Georgia was below at EUR 1 842. The unit value of French wine was around three times the global average in 2022 at EUR 6 367 per m³, and it showed a positive trend over the preceding five years albeit with a dip in 2020.

Figure 5-13: Kazakh imports of wine by country, 2018-22; Unit value EUR per m3

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. While no EU GIs were identified in the Kazakh state register for GIs at the time of writing, Prosecco had been previously registered under the appellation of origin system, with protection listed as remaining valid until September 2027.

It should be noted that EAEU legislation on categories of alcoholic beverages may cause challenges for certain wine GI names.

Main competitors

Kazakhstan is a substantial importer of wine in the context of the country's market size (over half of domestically consumed wine is estimated to be imported). The EU holds a strong position among import origins; Italy is the number one origin, France the number three and Spain the number four. Combined, the EU account for around 60% of Kazakh wine imports. The main export

competitor is Georgia (second place), which exports wine of a lower unit value than the major EU exporters. Domestic wine producers should not be entirely discounted as a notable source of competition. Since the re-emergence of viticulture in Kazakhstan after the end of the USSR, multiple companies have started producing wine and quality has improved to a point where some Kazakh wines have won awards and medals at international competitions. There are various domestic producers which have been successful, though Arba stands out as one which has been towards the forefront of Kazakh wine development.

5.3.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for wine notably include a certificate of conformity, free sale certificate and licence to sell alcoholic beverages.

In terms of tariffs, wines generally face ad valorem tariffs of 12.5% or 13%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general wine category (2204) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2204&origin=FR&destination=KZ>

Standards, SPS measures

TR EAEU 047/2018 Technical Regulation on Safety of Alcohol Products is currently scheduled to enter into force on 1 July 2024. More information on this and the potential challenges it may cause are provided in sections 4.2.2 and 4.3.4.

Labelling

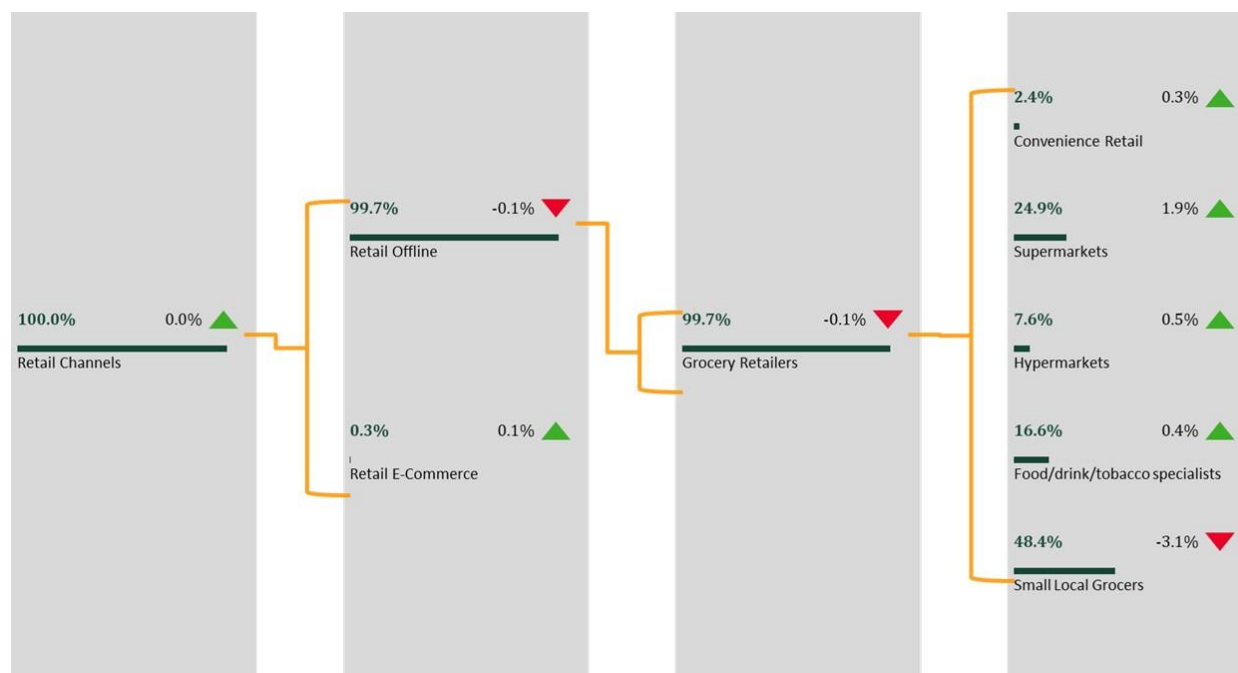
Wine must conform to the labelling requirements for packaged foods set out in section 4.2.3, as well as certain specific requirements for wine which are also outlined in the ***alcoholic beverages*** part of this section.

5.3.5 Distribution

Figure 5-14 shows retail distribution channels of wine in Kazakhstan. Small local grocers play a dominant role, accounting for just under half of all wine retail sales. However, the importance of this channel is falling, with a 3 percentage point drop over the last three years. Supermarkets are the second most important channel, now accounting for around ¼ of sales and with an increasing share over recent years. Food and drink specialists account for 17% and hypermarkets just under 8%. E-commerce very much remains a small niche distribution channel overall.

That said, looking at more premium offerings, specialised wine shops, premium grocery stores, higher-end food service and e-commerce stand out as the more important channels. While not strictly speaking a mainstream distribution channel, it should be noted that wine events and tastings are increasingly used by producers of higher end wines (both domestic and foreign) to engage with consumers.

Figure 5-14: Distribution channel overview of wine in Kazakhstan (2022); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2023.

5.3.6 Challenges for EU products

Probably the biggest challenge for wine is that consumption of the product is eclipsed by spirits and beer, which dwarf wine in Kazakhstan by just about every consumption metric. That said, this actually plays into wine's favour to an extent; it is seen much less as a beverage for intoxication and the emerging key consumer segment is younger consumers with developing tastes.

Competition is something which exporters should be aware of. Nearby Georgia is a threat on the export market; but more notably, domestic production, while well short of meeting domestic demand, is non-negligible and clearly improving in quality. Connected to the issue of competition is that of pricing on the market. The Kazakh market is historically strongly skewed towards the mid to economy end; creating challenges for more premium EU products. However, a more premium segment appears to be slowly emerging.

Market Takeaway: Wine

Consumption: consumption, while increasing, is trumped by spirits and beer consumption. Consumers tend to be younger, and the market skews towards the economy end; though there is increasing interest in products further up the scale.

Competition: import reliant, though domestic production is picking up again after ceasing in the 1980s. EU has a strong position, but Georgia is a notable competitor.

Distribution: small local grocers account for roughly half of distribution; supermarkets and hypermarkets combined just under a third. Higher end wines are more likely to pass through specialist retailers; premium supermarkets and food service; and e-commerce.

Challenges: wine is eclipsed by spirits and beer. Competition and the weighting of the market towards cheaper products.

Opportunities: developing market with a consumer which skews towards the young end. Value focus of the market at present offers opportunities to non-premium products. At the same time, a more premium niche is emerging.

5.4 Spirits

5.4.1 SWOT analysis

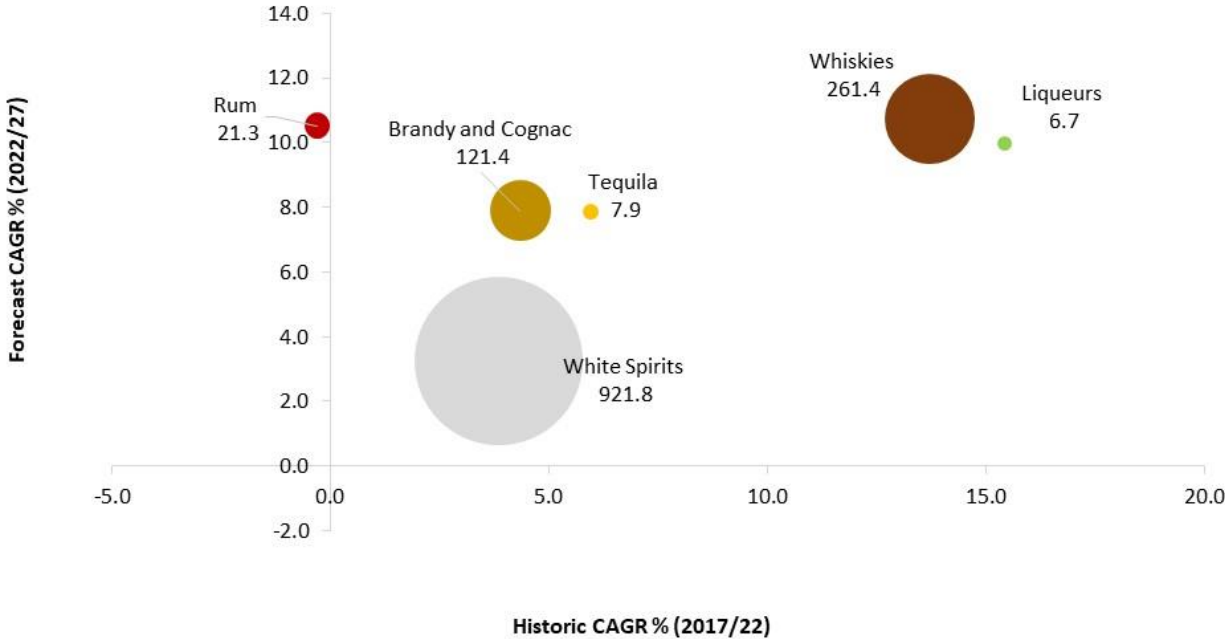
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Spirits are the most popular alcoholic drink, and despite the majority Muslim population, consumption is high. ▪ Domestic production is almost entirely focused on white spirits, with some grape spirits. This creates a structural shortage of other categories. ▪ Fast growth of whisky and liqueur categories. 	<ul style="list-style-type: none"> ▪ The market is strongly skewed towards economy white spirits, which tend to either be domestically produced or imported from Russia. ▪ There is notable domestic grape spirit production, and due to the products on the market, grape spirits are largely seen as an economy drink rather than a premium one.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The whisky segment, while a fraction of the white spirit segment, is nonetheless substantial and the drink is associated with a more premium image than other spirits. ▪ Other spirits such as gin and rum as well as some liqueurs are also increasing in popularity, albeit from small bases. ▪ Tightening of controls on production to remove illicit spirits is a positive and may be the beginning of a stronger consumer focus on quality. 	<ul style="list-style-type: none"> ▪ Historically there have been various issues with illicit production and counterfeiting. While this has been focused mainly on domestic production, the practice is something for exporters to be aware of. ▪ Economy domestic white spirit production, coupled with a patriotically motivated core spirits consumer creates challenges for exporters.

5.4.2 Consumption

Evolution of consumption

As can be seen in Figure 5-15 below, the Kazakh spirits market is dominated by white spirits (more specifically vodka), accounting for around 70% of the market by value and 80% by volume. The white spirits market was worth EUR 922m in 2022. Whisky is a distant second in value terms, with a market size of EUR 261m in 2022, and cognac/brandy is third in value terms with EUR 121m. However, in volume terms the market for cognac/brandy is slightly larger than that of whisky. Rum and liqueur markets remain very small (EUR 21m and 7m respectively). The whisky and liqueur markets are growing much more quickly than other segments; historically they have grown at around 14% and 15% per year, and going forwards they are forecast to both grow at around 10% per year. The white spirits segment has both historical and forecast growth rates in the 3-4% range; while brandy and cognac has grown at 4.4% per year historically and is forecast to grow at 7.9% per year.

Figure 5-15: Evolution and forecast of spirits market in Kazakhstan, 2017-2027; total value, EUR millions



Source: Euromonitor International: Alcoholic Drinks, 2023.

Consumers

Spirits are the most popular alcoholic drink in Kazakhstan when measured in terms of pure alcohol volume, and this is largely due to the massive popularity of vodka, which dominates the market (80% of all spirit sales in volume terms). This popularity means that consumption of spirits is fairly widespread across different demographics. That said, older males on balance are likely to consume spirits in greater volumes, with the younger generation (both genders) more likely to prefer other forms of alcohol, namely wine and beer. Vodka - which is cited as the preferred drink of just under half of alcohol-drinking Kazakhs - in particular tends to skew towards the older, traditional male consumer; while other spirits may have broader audiences. For example, cognac has a stronger female following. The younger urban demographic is more likely to drink or experiment with non-vodka spirits, including with more expensive products.

Drivers and methods of consumption

Off-trade sales dominate the spirits arena, accounting for 87% of consumption and making on-trade consumption of spirits as a whole very limited. Historically consumption of vodka has been driven to a fair extent by a wish of many consumers to get intoxicated; however this is beginning to change for the spirits category as a whole as consumers increasingly switch to other spirit drinks.

There are some historical customs which favour vodka. The drink is most commonly drunk in the form of a shot drunk in one go; with meals often begun with a shot of vodka, and further frequent toasts common during formal events. When vodka is drunk outside the meal setting, it is common for it to be accompanied by a snack.

Looking outside vodka, drivers and consumption methods are more varied. There is a shift from quantity to quality among many consumers which is acting as a driver of non-vodka consumption. The historical contraband production, which primarily has affected vodka, has been a sub-story of this shift – with some consumers (younger ones in particular) moving to brown spirits in particular as they search for safe, quality products. As will be seen below however, there are strong ongoing efforts to control contraband production which may have some impact on this driver. Special events and celebrations can be a notable driver of consumption of imported spirits – particularly among more affluent consumers. Shifts in cultural attitude are also opening Kazakhs up to non-traditional spirits, with the younger generation in particular experimenting both with new cocktails (which may use vodka) as well as with non-vodka spirits.

Purchase criteria

It must be remembered that the overall market for spirits is dominated by vodka, and this in turn skews the overarching purchasing criteria for spirits. Vodka is seen as a traditional drink, and as a result, products which focus on tradition and patriotism and/or use wording related to Kazakhstan tend to be the most attractive to consumers. Price is also a consideration for the vodka segment.

Outside the area of vodka, consumers are more likely to take into account other purchasing criteria, including storytelling around the origin of the product, brand, and most recently, novel flavour to a limited extent. The nature of the occasion for which they foresee the spirit being drunk may also impact consumer decisions in certain cases, with mid-range and premium spirits more likely to benefit from formal occasions.

Spirits on retailers' shelves in Kazakhstan

The price of spirits varies depending on the type, but in broad terms, price ranges are:

- **Economy:** under KZT 5 000 (EUR 10) per litre
- **Mid-range:** KZT 5 000 to 20 000 (EUR 10 to 41) per litre
- **Premium:** KZT 20 000 to 60 000 (EUR 41 to 124) per litre
- **Super premium:** above KZT 60 000 (EUR 124) per litre

Imported products typically account for around 1/3 of the products on sale; though in certain specialist gourmet retailers, they may account for 90% or more of spirit products. Imported spirits most commonly target the mid-range segment, though premium and super-premium imported spirits can be found as well. Spirits are typically organised by different combinations of spirit type, country of origin and brand.



Above left: imported non-vodka spirits grouped together in a mainstream retailer. Right: gourmet retailer, selling primarily imported spirits which are grouped together by type.

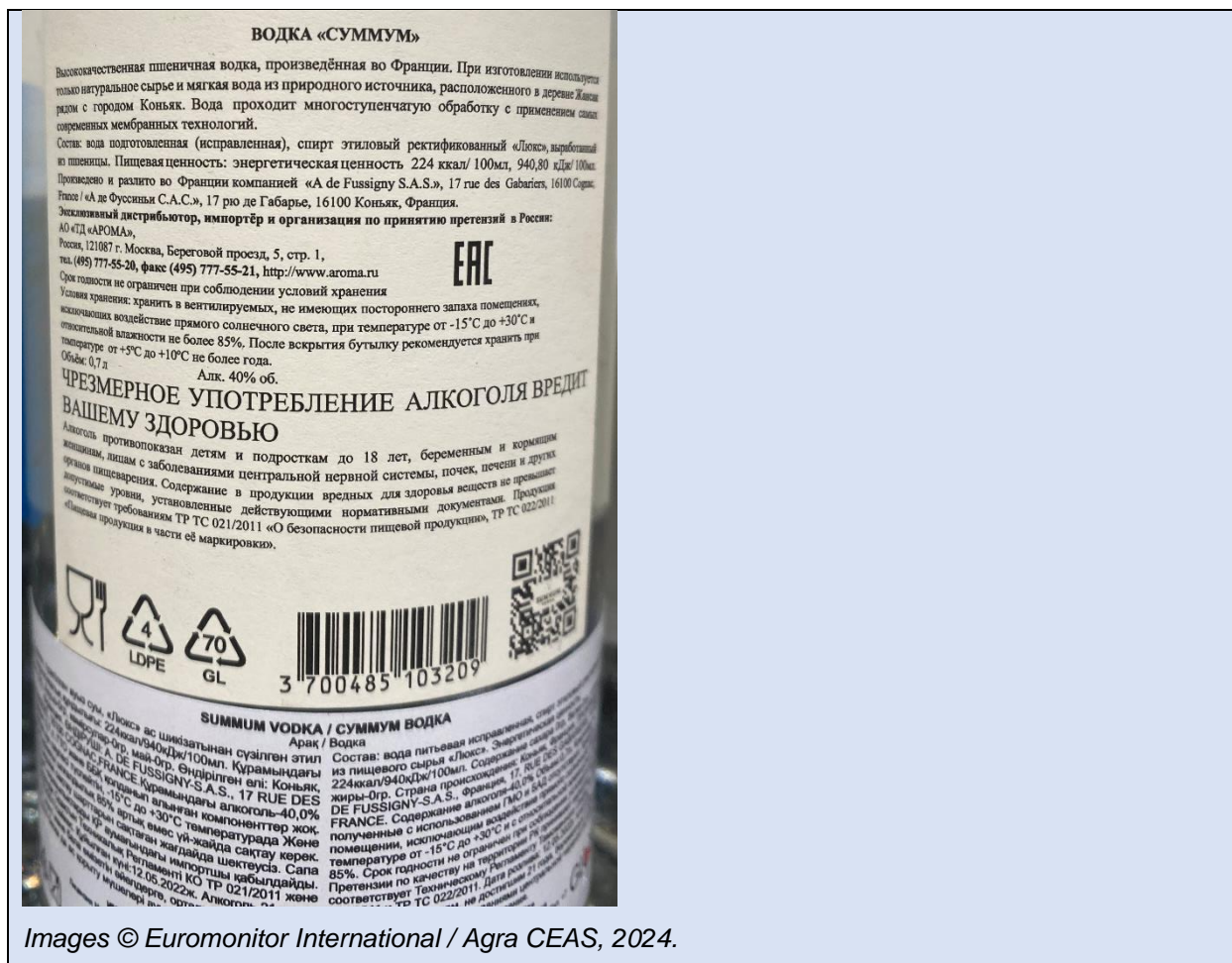
In terms of packaging, 700ml glass is the norm. Occasionally, 500ml or 1 litre bottles can be found. The vast majority of western imported spirits on offer are well-known global brands, and they keep the same packaging they use internationally. The use of boxes (for packaging bottles) can be fairly commonly seen for products which target the premium segment or higher.

Below: presentation of premium brands, which includes boxes and unique luxury packaging.





Below: close up of a spirits label, including warning.



Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

The following recent market trends stand out:

- **Mixed success of flavoured spirits.** There have been various attempts to introduce flavoured vodka in Kazakhstan, but largely these have been unsuccessful. This can largely be attributed to a combination of traditional vodka consumers not being interested in this novelty / valuing other attributes, and these new products failing to attract newer and younger consumers. On the other hand, some other categories – whisky most notably – have seen flavoured products succeed in the market, with orange and cherry flavoured new products having had fairly successful launches. Overall, the flavoured spirit trend has been slow to gain traction in Kazakhstan, but acceleration of the trend in the coming years cannot be entirely excluded, with a younger generation of adults the expected target consumer group.
- **Tightening of regulation and controls for domestic production.** Historically, the spirits market in Kazakhstan has been somewhat grey, with a non-negligible element of illicit trade. Contraband and illicit production has occurred as a way of circumventing excise taxes. In order to combat this, new measures were introduced in early 2022 to track production. These include the tightening of controls at excise posts, as well as the addition

of electricity meters and control sensors at producing companies. These developments can be seen as positive, as by removing the greyer area of the market (and hence the possibility of authentic products being crowded out by illicit ones), the conditions have improved for new products to successfully launch.

- **Increasing interest in non-vodka categories.** As already seen, vodka dominates the market, with a core consumer who is more driven by tradition and patriotism. The market is however somewhat stagnating, with a decline in volume terms forecast over the next five years. In contrast, the gin, whisky and rum are forecast to grow, driven by increased interest from younger generations. Gin and rum in particular are being driven by an emerging cocktail culture. Whisky is benefitting from a wider acceptance, in part spurred by the availability of products at an increasing range of price points.
- **Consumer interest in storytelling.** Consumers in Kazakhstan, especially young adults, are slowly paying attention to a brand's heritage and story, with some foreign producers recently playing on the storytelling element to attract consumer interest.

5.4.3 Offer

Domestic production

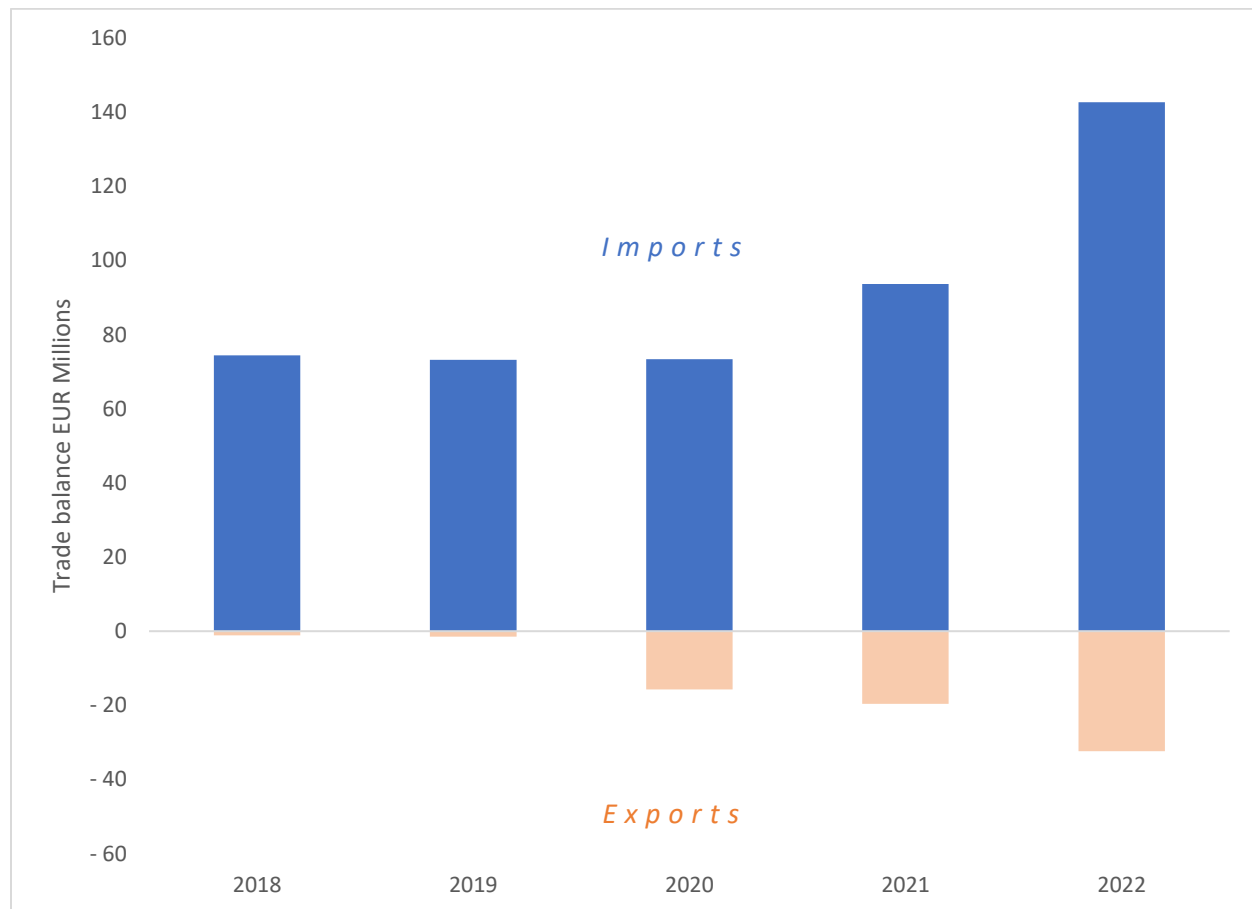
Domestic production of spirits essentially is focused on the two most popular spirit categories of vodka and brandy / grape spirits. Production data on spirit volumes is difficult to accurately gauge. As noted above, historically there has been a fair level of illicit and contraband production. Alongside increases in excise taxes, this has resulted in the data on vodka production showing year on year falls in volume terms. However, following the introduction of various new regulatory measures (see above), 2022 recorded vodka production volumes effectively doubled. Nonetheless, it is possible that these figures still underestimate domestic production volumes, with some estimates placing the illicit share of the spirits market as high as 30% even after the introduction of the new measures. Overall, roughly 80% of known domestic production by volume is vodka; a bit under 15% brandy/cognac; and under 5% whisky; with the remainder split between categories with very minor production such as rum and gin.

Looking at the players on the market, Global Beverages is the market leader with just over 22%. There are then three companies – Russian Standard Corp, PLWZ BN and Bacchus – which share around 28% of the market; meaning that the four largest companies account for half of the market in volume terms. Global Spirits AMG 77 and Maximus TOO share a further 10%. The remaining 40% is split between a plethora of smaller companies, the majority of which have shares under 1%.

Imports and exports

As shown below in Figure 5-16, Kazakhstan is a net importer of spirits. Imports grew rapidly over the period 2020 to 2022, from around EUR 74m to EUR 143m. In the two years prior to 2020 they were fairly steady around EUR 74m. Exports have also grown from a negligible value of under EUR 2m in 2019, to EUR 33m in 2022.

Figure 5-16: Trade balance (imports and exports) of spirits in Kazakhstan, 2018-2022; EUR millions

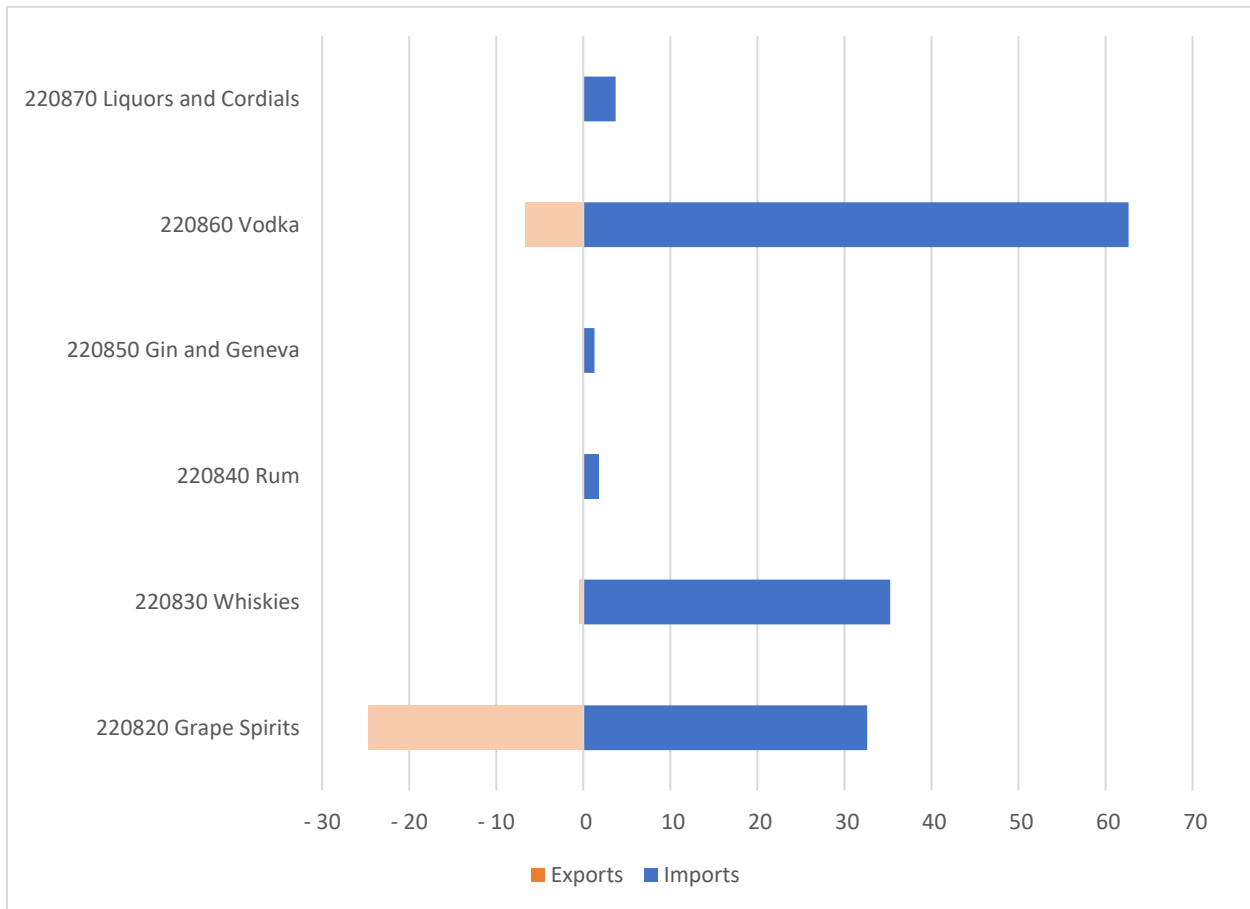


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208.

As shown below in Figure 5-17, Kazakhstan is a net importer of all major spirit types. However, the most important import category is that of vodka; at EUR 63m it accounted for just under half of all spirit imports. While there are exports of vodka, at just under 7m they are around a tenth of exports. Whisky is the second largest import category at EUR 35m, followed by grape spirits at EUR 33m. However, unlike whisky, of which there are almost no exports, there are substantial (EUR 25m) exports of grape spirits.

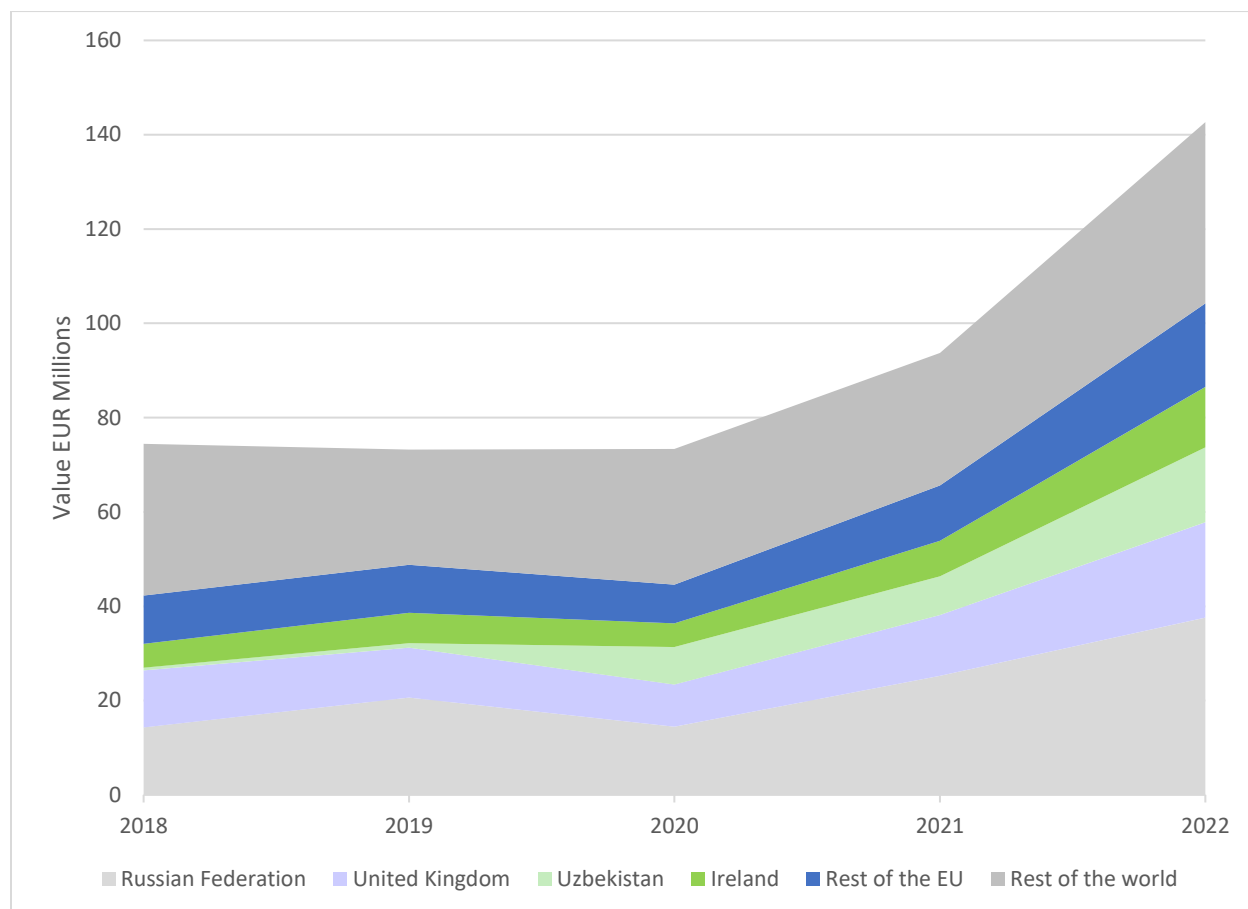
Figure 5-17: Trade balance (imports and exports) of spirits in Kazakhstan, by type, 2022; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes before spirit name.

As Figure 5-18 demonstrates, origins of spirit imports are quite diverse. Russia is the number one origin, followed by the UK and Uzbekistan. Combined the three countries account for just over half of exports. Ireland is the largest EU exporter, accounting for EUR 13m of imports. The rest of the EU accounts for EUR 18m of imports.

Figure 5-18: Kazakh imports of spirits by country, 2018-2022; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing. However, Karlovarskahorka had been registered under the appellation or origin system, with protection valid from 2008 to 2028.

It should be noted that EAEU legislation on certain alcohol categories may cause challenges for certain spirit GI names; most notably, cognac.

Main competitors

Competition in the Kazakh market has to be considered against the background that consumption is dominated by vodka, with grape spirits some way behind in second place. There is substantial and growing competition from domestic production in these two categories, with official domestic production figures increasing rapidly in 2022 – though this is largely due to tightening regulation resulting in the increased reporting of production. It is suspected that official production figures

still underestimate the extent of production. Domestic production is more focused on the value end of the market; and overall Kazakhstan does not produce enough spirits to meet demand in all categories (it only comes close in the category of grape spirits). There is competition in the import area from Russia (vodka) and the UK (whisky) in particular, but the EU does hold a strong position among importers.

5.4.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for spirits notably include a certificate of conformity, free sale certificate and licence to sell alcoholic beverages.

In terms of tariffs, spirits face quantity tariffs of between EUR 0.50 and EUR 1.50 per litre.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general spirits category (2208) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2208&origin=FR&destination=KZ>

Standards, SPS measures

TR EAEU 047/2018 Technical Regulation on Safety of Alcohol Products is currently scheduled to enter into force on 1 July 2024. More information on this and the potential challenges it may cause are provided in sections 4.2.2 and 4.3.4.

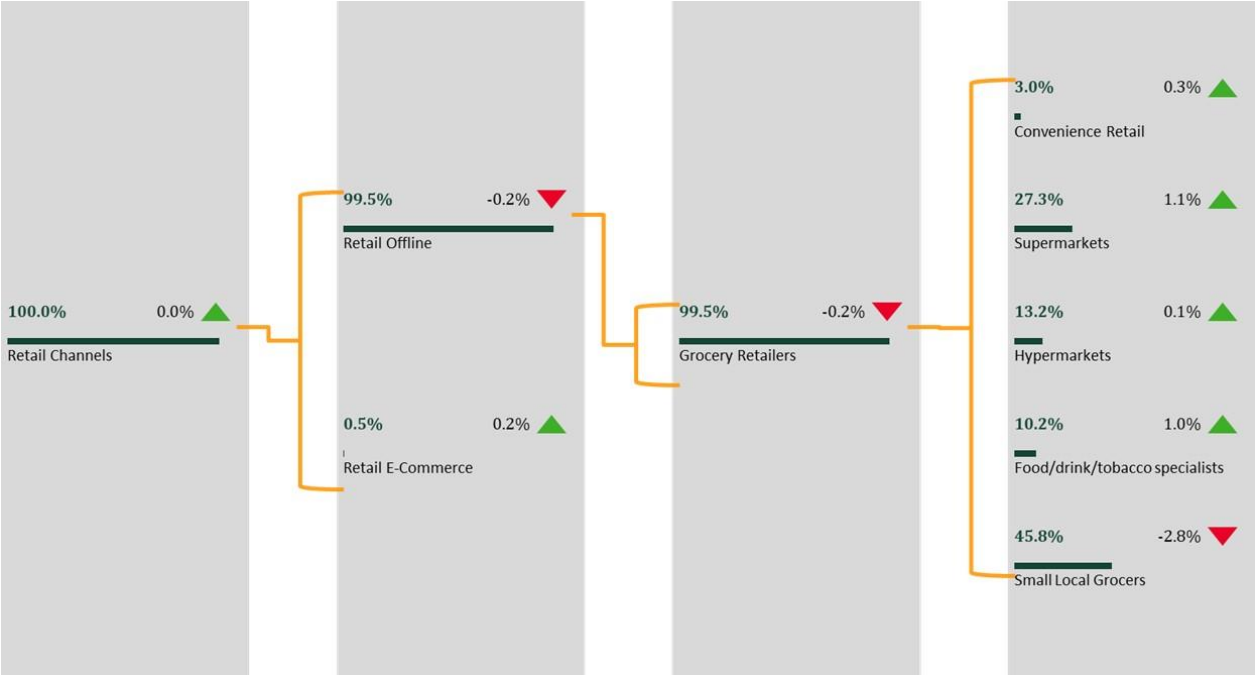
Labelling

Spirits must conform to the labelling requirements for packaged foods set out in section 4.2.3, as well as certain specific requirements for certain spirits which are also outlined in the ***alcoholic beverages*** part of this section.

5.4.5 Distribution

Small grocers play the most important role in the retail distribution of spirits in Kazakhstan, accounting for just under 46% of all sales by volume. Supermarkets and hypermarkets are playing an increasing role in distribution; combined they now account for just over 40% of all sales (with supermarkets accounting for around 2/3 of this). Food and drink specialists account for 10%. E-commerce distribution remains very limited at 0.5% (Figure 5-19). Specifically or higher end imported spirits, supermarkets (most notably more premium ones), food service channels and e-commerce play greater roles. Food service channels in particular play an notable role in the introduction of new products and cocktails.

Figure 5-19: Distribution channel overview of spirits in Kazakhstan (2022); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2023.

5.4.6 Challenges for EU products

While alcohol consumption is weighted towards spirits and the country is a net importer, the Kazakh market is one with various specific challenges. Firstly, the market overall skews heavily towards low value vodka, which is supplied by a combination of domestic production and imports from neighbouring countries (Russia in particular). The domination of vodka also has the further knock on effect of limiting the market for other spirits drinks. Secondly, in one of the categories which the EU is normally strong in – grape spirits – Kazakhstan is also strong (close to self-sufficient). Finally, there is a history of illicit and contraband production of spirits, which affects the market as a whole.

Market Takeaway: Spirits

Consumption: High, and strongly weighted towards economy vodka, which has a core traditional, older-male consumer. Whisky is a distant second place, but has a more premium image. Consumers outside the vodka segment are more varied.

Competition: domestic production of white spirits in particular, but also grape spirits. Overarching imports from Russia. Competition from the US in the whisky segment.

Distribution: Small local grocers and supermarkets/hypermarkets combined each account for a bit over 40% of retail distribution. On-trade sales are limited though are used by imported products. Food service channels tend to set trends.

Challenges: finding a place in a market which is so strongly orientated towards economy white spirits, with a patriotic core consumer. Potential IPR challenges, though this has primarily affected domestic producers so far.

Opportunities: whisky seen as more premium. Categories other than vodka are growing, and they have a very different consumer from the dominant vodka segment. The current clamping down on illicit production may benefit the market as a whole.

5.5 Olive oil

5.5.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> The EU dominate in terms of total imports of olive oil to Kazakhstan, with EU olive oil products accounting for over half of total imports. Growing awareness of olive oil as a product amongst high income earners in the country. 	<ul style="list-style-type: none"> The market is very small for olive oil products in Kazakhstan with sunflower oil being the preferred edible oil consumed in the country. Olive oil has never had a major presence within the culinary culture of Kazakhstan, limiting its exposure to most consumers in the country.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Growing Mediterranean food scene within the cities of Astana and Almaty. While the price of olive oil remains high, it is increasingly competitive due to supply shortages of the more traditionally preferred edible oil, sunflower oil. 	<ul style="list-style-type: none"> Small amount of imports from Russia and Turkey. Growing domestic production of sunflower oil may impact the small opportunity area olive oil currently has in the Kazakh market, as sunflower oil supplies have been impacted by the Ukrainian conflict.

5.5.2 Consumption

Evolution of consumption

The consumption of olive oil has shown a general upward trend in recent years, with per capita consumption of olive oil doubling between 2018 and 2023. The market value of olive oil has also doubled in the same period, from a market value of EUR 2.83 million in 2018 to a market value of EUR 6.10 million in 2023 (Figure 5-20).

Figure 5-20: Evolution and forecast of the retail market for olive oil (value, EUR millions) and olive oil consumption per expenditure, in Kazakhstan; 2018-2028



Source: Euromonitor International: Packaged Food, 2023.

Note: figures for 2024 to 2028 based on forecasts.

Consumers

Olive oil consumption in Kazakhstan is relatively low by global standards due to a combination of factors, including cultural dietary preferences, the geographical location of Kazakhstan, which is far away from most major olive oil producers, and economic considerations.²⁰ Consumers of olive oil in Kazakhstan are most likely to live in one of the two larger cities of the country, Astana or Almaty; and either to have lived in countries with a higher consumption rate of olive oil or to be consumers who have the economic capacity to experiment with their consumption habits. The younger and more health conscious sub-sets of these groups are particularly likely to be olive oil consumers. Overall, the cost of olive oil in Kazakhstan is high due to the need for the product to be imported from distant markets. This in turn makes olive oil a luxury product in the market that only tends to appeal to high-income earners in the country.

Drivers and method of consumption

Oil as a whole is most commonly used in Kazakhstan in the preparation of meat-based dishes. This usage favours cheap mainstream oils, such as sunflower. Olive oil therefore remains more of a specialist product, but as a consequence it also has its own unique drivers.

The main drivers of olive oil sales in Kazakhstan include the rising curiosity for western-themed dishes, rising health consciousness post-Covid-19, and the rise in demand for niche products in general. Olive oil is perceived largely as a luxury product in Kazakhstan, with cheaper (but increasingly expensive) sunflower oil being the main edible oil consumed in Kazakhstan. Consumers of olive oil are most likely to be driven to purchase the product through a desire for a premium product coupled with a supplementary desire for a niche product to use to experiment with their food consumption habits. There is a small but growing scene for Mediterranean-styled dishes in Kazakhstan, largely concentrated in Astana, which is a city usually at the forefront of any major food or beverage innovation in Kazakhstan; and to a lesser degree within Almaty.

Methods of consumption in the country include using olive oil as a dressing for salads, using olive oil to cook food and beverage products, or consuming olive oil in Mediterranean-themed restaurants. Indeed, the hotel and restaurant sector is an increasing driver of olive oil consumption; and indeed can offer an outlet for different qualities of olive oil from extra virgin to pomace.

Overall, the market for olive oil in Kazakhstan remains small and concentrated within small circles in the country concerning higher-income earners and those with access to Mediterranean-style food service outlets.

Purchase criteria

As olive oil mainly appeals to higher-income earners, there is a level of expectation surrounding the quality, origin, and taste of olive oil products. Kazakh consumers of olive oil are likely to seek out olive oil of Spanish or Italian origin, as these are the two biggest exporters to the country and are typically associated with being products of high quality and authenticity; though Greek oil is also well regarded. Consumers will have spent a significant amount to obtain a bottle of olive oil in Kazakhstan, which can cost up to EUR 11.50 per litre in the country which further translates to

²⁰ How is the Olive Oil market in Kazakhstan?, EACCE, Available at <http://files.eacce.org.ma/pi/%5B1447948144%5DLe%20March%C3%A9%20de%20l'huile%20d'olive%20au%20Kazakhstan.pdf>

heightened expectations surrounding the quality and tastes of the product in Kazakhstan. In quality terms, this translates to a preference for extra virgin olive oil. It also results in consumers paying some attention to labelling (design and information provided, including potential indications of quality); as well as to brands, albeit to a lesser extent.²¹

Olive oil on retailers' shelves in Kazakhstan

There is effectively no economy olive oil on the Kazakh market; all products target the mid-range upwards. Against this background, indicative price ranges per 500ml are:

- **Mid-range:** KZT 2 000 to 4 000 (EUR 4.10 to 8.20)
- **Premium:** KZT 4 000 to 10 000 (EUR 8.20 to 21)
- **Super premium:** KZT 10 000 upwards (above EUR 21)

Against the background of there being no notable domestic supply of olive oil, more or less all products on the market are imported (even if in some cases, products are packaged in Kazakhstan).

²¹ Kazakhstan Olive Oil Price, Selina Wamucii, available at <https://www.selinawamucii.com/insights/prices/kazakhstan/olive-oil/>



Above: olive oil section in a major retailer

Olive oil is most commonly kept separate from other oils. Products are then generally arranged by brand.

In line with the product's mid-range to premium image, packaging is typically glass, with 500ml the most common size (though some 250ml and 1 litre bottles can be found as well). For some

premium products, ceramic bottles may be used. The use of PET is fairly rare. Metal tins for holding bulk volumes of 3 litres or more can be found in a few places.

Labelling typically highlights the country of origin and grade of olive oil. The indications of certifications such as organic is not particularly common for olive oil. However, other indications which communicate quality/tradition may be present.



Above: olive oil products in a retailer. Quality (pomace) is communicated on some bottles. The packaging of other products is designed to communicate luxury. Below: assorted olive oil offering of a major supermarket.



In terms of promotion, in-store sampling is occasionally used, as are different forms of in-store promotion. Olive oil also tends to lend itself well to promotion on social media by key Kazakh culinary influencers. There have been recent some cases of retailers using price promotion for olive oil, with some success.

Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

The following market trends for olive oil have been identified in recent years in Kazakhstan.

- Fall in supply of sunflower oil.** Due mainly to the ongoing war in Ukraine, which involves two of the largest sunflower oil producers, there has been a notable fall in the supply of sunflower oil to Kazakhstan in recent years, with sunflower oil being the edible oil of choice in the country. This in turn slightly makes olive oil more price-competitive against sunflower oil, which may attract additional consumers outside of the larger income earners; however, the total market for olive oil in the country remains small.
- Price continues to deter the majority of Kazakh consumers.** The unit price of olive oil continues to be largely unattainable for the majority of Kazakh consumers, particularly within a difficult economic situation impacted by the growth of inflation in the local economy. Cheaper edible oils such as sunflower oil (with a 1 litre bottle of sunflower oil historically being three or four or times cheaper than a standard 1 litre bottle of olive oil – though this gap has been tightening) and other edible oils such as cotton, linen, and soya tend to be more popular.
- Niche Mediterranean food service outlet scene emerges.** There is a growing, yet for the moment small, Mediterranean food outlet scene in Kazakhstan, which is mainly focused within Astana and, to a lesser degree, Almaty. Astana, as the main city of innovation in Kazakhstan, now boasts a growing number of Italian and, to a lesser degree, French or Spanish-themed food service outlets that are likely to use olive oil in their cuisine in order to offer an authentic experience to their customers.

- **Increasing presence in e-commerce channels.** Historically, olive oil distribution has been primarily divided between supermarkets (which have tended to offer a limited number of brands with a wider reach) and gourmet stores (which have focused on a wider range of premium oils). However, products are beginning to appear on online platforms such as Arbut.kz and Afonoliva.kz; with online offerings covering both the broader reach products and more premium ones; often at lower prices.

5.5.3 Offer

Domestic production

Kazakhstan currently has no major production sector for olive oil, with the country mainly producing sunflower or cotton edible oil products instead. As a result, virtually all the olive oil products found in the country are imported and likely to be expensive. There has been growing interest in producing additional edible oil products in recent years due to the ongoing conflict in Ukraine, although for the moment no major production sector exists for olive oil products specifically in the country.

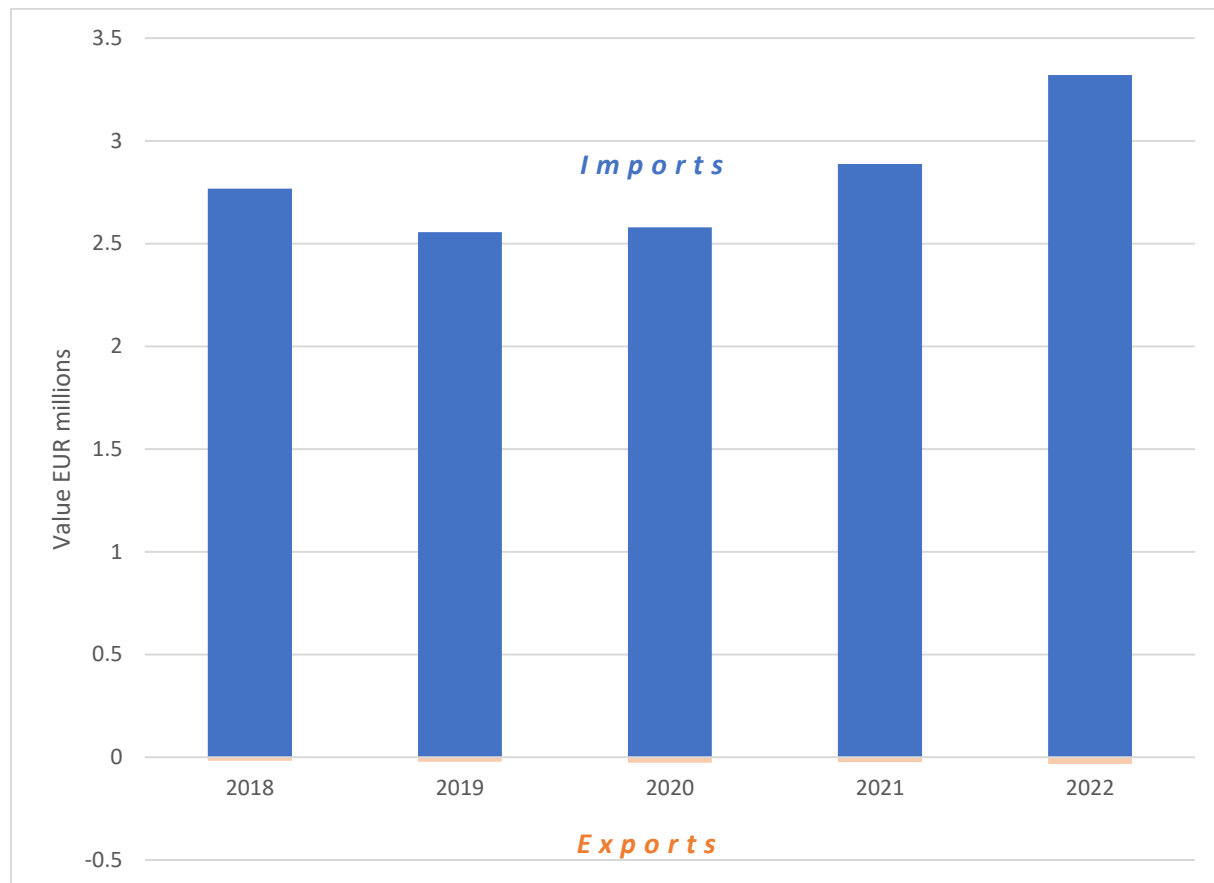
Despite the lack of notably domestic production, there are emerging threats to keep an eye on. Some entrepreneurs in the Mangistau region, in collaboration with Georgian partners, are planning to plant around 10 000 hectares of olive groves with the aim of ultimately producing olive oil. The view of the involved parties is that over the longer term, it should be possible for trees in the region to yield around 50kg of olives per tree per year. In parallel there have been considerations given by these entrepreneurs to setting up a processing plant in Kazakhstan for the production of olive oil from olives of Georgian origin, with 2025 currently pencilled in for this. Finally, while not domestic, it should be noted that neighbouring Uzbekistan has started olive plantation on 530 hectares in the Surkhandarya and the Kashkadarya regions, with 465 000 seedlings of different varieties planted. While initially this is foreseen to reduce the country's dependence on imports of vegetable oils, the longer term possibility of products being exported by Uzbekistan or collaborations cannot be excluded.²²

Imports and exports

As can be seen in Figure 5-21, Kazakhstan imported a total of EUR 3.3 million of olive oil in 2022, which represents a total growth of around 0.4 million from the EUR 2.9 million figure recorded in 2021. Kazakh exports are virtually non-existent, as the country does not have any major olive oil production.

²² <https://www.tridge.com/news/olive-oil-production-is-planned-to-begin-in-kazakh>

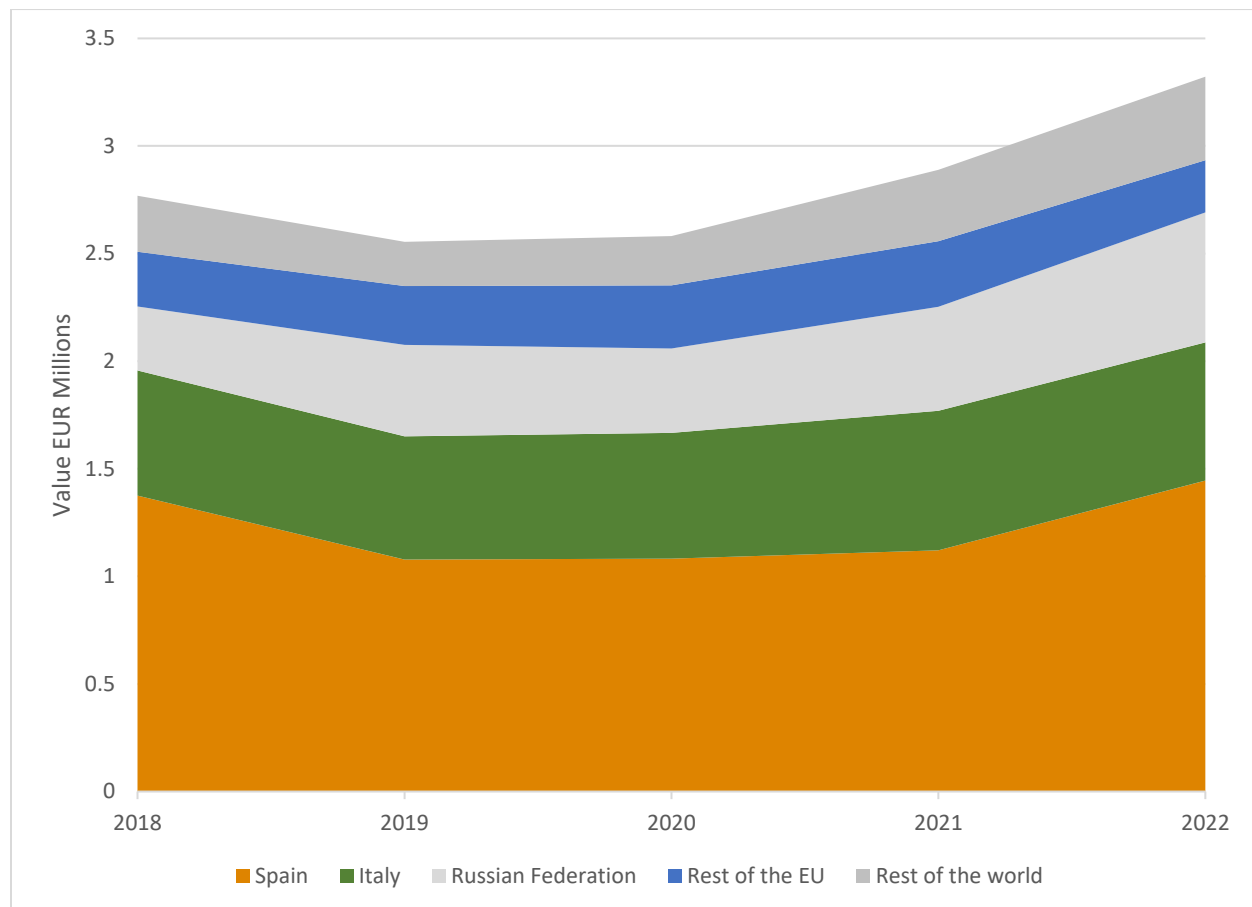
Figure 5-21: Trade balance (imports and exports) of olive oil in Kazakhstan, 2018-2022; EUR millions



Source: Trade Map, International Trade Centre – <https://www.trademap.org/>

Data for CN code 1509.

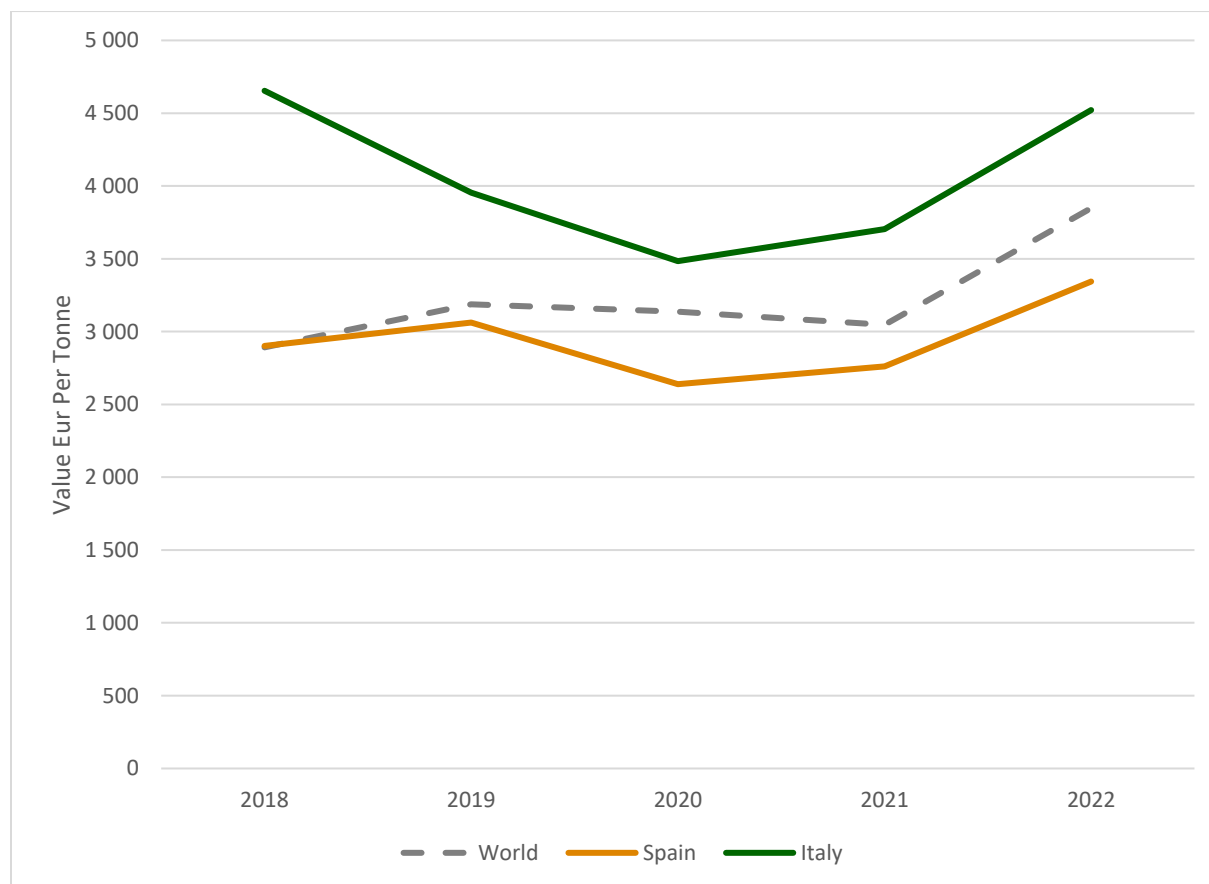
The EU accounts for overall half of all olive oil exports to Kazakhstan, with Spain and Italy being the largest exporters, with a value of EUR 1.4 million and EUR 642 000, respectively. Greece makes up the absolute majority of exports from the rest of the EU category, with Greece exporting EUR 231 000 worth of olive oil to Kazakhstan in 2022 (Figure 5-22).

Figure 5-22: Kazakh imports of olive oil by country, 2018-2022; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

In 2022, the world's average unit value per tonne of olive oil exports to Kazakhstan was about EUR 3 800 per tonne, which was the highest in the last five years. The unit value of Spanish olive oil in 2022 was and has been during the last few years slightly below the world's average, at approximately EUR 3 300 in 2022, as shown in Figure 5-23. The unit value of Italian olive oil on the other hand is generally higher than the world's average and was close to EUR 4 520 in 2022.

Figure 5-23: Unit value of Kazakh imports of olive oil by country, 2018-2022; EUR per tonne

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

The market for olive oil in Kazakhstan is small, with the EU as a whole being the largest exporter of olive oil to Kazakhstan. As Kazakhstan does not have a major domestic production sector at present, domestic olive oil products do not offer any competition for EU olive oil products in the country; instead, it is Russian imports (understood to originally be of other origins) and Turkish olive oil products that offer limited competition in a very small overall market. However, it should be noted that there are emerging initiatives to start olive / olive oil production in the country.

5.5.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

In terms of tariffs, olive oil faces an ad valorem tariff of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general olive oil category (1509) from Spain to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1509&origin=ES&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of vegetable oils. This can be found at:

https://tradeinfo.kz/objective/search?!=en&embed=&includeSearch=true&filter_tab=1&right_drawer=false&flt_1=49&prd_1=&flt_2=57&prd_2=

Standards, SPS measures

The key relevant technical standard is the CU Technical Regulation TR TS 024/2011 on Oils and Fats, available at:

<http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/MasloGirov.aspx> and a translation here: https://ec.europa.eu/food/document/download/8732ee6b-2672-4f15-9033-e31325e6cae6_en. There are provisions specifically for olive oil in the standard.

Labelling

Olive oil must conform to the labelling requirements for packaged foods set out in section 4.2.3.

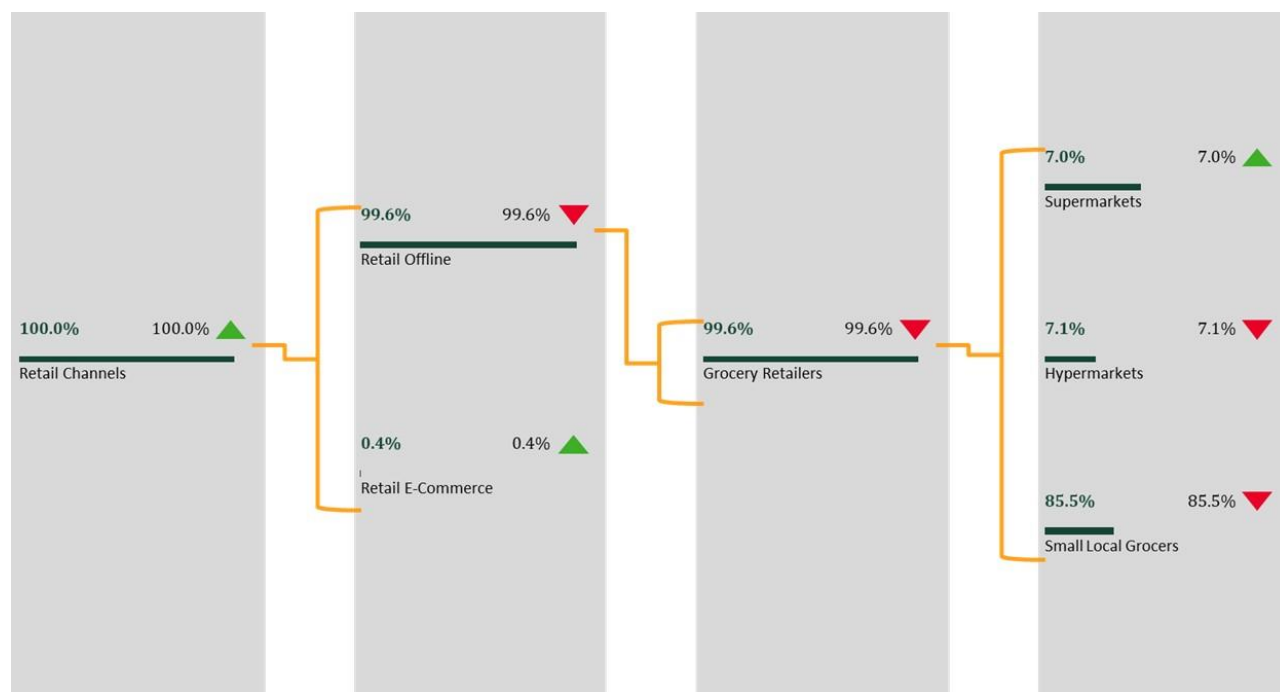
5.5.5 Distribution

Figure 5-24 shows distribution channels by retail value for edible oils as a whole in Kazakhstan. Grocery retailers are the main channel, with a 99.6% share, and small local grocers are dominant among these, followed by hypermarkets and supermarkets.

While the pattern of olive oil distribution reflects that of edible oils as a whole, in view of olive oil's status as a more luxury product, supermarkets / hypermarkets and gourmet / speciality stores will likely be the main distributors of olive oil in Kazakhstan. The former tends to offer more mainstream oils at a slightly more affordable price point; the latter tends to offer more premium products. E-commerce is an emerging channel for olive oil products, with Arbuz.kz, Afonoliva.kz, and Meridian-Horeca.kz notable online retailers which are offering the product. Finally, the food

service market is not negligible; with the sector estimated to account for up to ¼ of olive oil consumed in the country.

Figure 5-24: Distribution channels overview of edible oils (including olive oil) in Kazakhstan (2022); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.5.6 Challenges for EU products

The main challenge for EU olive oil products is the overall small demand for olive oil in Kazakhstan, as consumers in the country generally prefer to use sunflower oil in the country. The high unit price of olive oil in the country means it is mainly higher-income earners who can afford to regularly purchase olive oil in the country, and overall awareness about the properties and usage of olive oil remains small and largely concentrated in Astana and, to a lesser degree, Almaty. Over the longer term, the plan to set up domestic production, if successful, may pose a threat.

Market Takeaway: Olive oil

Consumption: *very small, with only high-income earners having the capacity to regularly purchase olive oil in the country. Olive oil is a niche product in the country.*

Competition: *EU producers dominate within a very small overall market, with no major domestic production of note. Imports from Russia (interpreted as re-exports) and Turkey offer the only competition of note.*

Distribution: *While small local grocers account for the majority of edible oil sales, the luxury status of olive oil means that modern retail chains such as supermarkets and hypermarkets are the main distributors of olive oil in Kazakhstan.*

Challenges: *Lack of awareness surrounding olive oil's properties and usage amongst Kazakh consumers is coupled with the high unit price of olive oil in the country.*

Opportunities: *A small Mediterranean food scene within Astana and Almaty coupled with supply issues surrounding sunflower oil stand as the two major opportunity areas for olive oil products in Kazakhstan.*

5.6 Chocolate confectionery

5.6.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Chocolate products are well established within the Kazakh consumer base, with the country having been one of the largest consumers of chocolate in Central Asia. German exports have grown in recent years, with Germany now being the second largest exporter of chocolate to Kazakhstan. Italian and Polish imports are also growing. 	<ul style="list-style-type: none"> High inflation has made chocolate increasingly unaffordable for many Kazakh consumers, resulting in there being a negative growth rate of total sales of chocolate by volume in the country in 2022. EU chocolates are expensive in the market and likely to only appeal to the top 5% of earners in the country.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> The spike in prices for domestic and Russian chocolates recently has made EU chocolates slightly more competitive in the market. Chocolates with toys and assorted chocolate products are increasingly in demand and represent two key opportunity areas in the market. 	<ul style="list-style-type: none"> The influx of cheap chocolates from neighbouring Russia coupled with a strong domestic production sector. Turkish exports have grown over the past five years and increasingly pose a threat to EU chocolates, as do chocolates to a lesser degree those from Belarus and Ukraine.

5.6.2 Consumption

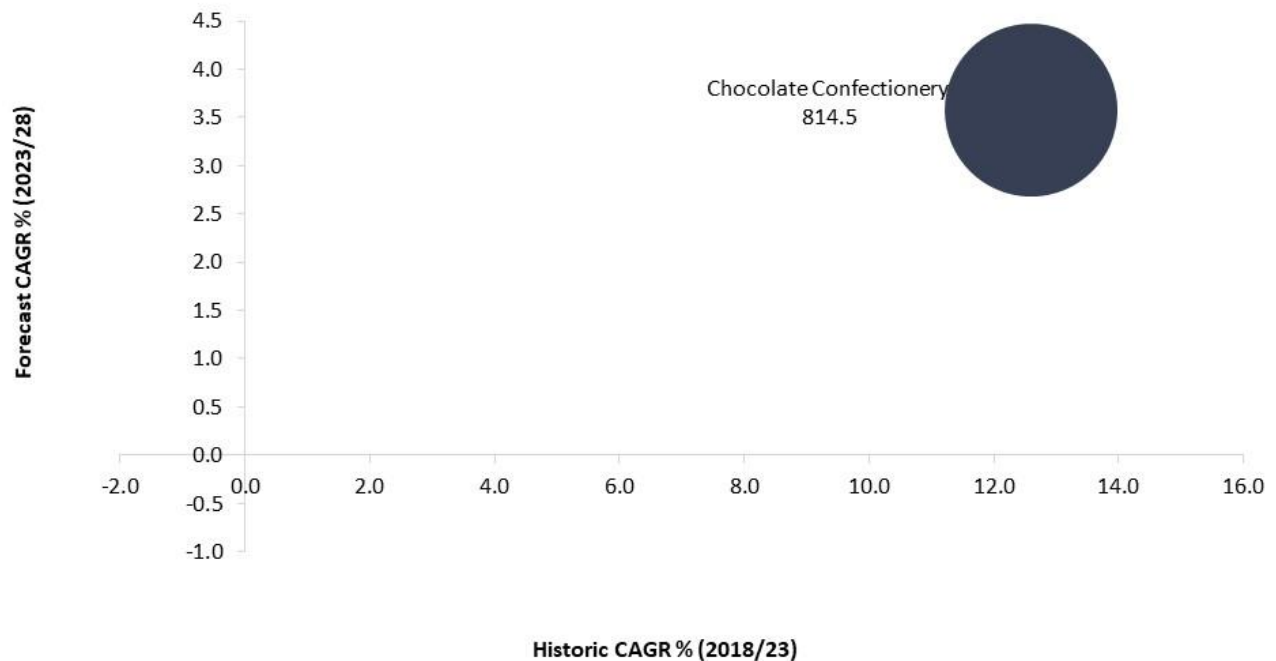
Evolution of consumption

The chocolate confectionery market had a total value of close to EUR 814 million in 2023. As shown below in Figure 5-25. Chocolate confectionery sales have grown rapidly in recent years across the Kazakh market, with the retail value of chocolate sales growing by a CAGR of 12.6% between 2018 and 2023. The market is forecast to slow down in terms of growth rates, with chocolate confectionery products expected to grow by a CAGR of 3.6% between 2023 and 2028. While full data for the different categories of chocolate products is not available, estimates are provided below:

Subcategory	Retail Value (EUR m), 2023	CAGR (2018-23)	CAGR (2023-28)
Chocolate Pouches and Bags	300	14-16%	2-4%
Tablets	195	11-13%	1-3%
Countlines	174	12-14%	3-5%
Boxed assortments	89	3-5%	1-2%
Chocolate with toys	28	10-12%	3-5%

Specifically among tablets, plain milk is most popular with an estimated 40% share of total retail value sales, followed by plain dark (28%), filled (22%) and plain white (6%).

Figure 5-25: Evolution and forecast of the chocolate confectionery market in Kazakhstan, 2018-2028; total retail value EUR million



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Consumption of chocolate in Kazakhstan is particularly high considering other nations in its vicinity, with Kazakh consumers ranking as the highest per capita consumers of chocolate in Central Asia. Kazakh per capita consumption is around 5.9 kg, which is above the EU average of around 5 kg per capita. Overall, around 55% of the urban population are estimated to be chocolate consumers, with a slightly higher level of consumption in southern regions / cities (Turkistan and Almaty regions between them are estimated to account for over 50% of chocolate consumption).

Chocolate consumption is more common amongst middle-aged and lower-aged consumers, as the product was unaffordable for most older consumers during the Soviet period, which hampered the product's ability to gain a foothold amongst this consumer group throughout their earlier lives. Children are also a notable consumer group. Dark chocolate in particular is popular in Kazakhstan, with the Kazakh company Rakhat AO being known in Central Asia and Russia for producing high-quality dark chocolates. Consumers of imported chocolates from the EU will likely exhibit the characteristics set out above, while also being high income earners as these producers are expensive and unaffordable for most Kazakh consumers who have the option to choose cheaper and what they perceive to be good quality chocolate from domestic producers and imported chocolate from Russia.

Drivers and method of consumption

As mentioned above, dark chocolate is particularly popular in the Kazakh market, as the product is perceived to be of high quality and to be a healthier option compared to other chocolate products. Chocolate has evolved since independence to become a popular treat amongst Kazakh consumers, which has been aided by the rise in total production of the product in the country coupled with a wider trend of westernization within the Kazakh diet and a natural attraction to sweet products, which can be seen across other product categories such as biscuits. Increasingly, there are more varied chocolate products available on the market, with white chocolate, filled chocolate, and milk chocolate gaining a strong foothold in the market over the past two decades. Chocolate specialty shops are increasingly available within the larger urban centres of the country, and chocolate has emerged as a common product purchased by tourists visiting Kazakhstan as a souvenir, something that has been encouraged via marketing campaigns in the country and abroad.

Kazakh consumers typically consume chocolate as a small treat throughout their days, as a reward for good behaviour for children, or as a gift item received during the major cultural events of the country, such as orthodox Christmas (mainly amongst the ethnic Russian population) or *Nauryz*, which is celebrated amongst the various Central Asian communities, including Kazakhs. Some producers specifically create limited edition products for these occasions. There is also a culture of tea gatherings (*syi-ayak*) during which tea is consumed with flat breads and confectionery (including chocolates – particularly during more important tea gatherings, such as the one on Independence day).

Purchase criteria

Imported chocolate products are more expensive than domestic and Russian variants, which acts as a key barrier to reaching out to the majority of Kazakh consumers, who often struggle with the increasing costs of even conventional food and beverage products. Imported chocolate from the EU will come with additional expectations surrounding the packaging (with Kazakh consumers of EU chocolate expecting the packaging to be of high quality), tastes, and innovation. Kazakh consumers readily have access to cheaper and what they tend to perceive as high-quality domestic dark chocolates, with many opting for EU dark or conventional chocolates with unique fillings or flavours as a key purchasing criterion. Plain milk chocolate is also popular and often sought out, as witnessed by the popularity of plain milk bars. Chocolates with fillings are quite popular, though some more unique flavours may struggle, and chocolates with alcohol flavouring may be avoided by certain consumers.

The consumer base is increasingly health conscious, which brings with it the expectation to clearly display the nutritional information of chocolate products, which extends to imported chocolates either in Russian or Kazakh (Russian is often used as it is understood across most ethnicities in the country). Consumers will also seek out brand names when they consider purchasing higher end imported EU chocolates, as they will associate well-known European brands with high-quality production and tastes, which may persuade Kazakh consumers to purchase these products either as an indulgent purchase or for the purposes of gifting.

Finally, it should be noted that there are some consumers who strictly adhere to Islamic dietary rules, and subsequently will actively look for chocolates with halal certification.

Chocolate on retailers' shelves in Kazakhstan

Prices depend to an extent on the type of chocolate product, but in broad terms, prices per 250g equivalent are:

- **Economy:** KZT 500 to 2 000 (EUR 1 to 4.10)
- **Mid-range:** KZT 2 000 to 4 000 (EUR 4.10 to 8.20)
- **Premium:** from KZT 4 000 (EUR 8.20)
- **Super premium:** from KZT 20 000 (EUR 41).

Imported products almost entirely target the mid-range and above; and typically imported products occupy around 20% of shelf space in large retailers such as supermarkets. However, the range of imported products is largely dominated by a few larger brands; particularly in the case of supermarkets; with imported products kept together. Super premium chocolate products are rarely available in supermarkets.



Above and below: imported chocolates sections in modern retailers.



Gourmet retailers on the other hand are more likely to stock a wider range of products, including some premium ones.



Above: imported chocolate offering in a gourmet retailer. The range of products is much wider than that in supermarkets.

In terms of packaging, while packaging varies between formats, looking at the more premium segments of tablets and boxed assortments:

- Carton packaging becomes increasingly popular as one moves from mid-range to premium products (mass market products are more likely to use plastic packaging). Additional layers of gift paper packaging, textiles and plastic ribbons may also be used to enhance the premium feel.
- Form and shape are important, it is typically possible to find hearts, circles and squares.
- Holiday or event specific packaging is also popular, with some brands including greeting cards for their festive chocolate products celebrating *Nauryz* (Kazakh New Year) and other major festivals.
- Origin may also be communicated on labels in order to enhance the premium image.

Below: end of carousel display of imported chocolates in a supermarket.



Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

Some of the more influential recent trends identified within the Kazakh chocolate market include:

- **Slow revival as the sector recovers from supply issues.** The outbreak of the full invasion of Ukraine in 2022 indirectly impacted the Kazakh chocolate market as the supply of products and raw materials used by domestic producers in the production of chocolate in Kazakhstan, such as flour and butter, was impacted, with Russia limiting exports of

these products to the country. This led to a spike in the price of chocolates in the country during 2022; however, as producers have sought out alternative markets and producers in Russia have adapted to the new conditions brought on by the Ukrainian conflict, total supplies in Kazakhstan have begun to recover, leading to a fall in prices almost back to pre-2022 levels.

- **Size reduction.** Following on from the previous point and amidst the rising cost of raw materials, several chocolate manufacturers (especially those making tablets) have been reducing the weight of their products in order to stimulate sales; in some cases doing so alongside promotional offers.
- **International brands continue to establish their presence.** With domestic chocolates and Russian chocolates seeing a spike in prices throughout 2022, a number of international brands have begun to gain a foothold in the Kazakh market; primarily chocolates from Turkey and Germany, though also from Italy (marmalade-based chocolates) to an extent. Total sales in Kazakhstan continue to be impacted by inflation, which has impacted the chocolate sector; however, there has been a recorded growth in the sale of international brands, which benefit from being less impacted by the Ukrainian conflict, which has allowed them to become more price-competitive in the Kazakh market.
- **Squeeze on boxed assortments while countlines benefit.** Largely as a result of the recent inflationary situation, there has been a squeeze on the boxed assortments category, which has becoming increasing replaced by other indulgences such as biscuits, as well as competing chocolate categories (notably countlines). Countlines are also benefiting from the snacking trend in the area of chocolate confectionery.
- **Chocolates with toys are growing in popularity.** The chocolates with toys category has been a notable area of growth in the Kazakh chocolate market in recent years, as producers in the country have noted its popularity in the Russian market. This category is expected to be one of the main growth areas in the chocolate market within Kazakhstan; however, the category is also influenced by increasingly price-competitive products from Turkey.

5.6.3 Offer

Domestic production

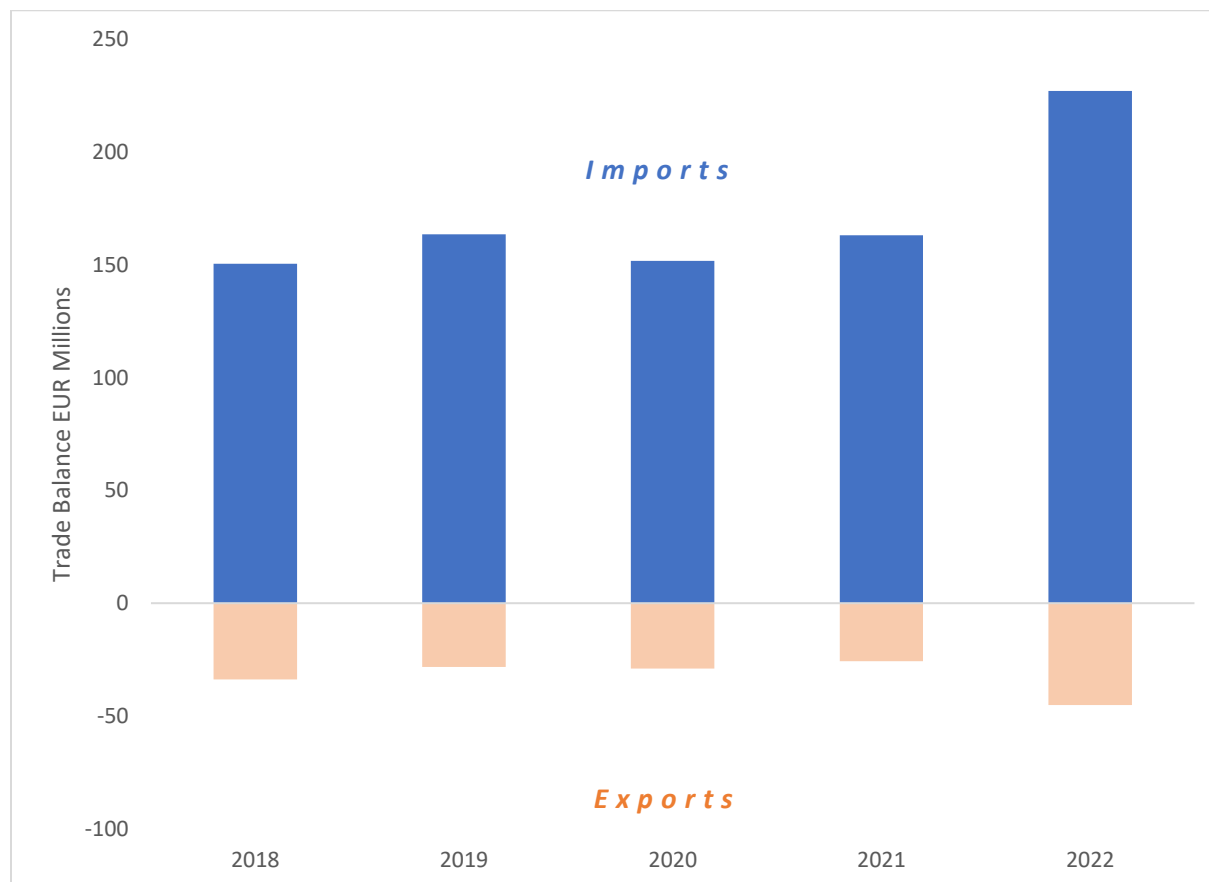
Production of chocolate in Kazakhstan is mainly focused within three regions of the country: Almaty City, the region of Almaty, and Kostanay, which combined account for around 95% of the chocolate produced within Kazakhstan (with Almaty City particularly important). Around 86 000 metric tons of chocolate were produced in Kazakhstan in 2022, with an expected further 10% increase for the calendar year 2023. The largest companies on the market were Rakhat AO (16% of the market and a very strong position in tablets), Mondelez Kazakhstan (13% of the market), and Ferrero SpA (12% of the market), with the latter two multinationals offering a combination of domestic and imported products. The rest of the market is made up of smaller producers (of which there between 10 and 15 notable ones), making the market fragmented and competitive.

Imports and exports

As shown in Figure 5-26 below, Kazakhstan is a net importer of chocolate confectionery products, with the country importing around EUR 222 million worth of chocolate products in 2022. The

country has been a net importer of chocolate products for the past five years, with total imports also growing from EUR 150 million in 2018 to EUR 222 million in 2022.

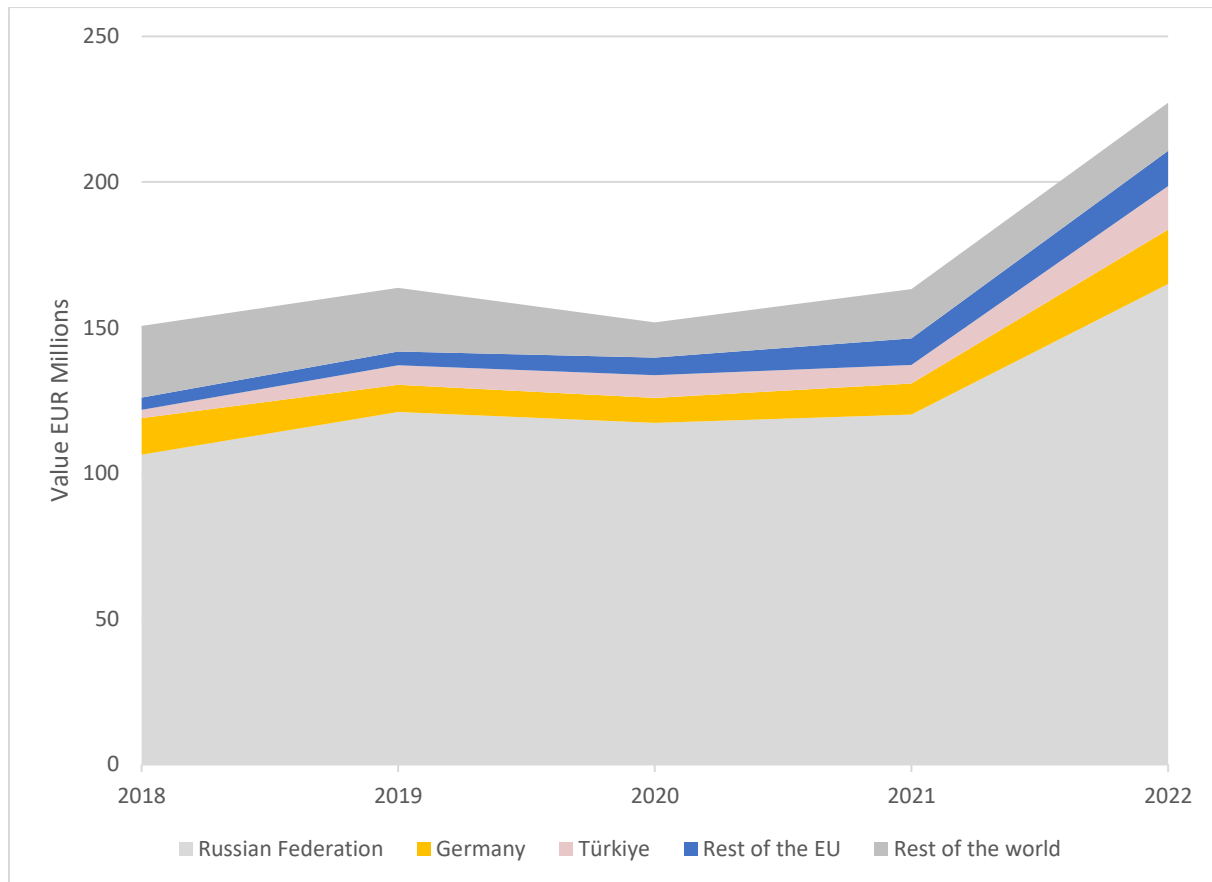
Figure 5-26: Trade balance (imports and exports) of chocolate confectionery in Kazakhstan, 2018-22; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806.

Russia is the largest exporter of chocolate producers by a considerable distance, with the country accounting for around 60% of all chocolate products imported by Kazakhstan. Germany has grown as an exporter of chocolates to Kazakhstan in recent years and is now the second largest exporter with a total trade value of EUR 18 million. Other EU exporters of note include Italy (EUR 4.8 million), Poland (EUR 1.9 million), and France (EUR 1.2 million); see Figure 5-27.

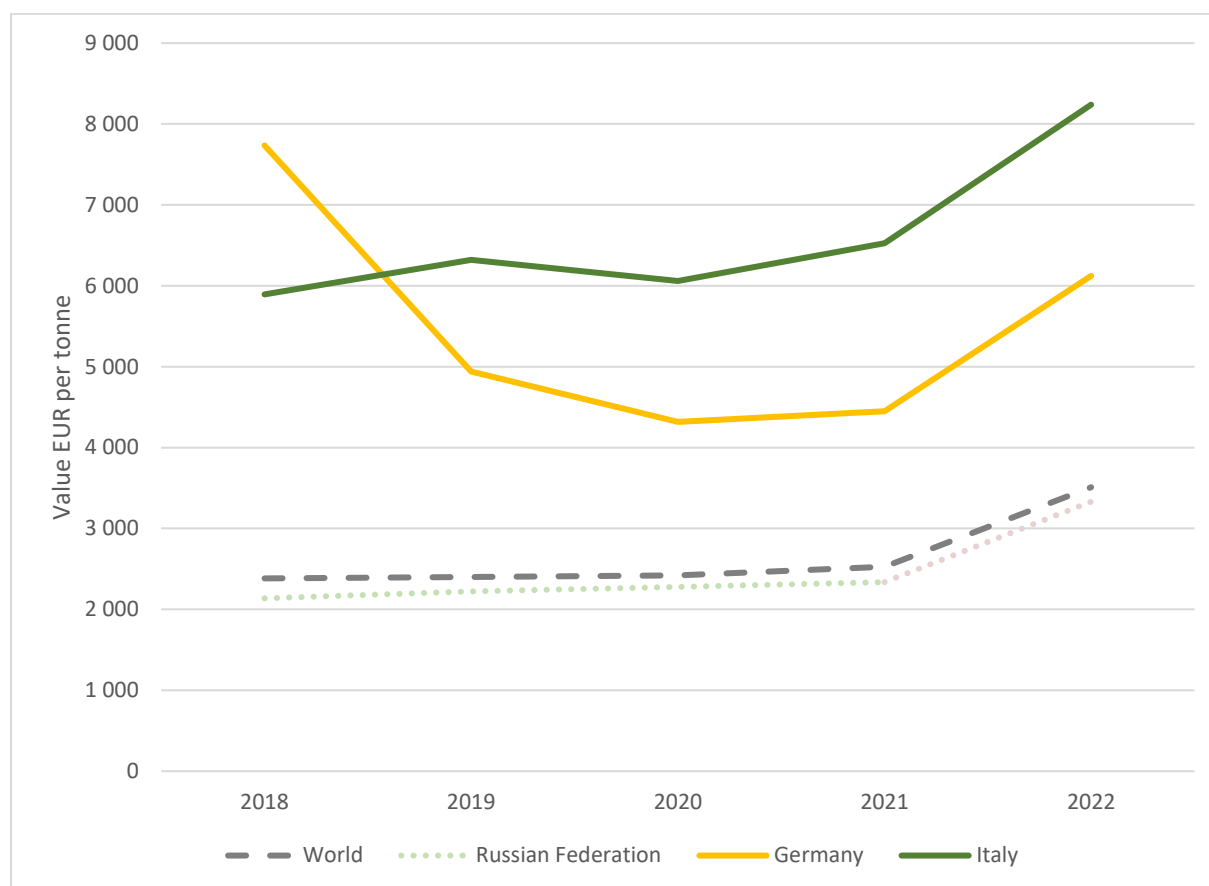
Figure 5-27: Kazakh imports of chocolate confectionery by country, 2018-22; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806.

As can be seen in Figure 5-28, the unit price of Italian chocolates is more than double the unit price of the global average, with a total unit price of EUR 8 240 compared to the global average of EUR 3 510. Germany exports were also priced above the global average at EUR 6 120; Russian chocolates are priced slightly below the global average at a unit price of EUR 3 330.

Figure 5-28: Per unit value of Kazakh imports of chocolate confectionery for selected countries, 2018-22 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

Domestic production and the influx of cheaper chocolates from Russia pose the two largest competitors for EU chocolates in the Kazakh market, with there also being a growing presence of Turkish chocolates in the market. Chocolates from Belarus and Ukraine present a smaller competition.

5.6.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. A declaration of conformity and free sale certificate are required for chocolate.

In terms of tariffs, chocolate confectionery tariffs vary. Most commonly they are either 5 or 10% ad-valorem; or EUR 0.20 to 0.28 per kg.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general chocolate confectionery category (1806) from Germany to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1806&origin=DE&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of confectionery. This can be found at:

https://tradeinfo.kz/objective/search?l=en&embed=&includeSearch=true&filter_tab=1&right_drawer=false&flt_1=49&prd_1=&flt_2=51&prd_2=

Standards, SPS measures

CU Technical Regulation TR TS 021/2011 on Food Safety contains some provisions specifically relevant for confectionery and chocolate. The full law and amendments in Russian can be found here:

<http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevayaProd.aspx>

A full translation of the original 2011 version (prior to amendments) can be found here:

http://www.rustandard.com/images/CU_TR/TR_CU_021.2011_Safety_of_Food_Products.pdf

Labelling

Confectionery must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.6.5 Distribution

Chocolate distribution in Kazakhstan, as shown below in Figure 5-29. Grocery retailers are the main distribution channel for chocolates in Kazakhstan, accounting for 99.8% of all sales. The largest distribution channels include small local grocers with a share of 42% of the market, supermarkets with a share of 38.2% of the market, and hypermarkets with a share of 15.1% of the market. Retail e-commerce is a very small channel at present, with a share of 0.2%.

Figure 5-29: Distribution channel overview of chocolate confectionery in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.6.6 Challenges for EU products

The presence of domestic products and cheaper Russian chocolates poses the greatest challenge for EU products, as does the growth in sales of Turkish chocolates in the market in recent years. Kazakh consumers are increasingly pressured by the rise of inflation in the market, which has negatively impacted the sale of chocolate in the country; this also extends to EU chocolates. Indeed, recent history suggests there is an inherent link between the economic performance of the country, and the level of chocolate consumption, with chocolate substituted by other more economical sweet snacks during challenging times. EU chocolates also face competition from Turkish chocolate, which is cheaper than most EU chocolates present. Rising health consciousness is also impacting this market, leading to a demand for low-fat and low-sugar chocolates, which should be noted for EU producers seeking to enter the Kazakh market.

Market Takeaway: Chocolate confectionery

Consumption: Consumption of chocolate in Kazakhstan is higher per capita than in other Central Asian states, with middle-aged and younger consumers being the main consumer groups of the product in the market.

Competition: Domestic products, coupled with the influx of cheap Russian chocolates, are the main competitors to EU chocolates in the market, with Ukraine and Belarusian chocolates also having an impact to some degree.

Distribution: Mostly through grocery retailers such as small local grocers, supermarkets, and hypermarkets.

Challenges: High inflation in the market has negatively impacted sales recently; this, coupled with consumers increasingly becoming health-conscious, stands as one of the two key challenges in the market, with competition from domestic and Russian chocolate also being significant.

Opportunities: Imported chocolate is increasingly regarded as a quality gift item in Kazakhstan, coupled with the rise in price for domestic and Russian chocolate in recent years, which has made EU chocolates slightly more price-competitive in the market.

5.7 Beer

5.7.1 SWOT analysis

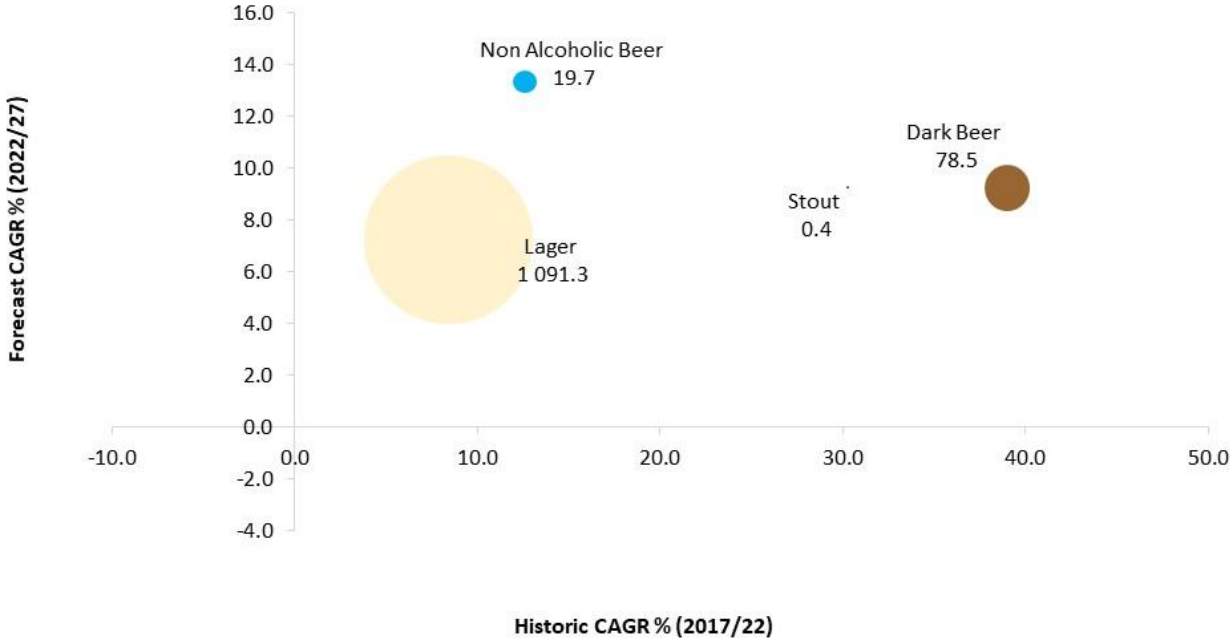
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Second most popular alcoholic drink by alcohol content, creating a sizeable market. ▪ Consumers not particularly brand loyal meaning there is room for new products. 	<ul style="list-style-type: none"> ▪ Market for stout almost inexistent, and that for non-alcoholic beer is very small. ▪ Historical weighting towards the economy segment has affected the market, and there is still clearly a notable economy-focused segment.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Consumers are beginning to show interest in variety, as witnessed by the explosion of microbrewers in the country over the last five years. ▪ Premiumisation trend in the market, and prices between mid-range and premium products (including imported) closing. ▪ EU products may be able to play on their quality and heritage; and there may be opportunities in specific, higher end on-trade niches. 	<ul style="list-style-type: none"> ▪ Domestic production is strong and accounts for 90% of consumption. Two companies control 2/3 of the market through their various brands. ▪ The rapid increase in the number of craft breweries adds competition in the segment which is more open to experimentation.

5.7.2 Consumption

Evolution of consumption

Lager is by far the largest market, with a value of just under EUR 1.1bn. The segment has grown at 8% per year in recent years and is forecast to grow at 7% going forwards. Dark beer is a distant second, with market value of EUR 79m. It is much faster growing, however; over the last five years it has grown at an exceptional 39% per year, while going forwards growth is expected to be just under 10%. There is a small market for non-alcoholic beer (EUR 20m, with historically and forecast growth of 12% and 13% respectively). The market for stout, despite being fast growing, is negligible (just EUR 0.4m - Figure 5-30).

Figure 5-30: Beer market in Kazakhstan (value, EUR million); 2017-2027



Source: Euromonitor International: Alcoholic Drinks, 2023.

Consumers

Beer consumption in Kazakhstan is widespread; in alcohol content terms, it estimated to be the second most popular drink, far ahead of wine though still behind spirits in pure alcohol content terms. Per capita annual consumption is well above 30 litres, demonstrating how widespread consumption is, despite religion. That said, beer consumers overall skew towards the younger end, with these consumers preferring beer over spirits (beer is the most popular drink among young adults, ahead of spirits).

The consumer group which focuses on imported beer is quite small – around 95% of the beer drunk in the country is domestically produced. Urban based consumers with higher than average income are most likely to drink imported beer, with Almaty a notable market. Expatriates and tourists are a further notable market.

Drivers and method of consumption

As noted above, young adults tend to prefer beer to other forms of alcohol; and indeed the lower alcohol content of beer is often a driver for this preference. Social gatherings are popular consumption occasions; and traditional festivals often act as a catalyst for new or less habitual consumers to try beer alongside traditional food. Beer festivals on the other hand, such as the Almaty Craft Beer Fest and the Oskemen PivoFest, act as drivers for more habitual beer drinkers to try new beers (both domestic and foreign).

Over 90% of beer in Kazakhstan is consumed through off-trade channels. That said, on-trade is comparatively much more important for imported beer than domestic, though overall indications are that it may still not count for the majority of imported beer distribution. Sports bars and pubs are common channels of consumption of imported beer specifically; and to a limited extent, imported beer may be paired with food in more upscale restaurants with a wider premium beer offering. High end hotels tend to have wider imported beer offerings as well, with some demand coming from both tourists and domestic businessmen alike.

Purchase criteria

While historically the market has skewed towards the economy and mid-price lager segments, the lager premium segment has grown rapidly, and nowadays accounts for around 25% of the market by value, some distance ahead of economy lager segment. Despite this increasing focus on premium lager, price has actually strengthened as a purchase criterion due to heavy increases in beer prices over the last year (around 30% in local currency terms, more details in the next section). This focus on price is particularly true of the economy and draught segments, which are largely price driven, with other criteria of lesser importance. This is to an extent witnessed by the common use of 1 or 1.5l PET bottles in the economy segment (including for draught-in off-trade) – a clear indication of the focus on price and volume. That said, value related considerations are also taken into account in the more premium and imported segments, with discounts and promotions having proved fairly effective in attracting new consumers over recent years.

Overall, brand loyalty is fairly limited, as witnessed by the fact that no one brand accounts for more than 10% of the market, and that none of the major brands (the eight with over 3% market share) have increased market share in recent years; indeed seven of the eight have suffered falling market shares, often notable ones. Strength, flavour, beer style and in some cases brewing tradition may be taken into account however. There is a slight weighting towards the consumption of lighter beers in summer, and of heavier beers in winter. While lager is the overarching preferred beer style (around 95% of the market), beer enthusiasts tend to be open to new flavours and styles of beer. Brewing tradition is often used as a proxy for quality, and this results in German, Czech and Belgian beers being particularly well regarded.

Beer on retailers' shelves in Kazakhstan

The general price range for beer (per 450 to 500ml) is:

- **Economy:** KZT 340 to 700 (EUR 0.70 to 1.45)
- **Mid-range:** KZT 700 to 1 200 (EUR 1.45 to 2.50)
- **Premium:** from KZT 1 200, generally up to a maximum of KZT 3 000 (EUR 2.50 to 6.20)

Imported beers typically occupy around 1/3 of total shelf space in retail outlets which stock them (some supermarkets, gourmet stores). In these stores, beer is generally divided between domestic and imported. Within the imported section, there are two main methods of arrangement: 1. beer cans in the middle (touch / upper stretch level) and glass bottles at the top (eye) and bottom (lower stretch or stoop level); 2. More premium products (often European) at touch or stretch level; cheaper (often Russian) products at stoop level. It is quite common for beer to be sold chilled.

In terms of packaging, both glass bottles and metal cans are common, though on balance the former is slightly more popular. There are various size formats: 450ml is common for

domestically produced and economy products; 500ml is common among imported products; 330ml and 600ml formats can also be found.



Above: imported beer section in a mainstream supermarket, with cans generally in the middle. Below: beers sold refrigerated in two different supermarkets.





Below left: close up of a beer label. Right: a few imported beer products in a higher-end supermarket.



Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

The following different trends are visible on the beer market in Kazakhstan:

- Price rises and the closing of the price difference between standard and premium (including imported).** Unit prices have increased substantially over the last year, due to a combination of a fall in domestic production and increased domestic production costs putting upward pressure on prices; plus an increase in excise tax. As a result, the average unit sale price increased about 30%. At the same time, imported beers - which tend to be premium - are managing to close the price gap on domestically produced economy and mid-priced beers – partly with the aid of offers and promotions to attract consumers.
- Continued premiumisation, with off-trade replacing on-trade.** There has been a clear premiumisation trend in Kazakhstan in recent years, as witnessed by the growth in value of the premium segment. This is expected to continue. The aforementioned closing in price of the gap between imported premium and other categories is one of the drivers of this. Another driver is a move from on-trade beer to off-trade, with consumers actively choosing to economise by buying a more premium beer for home consumption rather than a more expensive but potentially similar or lower quality beer in on-trade establishments. On-trade volumes have shrunk by around 3% over the last five years; over the same period, off-

trade volumes have increased by 20%. Domestic players have also started to shift their portfolios more towards the premium segment. This shift away from on-trade has also negatively impacted draught beer; while premiumisation has hit Kazakhstan's fairly unique draught-in off-trade (DIOT) channel through which beer is served fresh into plastic bottles for home consumption. Craft beer on the other hand is benefitting from the wider premiumisation trend; 2023 sales were estimated at a bit over 11m litres.

- **Emergence of flavoured lager.** This category has grown rapidly in recent years with clear interest. The range of flavours on offer has broadened over the last year, with pomegranate, wild strawberry, and raspberry-lime flavoured beers all launched over that period. While the category remains small compared to normal lager (2023 sales were estimated at 10m litres), it is forecast to grow at the rate of 7-8% per year over the next five years.
- **Low/non-alcoholic beer.** As is the case in many markets, this category is growing fast, having increased by 15% in volume terms between 2021 and 2022. The market does, however, remain very early stage.

5.7.3 Offer

Domestic production

Annualised domestic production of beer in Kazakhstan was around 600m litres in 2022, slightly down on the previous year. The country is estimated to be over 90% self-sufficient in beer; though this does still leave an annual need for net imports of approximately 60m litres. Production had slightly increased over the preceding years prior to the 2022 fall. It should be noted that a fair amount of raw materials generally have to be imported for beer productions, partially explaining the challenges with increasing production costs cited in the previous section.

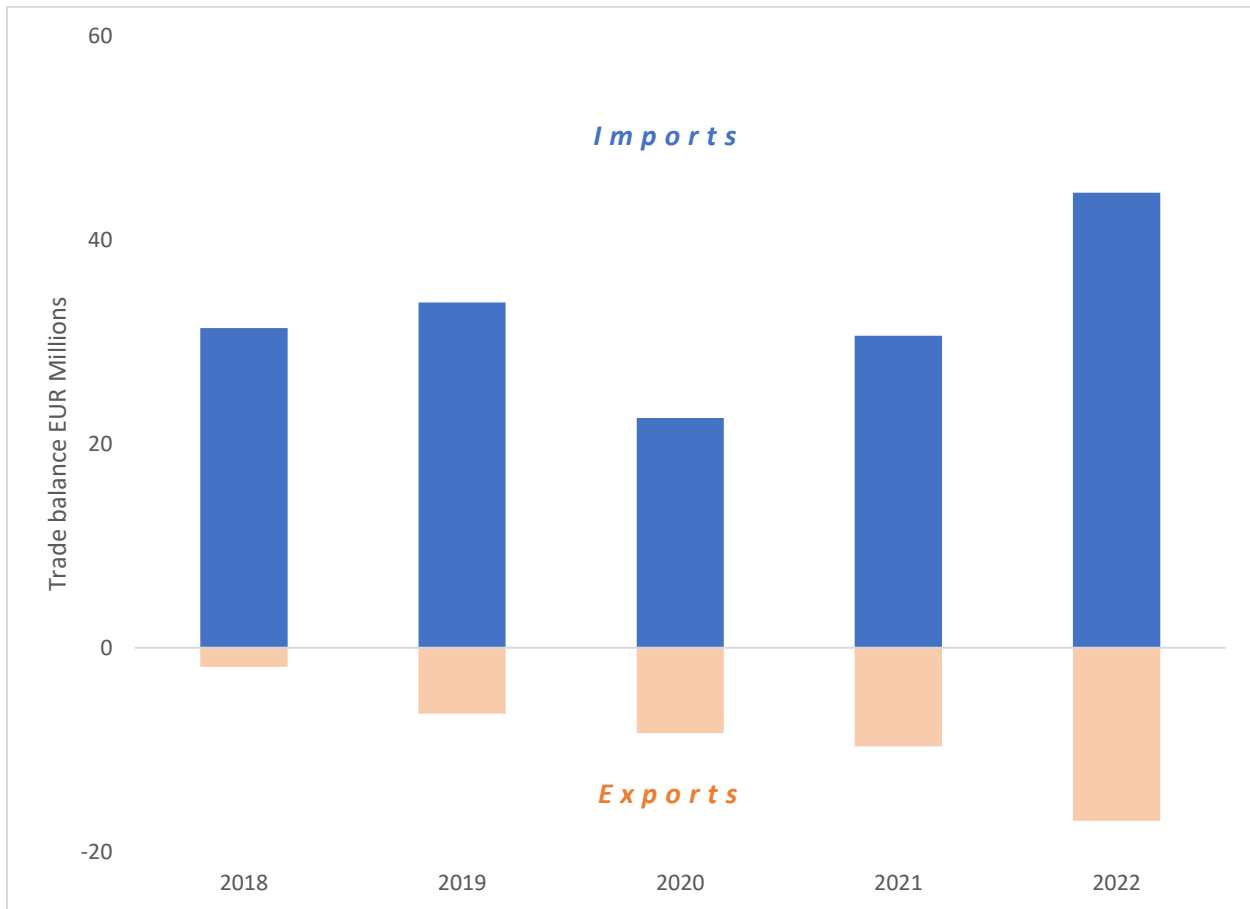
Carlsberg Kazakhstan, the largest brewery company in the country accounts for over a third of annual domestic production (around 230m). It has around 30 brands in its portfolio, including Carlsberg, 1664 Blanc, Holsten, Tuborg, Baltika, Zatecky Gus, Derbes, Irbis, and Alma-Ata. Anadolu is the other large player on the market, while precise production data of the company is not available, based on its 30% market share, production can be estimated at around 200m litres. Erzamann and Oasis are the only other larger brewers in the country, sharing around 15% of the market between them; the rest of the market is divided between a multitude of players with low single digit market shares (including multinationals such as AB Inbev, Efes, Asahi and Heineken) There were a total of 80 breweries in Kazakhstan in 2022, of which 69 were microbreweries. While the number of large breweries has remained fairly steady over recent years, the number of microbreweries has almost quadrupled since 2016.²³

Imports and exports

As shown below in Figure 5-31, Kazakhstan is a net importer of beer. Imports came to EUR 45m in 2022, having rebounded from a five year low of EUR 23m in 2020. Exports in contrast were valued at EUR 17m in 2022. Exports have been steadily increasing since 2018 when they were under EUR 2m.

²³ Euromonitor International: Alcoholic Drinks, 2023; <https://worldbeerandspirits.com/2023/02/03/the-price-of-beer-in-kazakhstan-increased-by-22-in-one-year/>

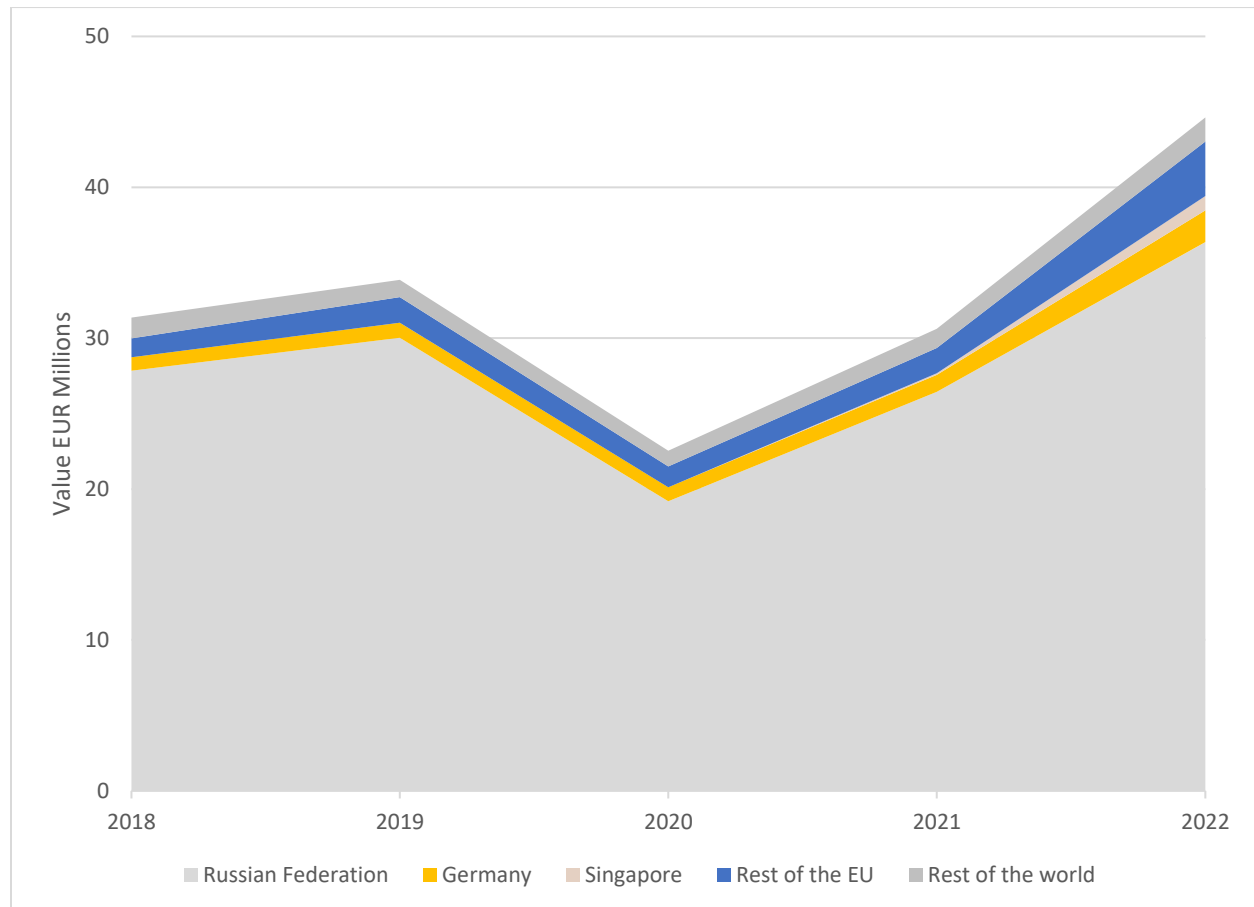
Figure 5-31: Trade balance (imports and exports) of beer in Kazakhstan, 2018-22; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

As can be seen in Figure 5-32, Russia dominates imports of beer in the country. It accounts for EUR 36m of imports, around 85% of the total. Germany is the largest EU exporter, with around EUR 2m of exports. The rest of the EU combined accounts for EUR 3.7m of imports, with Czech Republic, Belgium and Ireland leading this the block, though none of these countries alone export more than EUR 1m.

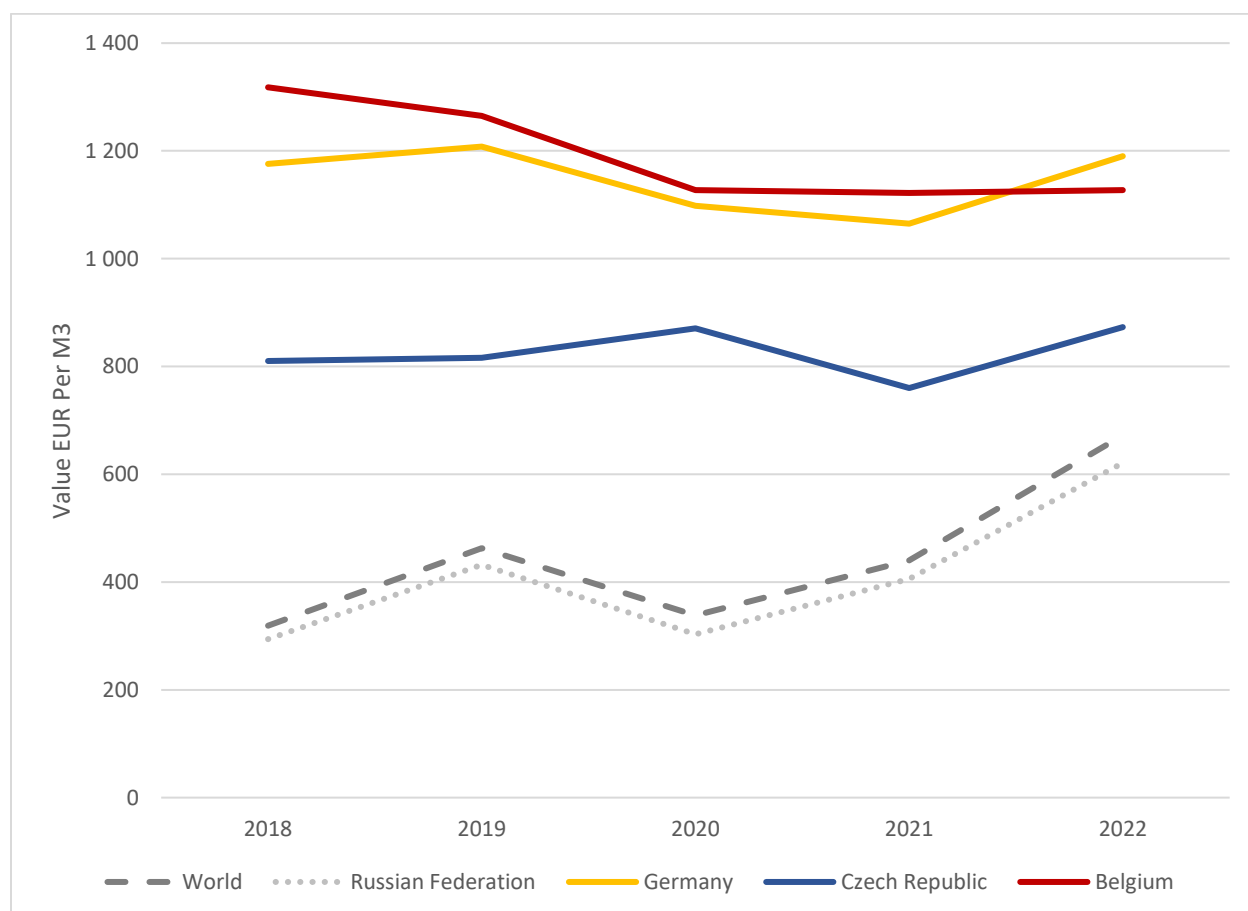
Figure 5-32: Kazakh imports of beer by country, 2018-22; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

Figure 5-33 shows the unit value of Kazakh beer imports. The unit value of EU origins is well above the world average (which itself is heavily skewed by the Russian unit value). Germany's 2022 unit value was EUR 1 190 per m³, Belgium's 1 127 and the Czech Republic's EUR 873. These all compare extremely favourably to a global average unit value of EUR 672 per m³. The global average unit value has increased in recent years, essentially tracking the Russian unit value upwards. The unit values of EU countries on the other hand show a flat to downwards trend.

Figure 5-33: Per unit value of Kazakh imports of beer for selected EU countries, 2018-22 (EUR per m³)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. While no EU GIs were identified in the Kazakh state register for GIs at the time of writing, some GIs for Czech beers had been previously registered under the appellation of origin system. More specifically, there are three entries all with protection until the same date in November 2025:

- One for Budějovické Pivo in Czech, with related translations
- One for Budějovické Pivo-Budvar in Czech, with related translations
- One for Budějovický Budvar in Czech, with related translations
- One for Ceskobudějovické Pivo in Czech, with related translations

While there is an entry in the appellation of origin register for “Пиво Чешское ВУД” (Czech beer Bud), validity of this GI is shown to have lapsed in 2007.

Main competitors

Competition primarily comes from domestic production (with Carlsberg Kazakhstan and Anadolu the largest producers, sharing about 2/3 of the market). Overall, domestic production accounts for around 90% of consumption. While this does still leave the need to import quite a large volume, these imports are dominated by Russia. This leaves little room for imports from other origins, though the EU does manage to account for around 10% of imports.

5.7.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for beer notably include a certificate of conformity, and a free sale certificate.

In terms of tariffs, beer face quantity tariffs of either EUR 0.018 or 0.04 per litre.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general beer category (2203) from Belgium to Kazakhstan

[https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE
&destination=KZ](https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE&destination=KZ)

Standards, SPS measures

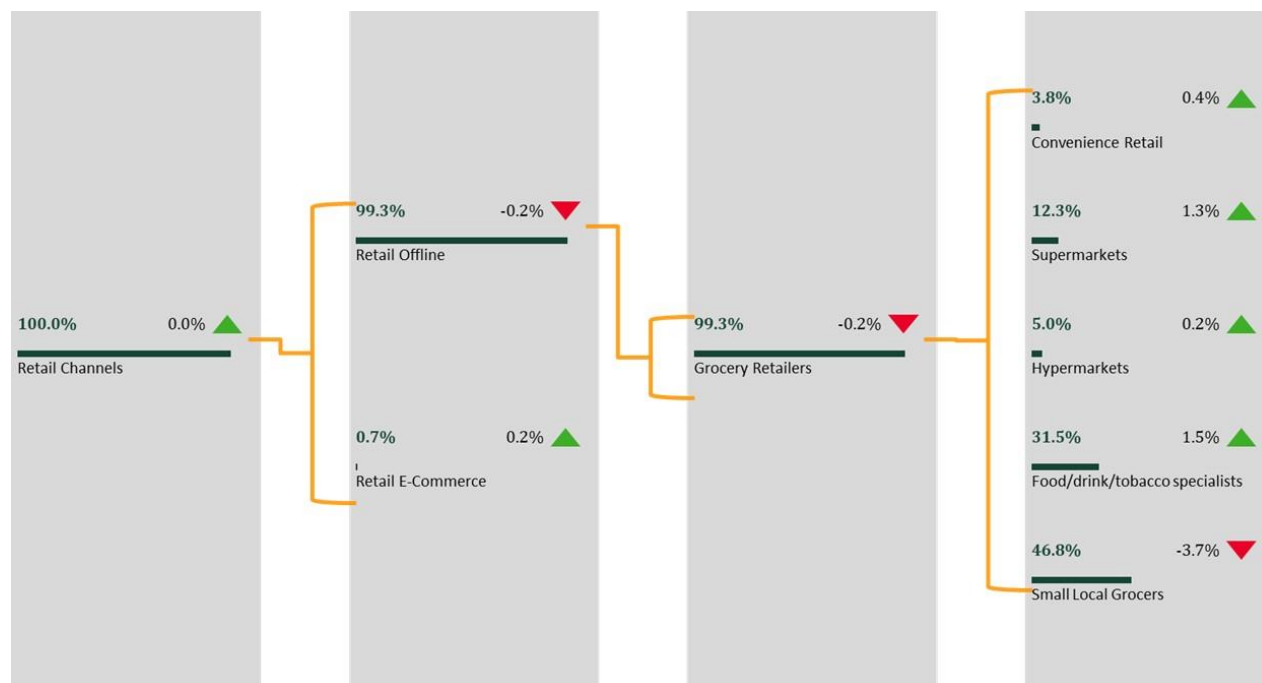
TR EAEU 047/2018 Technical Regulation on Safety of Alcohol Products is currently scheduled to enter into force on 1 July 2024. More information on this and the potential challenges it may cause are provided in sections 4.2.2 and 4.3.4.

Labelling

Beer must conform to the labelling requirements for packaged foods set out in section 4.2.3, as well as certain specific requirements for beer which are also outlined in the **alcoholic beverages** part of this section.

5.7.5 Distribution

Figure 5-34 depicts distribution of beer overall in Kazakhstan. Small local grocers and food and drink specialists play a dominant role; combined they account for almost 80% of beer distribution by volume, with the former slightly more important. Supermarkets account for a low 12%, though their importance shows an upwards trend in recent years. Hypermarkets account for just 5%, and e-commerce has minimal importance.

Figure 5-34: Distribution channel overview of beer in Kazakhstan (2022); off-trade volume

Source: Euromonitor International: Alcoholic Drinks, 2023.

5.7.6 Challenges for EU products

The largest challenge in this market is the domination of the market by the combination of domestic production (led by Carlsberg Kazakhstan and Anadolu), and imports from Russia. These two origins account for well in excess of 95% of the market, leaving little room for other products. Economy and mid-range products – which strongly favour the two origins mentioned – have historically dominated the market, though that domination is now weakening, creating more opportunities for other products; whether novel domestic products or imported products other than the traditionally cheaper Russian ones. Distribution can also be a challenge, as the vast majority of beer is sold through smaller, more specialist retailers rather than large modern retail – creating challenges for exporters to ensure their product reaches the consumer. EU imports may be able to differentiate themselves from the competition to some extent through a combination of focusing on quality and heritage; and the targeting of specific, higher end on-trade niches.

Market Takeaway: Beer

Consumption: second most popular drink by the measure of pure alcohol intake. Lager by far the largest segment. Consumers tend to skew younger.

Competition: domestic production meets 90% of demand. Two companies have dominant positions, though there is rapid emerging competition from craft brewers. Russia the main source of imports.

Distribution: small local grocers and food and drink specialists dominate. Modern retail channels have a much more minor role. While beer overall relies on on-trade to a very low extent, it has greater importance for premium imported beers.

Challenges: competition and reaching the consumer in a market which relies on more fragmented distribution channels.

Opportunities: continuing premiumisation trend and increasing interest in new and innovative products. Focusing on heritage and targeting small premium on-trade niches.

5.8 Baked Goods

5.8.1 SWOT analysis

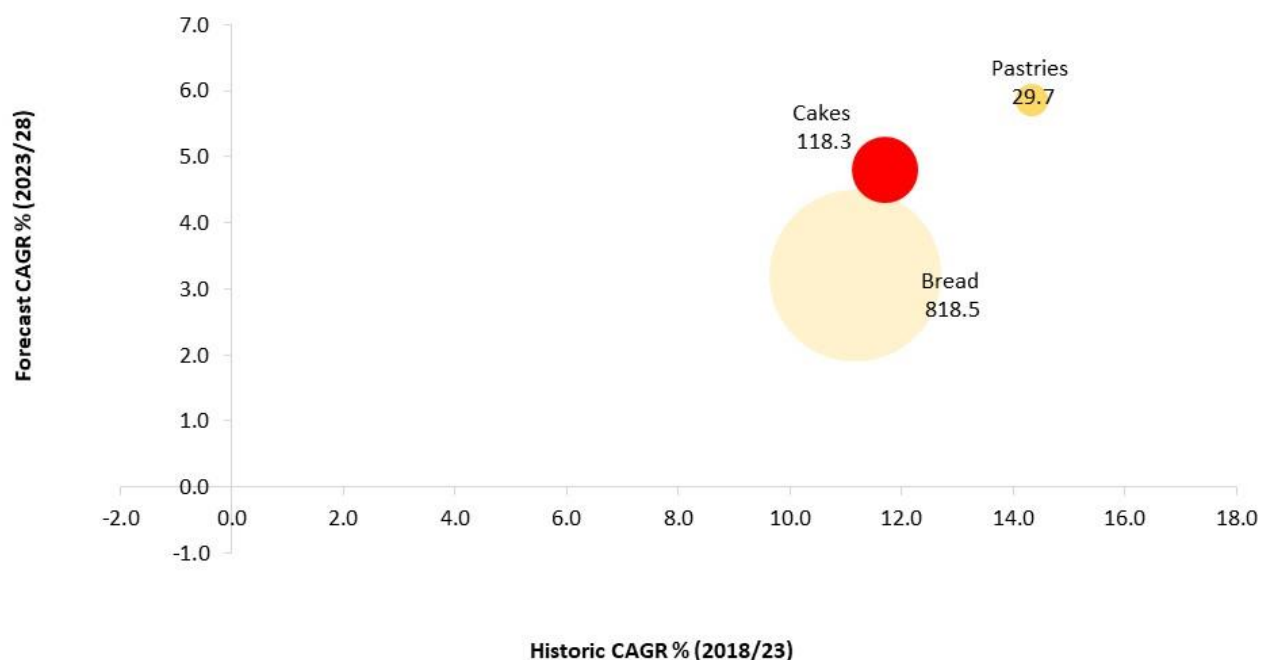
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Large market in relation to the population with bread in particular widely consumed, though the cakes market is also significant. ▪ A strong reliance on imports which has only further grown in recent years. 	<ul style="list-style-type: none"> ▪ The bread market has a strong value focus. ▪ With distance and logistics, EU imports unlikely to break into the fresh market.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Cakes segment is growing quickly - packaged cakes in particular - which by their nature are more feasible to export from the EU. ▪ Increases in raw material prices have resulted in an increasing level of imports over the last year. ▪ Niche opportunities in some specialist packaged products e.g. breadsticks, savoury baked snacks, certain traditional EU cakes. 	<ul style="list-style-type: none"> ▪ The market is almost entirely supplied by a combination of domestic producers and Russian imports. ▪ Regional fragmentation with certain brands strong in certain regions, creating an even more challenging competitive landscape for imports.

5.8.2 Consumption

Evolution of consumption

As shown below in Figure 5-35, bread has a dominant role in the Kazakh baked goods market, with a market value in 2023 of EUR 819m. Cakes is second, with EUR 118m, and pastries a distant third with EUR 30m. Historical growth has been above 11% per year for all categories, with pastries growing at the fastest rate. Going forward, bread is forecast to grow at 3% per year, cakes at 4.8% per year and pastries at just under 6% per year in value terms.

Figure 5-35: Evolution and forecast of baked goods market in Kazakhstan (million EUR), 2018-2028; retail value



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Bread is a key staple in Kazakhstan, making it almost universally consumed on a daily basis. While consumers therefore cover the whole spectrum of Kazakhs, bread plays a particularly important role in the diet of low income consumers. Indeed, the Kazakh government provides subsidies in order to reduce the price of plain white bread, ensuring it is affordable to less well-off demographics. Other baked goods are also consumed by a large part of the population – cakes in particular – though not to the same extent as bread.

Drivers and method of consumption

The staple status of bread is the key driver of consumption of the product. Flat bread (*lepeski*) is very popular in Kazakhstan, and is most commonly consumed as a side dish to a meal – above all those meals based on kebabs and barbecued meat. Leavened bread, which is overall more popular than flat bread, can be consumed in a wide range of circumstances.

For other, predominantly sweet bakery categories, the Kazak sweet tooth alongside a wish for indulgence are notable drivers. Demand for cakes in particular is higher than that of other countries in the region, with an inclination towards sweeter foods a key reason for this. Cakes are most commonly consumed as an occasional indulgent treat, whether alone or with others.

Purchase criteria

Leavened bread accounts for around 2/3 of the market by value, while flat bread accounts for the remaining third. Historically, price has been a major consideration for buying bread in Kazakhstan. While it remains an important criterion for many, there is a mid-to-higher income segment which places a greater importance on quality, with this segment preferring to purchase fresh artisanal flat bread products from smaller local producers. That said, it must be noted that consumers overall remain more likely to focus on cheaper, packaged products available conveniently in mass-retail channels.

Baked goods on retailers' shelves in Kazakhstan

Imported baked goods remain very rare in retailers in Kazakhstan. The products which are available are almost all domestically produced; and are a mixed of loose / baked on site, and packaged. The few imported products which are found tend to be very niche (e.g. Italian breadsticks / flavoured baked snacks).



Above and below: imported specialised baked products in a gourmet retailer.



Mid-ranged baked good are generally priced in the range of KZT 200 to 700 (EUR 0.40 to 1.45) per 100g. **Premium** products tend to be priced upwards of KZT 700 (EUR 1.45) per 100g. Super premium products start from KZT 2 000 (EUR 4.10) per 100g.



Above: pre-packaged baked goods in a supermarket. Below: on-site packaged baked goods.

It is common for local products to be sold loose or as packed on site, though there are some products which come pre-packed.



Images © Euromonitor International / Agra CEAS, 2024.

Recent market trends

Notable recent market trends are:

- **The rapid increase in the price of raw materials, and associated impacts of this.** Flour and sugar both have increased rapidly in price over the last year, due to the country's high dependency on imports. This has had a knock on effect on the unit prices of products, and also led to a massive growth in market value. For bread, consumers have been partly shielded through the government's subsidies for white bread. Other categories were not shielded, but encouragingly volumes held up well.
- **Growth of cakes.** The cakes segment has grown more quickly in recent years and is forecast to continue to do so going forwards. Packaged cakes in particular have grown quickly. The positive performance of the cakes segment over the last year or so against the background of fast rising prices is indicative of the prospects for the category. The increasing consideration of cakes as a sweet treat is a key driver of this trend.

5.8.3 Offer

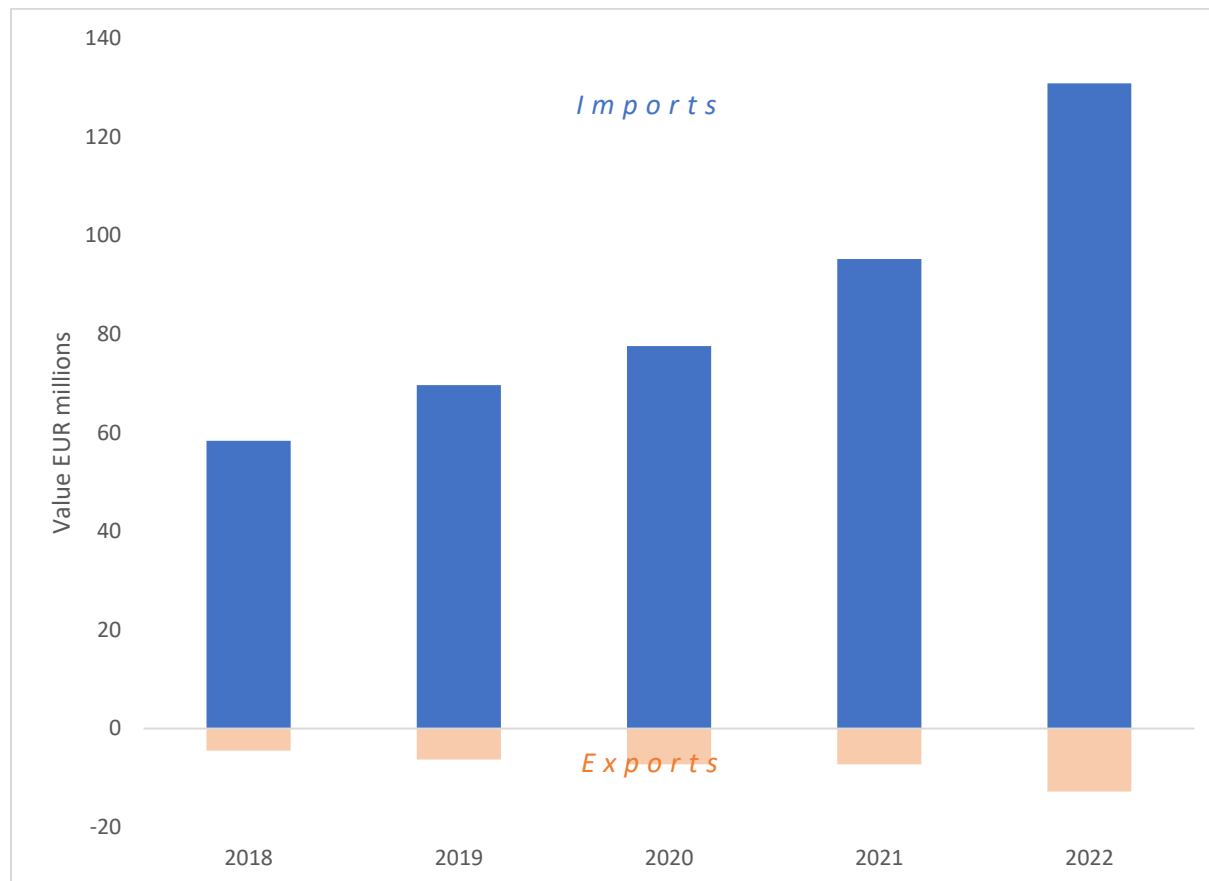
Domestic production

Domestic production of baked goods is large, fragmented and ultimately some way short of the volume needed to meet domestic demand. Spurred by the large territory of the country, there are a large number of industrial scale commercial bakeries spread across the country; with different bakeries (and their respective brands) being present in different regions. On top of that, there is a huge number of local artisanal bakeries, which combined hold about 50% of the market. The largest player in the market, Astykzhan, holds a share of under 4%. The top four bakeries only hold just over 11% of the market between them; and there are only seven companies in the country (including the top four) with a market share over 1%.

Imports and exports

The trade levels of baked goods is shown below in Figure 5-36. As can be seen, Kazakhstan is a net importer of baked goods overall, with imports growing steadily over the period 2018-22 from EUR 58m to EUR 138m (an over 100% increase). Exports remain a fraction of the value at EUR 12.7m in 2022; though they did increase at a rate similar to that of imports over the preceding five years.

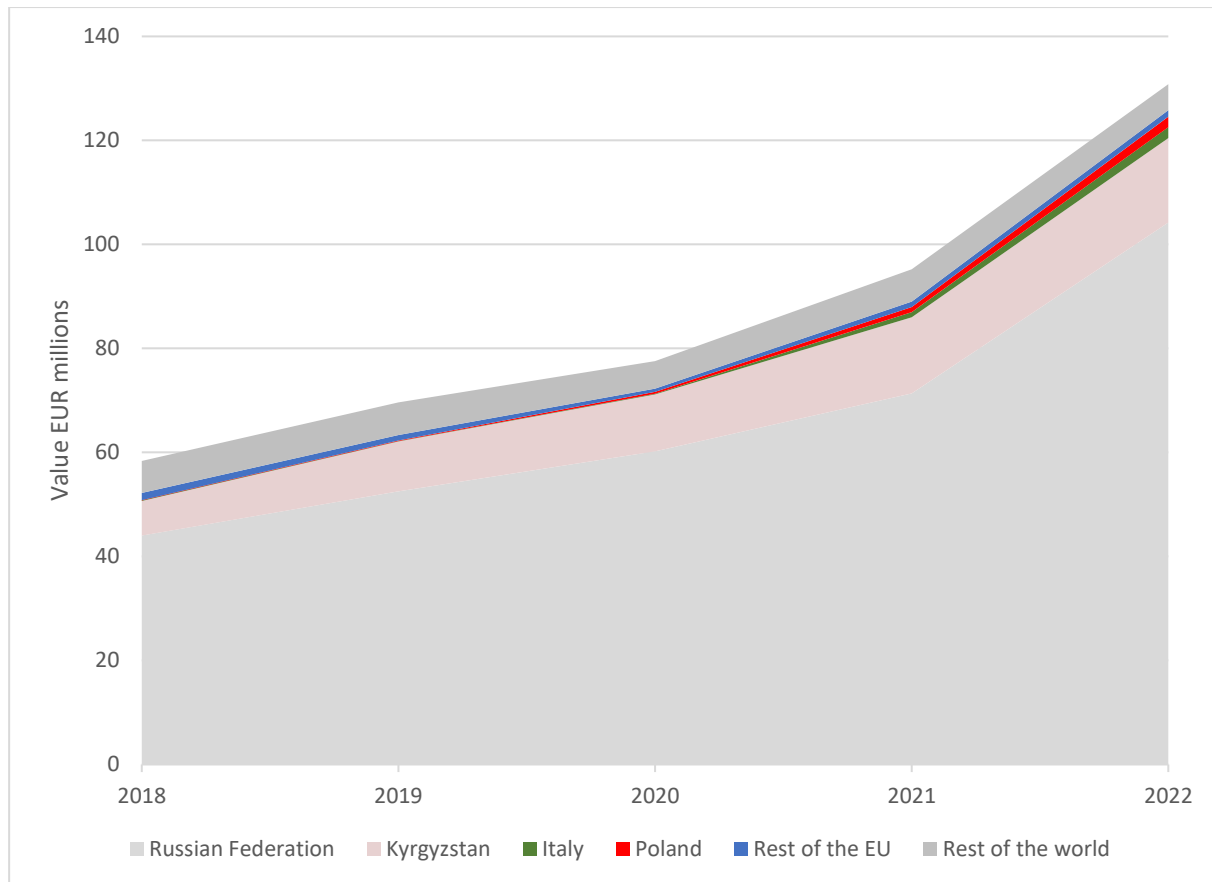
Figure 5-36: Trade balance (imports and exports) of baked goods in Kazakhstan, 2018-22; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190590.

Figure 5-37 further shows the largest origins of baked goods entering Kazakhstan. Russia holds a dominant position, accounting for over EUR 100m of total imports in 2022. Kyrgyzstan holds the number two position, with around EUR 20m of imports. Italy and Poland hold the 3rd and 4th positions. While the total level of exports from these countries are low (each around EUR 2m), they have increased rapidly in recent years. Italy's exports were worth only EUR 100 000 in 2018, meaning that they increased over twenty fold in the five years to 2022. Poland's were worth just EUR 60 000, meaning the rate of increase was even quicker. The rest of the EU combined accounts for just over EUR 1m of exports in 2022.

Figure 5-37: Kazakh imports of baked goods by country, 2018-22; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190590.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

Competition comes mainly from two source – fragmented local production, and imports from Russia. The competitive landscape overall is highly fragmented; only seven companies have over 1% market share and none of these hold over 5% of the market. However, Poland and Italy, while still very small origins in the market, have grown exports exponentially over the last five years.

5.8.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. The key requirement for baked goods is a declaration of conformity.

In terms of tariffs, baked goods generally faces an ad valorem tariff of between 10 and 15%.

Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general bakers' wares (1905) from Denmark to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1905&origin=DK&destination=KZ>

Standards, SPS measures

CU Technical Regulation TR TS 021/2011 on Food Safety contains some provisions specifically relevant for baked goods. The full law and amendments in Russian can be found here: <http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevayaProd.aspx>. A full translation of the original 2011 version (prior to amendments) can be found here: http://www.rustandard.com/images/CU_TR/TR_CU_021.2011_Safety_of_Food_Products.pdf

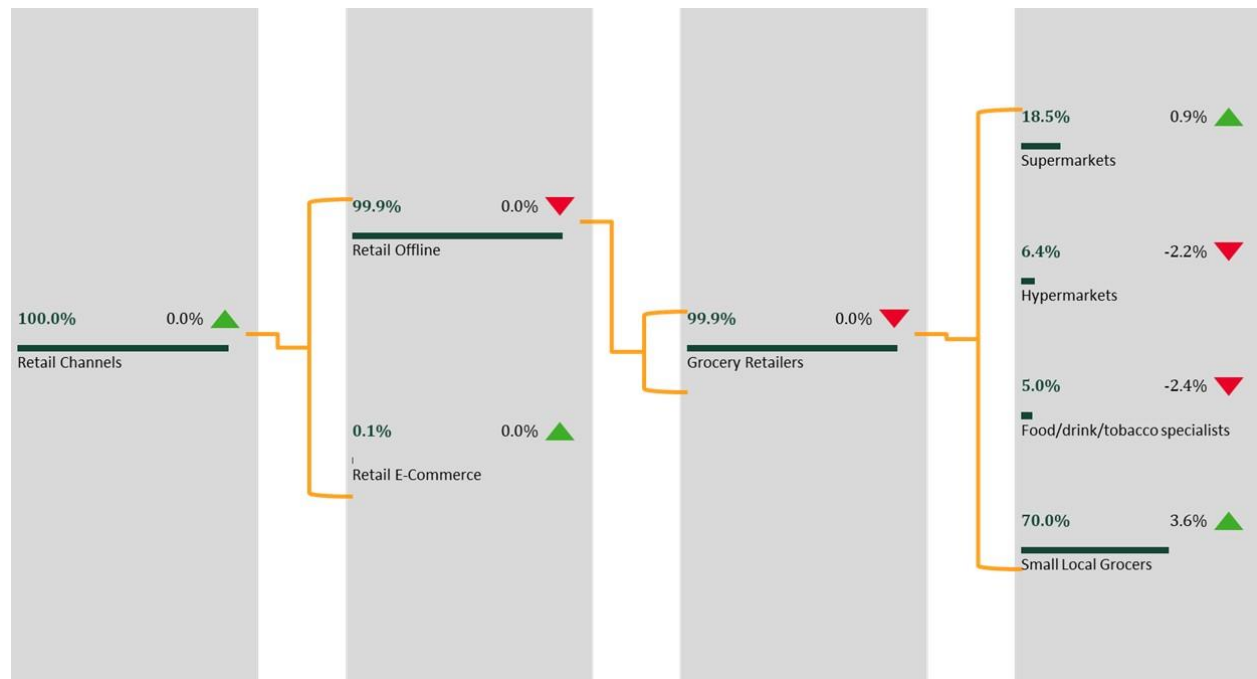
Labelling

Baked goods must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.8.5 Distribution

As shown below in Figure 5-38, small local grocers play a dominant role in the distribution of baked goods, accounting for some 70% of retail sales by value. Furthermore, their importance has increased by 3 percentage points over the last three years. Supermarkets account for 18.5%. Hypermarkets and food and drink specialists play minor roles.

Figure 5-38: Distribution channel overview of baked goods in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.8.6 Challenges for EU products

The Kazakh market has the advantage for exporters of a strong structural deficit. However, this somewhat masks the challenges. As is often the case with baked goods, the market is highly fragmented; however in this case there is additional fragmentation by region, making certain brands very popular in certain regions. The market for the dominant segment of bread has historically been highly price focused, though this is now easing a bit. Despite these challenges, two EU countries – Italy and Poland – have managed to grow exports at a rapid rate over the last five years, demonstrating there is potential in specialist niches.

Market Takeaway: Baked goods

Consumption: bread the largest segment, though cakes are also a notable and fast growing segment. Value an important overarching consumer consideration.

Competition: combination of domestic production and imports from Russia. At a producer level, the market is fragmented.

Distribution: small local grocers dominate. Supermarkets account for just under 20%.

Challenges: regional fragmentation leading to certain brands being popular in certain markets. Price focus of the market.

Opportunities: structural deficit which has grown in recent years. Packaged cakes market growing quickly. Niche opportunities for novel imported baked products e.g. breadsticks, certain specialist cakes.

5.9 Processed meat

5.9.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> At close to EUR 1bn, the processed meat market is sizeable. Steady growth of the market is forecast over the coming years. 	<ul style="list-style-type: none"> The market is strongly focused on chilled beef and poultry products, with little demand for charcuterie style pork products. Market access can be challenging.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> First signs of interest (albeit on a very small scale) in higher quality cured pork/charcuterie products. Growing acceptance of packaged chilled products in supermarkets. 	<ul style="list-style-type: none"> Local producers and neighbours are better equipped to address the demand for fresh, chilled products. Increasing number of domestic meat processing plants.

5.9.2 Consumption

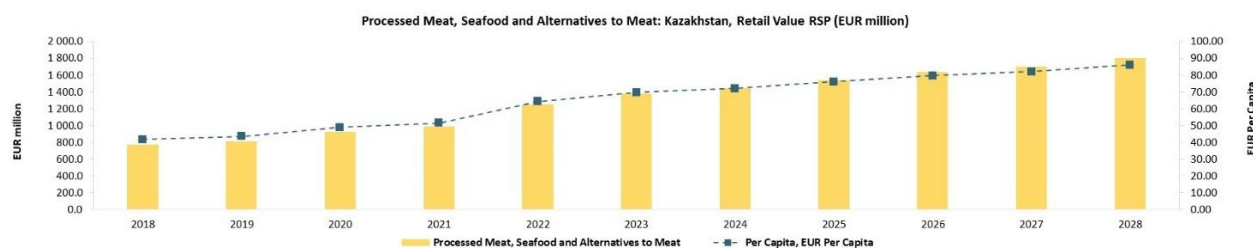
Evolution of consumption

The overarching market for processed meat, seafood and alternatives is worth just under EUR 1.4b, having grown at just over 12% per year over the preceding five years. Going forwards it is forecast to grow at just over 5% per year (Figure 5-39).

There is no detailed breakdown by product category, but indicatively:

- Just over $\frac{3}{4}$ of the market by value is processed meat (equating to a processed meat market of a bit over EUR 1bn).
- The vast majority of the processed meat market is for chilled meat. This market can be estimated at close to EUR 900m. Over 90% of this is red meat.
- The frozen and shelf stable segments roughly equally share the remaining EUR 100m of the processed meat market.

Figure 5-39: Evolution and forecast of the processed meat, seafood and alternatives market in Kazakhstan, 2018-2028; EUR millions



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Processed meat is fairly widely consumed in Kazakhstan, though fresh meat is far more popular. Consumption is dominated by chilled processed red meat (beef in particular); followed by poultry.

There are regional differences in meat consumption which also extend to processed meat. Pork and pork products are most likely to be consumed in the north of the country. There are slightly higher than average levels of poultry product consumption, as well as of horse meat product consumption in east and central Kazakhstan. Consumption of beef products does not vary greatly across the country.

Drivers and method of consumption

The spread of modern retailers is a notable driver of increasing consumption for processed meat, as they are much more likely to stock the product (frozen products in particular). In terms of method of consumption, barbecuing is a particularly common method, explaining the importance of the chilled category. Platters of barbecued meat – *shashlik* – are common in the country, particularly in summer months. While a lot of shashlik meat is sold unpackaged, there has been increasing interest in packaged shashlik. Shelf stable processed meat is not particularly popular, and generally is only purchased either for stocking up during times of uncertainty; or explicitly for the purpose of camping trips.

Purchase criteria

Freshness tends to be an important consideration, in turn explaining the popularity of the chilled processed meat category. In general terms, consumers prefer processed meat products which more closely resemble fresh ones. Convenience is an emerging criterion, with consumers increasingly appreciating pre-sliced and pre-marinated products for this reason.

Recent market trends

Observable recent trends are:

- **The growth of supermarkets driving the acceptance of packaged products.** Smaller, traditional grocers continue to dominate distribution, but the importance of supermarkets is growing rapidly; and their presence is resulting in an acceptance of packaged products. A post-pandemic pick up in social barbecuing is creating more demand for marinated products and in turn tailwinds for supermarkets as many consumers consider convenience.
- **Continued growth of chilled processed meat.** This can be attributed to the combination of the popular consumption method of barbecuing; and the continued preference of consumers for processed products which more closely resemble fresh ones.
- **Early signs of minor interest in cured pork products.** There are some very early signs of possible interest in high quality cured pork products from Europe, with the well-travelled non-Muslim consumer the key demographic. However, it should be emphasized that this is a very small and specialist emerging segment.

5.9.3 Offer

Domestic production

Data on domestic production of processed meat is limited, though indications are that the landscape is fairly fragmented, with numerous plants of lower capacity. The number of plants is

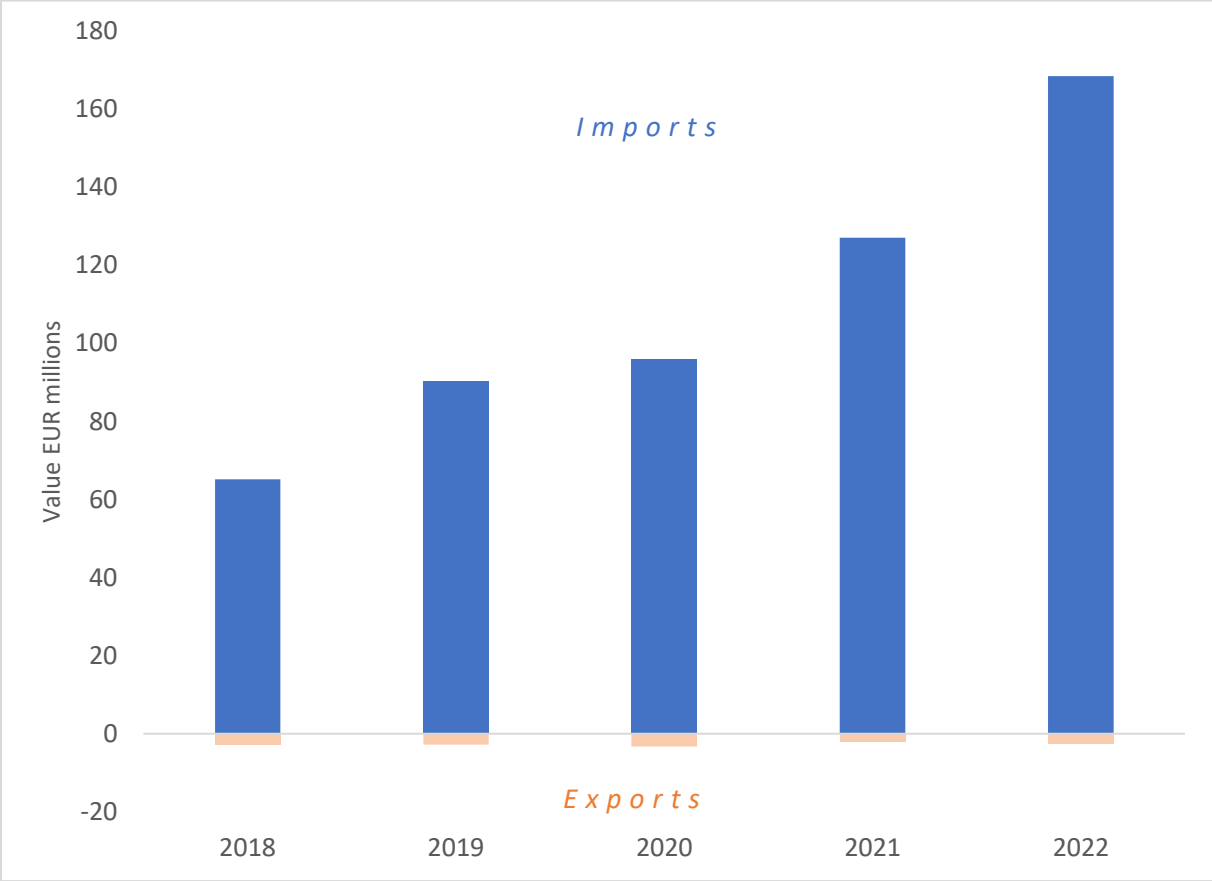
growing, with a recent announcement of the development of over 20 new plants over the 2023-26 period.

In terms of players, the market is fragmented and there is no break out of market shares specifically for processed meat. However, the limited data available suggest no one producer is likely to account for much more than 15% of the market.

Imports and exports

As shown in Figure 5-40, Kazakhstan is a net importer of processed meat products. Imports increased steadily over five years between 2018 and 2022 from EUR 65m to EUR 168m. Over the same period, exports remained negligible at under EUR 3m. The majority of imports – around 2/3 - are accounted for by sausage like products under the HS code 1601. Other prepared or preserved meat under HS code 1602 accounts for the majority of the remained. Meat that is salted, in brine, dried or smoked under HS code 0210 account for under EUR 1m of total imports.

Figure 5-40: Trade balance (imports and exports) of processed meat in Kazakhstan, 2018-22; EUR millions



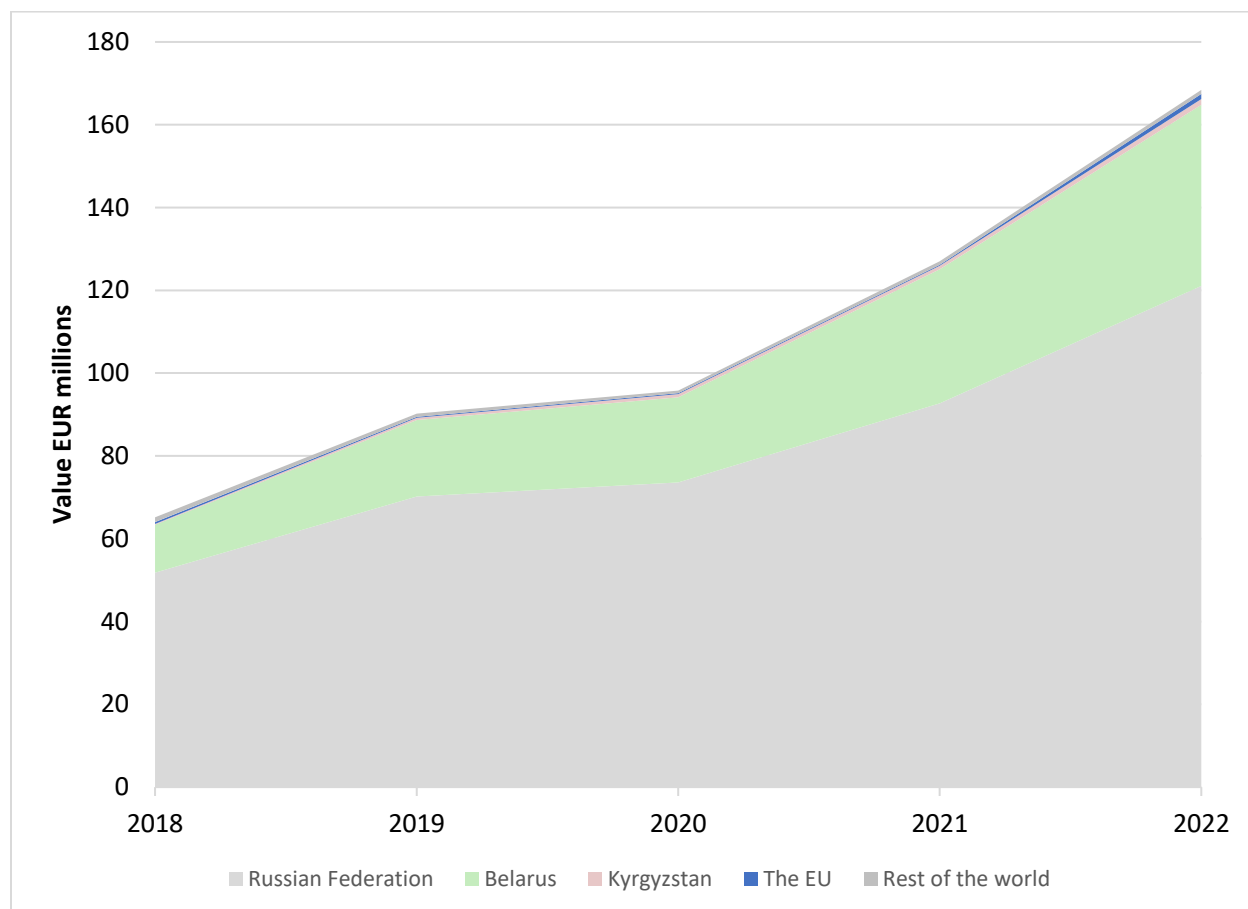
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0210, 1601 and 1602

Figure 5-41 shows that Russia and Belarus combined dominate imports of processed meat products. Combined they account for all but EUR 3m of total imports. EU member states

combined account for EUR 1.3m. This is almost all accounted for by Denmark (EUR 618 000) the Czech Republic (EUR 370 000) and Italy (EUR 249 000).

Figure 5-41: Kazakh imports of processed meats by country, 2018-22; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0210, 1601, 1602

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

Competition comes from a combination of fragmented local production – which is further developing – and imports from neighbouring Russia and EAEU member Belarus.

5.9.4 Specific market entry requirements

Market Access and Entry

Processed meat is generally classed as a product under veterinary control (in accordance with CU Commission Decision No. 317), and hence a veterinary health certificate and import permit is required, as well as a declaration of conformity and free sale certificate.

In addition to this, only suppliers on the approved supplier list are permitted to access the market. This is now a competence of Kazakhstan's Ministry of Agriculture, having previously been handled centrally in Russia for the whole EAEU. The most recent list identified can be found at the link below; though it is recommended that the embassy in Kazakhstan of the exporting country be consulted for the most up to date information.

https://www.gov.kz/api/v1/public/assets/2021/12/3/deb52dfdf21661feaa046b1d0af339ad_origin_al.858624.xls

In terms of tariffs, processed meat products generally face tariffs of 15%, though for some lines the tariffs are up to 20% or EUR 0.25 per kg. It is recommended to consult the link below with the full CN code for further details.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – meat and edible offal, salted, in brine, dried or smoked (0210) from Spain to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0203&origin=ES&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of meat and meat products. This can be found at:

https://tradeinfo.kz/objective/search?l=en&embed=&includeSearch=true&filter_tab=1&right_drawer=false&flt_1=49&prd_1=&flt_2=55&prd_2=

Standards, SPS measures

Standards for meat products are covered by CU Technical Regulation TR TS 034/2013 “On Safety of Meat and Meat Products”. This can be found at the following link: <http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/%D0%A2%D0%A0-%D0%A2%D0%A1-034.aspx>

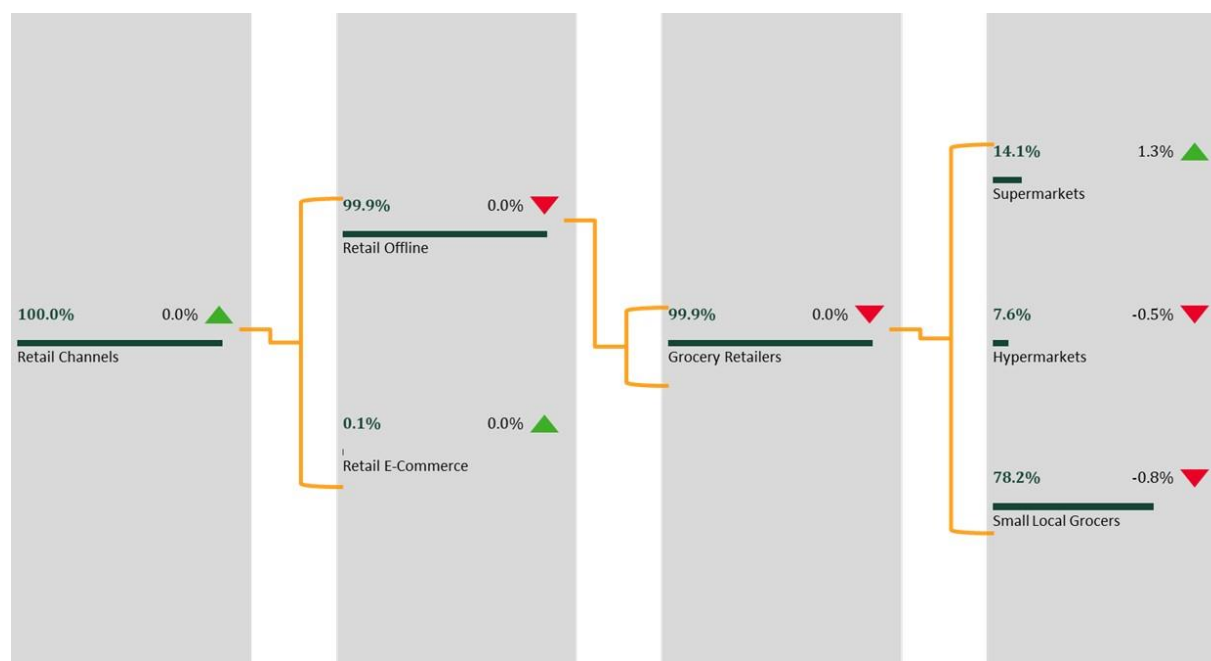
Labelling

Processed meat must conform to the labelling requirements for packaged foods set out in section 4.2.3. There are also some additional labelling requirements in the aforementioned Technical Regulation which may apply to certain processed meat products. It is recommended that the link to the regulation above be consulted.

5.9.5 Distribution

Small local grocers play the dominant role in distribution of processed meat, seafood and alternatives. They account for just under 80% of all distribution. Supermarkets are steadily increasing in importance and now account for around 14% (Figure 5-42).

Figure 5-42: Distribution channel overview of processed meat, seafood and alternatives in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.9.6 Challenges for EU products

The biggest challenge for EU products is the near non-existence of a niche for processed pigmeat, including most notably cold cuts / charcuterie. While EU countries tend to be strong exporters in this area, there is very little demand for such products in Kazakhstan, as reflected by the focus of the market on shashlik meats for barbecuing, the concentration of imports on sausages, and the near absence of imports from the EU. Indeed, imports are dominated by Russia and Belarus, which combined account for around 98% of all imported products.

Market Takeaway: Processed meat

Consumption: *focused on the chilled process meat category, with beef products most popular followed by poultry.*

Competition: *combination of domestic production and imports from other EAEU members.*

Distribution: *dominated by small local grocers, which account for close to 80% of distribution.*

Challenges: *focus of the market on chilled beef and poultry products does not match the EU's traditional strength of pork-based charcuterie. Market access may be challenging.*

Opportunities: *increasing acceptance of packaged chilled products. Some early signs that a very small niche for EU pork products may be emerging.*

5.10 Pasta

5.10.1 SWOT analysis

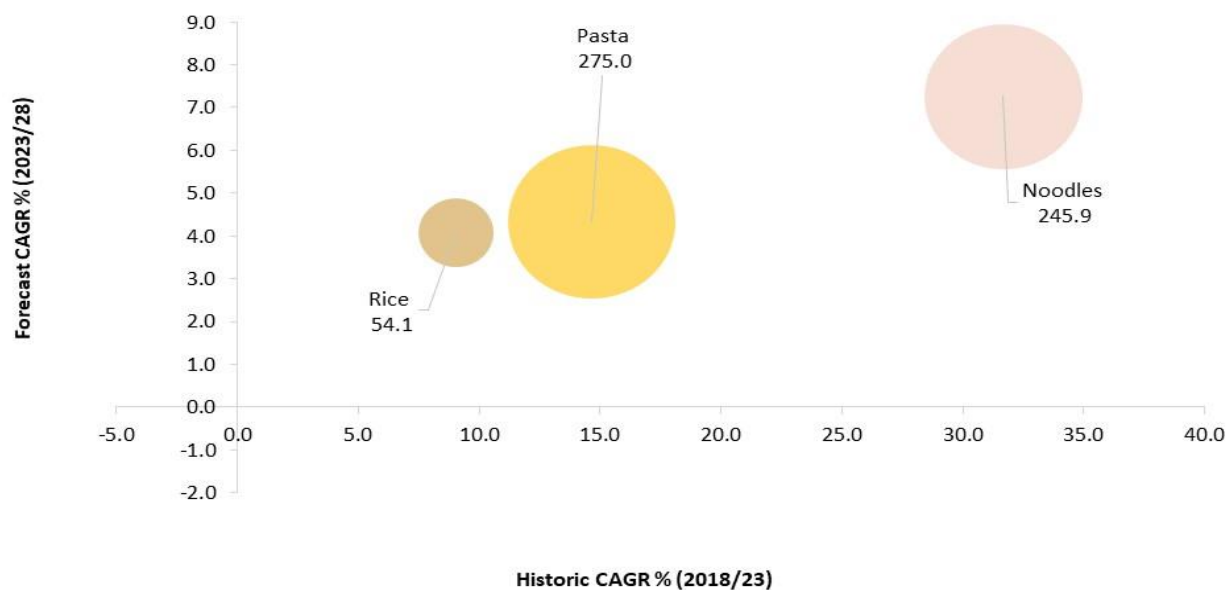
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Pasta is increasingly associated with many of the more traditionally enjoyed dishes in Kazakhstan, such as Beshbarmak and Lagman. ▪ Italian exports, although far smaller than Russian and Chinese exports, continue to grow in value. 	<ul style="list-style-type: none"> ▪ With certain traditional ways of consuming pasta, the market favours domestically or Russian produced pasta. ▪ High inflation and the high cost of EU pastas in the Kazakh market.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Kazakhstan's urban population is growing quickly and there is a growing appreciation for convenience foods. ▪ Emergence of some Italian restaurants in the largest cities. 	<ul style="list-style-type: none"> ▪ Well-established domestic production base that focuses on the production of European-style pasta, such as macaroni and spaghetti. ▪ Notable import competition from Russia.

5.10.2 Consumption

Evolution of consumption

Figure 5-43 shows the market retail value for rice, pasta, and noodles, with pasta being the largest product in this category with a market retail value of EUR 275 million, followed by noodles with a retail value of EUR 245 million, and finally rice with a value of EUR 54.1 million. Noodles have been the fastest-growing product in this category, growing by a CARG of 31.7% between 2018 and 2023, with pasta growing by a CAGR of 14.7% during the same period. Noodles will remain the fastest-growing category, with a forecasted CAGR of 7.3% expected between 2023 and 2028, with pasta expected to grow by a CAGR of 4.3% during this period.

Figure 5-43: Evolution and forecast of market for pasta compared to rice and noodles (EUR million) in Kazakhstan, 2018-2028



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Consumption of pasta in Kazakhstan has become increasingly common in recent decades, although the product does enjoy limited traditional consumption via dishes such as *beshbarmak* (often referred to as the national dish of the country), which is often served with pasta or pasta soups. Consumers of pasta tend to be urban consumers who value the convenience and versatility of pasta products, although it is not uncommon for rural consumers to also consume pasta to a reasonable degree. Especially amongst the ethnic Russian population living within the vicinity of the Russian border, ethnic Russian consumers are likely to seek out navy-styled pasta as this pasta complements many Russian dishes. Regarding imported pasta, there is a limited but growing market for Italian pastas in Kazakhstan, particularly within urban centres that increasingly have Italian restaurants present.

Drivers and method of consumption

The key drivers behind pasta consumption in Kazakhstan have been its association with the national dish *beshbarmak*, with it now being very common for this dish to be served with a thin pasta base. Pasta is appreciated for its convenience amongst urban consumers, and macaroni, spaghetti, and fettuccine are growing in popularity, particularly amongst consumers of middle to high income or amongst consumers with an interest in western food consumption habits. Most pasta consumed in Kazakhstan tends to be produced in the country or nearby, which helps bring down the costs of pasta compared to other products that need to be imported from further afield, which aids pasta's ability to remain price competitive in a market highly impacted by inflation in

recent years. Common methods of consumption include consuming pasta alongside a soup, the aforementioned *beshbarmak*, or *lagman*, which is commonly done as a lunch or dinner meal.

Purchase criteria

Kazakh consumers will expect pasta products to be reasonably priced and affordable, as they are associated with being an affordable source of nutrition in the country. Imported pasta from faraway countries will come with heightened expectations surrounding the quality and packaging as well as regarding emphasizing the country of origin (particularly true in the case of Italian pasta, which are regarded as a luxury product in the country). Pasta that can easily be incorporated into soups tend to perform well in Kazakhstan, as do pasta that complement *beshbarmak*. Consumers finally appreciate pastas that are packaged to be stored for a prolonged period of time, as the long shelf life of pasta increasingly appeals to consumers facing a fall in purchasing power as inflation continues to impact the market.

Recent market trends

Some of the more influential recent market trends in the Kazakh pasta market include:

- **Dried pasta emerges as a staple food item in Kazakhstan.** Dried pasta is increasingly appealing to a wider section of the Kazakh consumer base as it helps the consumer base deal with high inflation. This in turn has led to a spike in demand for dried pasta products in Kazakhstan in recent years, allowing the product to establish itself as a key food item for consumers seeking low-cost filling meals.
- **Status as a side dish set to remain although there are notable shifts.** It should be noted that both rice and pasta are generally consumed as a side dish in homes and Kazakhstan, and it is unusual for main dishes to be based on pasta. However, with many of the country's affluent urban middle class becoming more metropolitan in their food production practices, it is increasingly common for dinner meals to be centred around pasta themes from foreign countries, with lasagne and spaghetti bolognese growing in popularity in the country in recent years.
- **Urbanising population increasingly demanding convenience foods.** Kazakhstan's population is increasingly urbanizing as younger workers increasingly move from rural areas in search of economic opportunities within the larger urban centres of the country. This in turn aids the sale of pasta, which tends to be more commonly served in urban areas, which also tend to have a consumer base with a greater appreciation for quick-to-prepare convenience food products.

5.10.3 Offer

Domestic production

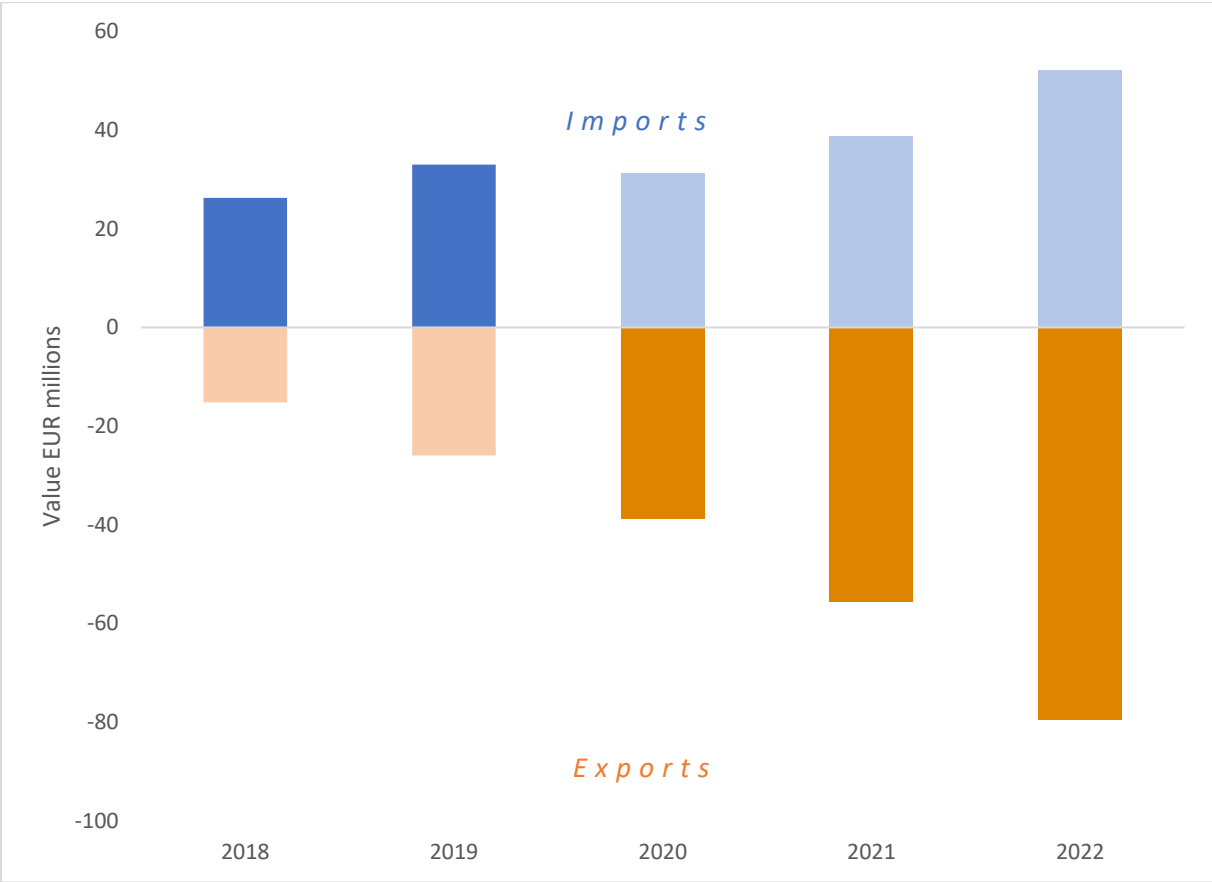
Production of pasta domestically has grown in recent years as the food processing sector as a whole expands in the country. 2022 production was estimated to be around 123 000 tonnes, up from 94 000 tonnes in 2019. There are an estimated 40 pasta producing companies in the country, and production tends to be focused around urban areas. The most popular varieties of pasta produced in Kazakhstan tend to be macaroni, penne, and increasingly spaghetti, which are also among the most popularly enjoyed pastas within the country. The largest producer in the country

as of the end of 2023 is Mareven Food Central OOO, with a share of 26% of the market, followed by Sultan Marketing TOO, with a share of around 15%, and Koya OOO, with under 10%.

Imports and exports

As shown in Figure 5-44, Kazakhstan has transitioned from being a net importer of pasta, noodles and couscous in 2018 to becoming a net exporter of the product in 2022. Total imports have, however, continued to grow during this period, and in 2022, they were valued at EUR 52 million.

Figure 5-44: Trade balance (imports and exports) of pasta, noodles and couscous in Kazakhstan, 2018-22; value EUR millions

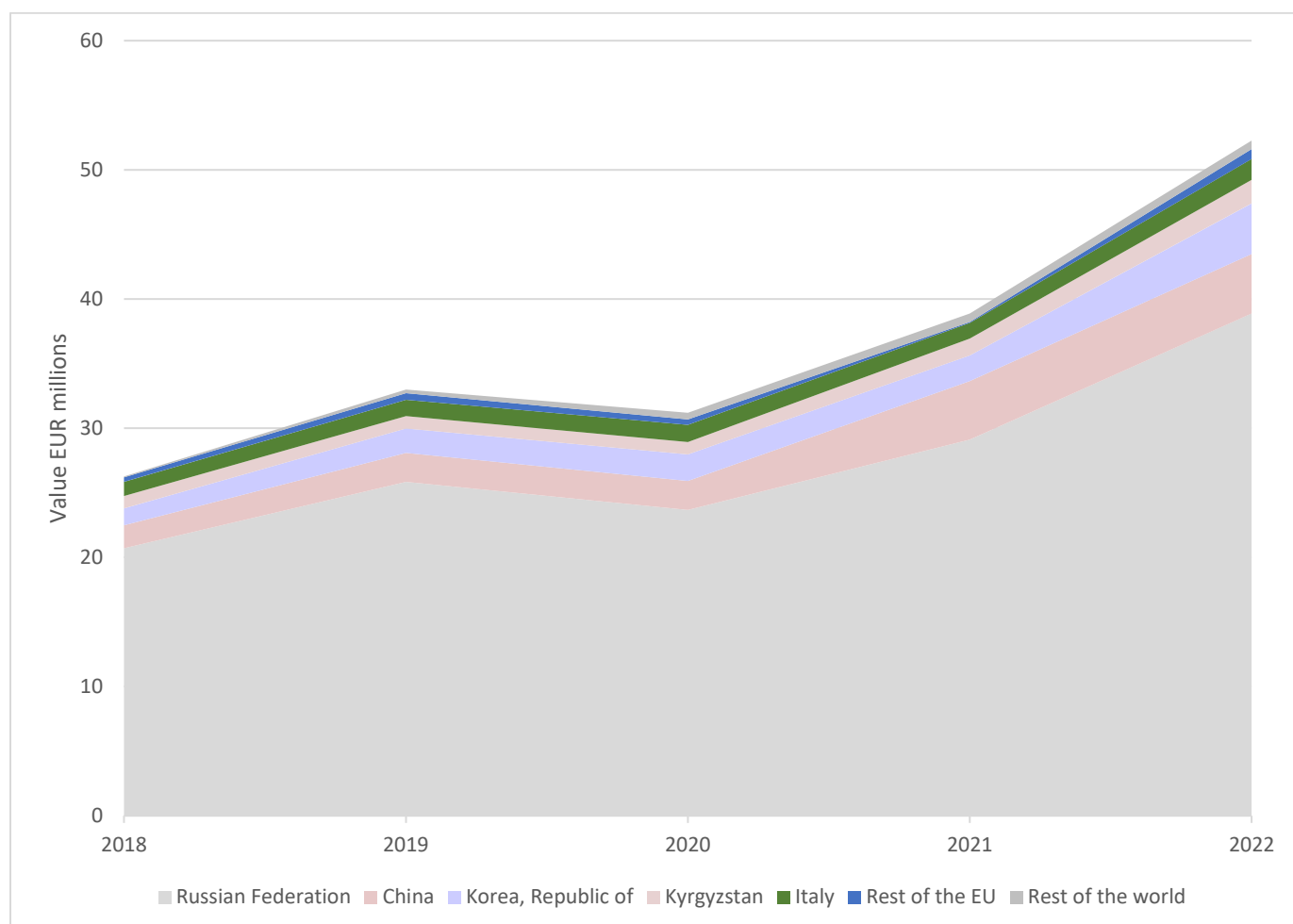


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1902.

The origin of Kazakh pasta, noodles, and couscous imports is shown below in Figure 5-45 and shows that Russia is the largest exporter by a significant margin, with a share of around 75% of total exports, or a value of EUR 38 million. Chinese exports had a value of EUR 4.5 million, followed by South Korea's value of EUR 3.9 million. The largest and main exporter from the EU is Italy, which exported a total of EUR 1.8 million worth of pasta, noodles and couscous to the country in 2022.

Figure 5-45: Kazakh imports of pasta, noodles and couscous by country, 2018-2022; value EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1902.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

Domestic production, which has grown to the point of self-sufficiency, coupled with the influx of Russian exports stands as the main competition for EU pasta producers seeking to enter the Kazakh market. A major consideration in this respect is that there is a traditional method of consuming pasta in Kazakhstan which favours pasta from the aforementioned origins.

5.10.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. The key requirement for pasta is a declaration of conformity, though other requirements may apply.

In terms of tariffs, pasta generally faces an ad valorem tariff of 15%.

Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – pasta, noodles, couscous category (1902) from Italy to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1902&origin=IT&destination=KZ>

Standards

CU Technical Regulation TR TS 021/2011 on Food Safety contains some provisions specifically relevant for pasta. The full law and amendments in Russian can be found here: <http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevayaProd.aspx>. A full translation of the original 2011 version (prior to amendments) can be found here: http://www.rustandard.com/images/CU_TR/TR_CU_021.2011_Safety_of_Food_Products.pdf

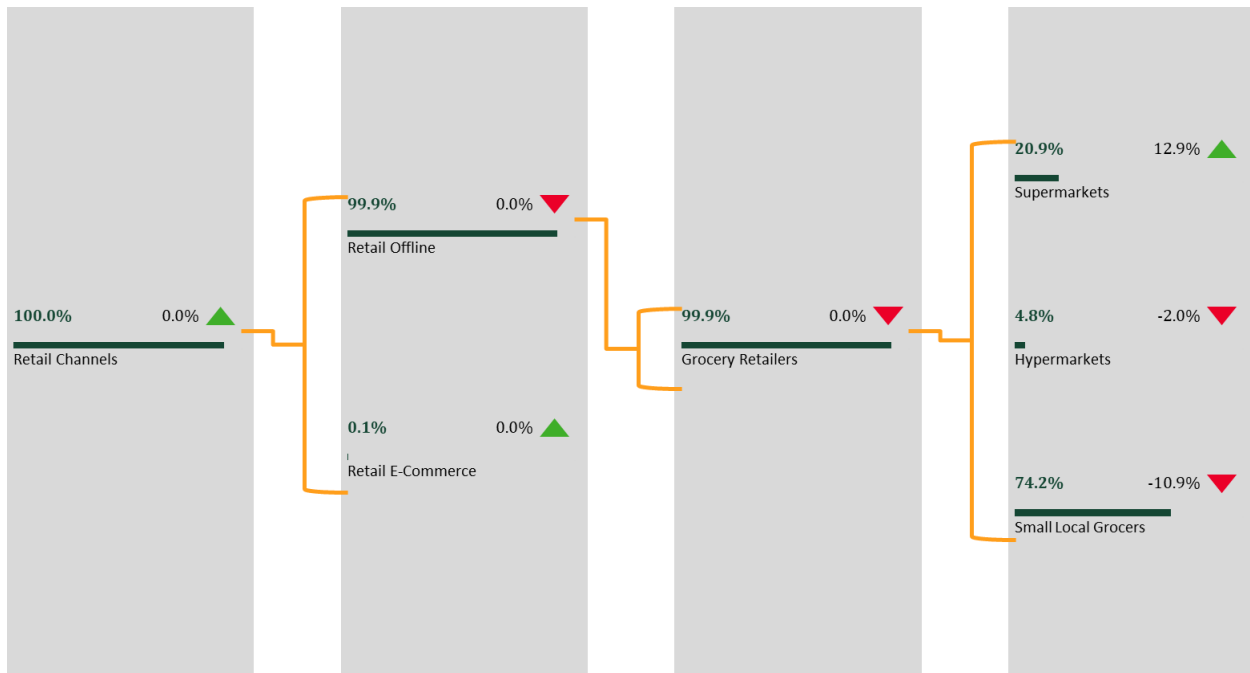
Labelling

Pasta must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.10.5 Distribution

As shown below in Figure 5-46 shows that small local grocers are the biggest distributors of pasta, rice and noodles within the Kazakh market, with a share of 74% of the market. This is followed by supermarkets with a share of 21% of the market and hypermarkets with a share of 5%.

Figure 5-46: Distribution channels of pasta in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.10.6 Challenges for EU products

The main challenges in this market include the high costs of EU (or mainly Italian) pasta products in Kazakhstan against the backdrop of an established and growing domestic production base and the influx of Russian exports to the country. Kazakhstan's traditional use of pasta products favours this domestic and Russian production. It will be largely higher-income earners or middle-income earners seeking to splurge that will seek out EU pasta in Kazakhstan. Many Kazakh producers also produce pasta products similar to those of EU origin, such as macaroni, spaghetti, and penne, and can offer them at a cheaper price compared to authentic EU exports.

Market Takeaway: Pasta

Consumption: Strong consumption amongst urban consumers, which is a segment of the population that continues to grow. Consumers of EU (or Italian) pastas are likely to be higher-income earners living in urban centres or in some cases middle-income earners.

Competition: An established and growing domestic production sector coupled with the influx of Russian imports.

Distribution: mainly from small local grocers, who account for three quarters of sales by retail value.

Challenges: The high costs of EU pasta in the Kazakh market will dissuade most lower and even middle-income earners with access to cheaper and similarly styled domestic and Russian pastas.

Opportunities: The urban population of the country is growing, and consumers increasingly appreciate convenience foods. There is a small but growing Italian restaurant culinary scene in the larger cities of Almaty and Astana.

5.11 Processed Fruit and Vegetables

5.11.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Urban population of Kazakhstan, which is the key consumer group of this category, is growing. ▪ Western food service outlets, which drive the use of some processed fruit and vegetables, are increasingly common in Kazakhstan. 	<ul style="list-style-type: none"> ▪ The majority of sales (79%) are via small local grocers, who are very unlikely to stock EU-processed fruit and vegetables. ▪ The market overwhelmingly prefers fresh fruit and vegetable products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Growth in curiosity surrounding western consumption habits. ▪ Growing demand for convenience foods amongst the growing urban population. 	<ul style="list-style-type: none"> ▪ High inflation continues to threaten the sales of processed fruit and vegetables on the market. ▪ The influx of cheap fruit and vegetables from neighbouring states is indirectly and negatively impacting the processed fruit and vegetable market.

5.11.2 Consumption

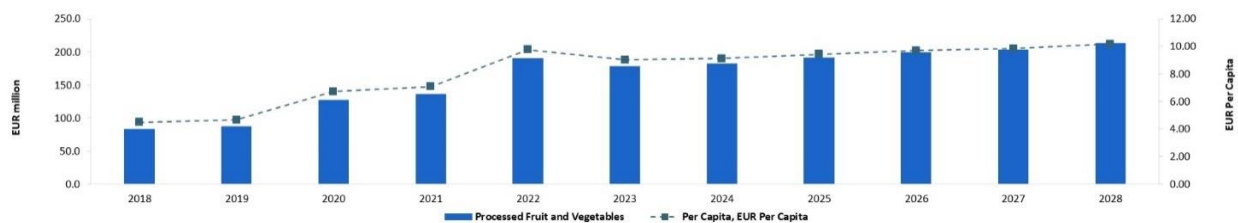
Evolution of consumption

As shown in Figure 5-47, processed fruit and vegetables have a market retail value of around EUR 178.1 million in the Kazakh market. This sector grew rapidly between 2018 and 2023, with a recorded CAGR during this period of 16.6%. The sector is expected to see a rapid decline in growth between 2023 and 2028, with a forecasted CAGR of 3.6% expected during this period.

While there is not a detailed breakdown of the categories, in indicative terms:

- The market is dominated by shelf-stable products. These make up around 98% of the market by value.
- Shelf stable vegetables more specifically are the most popular segment, accounting for around 2/3 of the market value.
- The market for frozen vegetables and potatoes remains very small, and there is no frozen fruit market of note.

Figure 5-47: Evolution and forecast of the processed fruit and vegetables market in Kazakhstan, 2018-2028; retail value (EUR million)



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Consumers in Kazakhstan continue to show a preference for fresh fruit and vegetables instead of processed fruit and vegetables, which is a market that is largely in its infancy in the country with the exception of the main urban centres. Consumers of processed fruit and vegetables are likely to be urban consumers. Rural consumers tend to grow their own fruit and vegetables, with some processing them into juice or jam or even pickling them; although this tends to be done within the home rather than purchased by a retailer in a rural area. Therefore, urban consumers are the main consumer group, with young and middle-aged urban consumers being a particular target, as these consumers are more likely to appreciate the convenience of processed fruit and vegetable products or demand products that can be consumed relatively quickly. Middle-income and higher-income earners are furthermore likely to purchase processed fruit and vegetables as they are generally more expensive than most fresh fruit and vegetable products, which is only further compounded by the spike in inflation within Kazakhstan in recent years.

Drivers and method of consumption

The main drivers behind processed fruit and vegetable consumption are the demand for a niche product and the demand for convenience foods within the larger urban centres of the country. Consumers in Kazakhstan, particularly younger and middle-aged ones, are more receptive to western food consumption trends. This, coupled with the rise of modern grocery retail chains in Kazakhstan, has aided the total sale of processed fruit and vegetables. The rise of food service outlets from western brands or inspired by western production practices in larger urban centres has further acted as a driver of some processed fruit and vegetable sales in recent years. Commonly, processed fruit and vegetables are designed to be consumed quickly or easily incorporated in meals, and this is the most common method of consumption among consumers within Kazakhstan who appreciate the ease of preparation and consumption that processed fruit and vegetables afford. The products are most commonly used in the preparation of various dishes as well as for making sauces, salads and soup.

Purchase criteria

Consumers expect processed fruit and vegetables to cost slightly more than fresh fruit and vegetables, but not by a large amount. Consumers continue to be heavily impacted by inflation, which has forced producers of processed fruit and vegetables to downsize their offerings in order to remain price-competitive in the market via methods such as reduced packaging or reduced varieties of fruit and vegetables. Consumers generally seek out processed fruit and vegetables

that can be conveniently consumed, and producers should further take this into account when packaging these products. Kazakh consumers tend also to expect fresh fruit and vegetables to have little to no blemishes or irregularities, which extends to processed fruit and vegetables to a degree, particularly the niche frozen processed vegetables market.

Recent market trends

The more influential recent market trend within this market in recent years include:

- **Unit price increases remain a large influence over sales.** The most important trend influencing sales of processed fruit and vegetables in Kazakhstan in the last two years was substantial unit price growth as high inflation continues to impact the domestic market, which means local consumers are paying far more for their processed fruit and vegetable products than in previous years, which is having a negative impact on the market as a whole for processed fruit and vegetables.
- **Peas, corn and tomatoes are the key drivers of sales within this sector.** Shelf-stable peas, corn, and tomatoes, as well as frozen peas and corn, remain the most popular products categorized under processed fruit and vegetables in Kazakhstan. These types of products are all seen as essential staples, and they are widely used in the preparation of various dishes.
- **Influence of imports of fresh fruit and vegetables from neighbouring states impacts the market.** The influence of cheap fresh fruit and vegetables from neighbouring Uzbekistan, Tajikistan, and Turkmenistan continues to impact the processed fruit and vegetable market in Kazakhstan, as consumers are continuously under financial strain in a market influenced by high inflation. Processed fruit and vegetables struggle to compete with even Kazakh-produced fresh fruit and vegetables, and the growth of the production of fresh fruit and vegetables in lower-cost neighbouring countries is an influence.
- **Food service sector is the key driver of sales.** Food service outlets in Kazakhstan have grown substantially in recent years, with western brands such as KFC and Burger King being established in the market and offering processed fruit and vegetable products. Domestic and Russian food service outlets are also growing in popularity as the population continues to urbanize and typically prefers to stock processed fruit and vegetables as they can be stored longer and incorporated into a wide variety of meals.

5.11.3 Offer

Domestic production

Domestic production in Kazakhstan continues to be influenced by the lack of large-scale storage facilities in the country for certain fresh fruit and vegetable products that could be processed, such as carrots, potatoes, and tomatoes. Kazakh producers further tend to focus on larger urban areas of the country, meaning any major facility is likely to be located near a major city such as Almaty or Astana. The French company Bonduelle Groupe SA stands as the largest producer of processed fruit and vegetables by a considerable distance, with a market share of around 45%. This makes the company a key trend-setter in the market, as many other producers tend to be inspired by the production and marketing practices of Bonduelle Group. Kublei TOO is the second-largest company with a market share of around 13%, followed by Mercu Aussenhandles GmbH with a market share of 8%. The rest of the market is made up of smaller producers.

Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately primarily captured under the trade data for fruit and vegetables in section 5.1.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

The main competitors in this market come from domestic producers who have increased their production capacities in recent years to cater to growing demand for convenience foods in the Kazakh market. Russian imports and imports from Central Asian states are also likely to pose significant competition for EU-processed fruit and vegetables in the market.

5.11.4 Specific market entry requirements

Market access and entry; Standards, SPS measures; Labelling

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

Processed fruit and vegetables are often classified as products under phytosanitary control, though depending on the CN code they may be classed high risk or low risk. A link to decision no 318 which establishes the list of high and low risk products under phytosanitary control (by CN code) can be found at the following page:
<http://www.eurasiancommission.org/en/act/txnreg/Pages/acts.aspx>

For high risk products, a phytosanitary certificate and inspection certificate will be needed as well as a declaration of conformity.

In terms of tariffs, these vary depending on the type of fruit or vegetable and it is recommended to check at the link below.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – frozen fruit category (0811) from Spain to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0811&origin=ES&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of dried fruit and vegetables. This can be found at:

https://tradeinfo.kz/objective/search?!=en&embed=&includeSearch=true&filter_tab=1&right_drawer=false&flt_1=49&prd_1=&flt_2=100&prd_2=

5.11.5 Distribution

As outlined in Figure 5-48, small local grocers are the main channel for the sale of processed fruit and vegetables in Kazakhstan, with this channel accounting for around 79% of all sales, followed by supermarkets with a share of 16% of the market and hypermarkets with a share of 6% of the market. The importance of modern retail channels is increasing rapidly.

Figure 5-48: Distribution channel overview of processed Fruit and Vegetables in Kazakhstan (2023)



Source: Euromonitor International: Packaged Food, 2023.

5.11.6 Challenges for EU products

Price is the main challenge in this market, as is the logistics of sending non-shelf stable processed fruit and vegetables to Kazakhstan, though the market for frozen products is very small. Consumers in Kazakhstan are increasingly struggling with high inflation, which encourages them to seek out cheaper variants of products. In this case, fresh fruit and vegetables are far more price-competitive compared to more expensive processed fruit and vegetable products. The influx of cheaper fruit and vegetable products from neighbouring countries has also negatively impacted the processed fruit and vegetable market, even for domestic producers.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumption is concentrated amongst younger and middle-aged consumers living in urban areas of the country with greater access to food service outlets and a greater desire for convenience foods.

Competition: Competition from domestic producers coupled with imports from neighbouring countries provides the biggest competition for EU producers.

Distribution: Mainly via small local grocers, who account for 79% of sales, supermarkets and hypermarkets account for the rest of sales.

Challenges: Competing in a market that prefers fresh fruit and vegetables and is increasingly struggling with high inflation makes it difficult to scale exports of processed fruit and vegetables to Kazakhstan.

Opportunities: Growing urban population coupled with rising interest in western food consumption habits.

5.12 Breakfast cereals

5.12.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Polish exports have grown from zero to over EUR 500 000 within two years. ▪ Rise in awareness of breakfast cereal products in the country, with sales growing year on year over the past 5 years. 	<ul style="list-style-type: none"> ▪ Kazakh consumers continue to largely not consider breakfast cereals as a mainstream breakfast option. ▪ Breakfast cereals are more expensive than traditionally enjoyed breakfast foods, which makes it additionally difficult to compete in a market impacted by high inflation.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Growing urban population and demand for convenience foods in Kazakhstan. ▪ Hot cereals are well positioned due to their closeness to traditional breakfast foods. ▪ Ready to eat cereal demand among children continues to grow, with sweeter options popular. 	<ul style="list-style-type: none"> ▪ Russian exports of breakfast cereals dominate the Kazakh market presently. ▪ Domestic production is growing, although it is unlikely to fully meet demand in the short term.

5.12.2 Consumption

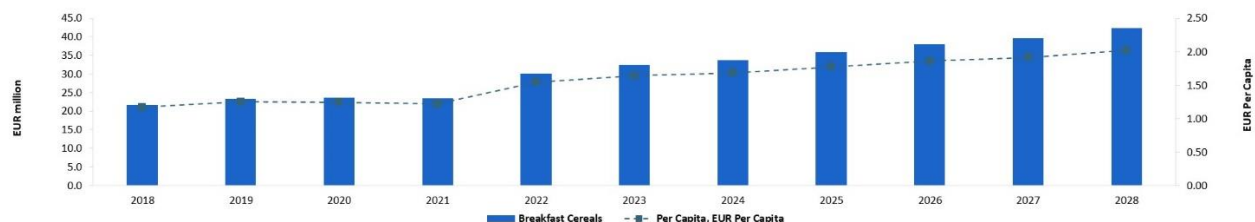
Evolution of consumption

As shown below in Figure 5-49, breakfast cereals have a total retail value in Kazakhstan of EUR 32.4 million, with the product growing rapidly between 2018 and 2023 with a recorded CAGR of 8.5% during this period. Total growth rates are expected to decline but will remain relatively healthy, with a predicted CAGR of 5.4% expected between 2023 and 2028.

While there is not a detailed breakdown of sub-categories, in broad, indicative terms:

- The hot cereals market is slightly bigger than the ready to eat (RTE) market; with hot cereals accounting for 55 to 60% of the breakfast cereal market.
- Within the RTE segment, children's cereals are dominant. Indeed, they account for over ¼ of the total breakfast cereals market.
- The market for muesli and granola remains very small – under 10% of the total breakfast cereals market.

Figure 5-49: Evolution and forecast of the breakfast cereal market in Kazakhstan, 2018-2028; retail value EUR million



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Traditionally, breakfast cereals have not been mass consumed in Kazakhstan, with the product being more common only in the past decade and aimed primarily at children, teenagers, and young to middle-aged urban workers. A typical breakfast in Kazakhstan tends to include bread, dairy products, and fruit, although breakfast cereals have increasingly become more common, particularly in urban centres with greater access to international-oriented food items.

Drivers and method of consumption

The key driver behind breakfast cereal consumption in Kazakhstan has been increasing interest in western food consumption habits and the rising urban population of the country, which is projected to continue to grow for a number of upcoming years. Kazakh consumers further appreciate the convenience of breakfast cereal products and the incorporation of milk as a complementary product, with milk consumption being among the highest in the world per capita in Kazakhstan. Kazakh consumers largely associate breakfast cereals as a product to be consumed in the morning, and methods of consumption mirror those of the west, although at times the incorporation of berries and apples is notable in this market. Hot cereals do particularly well due to their similarities to traditional breakfast foods such as porridge. Breakfast cereals with a high sugar content tend to be served to children as a desert dish rather than as a standalone breakfast meal.

Purchase criteria

Nutritional value, price, and convenience are the three main purchasing criteria for consumers of breakfast cereal products in Kazakhstan. Increasingly health-conscious consumers are paying ever closer attention to the nutritional content of products, which extends to breakfast cereals, with parents increasingly concerned about products with a high salt or sugar content, which may encourage them to seek out healthier breakfast cereal products for their children. Price also plays a key role, with most major breakfast cereal products being imported from abroad, which may dissuade lower-income earners who have the option of cheaper products such as bread or fruit. Convenience, particularly for urban consumers, is an ever-growing criterion, and breakfast cereal packaging that can be stored for a prolonged period will resonate with consumers in the country.

Recent market trends

Some of the more recent market trends of influence in the Kazakh breakfast cereal market include:

- **Breakfast cereal sector is small, but demand is growing.** Breakfast cereals remain a small category within the staple foods of Kazakhstan, and consumers in the country generally do not consider breakfast cereals an important part of their daily nutrition. Breakfast cereal sales are concentrated in the country's two largest cities, Astana and Almaty. Nonetheless, demand is slowly increasing in the country's many second-tier cities as the increasingly affluent urban middle class has become more metropolitan in their tastes. The accelerating pace of life has made the convenience that breakfast cereals offer more appealing in recent years.
- **Hot cereals are benefiting from their association with traditional breakfast food products.** Hot cereals are the most popular breakfast cereals in Kazakhstan, owing to the similarities between oat porridge and various grain-based dishes that have

traditionally been consumed in Kazakhstan, particularly during the cold winter months. This means that a variety of products categorized under hot cereals seem quite familiar to many consumers, which makes it easier for producers to market their products to the Kazakh consumer base.

- **Ready to eat (RTE) cereals increasingly enjoyed by children.** Children's breakfast cereals continue to account for a large portion of RTE cereal sales, even though family breakfast cereals generate more sales overall. While RTE cereals are popular among children in Kazakhstan, many parents are sceptical of their value as breakfast dishes, preferring to serve them as a dessert after dinner or lunch. While the majority of RTE cereals sold in Kazakhstan are marketed specifically to children, some are marketed to adults and are generally positioned as healthier options.
- **The sweet tooth of many Kazakh consumers set to benefit breakfast cereal products.** As mentioned in the sectors regarding chocolate, sugar confectionery and biscuits, Kazakh consumers have a sweet tooth, and sweet products tend to perform well in the country. The nicheness of breakfast cereals has helped many consumers associate them with confectionery products, with a large number of consumers only consuming breakfast cereals as a treat or snack product. Because so many people in Kazakhstan enjoy sweet foods, the category is expected to continue recording positive sales growth over the next years.

5.12.3 Offer

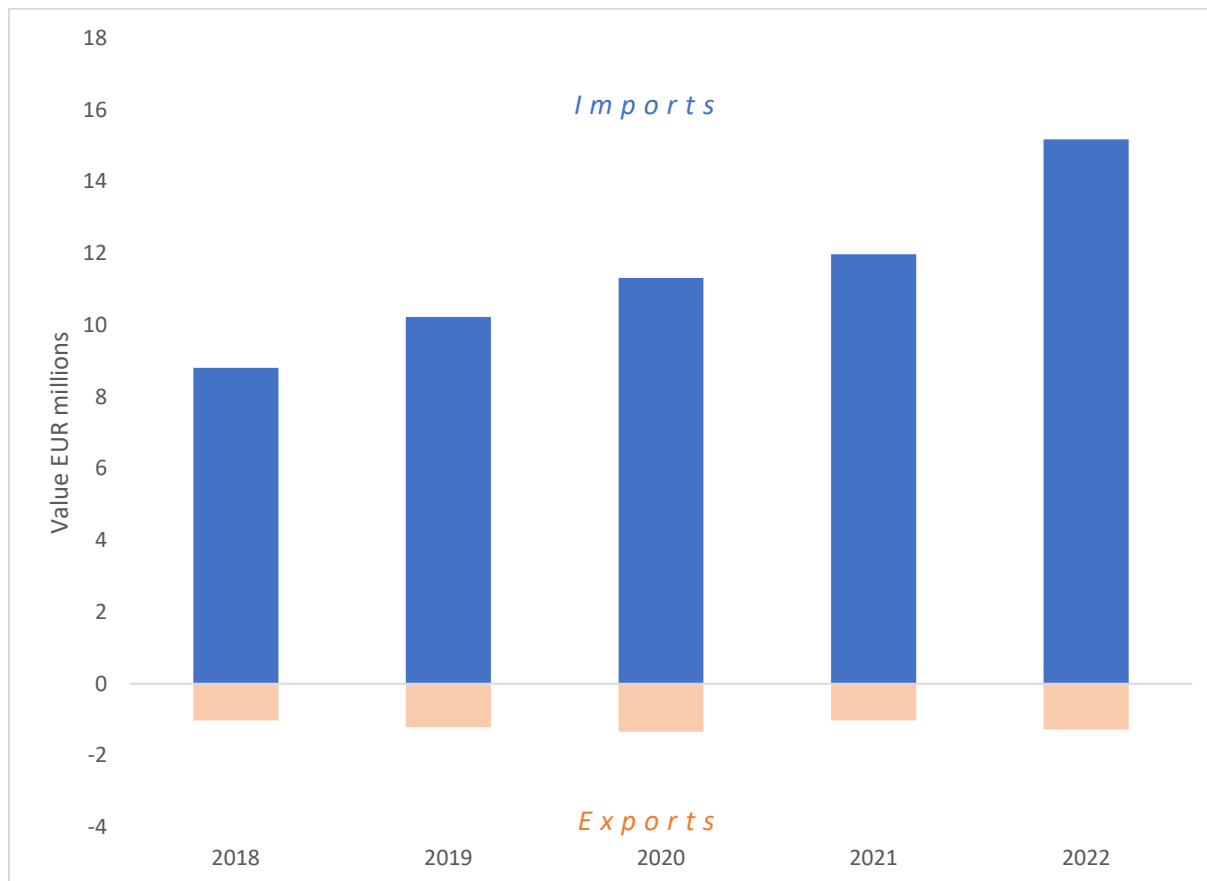
Domestic production

Kazakhstan does have a growing food processing sector; however, the production of breakfast cereals remains limited in the country as producers tend to focus on other major breakfast food items such as bread and dairy products, which remain preferred in the country. The larger producers tend to be multinational companies such as Nestle Food Kazakhstan (with a share of 42% of the market) and Russian producer Soyuzpischeprom (just under ¼ of the market), offering a mix of domestically produced and imported products. These companies are also the main trend-setters within the Kazakh breakfast cereal market. Producers, where present, tend to focus their production within the vicinity of major urban centres such as Almaty and Astana.

Imports and exports

As Figure 5-50 below shows that Kazakhstan is a net importer of breakfast cereal products, with imports growing year on year between 2018 and 2022 from a figure of EUR 8.8 million in 2018 to EUR 15 million in 2022. Imports are likely to continue growing as demand for breakfast cereals gathers pace in Kazakhstan.

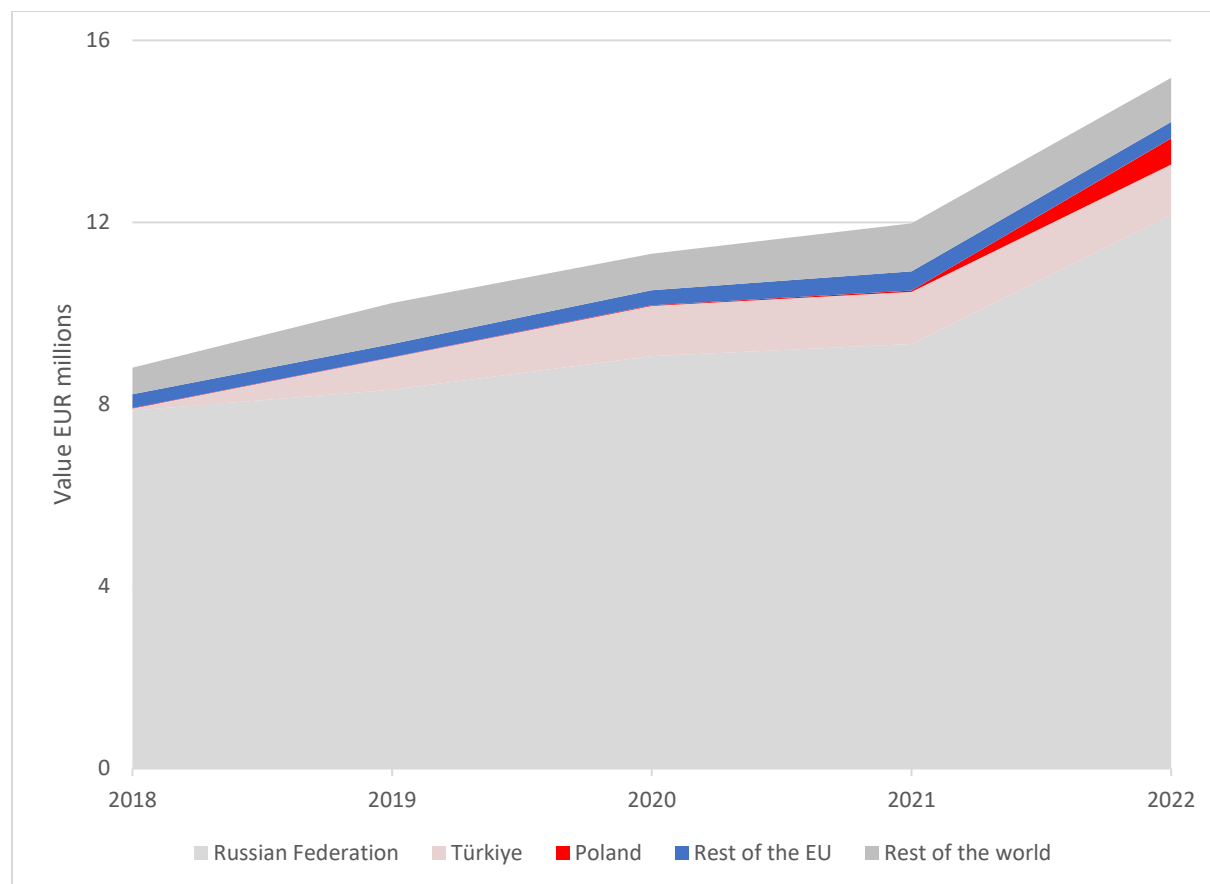
Figure 5-50: Trade balance (imports and exports) of breakfast cereals in Kazakhstan 2018-2022; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904.

As can be seen in Figure 5-51, Russian imports account for most breakfast cereal exports to Kazakhstan, with around 80% of all exports coming from the country. Turkey is the second-largest exporter, with Poland following with a total trade value of around EUR 573 000, a significant growth in recent years. Lithuania and Germany sent a minimal amount of breakfast cereals to Kazakhstan in 2022.

Figure 5-51: Kazakh imports of breakfast cereal by country, 2018-22; EUR millions

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904.

Main competitors

Russian cereals are the main competitor in this market, as domestically there remains a minor domestic production base. Turkish imports also present competition to a lesser degree.

5.12.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. The main requirement for breakfast cereals is a declaration of conformity.

In terms of tariffs, breakfast cereal faces an ad valorem tariff of between 10 and 12%.

Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general breakfast cereal category (1904) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1904&origin=FR&destination=KZ>

Standards, SPS measures

CU Technical Regulation TR TS 021/2011 on Food Safety contains some provisions which may be relevant for breakfast cereals. The full law and amendments in Russian can be found here: <http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevayaProd.aspx>. A full translation of the original 2011 version (prior to amendments) can be found here: http://www.rustandard.com/images/CU_TR/TR_CU_021.2011_Safety_of_Food_Products.pdf

Labelling

Breakfast cereals must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.12.5 Distribution

As Figure 5-52 shows that small local grocers are the main distributors of breakfast cereals within the Kazakh market, with a share of 55% of sales. Supermarkets are also significant, with a share of 25%, which is closely followed by hypermarkets with a share of 20%. Supermarkets are increasing rapidly in their importance.

Figure 5-52: Distribution channel overview of breakfast cereals in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.12.6 Challenges for EU products

The key challenge in this market comes from the lack of association of breakfast cereals as a mainstream breakfast meal option, with many consumers associating it with a dessert item instead due to the high sugar content of certain breakfast cereal products. Perceptions are changing, and urban consumers increasingly appreciate the convenience and versatility of breakfast cereal products, which is aiding in the rise in total demand for these products within the country. Competition from Russian imports is another key challenge, and Russian producers benefit from cheaper logistical costs and tariffs when sending their breakfast cereal products to Kazakhstan due to Russia and Kazakhstan being jointly within a customs union.

Market Takeaway: Breakfast Cereals

Consumption: *Small but growing urban consumers are the main consumer group for breakfast cereal products, with parents increasingly offering breakfast cereals to their children. A small market for healthier variants of breakfast cereals aimed at adults is also appearing in the market.*

Competition: *Russian exports are the main competitor in this market, as Russian exports dominate the market in Kazakhstan. Domestic production is picking up but has yet to scale up to meet total demand within the country.*

Distribution: *mainly via small local grocers, who account for around 55% of all sales. Supermarkets (25%) and hypermarkets (20%) are the other channels.*

Challenges: *Breakfast cereals are still not considered a mainstream breakfast meal in Kazakhstan with consumers preferring to choose cheaper and more traditionally consumed breakfast meals such as bread, fruit and dairy products.*

Opportunities: *growing urban population, which increasingly appreciates convenience foods. Hot cereals also benefit from their association with other hot dishes, such as porridge, which has been more traditionally consumed in Kazakhstan.*

5.13 Biscuits / cereal bars

5.13.1 SWOT analysis

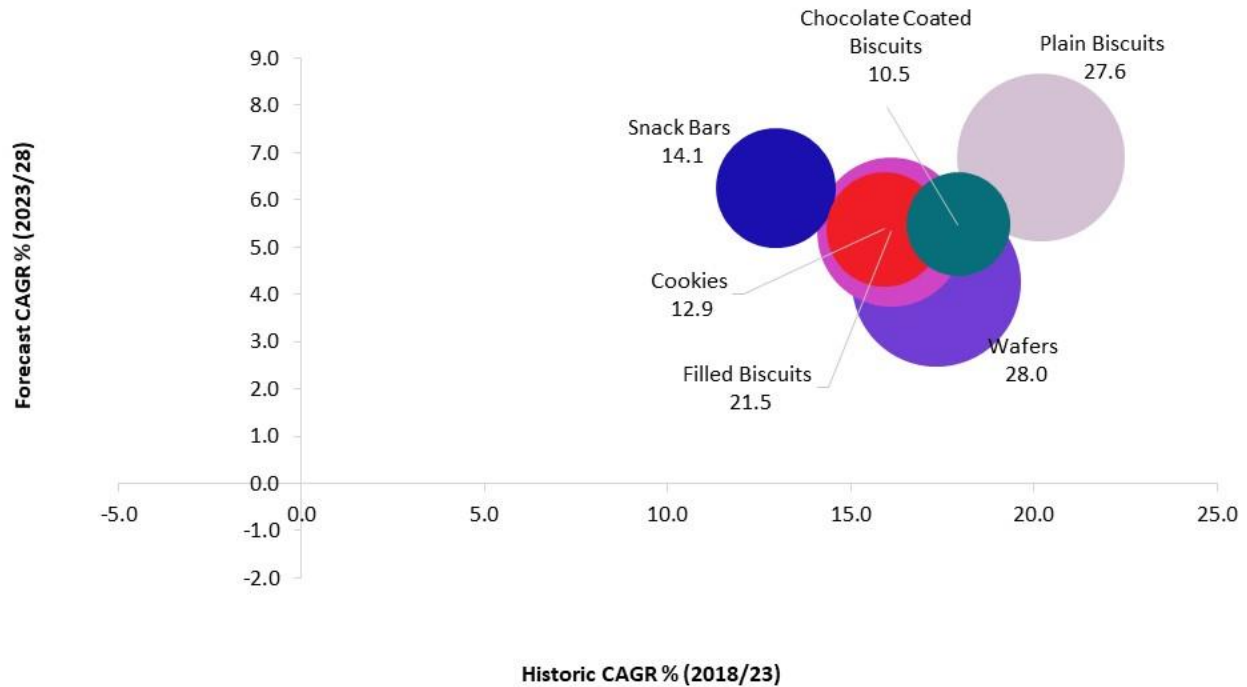
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The market has grown strongly over recent years at rates between 12 and 20% per year. ▪ A strong net importer of biscuits with limited and fragmented domestic production. 	<ul style="list-style-type: none"> ▪ Generally a value-focused market; and as some consumers are trading down from other sweet treats to biscuits, the value focus is further strengthening. ▪ The value focus further means that the market, while not insignificant in value terms, is not as valuable as volume may suggest.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Kazakh consumers are interested in a variety of different biscuits, creating potential opportunities across different categories. ▪ Falls in the importance of imports from the historical origins of Russia and Ukraine are creating opportunities for other exporters to enter the market. ▪ Increasing interest in products with certain health and nutrition characteristics (e.g. no sugar). 	<ul style="list-style-type: none"> ▪ With inflation and trading down noted above, the market has pushed even further to the value end recently, favouring cheap plain biscuits but challenging other types. ▪ While Russia's grasp on the market has weakened slightly, it remains the dominant import origin by some distance and hence a notable competitor.

5.13.2 Consumption

Evolution of consumption

The market for biscuits and cereal bars is divided between various different categories. Wafers and biscuits are the two largest categories, both with market values of around EUR 28m. Filled biscuits, snack bars and cookies follow with market values of EUR 22m, 14m and 12m respectively. Chocolate coated biscuits are the smallest segment, but still quite big in the context of other market sizes at EUR 10.5m. All segments have grown rapidly over recent years, at rates of between 12 and 20% per year. Going forwards, all segments are forecast to grow around 5% per year over the next years (Figure 5-53).

Figure 5-53: Evolution and forecast of the market for sweet biscuits and snack bars in Kazakhstan, 2018-2028; EUR million



Source: Euromonitor International: Packaged Food, 2023.

Consumers

While sweet biscuits are quite widely consumed in Kazakhstan, the most common overarching consumer group is families with children. Office workers are another notable consumer group which often crosses over into snack bars; while fitness enthusiasts are probably the key consumer group for cereal bars. There are further niches of consumers within these broader groups based on health needs/preferences; most notably, with a diabetes rate above that of many western countries in a country where sweet treats are popular, there is a consumer group with an interest in low sugar products.

Demand for biscuits transgresses social classes to some extent, with income levels ultimately likely to play some role in the biscuits they choose.

Drivers and method of consumption

The two main methods of consumption of biscuits in Kazakhstan are as a sweet snack/treat; and gifting. With regards to the latter, it is traditional for visitors to bring a gift in Kazakhstan, and this most commonly is a sweet gift, making biscuits suitable; particularly given the range of flavours/varieties and price points. With inflation and budgets tighter, biscuits have benefitted in terms of demand from gifting. A further, slightly less prominent driver of consumption of festivals (e.g. *Nauryz*, the August *Chabana* festival) during which biscuits may be consumed as a desert or treat. There is a general preference for traditional sweet cookie-style biscuits during these

festivals; though some players (multinationals and retailers) have offered festival-themed products - special editions in the case of the former; and baskets of different biscuit types including imported ones, in the case of the latter.

Cereal bars also tend to be consumed as a snack or treat, but health considerations tend to be the factor which push consumers towards this category at the expense of biscuits. That said, consumers with strong health concerns are likely to consider healthy alternatives such as fruit snacks to both biscuits and cereal bars. There is a segment of the population which consumes biscuits or cereal bars during breakfast.

Purchase criteria

Price tends to be a consideration of most consumers of biscuits and cereal bars. As implied above, the category is often in competition with chocolate and confectionery, whether it be for snacking or gifting purposes; and biscuits or cereal bars will often be chosen due to their lower pricing point. The strong popularity of plain biscuits is reflective of the price focus of the market – plain biscuits are the largest biscuit sub-category, accounting for a bit over 1/3 of the total biscuit market by volume. Cookies and filled biscuits tend to be more popular with younger demographics. Alongside price, another key consideration for mainstream consumption is that of availability.

For the cases where price is not the primary consideration, a stronger emphasis may be placed on quality, ingredients and brand. This is particularly true in the case of purchases for special occasions. There is also a subset of consumers which will take into account the nutritional value and/or health aspects of biscuits and cereal bars.

Recent market trends

- **Price focus.** As noted above, biscuits are often in competition with other sweet snacks, and one of the key reasons they tend to do well is the price. In an environment of rising price inflation, biscuits have done particularly well. This has played out not just in volume growth for biscuits at the expense of other products; but also an increase in the cheaper category of plain biscuits, at the expense of more expensive categories. Wafers in particular have suffered this shift, with the price of filling fats increasing, leading to a slight fall in the volume consumed over the last two years.
- **Health and nutrition focus.** Demand for healthier variants of biscuits and cereal bars has been increasing and it is expected that this trend will continue. Within the biscuit and bars segment, it means increased interest in products with natural sweet ingredients such as fruit and nuts, rather than artificial sugars. As noted above, there has also been the emergence of a niche of consumers interested in low sugar biscuits, whether due to medical conditions or other preferences. There are early signs of interest in products offering other nutritional benefits such as higher fibre. Indeed, these trends have played into the favour of some products of European origin.
- **Strategic partnerships and tailoring to the local market.** Some foreign operators have recently worked to tailor marketing and product strategies to align with Kazakh cultural values and preferences. The most common way has been collaboration with local distributors and retailers and to target festivals in Kazakhstan such as *Nauruz*, *Uraza* (Eid al-Fitr) and *Chabana*. In one case (see next section) a European operator has decided to set up production operations in country to be closer to the Kazakh market as well as the region more generally.

5.13.3 Offer

Domestic production

Domestic production is considerable but not sufficient to meet domestic demand – it is estimated that production meets around three-quarters of domestic demand for biscuits and cereal bars. There are a handful of domestic producers with notable production. Rakhat is the largest, followed closely by KDV Group. Both companies have shares just over 15%. In addition to biscuits and waffles, Rakhat has recently started producing baked products such as croissants as well; strengthening its position as a broader baked goods producer; and meaning it has a daily production of biscuits, baked goods and other confectionery in the region of 250 tonnes (leading to an annual production across categories of around 90 000 tonnes). KDV is part of the larger Russian KDV Group; and the company has recently launched an online store to directly serve consumers in Almaty.

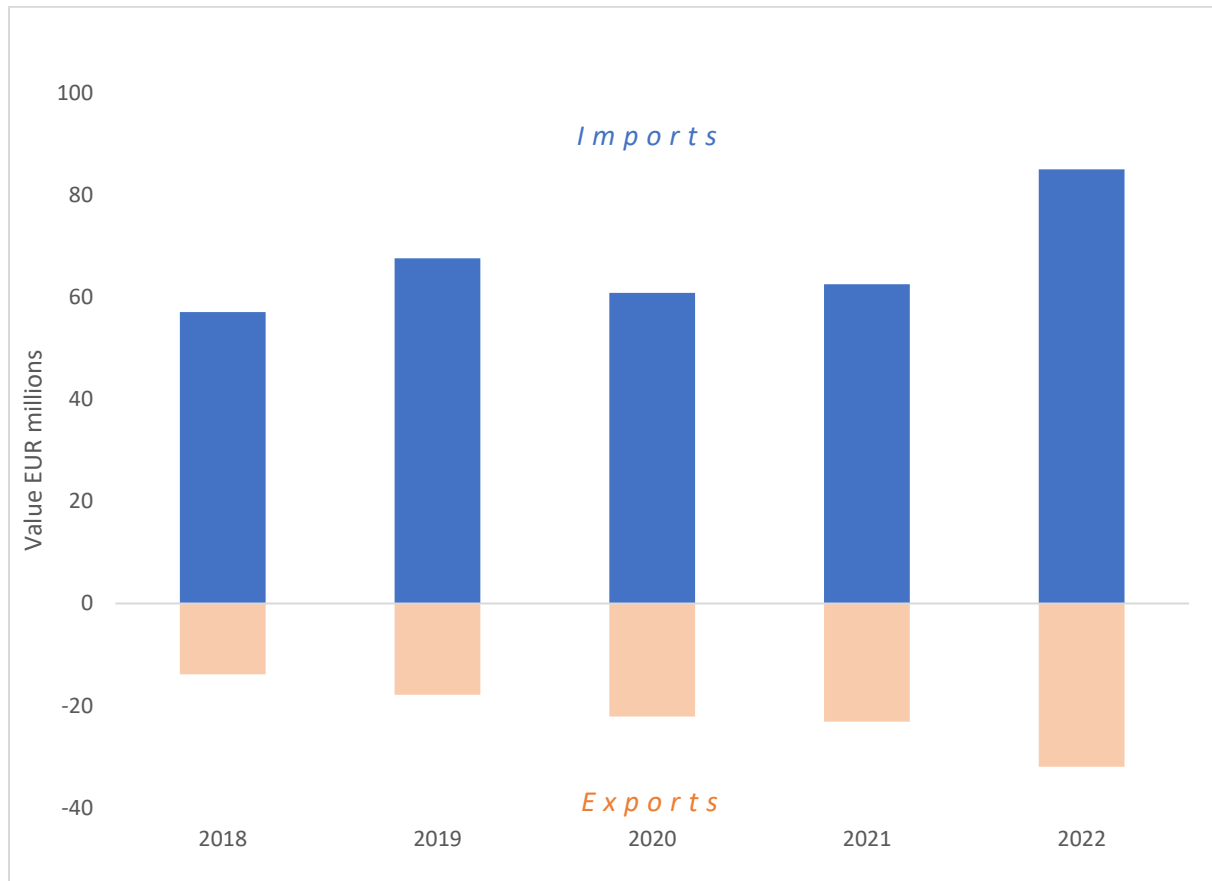
Pladis and Almatinskiy Product are the other larger domestic producers, each with shares in the 5-10% range. Mondelez Kazakhstan is sandwiched between these two groups of domestic producers, with just over 10% market share; though its products tend to aim at a more expensive segment than those products of the two market leaders. Bayan Sulu, which produces across the broader confectionery category, is also a notable domestic player.

It should be noted that Polish company Stocson has recently started construction of a plant in Kazakhstan, with the large resulting factory expected to both serve the domestic market and other countries in the region.

Imports and exports

Figure 5-54 shows that Kazakhstan is a net importer of biscuits, waffles and wafers. Imports totalled EUR 85m in 2022, up from EUR 57m in 2018. Exports were EUR 31.5m in 2022, having increased more rapidly than exports over the preceding five years.

Figure 5-54: Trade balance (imports and exports) of biscuits, waffles and wafers in Kazakhstan, 2018-22 value EUR millions

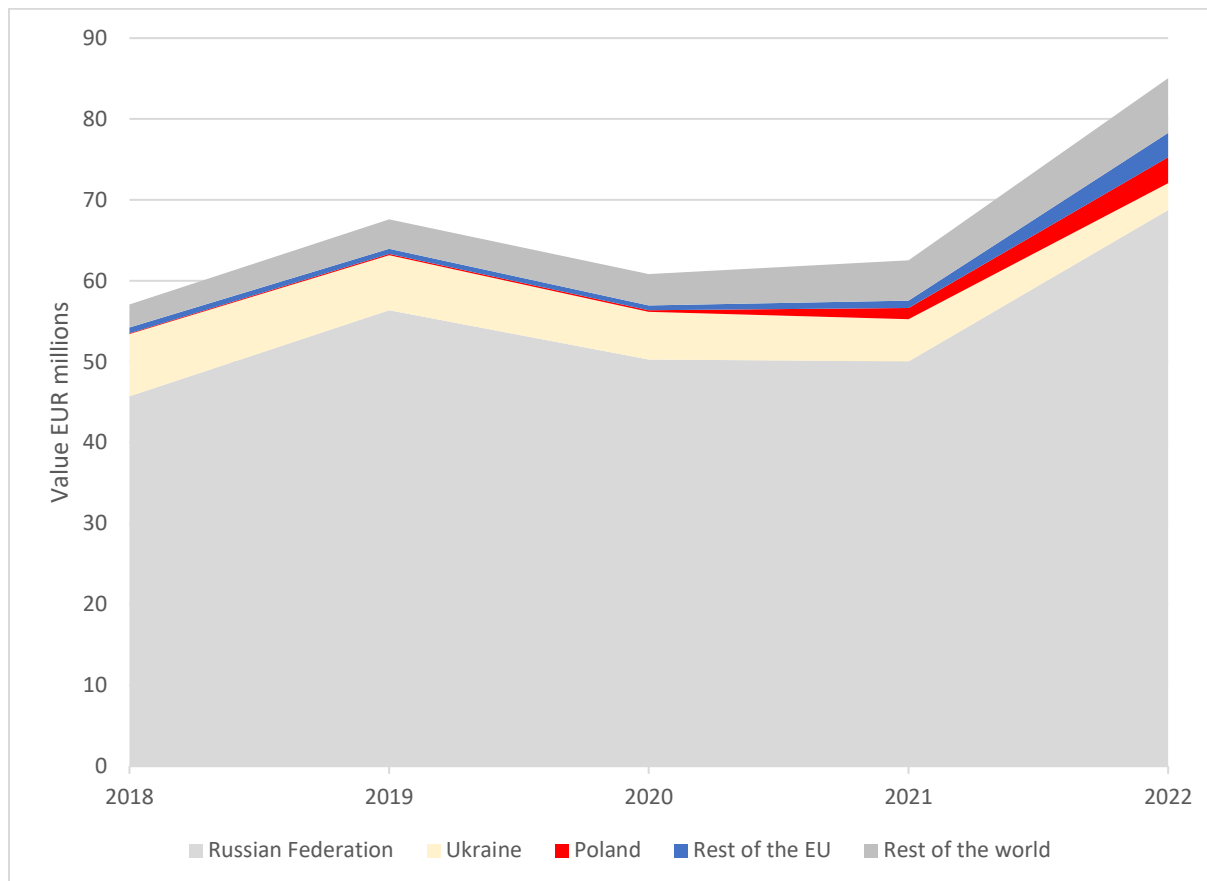


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 190531 and 190532.

In terms of origin, Russia is the dominant origin accounting for around 85% of imports in 2022. Ukraine is the second most important origin, though imports from Ukraine have fallen considerably over the last two years and been replaced by imports from Poland, which grew rapidly to reach just over EUR 3m in 2022 (Figure 5-55). There are some minor imports from other EU countries, though they are limited at EUR 3m. Bulgaria has emerged as a major origin (EUR 1.5m of exports in 2022), surpassing Germany (EUR 0.9m) to become the second largest EU exporter.

Figure 5-55: Kazakh imports of biscuits, waffles and wafers by country, 2018-22; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 190531 and 190532.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

Competition comes from a combination of domestic production and imports primarily from Russia, with the latter particularly strong in the wafers segment. The main challenge which EU exporters face in terms of competition is the price sensitivity of the market, which favours the aforementioned two origins.

5.13.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. The key requirement for biscuits/cereal bars is a declaration of conformity.

In terms of tariffs, biscuits and cereal bars generally face an ad valorem tariff of 11 or 12%, though some tariff lines have quantity tariffs.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general bakers' wares (1905) from Denmark to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1905&origin=DK&destination=KZ>

Standards, SPS measures

CU Technical Regulation TR TS 021/2011 on Food Safety contains some provisions specifically relevant for baked goods including biscuits. The full law and amendments in Russian can be found [here](http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevayaProd.aspx): <http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/PischevayaProd.aspx>. A full translation of the original 2011 version (prior to amendments) can be found here: http://www.rustandard.com/images/CU_TR/TR_CU_021.2011_Safety_of_Food_Products.pdf

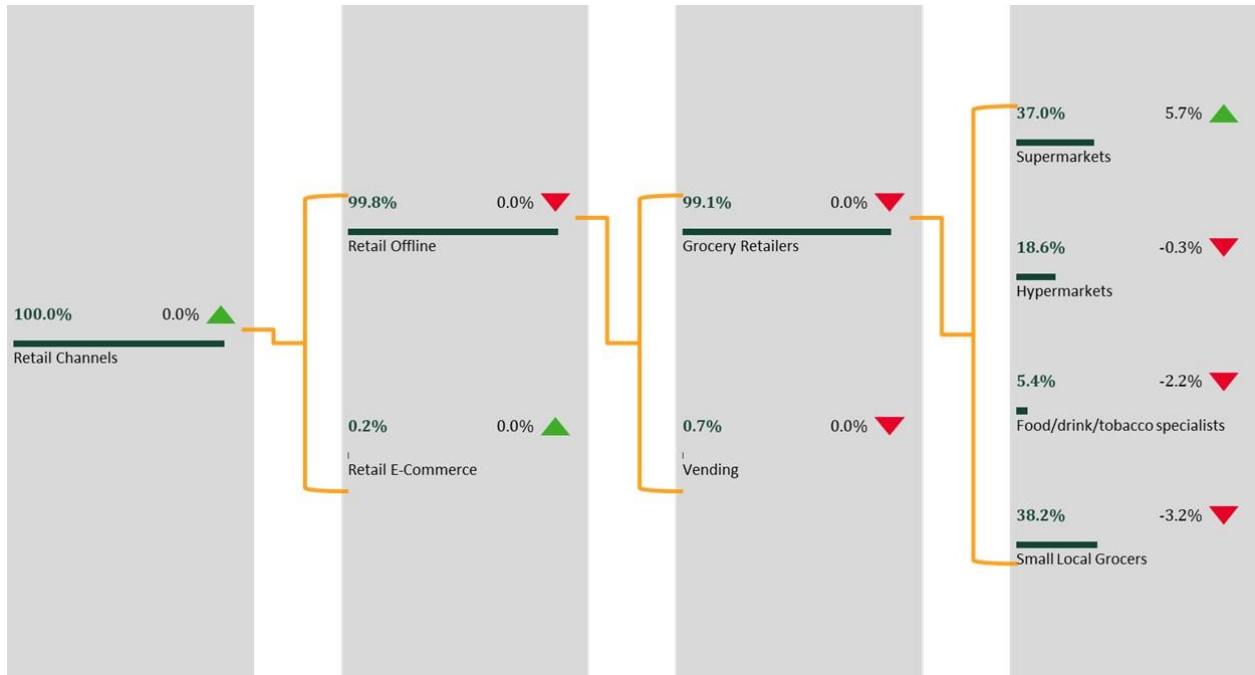
Labelling

Biscuits and cereal bars must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.13.5 Distribution

Distribution of biscuits in Kazakhstan is accounted for mainly by local grocers (38%) and supermarkets (37%). The only other channel of note is hypermarkets (19%). The importance of supermarkets has been increasing rapidly over recent years (Figure 5-56).

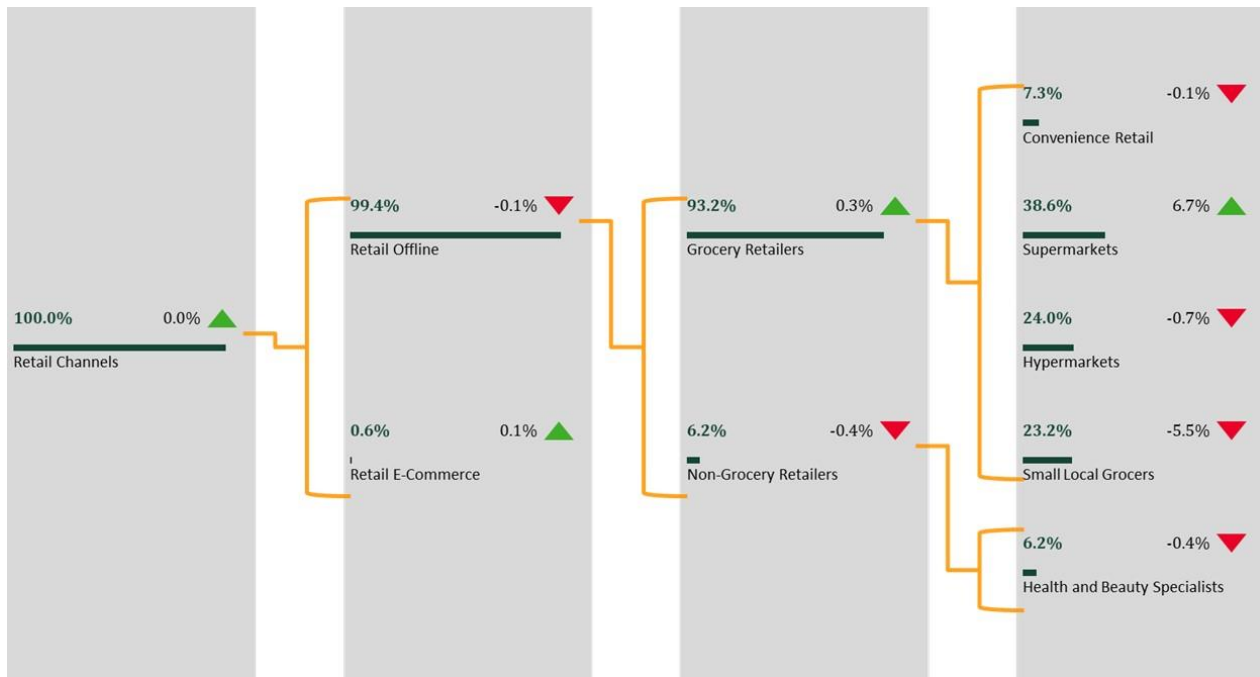
Figure 5-56: Distribution channel overview of sweet biscuits in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

As can be seen in Figure 5-57, supermarkets lead distribution of snack bars (39%), followed by hypermarkets (24%) and small local grocers (23%). As with biscuits, supermarkets have increased rapidly in importance over recent years.

Figure 5-57: Distribution channel overview of snack bars (including cereal bars) in the Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.13.6 Challenges for EU products

Possibly the biggest challenge facing EU exporters is the price focus of the market. Overall, the Kazakh biscuit market is very much focused on price, partly due to the product being considered a cheap alternative to other sweet product categories such as confectionery. This means that any EU exporters are likely to be competing on price, which is tough and favours domestic producers. Furthermore, the multinational Mondelez has quite a strong position in the segment which is less price focused. Despite these challenges, it should be noted that exports from Poland and Bulgaria have increased rapidly in the last couple of years; providing early signs of the potential for producers who can overcome these challenges.

Market Takeaway: Biscuits and cereal bars

Consumption: *considerable in volume terms though lower in value terms. Consumers enjoy various different types of biscuits.*

Competition: *a combination of domestic producers and Russian exporters both dominate the market and offer strong competition. Ukraine a further historical exporter though it has struggled of late.*

Distribution: *supermarkets play an important role for both biscuits and snack bars, though particularly in the latter where they are dominant. Small local grocers are also important in the case of biscuits.*

Challenges: *the price focus of the market is arguably the biggest challenge that EU producers face, with competitors well positioned pricewise.*

Opportunities: *the variety of consumer demand creates various possible markets of interest. Opportunities are emerging for alternative origins as the importance of domestic production and Russian imports fall slightly. Niche biscuits addressing certain health and nutrition needs/preferences have done well of late.*

5.14 Sugar confectionery

5.14.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Kazakh consumers are among the highest per capita consumers of sugar confectionery products in Asia. ▪ Germany's exports continue to grow, and the country is now the fourth-largest exporter globally. 	<ul style="list-style-type: none"> ▪ Domestic production, although not enough to fully satisfy domestic demand, is significant. ▪ The rise of inflation and health consciousness continues to negatively impact the sugar confectionery market which is anyhow quite value focused.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ EU sugar confectionery products have become slightly more price-competitive in recent years due to supply shortages for domestic producers. ▪ The gifting of sugar confectionery products is increasingly common, with EU variants viewed as high-quality and luxurious. 	<ul style="list-style-type: none"> ▪ Turkish and Ukrainian sugar confectionery products have emerged as key competitors in recent years. ▪ Influx of cheaper Russian exports, which are valued at a cheaper unit price than major EU exporters. ▪ Substitution competition from other categories such as biscuits.

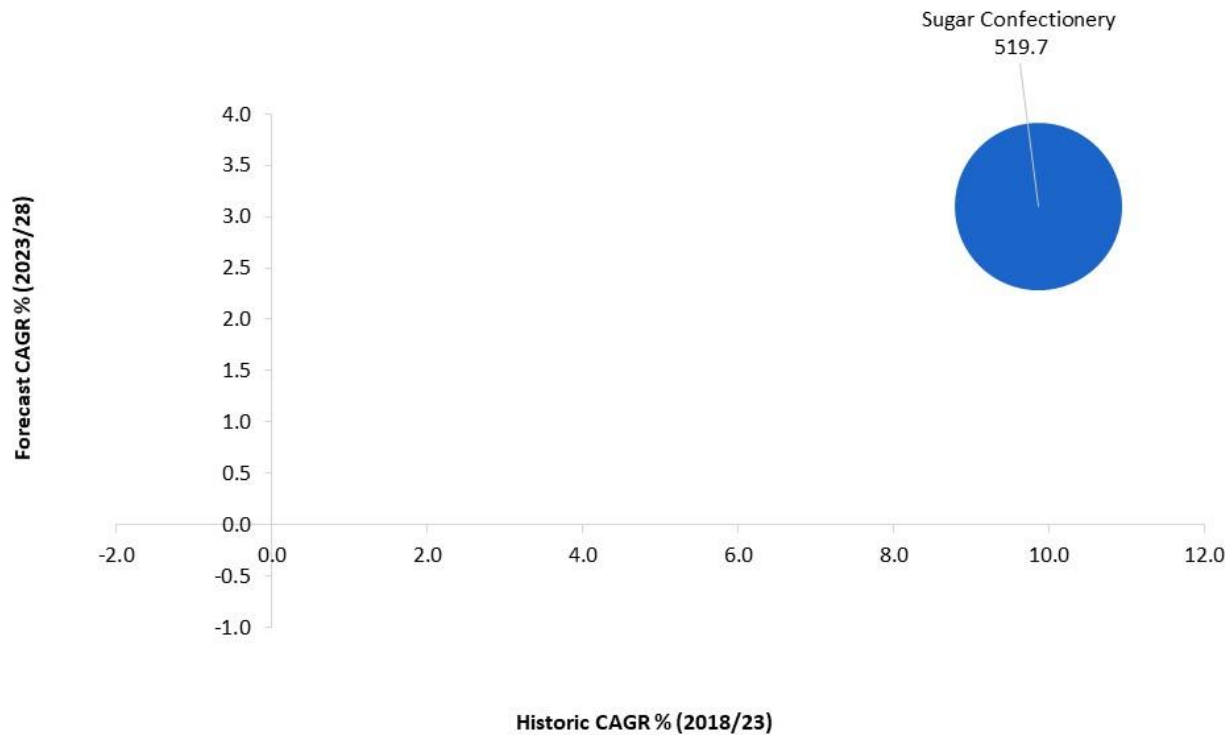
5.14.2 Consumption

Evolution of consumption

As shown below in Figure 5-49, the total market retail value for sugar confectionery products in Kazakhstan stands at around EUR 519 million, with this sector growing rapidly between 2018 and 2022 with a CAGR of 9.9% recorded during this period. Total growth is expected to decline, with a forecasted CAGR of 3.1% expected between 2023 and 2028. While full data for the different categories is not available, estimates are provided below:

Subcategory	Retail Value (EUR m), 2023	CAGR (2018-23)	CAGR (2023-28)
Boiled Sweets	110	13-15%	6-7%
Lollipops	5	10-12%	8-10%
Medicated Confectionery	2	10-12%	8-10%
Mints	80	11-13%	7-9%
Pastilles, Gummies, Jellies and Chews	160	15-17%	10-12%
Toffees, Caramels and Nougat	85	13-15%	6-8%

Figure 5-58: Evolution and forecast of the sugar confectionery market in Kazakhstan, 2018-2028; retail value EUR million



Source: Euromonitor International: Packaged Food, 2023.

Consumers

Kazakh consumers are known for having a sweet tooth, as reflected by per capita consumption of sugar confectionery products being around 11 kg, one of the highest rates in Asia. While the attraction to sweet products is fairly universal, there are several notable subgroups which tend to consume sugar confectionery in greater quantities. Kazakh consumers who live alone are estimated to consume one and a half times more sugar confectionery products than those who live with others. The regions of Karaganda, Akmola, and Kyzylorda have the highest rates of sugar confectionery consumption, while the region of Shymkent has the lowest rate of consumption. Middle-aged and younger consumers - particularly children and teenagers - are the key consumer markets for sugar confectionery products, as are urban women, who tend to spend more on average on sugar confectionery products compared to urban men. This demographic splits between middle-aged and young make families with children a further notable demographic. Younger adults tend to consume less sugar confectionery.

Drivers and method of consumption

Key drivers of sugar confectionery sales in Kazakhstan include the ease of access to sugar confectionery products in the country, with a significant number of small local grocers (who account for 63.8% of sales) spread out across Kazakhstan. Sugar confectionery products are commonly purchased to serve as an indulgent treat or as an on the go snack; to be gifted (particularly for orthodox Christmas and *Nauryz*, though also more ad-hoc); or to be given to

children for good behaviour. Urban consumers commonly purchase gums and mints to a greater degree as these products complement office settings or work within the service sector. The generally lower price of sugar confectionery when compared to chocolate confectionery acts as a notable driver, though this has been tested to an extent of late due to increases in the prices of some raw materials.

Purchase criteria

Consumers in Kazakhstan tend to treat the price as the key purchasing criterion surrounding sugar confectionery products. While often sugar confectionery is an impulse purchase, taste, variety, and packaging are also key factors which can feed into the purchase decision. Some Kazakh consumers increasingly seeking out niche sugar confectionery products, and in these cases the aforementioned three criteria are more carefully considered.

There is an ongoing trend towards healthier eating in Kazakhstan as consumers have become more attentive to their health; and this has affected the sugar confectionery sector to an extent as consumers increasingly seek out healthier variants of these products. The health and wellness trend is influencing shifts in demand within the category; however, pastilles, gummies, jellies, and chews have been the most popular lately due to these products being low in fat and increasingly using more natural ingredients.

Finally, it should be remembered that there is a segment of the population which will actively look for halal certification of the confectionery products they purchase.

Recent market trends

Some of the most influential recent market trends within the Kazakh sugar confectionery market include:

- **The shortage of raw materials for production.** The reduction of sugar imports from neighbouring Russia due largely in part to the ongoing conflict in Ukraine has impacted total production of sugar confectionery products in Kazakhstan and has caused domestic and Russian sugar confectionery products to spike in price during the years 2022 and 2023. This has allowed limited competition from Turkey and China, which, by extension, offers new competition for EU sugar confectionery products on the market. The potential for consumers to switch to sugar confectionery from chocolate confectionery, which is also suffering from rising prices, is becoming limited, as the price difference between these two categories in the country is now not so significant.
- **Sugar confectionery products likely to remain expensive in Kazakhstan.** The sugar confectionery category will partially recover in the short term as domestic and international companies address problems with the supply of raw materials and products. However, the category will continue to grow more in value terms than in volume due to rising prices and a decrease in the purchasing power of the population due to inflation tied. Sugar confectionery is not an essential item, so it is vulnerable to budget-conscious consumers focusing their reduced spending power on necessary products and removing non-essential items from their shopping lists; and while sugar confectionery has partly benefited from a move away from historically generally more expensive chocolate, consumers may also shift again to alternative sweet categories such as biscuits.

- **Toffees, caramels and nougats continue to struggle while some other categories benefit from being perceived as healthier.** The toffees, caramels, and nougat category will likely continue to struggle in volume terms during the coming years due to its relatively high prices and the fact that it is considered less healthy than rival product categories, both within and outside sugar confectionery. Medicated confectionery and boiled sweets on the other hand, are expected to hold up better, with the former partly benefiting from increased interest in perceived healthier products. Partly benefitting from the same trend in health interest, interest in marmalade-based confectionery (generally seen as having higher fruit and lower sugar) has emerged recently. There is also a more overarching interest in low sugar confectionery in general.
- **Emergence of sugar confectionery for gifting.** Traditionally, sugar confectionery was not a common choice for gifting in Kazakhstan. However, a notable shift has occurred in recent times, partly driven the economic situation which has resulted in a fall in gifting of chocolates. Some individuals are now opting for premium sugar confectionery as thoughtful gifts during festivals and special occasions.

5.14.3 Offer

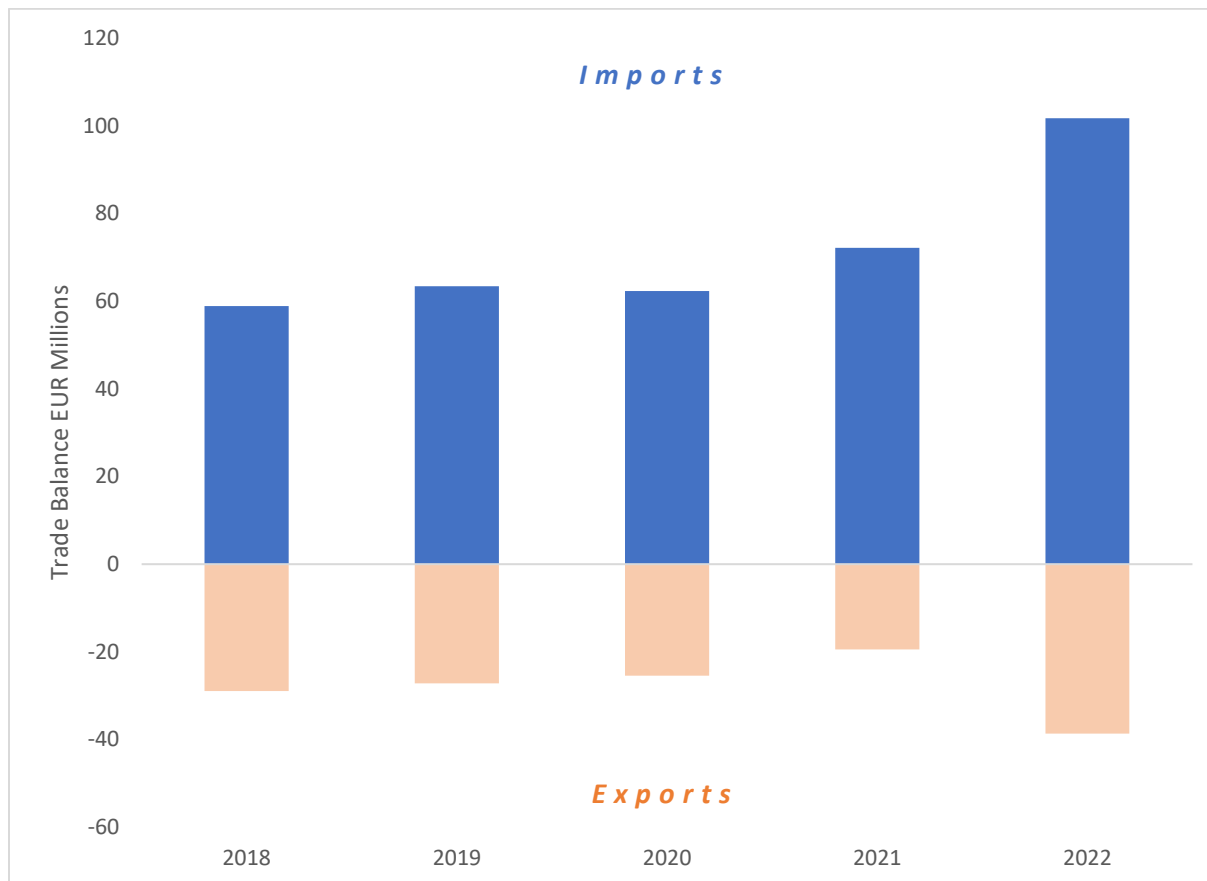
Domestic production

Domestic production of sugar confectionery products in Kazakhstan is focused around the regions of Almaty, Akmola, and Karaganda, with the largest companies in the country currently being Bayan Sulu AO (14% share of the market), Rakhat AO (13% share of the market), and Wrigley's OOO (7% share of the market). The rest of the market is made up of smaller domestic and international (largely Russian) producers. Most major sugar confectionery products are produced within Kazakhstan, although the country remains a net importer to satisfy domestic demand for these products, as expanded upon in the next section below.

Imports and exports

As Figure 5-50 below shows, Kazakhstan is a net importer of sugar confectionery products, with the country importing around EUR 101 million worth of sugar confectionery products in 2022 while exporting EUR 38 million in the same year. Total imports have grown rapidly over the past five years, almost doubling from the EUR 58 million figure recorded in 2018.

Figure 5-59: Trade balance (imports and exports) of sugar confectionery in Kazakhstan 2018-2022; EUR millions

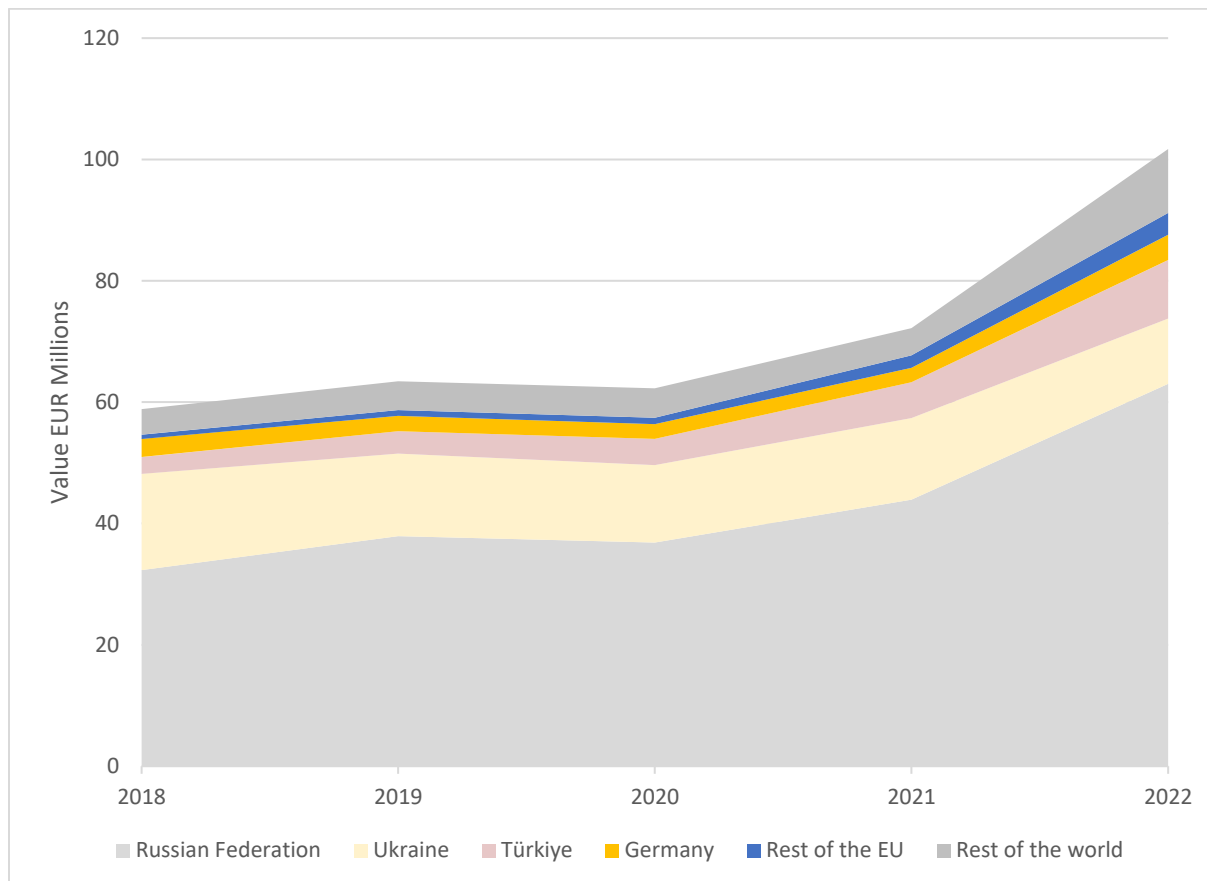


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

As can be seen in Figure 5-51, Russia is the largest exporter of sugar confectionery products to Kazakhstan by a considerable distance, with the country accounting for around 60% of total exports by value in 2022. Ukraine is the second-largest exporter, followed by Turkey. Germany is the largest exporter from the EU, with the country exporting around EUR 4.1 million worth of sugar confectionery products in 2022. Other EU member states with a small amount of exports include Spain (EUR 1.5 million) and Ireland (EUR 1 million).

Figure 5-60: Kazakh imports of sugar confectionery products by country, 2018-22; EUR millions

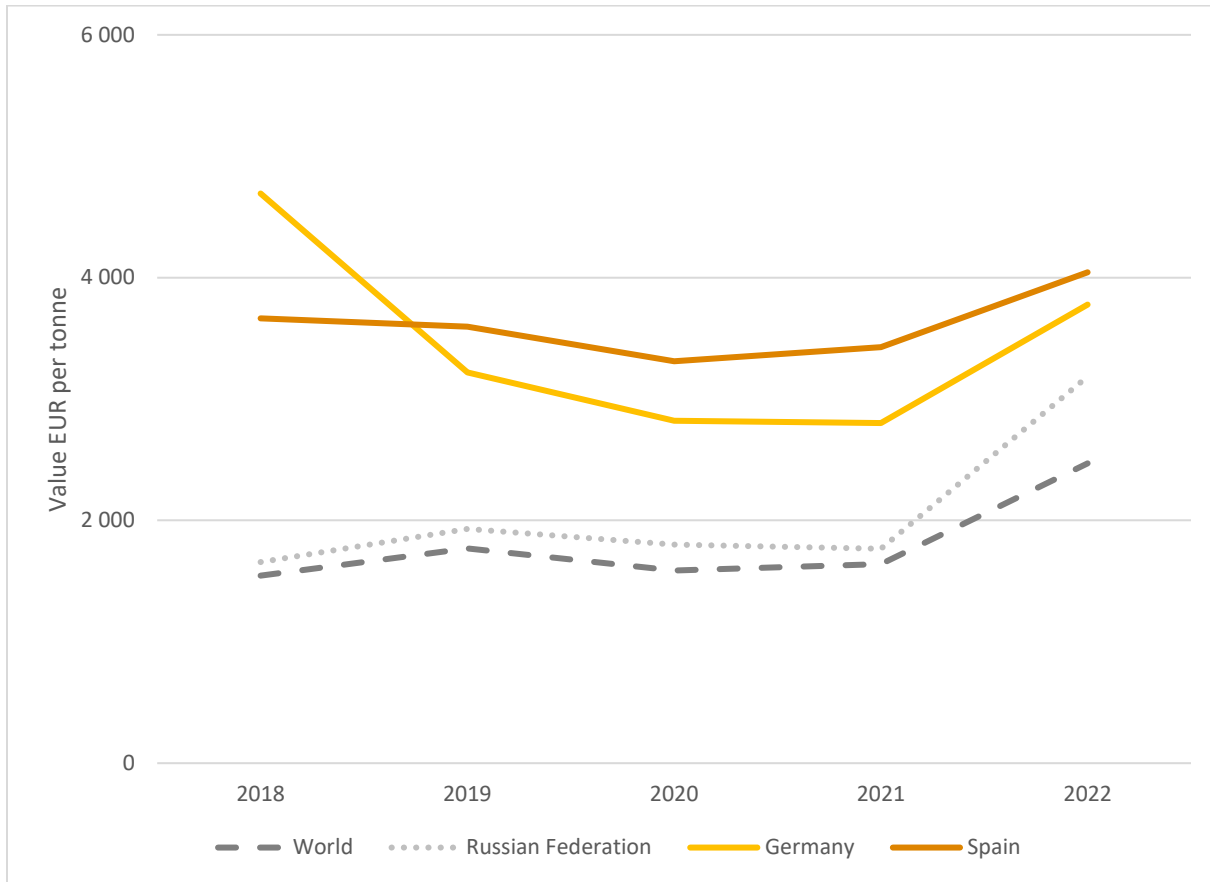


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

Spanish sugar confectionery products have the highest unit value in the Kazakh market. Sugar confectionery products from Spain in Kazakhstan have a unit value of EUR 4 044 per tonne, significantly higher than the global average of EUR 2 470 per tonne. German exports were also priced highly at EUR 3 777 per ton in 2022. Russian exports were also above the global average, with a unit per ton price of EUR 3 185, which is significant considering Russian exports account for around 60% of total global exports (Figure 5-61).

Figure 5-61: Per unit value of Kazakh imports of sugar confectionery product for selected countries, 2018-22 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

EU GI products

Information on the process for registering GIs, as well as on ongoing discussions between the EU and Kazakhstan on a GI agreement was provided in section 4.2.4. No EU GIs were identified in the Kazakh state register for GIs at the time of writing.

Main competitors

The main competition in the Kazakh sugar confectionery market comes from domestic production, which remains significant despite supply issues in recent years. The influx of Russian sugar confectionery products also poses a significant challenge, as do increasing imports from Turkey and Ukraine.

5.14.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for sugar confectionery include a declaration of conformity and free sale certificate.

In terms of tariffs, sugar confectionery faces ad valorem tariffs of between 7 and 14%.

Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general sugar confectionery category (1704) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1704&origin=FR&destination=KZ>

The Kazakhstan Trade Portal also contains details on the procedure for the import of confectionery. This can be found at:

https://tradeinfo.kz/objective/search?!=en&embed=&includeSearch=true&filter_tab=1&right_drawer=false&flt_1=49&prd_1=&flt_2=51&prd_2=

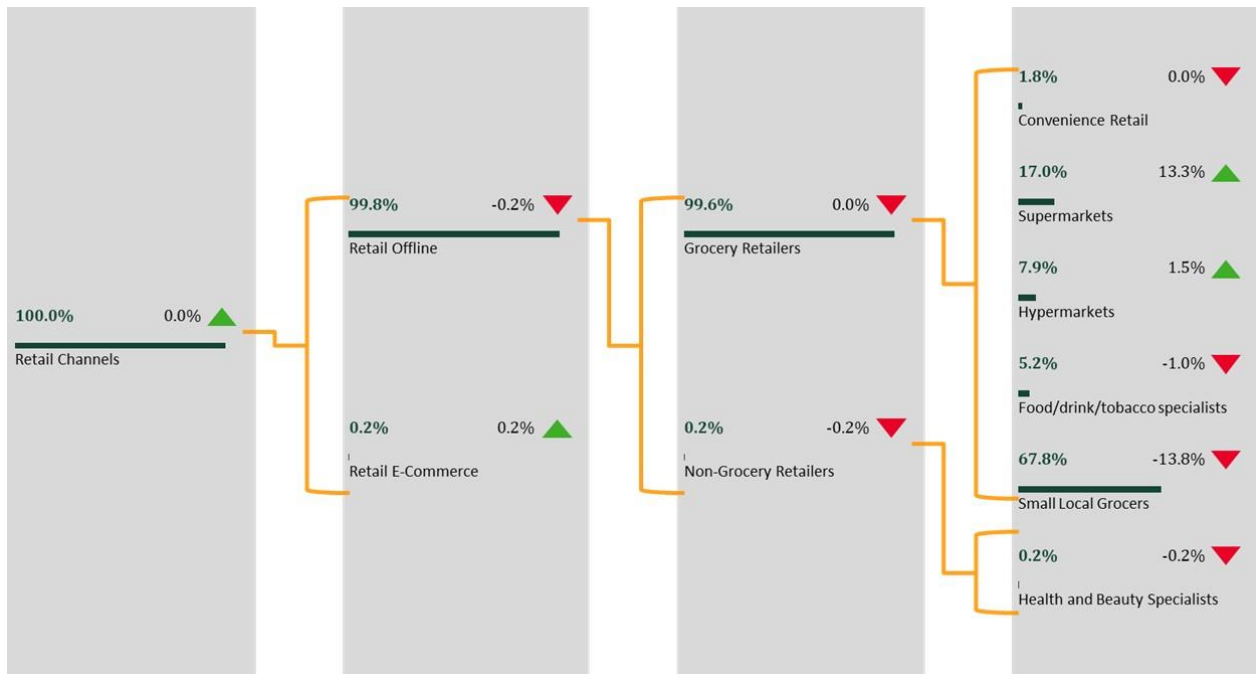
Labelling

Sugar confectionery must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.14.5 Distribution

As shown in Figure 5-52, grocery retailers account for virtually all sugar confectionery sales in Kazakhstan, with small local grocers accounting for a share of around 67.8% of all sales. Supermarkets are also significant, with a share of 17% of sales, followed by hypermarkets, with a share of 7.9% of sales. Imported products are more likely to skew towards modern grocery channels (supermarkets/hypermarkets) than confectionery as a whole; and e-commerce is also likely to play a slightly greater role. Specialist gourmet retailers and duty free retailers (in Almaty and Astana) may also distribute a more limited selection of higher end imported sugar confectionery.

Figure 5-61: Distribution channel overview of Sugar confectionery in Kazakhstan (2023); retail value



Source: Euromonitor International: Packaged Food, 2023.

5.14.6 Challenges for EU products

Challenges for EU products include the influence of domestic production, the influx of cheaper Russian sugar confectionery products in the Kazakh market, and the rise in inflation in the country, which continues to impact the capacity of local consumers to splurge on sugar confectionery products and is even leading to them considering cheaper alternatives, such as biscuits. Consumers are increasingly reducing their consumption of what they perceive to be unhealthy products, which negatively impacts the sugar confectionery market in the country while simultaneously creating some demand for low sugar confectionery.

Market Takeaway: Sugar Confectionery

Consumption: Consumption is highest amongst urban workers, those who live alone, and children and teenagers in Kazakhstan, with the regions of Almaty and Akmola being noted for being the largest consumer regions of sugar confectionery products in Kazakhstan. Total

consumption in volume terms has declined recently nationwide as inflation and a rise in health consciousness are having their impacts on the market.

Competition: *mainly from domestic production and Russian imports, which are notably cheaper than EU products. Growth in competition from Turkey and Ukraine has also occurred in recent years.*

Distribution: *Grocery retailers, with small local grocers accounting for 67.8% of sales, supermarkets with a share of 17%, and hypermarkets with a share of 7.9%. Imported products lean more on these modern retail distribution channels.*

Challenges: *High inflation and rising health consciousness have negatively impacted the sugar confectionery market in Kazakhstan, with total volumes of sales forecast to decline in 2023 and 2024. The influence of cheaper domestic and Russian products is also a key challenge.*

Opportunities: *Rising demand for niche products, coupled with the fact that EU sugar confectionery products have become slightly more price-competitive in recent years due to impacts stemming from the Russia-Ukraine conflict. Emerging gifting niche.*

5.15 Baby food

5.15.1 SWOT analysis

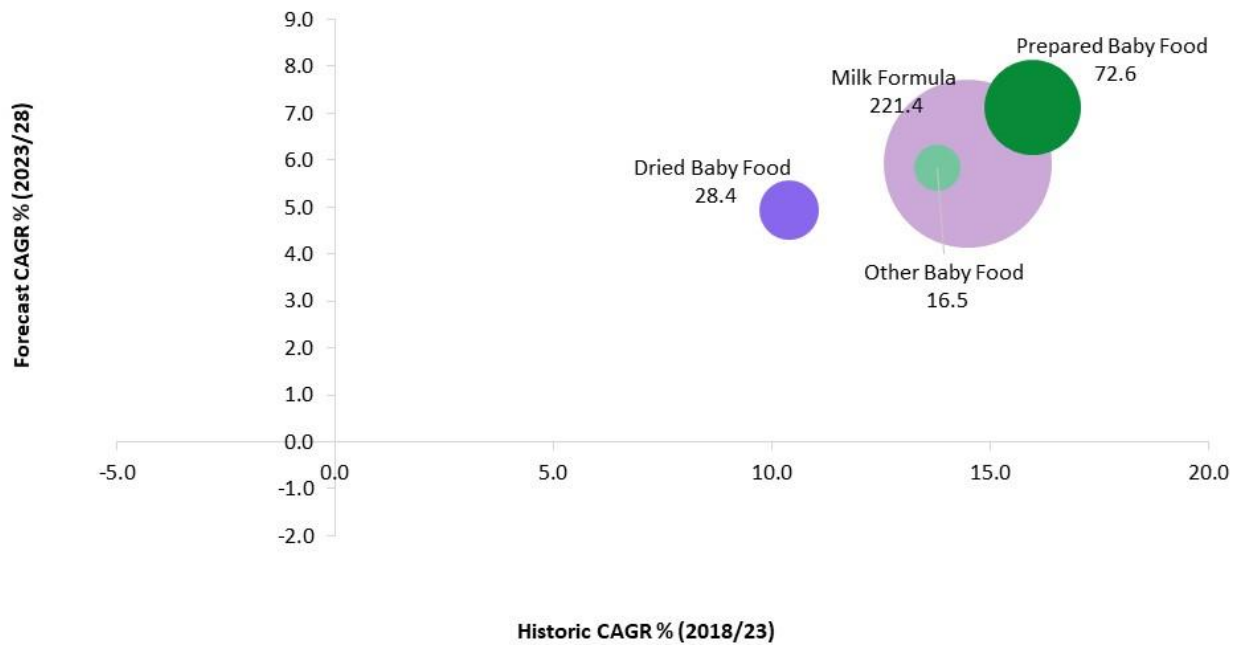
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ High birth rate will continue to create a large potential market for baby food. ▪ With the high involvement of Kazakh women in the work force, the use of baby food is fairly common. 	<ul style="list-style-type: none"> ▪ Certain emerging local preferences, such as the use of goats milk, favour domestic production.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The structural factors mentioned above mean that the market is expected to continue to grow strongly, offering across-the-board opportunities. ▪ Despite growing domestic production, the country is likely to remain a strong net importer for the foreseeable future. 	<ul style="list-style-type: none"> ▪ Local production is ramping up, creating greater competition. ▪ Three brands control around ¾ of the market and their steady shares suggest loyal consumer followings.

5.15.2 Consumption

Evolution of consumption

As shown below in Figure 5-62, formula milk is the largest segment of the Kazakh baby food market by value, with the market worth EUR 221m. Standard milk formula in powder form the largest sub-category under formula milk. Prepared baby food is the second largest segment (EUR 73m). Dried baby food and other baby food are small segments at EUR 28m and 17m respectively. All markets have grown rapidly over the last 5 years, with formula milk, prepared baby food and other baby food all growing at around 15% per year (dried baby food a bit slower at 11%). Going forwards, growth rates are forecast to be lower but still healthy in the 5-8% per year range.

Figure 5-62: Evolution and forecast of the baby food market in Kazakhstan, 2018-2028; retail value EUR million



Source: Euromonitor International: Packaged food, 2023.

Consumers

Kazakhstan's fairly strong birth rate supports the market for baby food in the country. These birth rates are higher in the south and the west of the country (generally around 25-30 babies born per 1 000 people); and lower in the north, centre and east (generally around 15 babies per 1 000 people); creating larger potential markets in the aforementioned regions. The use of milk other than breastmilk for feeding is quite common; only around 38% of infants aged 0 to 5 months are fed exclusively with breastmilk, with 62% therefore at least partially fed with some other form of milk. These figures regarding exclusive breastfeeding usage are slightly behind the averages for Eastern Europe and Central Asia. The high extent to which Kazakh women work is one of the reasons for this (it is estimated that over 60% of Kazakh women work).

Due to the product's greater availability in urban areas, consumers of baby food are much more likely to be urban based; and those with greater income levels are more likely to be able to afford the product.

Drivers and method of consumption

The aforementioned factors of birth rate, urban population and wealth are the key drivers of baby food consumption in the country. As noted above, a high percentage of Kazakh women (around 62%) work; this is much greater than the corresponding figures in other countries in the region (e.g. from 55% in Russia down to 29% in Tajikistan); and is also well ahead of the global average

(around 49%). This high level of participation of Kazakh women in the workforce is a notable driver for both the use of baby food, and the category's growth.

Purchase criteria

Brand tends to be an important criterion for Kazakh consumers, as witnessed by the consistently high market share of the two biggest companies active in the market (Nestle and Danone, through Detskoye-Pitaniye-Istra-Nutricia, have consistently held just under $\frac{3}{4}$ of the market between them, though these shares are spread across a few different brands, the largest of which have shares in the 15-20% range).

Despite the large Muslim population, halal certification tends not to be of as high importance to Kazakh consumers of baby food as it is in some neighbouring countries such as Uzbekistan or Azerbaijan. This can be attributed to less strict religious custom in this context. Nonetheless, there are some consumers who will look for these certifications, so halal certification cannot be entirely excluded. Some consumers will look for certain speciality products, such as hypoallergenic ones.

Recent market trends

Notable recent market trends are:

- **Use of goats milk to plug in to local preferences.** While this product has existed for a while, boosted by its associations with immunity and perceived easier digestibility, the major producers (Nestle and Danone) have recently launched goats milk products on the market to plug into the trend, demonstrating its acceleration.
- **Increased competition, including from local production.** The competitive landscape at present is dominated by multinationals which tend to import from Russia. However, there are some smaller local producers led by Amiran; and another one, Olzha Agro, is in the process of building a new factory. As local production comes online, competition is likely to further increase.
- **Prepared baby food growing faster than other categories.** The category is forecast to grow at over 6% per year in volume terms over the coming five years, well ahead other categories. Wealthier urban consumers are expected to be the main driver of this trend.

5.15.3 Offer

Domestic production

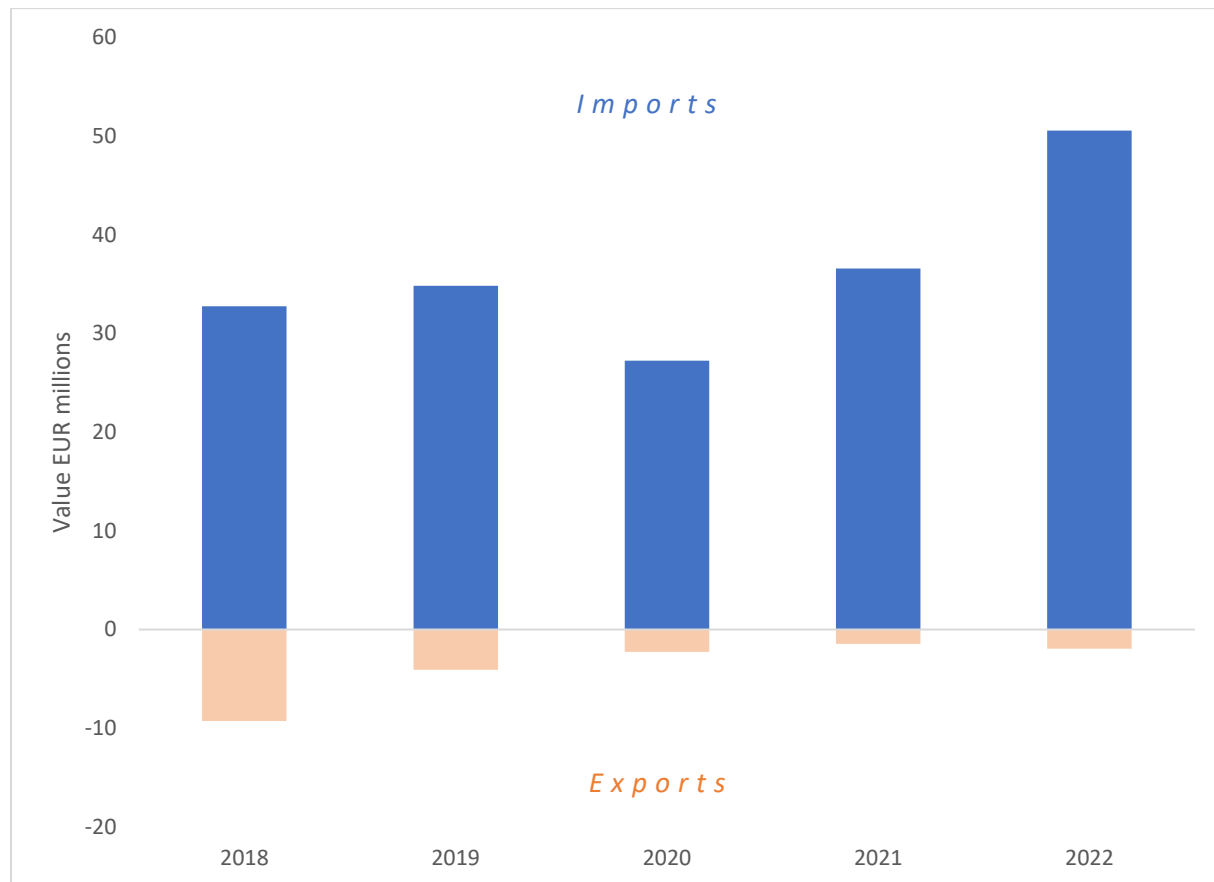
Domestic production of baby food in Kazakhstan is extremely limited. The only notable domestic producer of dairy based infant food is Amiran; and its production volumes are very limited. The largest multinational players (Nestle and Danone, which combined account for $\frac{3}{4}$ of the market) tend to produce in Russia for the wider EAEU region and then send to Kazakhstan. That is changing however, with Danone for example announcing their intention to set up milk processing operations (including potentially formula milk) in Kazakhstan; and Nestle now having a dairy plant in the country. Furthermore, as noted above, a local company, Olzha Agro is entering the space;

and in view of the growing market and shifts in sourcing, it is quite likely that more companies may start producing locally.²⁴

Imports and exports

As shown below in Figure 5-63, Kazakhstan is a net importer of baby food. 2022 imports amounted to EUR 50.5m, having increased in a non-constant fashion from EUR 32.8m in 2018. In contrast, exports were worth EUR 2m in 2022, having fallen from EUR 9m in 2018.

Figure 5-63: Trade balance (imports and exports) of baby food in Kazakhstan 2018-22; value EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110

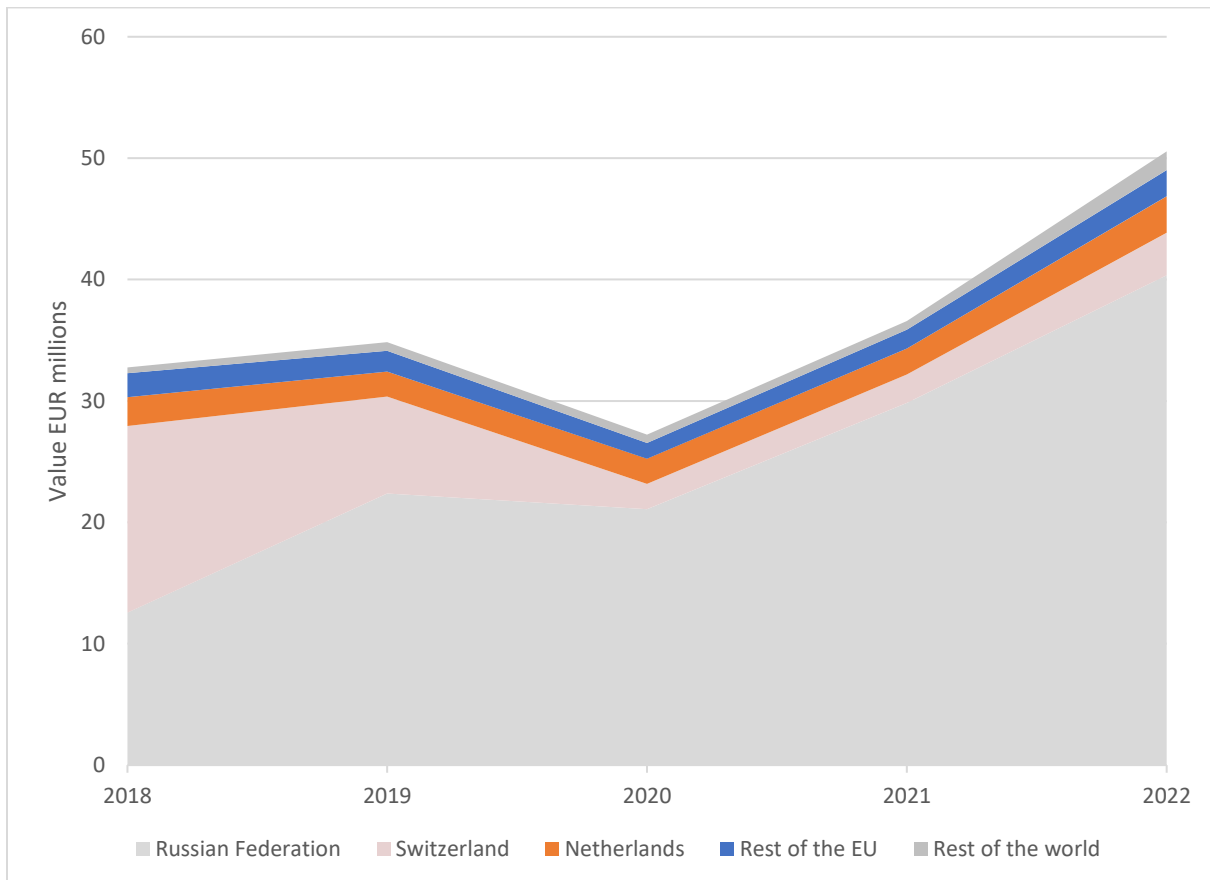
Figure 5-64 shows the origins of baby food imports. Russia is the dominant origin, accounting for 80% of imports (or EUR 40m). The importance of the country has increased greatly over the last five years, as it has displaced Switzerland as the number one origin, increasing exports from a base of EUR 12.5m in 2018. Imports from Russia are primarily accounted for by multinational

²⁴ Euromonitor International: Packaged foods, 2023; <https://kaztag.kz/en/news/danone-is-going-to-invest-in-milk-processing-in-kazakhstan-amid-plans-to-leave-russia>

operations in Russia producing for the EAEU market (e.g. Nestle Russia and JSC Danone Russia) and larger Russian companies, such as OJSC Wimm Bill Dann.

Switzerland on the other hand has seen its imports fall over the same period from EUR 15m in 2018 to just EUR 3.5m in 2022. The Netherlands is the third largest origin, with imports worth EUR 3m. The rest of the EU accounts for imports of EUR 2.2m; most of this (EUR 1.9m) coming from Germany.

Figure 5-64: Kazakh imports of baby food country, 2018-22; value EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110.

Main competitors

The market is dominated by Nestle and Danone, both of whom largely produce in Russia for the Kazakh market; though local production operations of these companies are increasing. Russian company OJSC Wimm Bill Dann is the number three on the market. When combined, the three largest companies hold around 85% of the market. Amiran is the only notable domestic producer of infant milk, though there are some small producers of other baby food products, and new domestic companies are entering the market.

5.15.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1. Baby food requires a veterinary health certificate for animal products and a permit to import animal products and products of animal origin; as well as a declaration of conformity and free sale certificate.

In terms of tariffs, infant preparations under the code 190110 face tariffs of 5%.

Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – preparations suitable for infants or young children, category (190110) from France to Kazakhstan

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190110&origin=FR&destination=KZ>

Standards, SPS measures and labelling

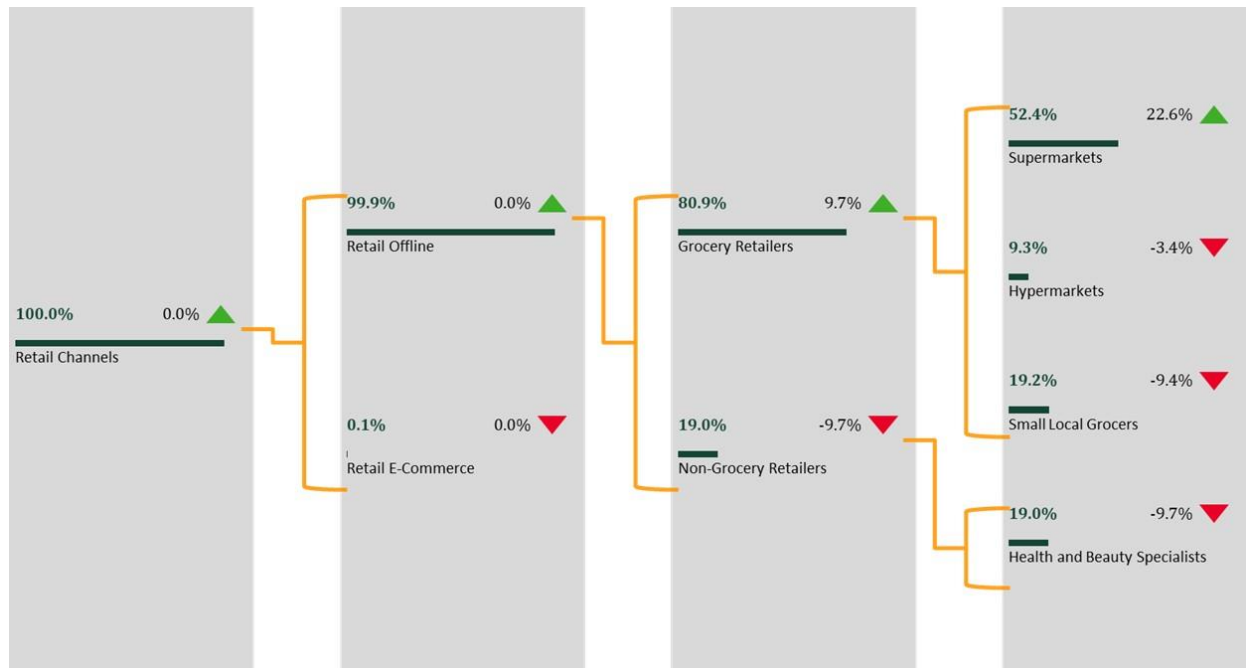
In accordance with RS1233 Customs Union Technical Regulation on Food Safety, food for infants/babies must be registered. Article 25 of this regulation sets out the registration process.

Labelling

Baby food must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.15.5 Distribution

As shown below in Figure 5-65, supermarkets account for just over half of baby food distribution by value. Small local grocers and health and beauty specialists follow, each with 19%. Hypermarkets account for the remaining 9%, bar 0.1% which pass through e-commerce. Distribution channels in this growing market have been dynamic in recent years, with supermarkets increasing rapidly in importance at the expense of small local grocers and health and beauty specialists.

Figure 5-65: Distribution channel overview of baby food in Kazakhstan (2023); retail value

Source: Euromonitor International: packaged food, 2023.

5.15.6 Challenges for EU products

The main challenges that EU producers face are competition related. Firstly, the top four companies control around 85% of the market and clearly have loyal followings. Secondly, domestic production is beginning to ramp up, offering further competition which is likely to squeeze more the part of the market which is not controlled by the big four. Finally, domestic producers are better positioned to take advantage of specific national trends, such as the use of goat milk in formula.

Market Takeaway: baby food

Consumption: strong and growing due to a healthy birth rate and female participation in the workforce.

Competition: the big four companies control 85% of the market by value. Domestic production is ramping up with new facilities being built.

Distribution: Predominantly supermarkets (over 50%). The remainder split between health and beauty specialists, small local grocers and hypermarkets.

Challenges: competition, including the ability of the increasing number of local producers to respond to local trends.

Opportunities: the market is forecast to continue to grow at a fast rate, and there is a fundamental structural deficit which is likely to continue into future years.

6 Communication

6.1 Communication strategy

Companies wanting to market products and advertise in Kazakhstan have different channels to consider. The aim of this section is to breakdown each section of the mass media landscape in Kazakhstan and to introduce the main communication channels (new and traditional media, as well as fairs) available in the country, as well as provide a brief overview of key regulations for the advertisement of food and beverages.

6.1.1 Online & digital media

Internet penetration in Kazakhstan is generally accepted to be in the 75% range, with around 15 million internet users. Internet penetration is highest within the northern regions, the south-eastern regions, and around the Caspian Sea, as the population is smaller within the internal regions of Kazakhstan, which leads to more limited internet infrastructure. E-commerce is growing in the country, and while not up to the same amount of usage seen in the west or in neighbouring Russia, e-commerce is increasingly common.

Digital advertising agencies may provide companies with support to develop a successful digital marketing strategy for Kazakhstan.

Notable Kazakh Digital Advertising Agencies:

NW Advisors <https://nwadvisors.com/>

Sky Incom <https://www.skyname.net>

Artefix <https://artefix.agency>

Regis Team <https://registeam.kz/>

Future <https://tfc.kz/>

Grey Cardinals <https://greycardinals.org/>

Social media platforms

Social media usage in Kazakhstan has grown exponentially over the past decade, as the majority of the population now has access to a smart phone and greater access to the internet, and companies in the country have incorporated the use of social media advertising to market their products in the country. Many of the same heavily used social media platforms used in the EU are also popular in Kazakhstan, including Instagram, TikTok, Facebook, WhatsApp, YouTube, Russian Vkontakte and Twitter (X) (to a lesser extent), among others. It is estimated that there are around 11 million active social media users in Kazakhstan, or around 60% of the population. Most users tend to be young or middle-aged, with around 56% of users being female and 44%

being male.²⁵ A breakdown of the more popular social media platforms used in Kazakhstan is provided below:

Instagram

TikTok

Facebook

Facebook is fairly popular in Kazakhstan, with around 17% of the population estimated to have at least one profile on the platform. Females account for the majority of users, with a share of 52.3%, with males accounting for 47.7% of users. The majority of users are within the 25-34 age bracket, with alternative platforms such as TikTok and Instagram proving to be more popular amongst younger users.

Telegram

Telegram is a popular messaging app in Kazakhstan, as well as within neighbouring nations. The app is particularly popular amongst younger consumers and is increasingly used as the primary app for the latest news and trends amongst younger consumers. Advertising via telegram is recommended for targeting younger consumers although do note that the app has certain limitations to advertising, namely a 160 character limit.

Twitter (X)

Twitter is less popular in Kazakhstan, particularly among middle-aged consumers who have been noted for their usage of the platform to advertise or organise events in the country. Males make up to two-thirds of all Twitter users in Kazakhstan. Twitter usage has become increasingly important for small shops and food and beverage producers to market their products.

Instagram

Instagram has established itself as the main social media platform used by younger consumers in Kazakhstan, with producers tending to market their products on the platform with this in mind in the country. The majority of users are female, which accounts for 58% of users, with males accounting for 42%. EU food and beverages are slightly more likely to be promoted on this platform (intentionally or unintentionally), as young and middle-aged users tend to photograph their food experiences if visiting the EU.

Notable Instagram food-orientated channels in Kazakhstan

Tatti_Kazakh_Food https://www.instagram.com/tatti_kazakh_food

Bauyrdaz.kq <https://www.instagram.com/bauyrdaz.kz/>

Okuprin <https://www.instagram.com/okuprin>

Food blogs

Another interesting option to promote EU food products in Kazakhstan is to work closely with food bloggers. There are possibilities to hire food bloggers and ask them to promote certain products

²⁵ Digital 2023 Kazakhstan, Datareportal, available at <https://datareportal.com/reports/digital-2023-kazakhstan>

on their blogs. This will likely need a Russian speaker to go over any negotiations and agreements with Kazakh-based food bloggers.

Notable food blogs in Kazakhstan

Rennaynel7897 <https://expatjourneyblog.wordpress.com/>

Julie Tetel Andersen <https://julietetelandresen.com/kazakh-food/>

KazakhGourmand - <https://kazakhgourmand.com/>

Inside the Travel Lab - <https://www.insidethetravellab.com/kazakhstan-food/>

Food Travel List - <https://foodtravelist.com/food-travel-kazakhstan/>

Well-known food bloggers are influencers as well and often cross over between written blogs and several social media accounts. This diversity of channels used also diversifies the exposure of a product on several platforms. The list of food blogs above mainly differs from the pages of social media influencers to create a broad platform of information.

6.1.2 Traditional media

Despite the increasing popularity of digital and online media, traditional media still plays an important role, in particular among certain demographics, such as older groups and citizens outside the heavily populated areas of Kazakhstan. More information on different traditional media by type is set out below:

- **Television:** Television was first introduced to Kazakhstan in 1958, as the country soon developed the ability to receive TV signals from Russia. Today, there are around 116 private channels and 4 national commercial TV stations in operation in Kazakhstan. The largest TV channel in the country is the state television broadcaster, Qazaqstan TV, which is available throughout the country. Other notable TV channels in operation in Kazakhstan include Channel One Eurasia, Khabar, SilkWay Channel, NTK TV, and Kanal 7. Up to 94% of Kazakhs have a TV within their household, and many Kazakhs consider television as their main source of news and entertainment, particularly older consumers and/or those in rural areas. Advertising via television in Kazakhstan can be an effective way to target consumers in the country; however, a number of restrictions exist, as discussed in Section 6.2.
- **Print media:** Print media is not popular in Kazakhstan, and virtually every urban centre of significance will have one or several stores in operation for the sole purpose of selling newspapers in the country. Many of the more popular newspapers tend to be in Russian, as Russian is the de facto language understood across most ethnicities in the country. Kazakh-language newspapers are also common in the country, with smaller outlets catering to print media in the Uzbek, Tajiki, Korean, and Tartar languages. Some of the more popular newspapers in Kazakhstan include Caravan, Kazakhstanskaya Pravda, and Egemen Kazakhstan. While Cyrillic remains the alphabet used in Kazakhstan at the time of writing, the government has signalled its intention for Kazakhstan to switch to the Latin alphabet by around the end of this decade, which will have ramifications for the print media scene of the country as well as advertising via print media.

- **Radio:** In Kazakhstan, radio's popularity in the country has been limited due to the large and often dispersed distances between the major urban centres of the country, coupled with the difficulty of obtaining a radio historically in the country for consumers. Only around 5.6% of Kazakh citizens have reported using the radio as a source of information. Nonetheless, the media format enjoys some popularity among drivers. The most popular radio stations in Kazakhstan include Autoradio, Russkoye Radio Asia, and Radio Dacha. Russian is the primarily used language within the Kazakh radio environment, although stations do exist for the Kazakh language as well as for certain minority languages.²⁶

6.1.3 Fairs and exhibitions

Fairs and exhibitions can provide an opening to the Kazakh market for EU food and beverage producers and further facilitate the potential to partner with distributors and retailers in the region.

A list of selected major upcoming food-related events and fairs can be found in section 8.4. Further, more comprehensive lists including more specialist fairs can also be found online at websites such as:

- <https://www.tradefairdates.com/Food+Fairs-Kazakhstan>
- <https://10times.com/events/kazakhstan>

6.2 Advertising regulations

Advertising in Kazakhstan is regulated by the Kazakh Law on Advertising, which sets out the rules and requirements needed by producers (including food and beverage producers) in order to advertise their products within Kazakhstan. Firstly, the advertising of alcoholic beverages in the country is strictly prohibited, which makes it additionally difficult for EU alcoholic beverage producers to market their products in the country. Further, the advertising of baby formula is also banned in Kazakhstan. Advertisements in Kazakhstan need to display both the Russian and Kazakh languages, and all nutritional information or other health claims need to be clearly displayed in both languages.

According to Kazakh legislation, most products that are imported into the country must be correctly labelled in both the Kazakh and Russian languages. As mentioned, Kazakhstan is currently in the process of adapting the Latin alphabet; however, this is likely to take a prolonged period, meaning that for the immediate short term, the use of Cyrillic remains for the display of information within the Kazakh language. Products need to include the names, manufacturers, country of origin, and information about the product in question (including composition/ingredients), which extends to the date of production, period of validity, storage conditions, and nutritional data. According to the technical regulations of the EAEU (Eurasian Economic Union), all products exported into the EAEU that are subject to the mandatory

²⁶ Kazakhstan: Profile of Media Ownership and Potential Foreign Influence Channels, AIDDATA, Available at <https://docs.aiddata.org/reports/media-resilience/kaz/Kazakhstan-Profile-of-Media-Ownership-and-Potential-Foreign-Influence-Channels.pdf>

certification and conformity assessment under the regulations should be labelled with the Eurasian Conformity Mark (EAC).²⁷

²⁷ Kazakhstan- Country Commercial Guide, ITA, Available at <https://www.trade.gov/country-commercial-guides/kazakhstan-labelingmarking-requirements>

7 Kazakh Etiquette

Kazakhs are well accustomed to individuals either transiting through or visiting the country, which has helped to develop a more relaxed approach to the need to adhere to cultural etiquette norms in the country. Many of the more common cultural norms in Kazakhstan are influenced by the nomadic and tribal historic development of the country, which means that certain cultural norms differ from those in neighbouring Russia and are more aligned with the rest of Central Asia. Some of the more notable cultural etiquette norms to be aware of include:

- Expect to be served bread and tea, or increasingly, coffee, in Kazakhstan.
- In more rural settings, it is still common to sit on the floor.
- Greetings tend to be rather formal due to the hierarchical nature of Kazakhstan's society.
- Wait until invited in order to see someone's first name, although it generally occurs quite early in a relationship.
- Most Kazakhs tend to dress quietly and conservatively, with this being appreciated and expected in an office setting.
- Meals are social events and tend to take a long time in Kazakhstan.
- Practising Muslims will not consume alcohol, so bear this in mind if you plan to gift someone alcohol. While it is worth noting that many Kazakh take a more liberal approach to their religion than citizens of other many other mainly Muslim countries, caution with religious beliefs and prohibitions is advisable.
- In rural settings, a sheep's head is often presented to a guest; this is a sign of honour and is common throughout Central Asian societies.

7.1 Key DOs and DON'Ts

Being aware of cultural and business etiquette in Kazakhstan might ensure better odds of success as well as avoid any confusion when meeting with Kazakh partners. The sections below summarise the main positive and negative points that should be taken into consideration.

DOs	DON'Ts
<ul style="list-style-type: none"> • Dress conservatively in an office setting. • Wait until you are invited before using someone's first name. • Expect to be given a lot of bread and tea or coffee if invited to a dinner. • Make sure to have Russian and English-language versions of your business card available. The Kazakh language is not expected but will likely be hugely appreciated. • When invited to a home, it is polite to bring something small, such as a pastry, although gifting something too expensive may be viewed as a small insult. • Make sure to be on time for any meetings, although phoning ahead is appreciated, and Kazakhs tend to be more relaxed about timekeeping compared to western nations. • Make an effort to speak the Kazakh language; even a small effort will be appreciated. Knowing some Russian will also be useful for traveling to the country. 	<ul style="list-style-type: none"> • Do not compare Kazakhstan with other Central Asian states, and do not compare the country to Russia. • Avoid using negative stereotypes or referring to negative portrayals of Kazakhstan which can sometimes be depicted in western media. • Do not expect to travel easily around the country; the main urban centres, Astana and Almaty, are over 1200 km away, with the country itself being one of the largest and least densely populated in the world. • Do not refer to any anti-government gatherings or make negative remarks about the Kazakh government itself. • Do not refuse a sheep's head if offered in rural settings, as this will be perceived as highly offensive and ungrateful; it may even cause great distress for the host. • Do not stare at people; this will be perceived as rude.

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Kazakhstan, for producers wishing to export to Kazakhstan. These service providers include EU-funded projects, services provided by the Member States and their embassies, other organisations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU-funded initiatives operating in Kazakhstan.
- Section 8.2 contains the contact information for Member State embassies within Kazakhstan.
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in Kazakhstan.
- Section 8.5 contains a database of professional contacts (buyers, importers, and distributors).

8.1 Organisations offering support to EU exporters

Certain entities within Kazakhstan offer a range of business-enabling services and information providing important insights into the Kazakh market. Depending on your company profile these services can be free or fee based. It should be noted that these bodies are, as a general rule, not directly connected to the EU.



Eurobak

The European Business Association of Kazakhstan (EUROBAK) is a non-commercial organization representing the interests of European businesses within Kazakhstan. It plays a key role between Kazakhstan and European countries in relation to developing business ties between both markets.

Contacts

InterContinental Almaty, 110 Office, 181, Zheltoksan Street, Almaty

☎ (727) 258 23 20/21

✉ eurobak@eurobak.KZ

🌐 <https://eurobak.kz/>



Various National Chambers of Commerce

There are a wide number of national chambers of commerce from the EU member states in operation within Kazakhstan, which act as key organizations to facilitate the trade and development of business ties between European companies and Kazakhstan. Notable chambers of commerce include the AHK (German Chamber of Commerce) branch in Almaty and the Benelux Chamber of Commerce in Almaty. A comprehensive list is provided in section 8.3.2.




Delegation of the European Union to Kazakhstan

The EU Delegation in Kazakhstan represents the common interests of the Union in Kazakhstan and works on enhancing and developing trade relations between the two markets. Except for consular tasks, the delegation in Astana functions like an embassy; it is a diplomatic mission to represent the European Union in Kazakhstan.

Contacts

 Kosmonavtov Street, 62 ,7th Floor, Astana

 (+7) 7172 97 45 40

 DELEGATION-KAZAKHSTAN@eeas.europa.eu

 <https://www.eeas.europa.eu/delegations/kazakhstan>

8.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact Information
Austria	Mikrodistrikt Chubary Street, Astana	☎ (+7) 7172 977 869 ✉ nur-sultan-ob@bmeia.gv.at 🌐 bmeia.gv.at
Belgium	62 Kosmonavtov Street, Chubary Microdistrict, Astana	☎ (+7) 7172 974 485 ✉ astana@diplobel.fed.be 🌐 https://kazakhstan.diplomatie.belgium/
Bulgaria	11 Imanov Steet, Business Centre, Astana	☎ (+7) 7172 90 15 15 ✉ embassy.nursultan@mfa.bg 🌐 https://www.mfa.bg/
Croatia	62 Kosmonavtov Street, Chubary Microdistrict, Astana	☎ (+7) 7172 792 946 ✉ croemb.nur-sultan@mvep.hr 🌐 https://mvep.gov.hr/
Cyprus	Khandar Building 32, 1 st floor, office 103, St.Kerey-Zhanibek, Astana	☎ (+7) 7172 76 90 19 ✉ nur-sultan@cyprusconsul.kz 🌐 http://www.mfa.gov.cy/
Czech Republic	Business centre Q2, Kabanbay Batyr 15/1, Astana	☎ (+7) 717 2999 51 01 ✉ astana@embassy.mzv.cz 🌐 www.mzv.cz
Denmark	Business Centre Nurly Tau, Office 503, Prospekt Al Farabi, Almaty	☎ (+7) 3272 777 000 ✉ info@dtcalmaty.kz 🌐 https://dtcalmaty.um.dk/
Estonia	Kabanbay Batyr Avenue 28, Astana	☎ (+7) 717 2240 280 ✉ consular.astana@mfa.ee 🌐 https://astana.mfa.ee
Finland	12 Samal Microdistrict, Astana Tower Business Centre	☎ (+7) 717 244 2121 ✉ Sanomat.ast@gov.fi 🌐 finlandabroad.fi.com
France	62 Kosmonavtov Street, Chubary Microdistrict, Astana	☎ (+7) 7172 795100 ✉ admin-francais.astana-amba@diplomatie.gouv.fr 🌐 https://kz.ambafrance.org/
Germany	62 Kosmonavtov Street, Chubary Microdistrict, Astana	☎ (+7) 71 72 79 12 00 ✉ Contract through website 🌐 diplo.de
Greece	15/1 Kabanbay Batyr Avenue, Astana	☎ (+7) 717 257 3714 ✉ gremb.ast@mfa.gr 🌐 https://www.mfa.gr/
Hungary	62 Kosmonavtov Street, Chubary Microdistrict, Astana	☎ (+7) 550 323 2352 ✉ mission.ast@mfa.gov.hu

EU MS	Address	Contact Information
		 https://nurszultan.mfa.gov.hu/https://nurszultan.mfa.gov.hu/
Ireland	Grokholskiy Perulok 5, Moscow, Russia (Responsible for Irish affairs in Kazakhstan)	 (+7) 495 937 59 11  Contact through Website  https://www.dfa.ie/
Italy	62 Kosmonavtov Street, Chubary Microdistrict, Astana	 (+7) 7172 243 390  astana.ambasciata@esteri.it  https://ambastana.esteri.i
Latvia	Samal Microdistrict 12, Astana	 (+7) 717 279 08 14  embassy.kazakhstan@mfa.gov.lv  mfa.gov.lv
Lithuania	62 Kosmonavtov Street, Chubary Microdistrict, Astana	 (+7) 717 279 2747  amb.kz@urm.lt  https://kz.mfa.lt/
Luxembourg	3 Khrushchevsky Pereulok, Moscow, Russia (Responsible for Luxembourgish affairs in Kazakhstan)	 (+7) 495 786 66 65  Moscou.consulat@mae.etat.lu  mae.lu
Netherlands	Renco Building, 3 rd floor, Kosmonavtov street 62, Astana	 (+7) 71 72 55 54 50  Contact via website  https://www.netherlandsworldwide.nl/
Poland	Saryarka Avenue 15, Astana	 (+7) 71 72 94 44 00  nur-sultan.amb.wk@msz.gov.pl  https://www.gov.pl/
Portugal	6 Saryarka Street, Astana	 (+7) 717 276 8302  astana@mne.pt  https://astana.embaxadaportugal.mne.gov.pt/en/
Romania	28 Saraishyk Street, Astana	 (+7) 71 72 22 86 201  nur-sultan@mae.ro  https://astana.mae.ro/
Slovakia	Samal Microdistrict 12, Astana	 (+7) 71 72 79 06 88  emb.astana@mzv.sk  https://www.mzv.sk/
Slovenia	Malaya Dmitrovka 14/1, Moscow, Russia (Responsible for Slovene affairs in Kazakhstan)	 (+7) 49 57 37 63 55  sloembassy.moscow@gov.si  http://www.moscow.embassy.si/
Spain	62 Kosmonavtov Street, Chubary Microdistrict, Astana	 (+7) 70 17 11 55 02  emb.astana@maec.es  https://www.exteriores.gob.es/
Sweden	Astana Tower 17 th floor, Samal Microdistrict 12, Astana	 (+7) 71 72 59 18 06  ambassaden.astana@gov.se

EU MS	Address	Contact Information
		 www.swedenabroad.se

8.3 Other organisations and service providers

8.3.1 Trade promotion organisations (TPOs) and agri food promotion organisations (APOs)

Central offices inside EU Member States

EU MS	Address / location	Contact information
Austria Agrarmarkt Austria Marketing (APO)	Austria	🌐 https://www.ama.at/Home
Belgium (Flanders) FIT (TPO)	Belgium	✉ michele.surinx@fitagency.be 🌐 www.flandersinvestmentandtrade.com
Belgium (Flanders) Flanders' Agricultural Marketing Board (APO)	Koning Albert II-laan 35 box 50 - 1030 Brussels Belgium	☎ +32 491861700 ✉ gert.vancausenbroeck@vlam.be export@vlam.be 🌐 https://www.vlaanderen.be/vlam/
Belgium (Wallonia) AWEX / Wallonia-Brussels, (TPO)	Place Saintelette 2, Brussels, Belgium	✉ agrifood@awex.be 🌐 http://wallonia.be/fr/investir
Belgium (Brussels) (TPO)	Belgium	🌐 https://hub.brussels/en/
Bulgaria Bulgarian Small and Medium Enterprises Promotion Agency (TPO)	Bulgaria	🌐 https://www.sme.government.bg/en/
Cyprus Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	6, Andreas Araouzos Street, 1421, Nicosia, Cyprus	☎ 00357 22867268 ✉ ts@meci.gov.cy 🌐 http://www.mcit.gov.cy/mcit/mcit.nsf/index_en/index_en
France Business France	77 Boulevard Saint-Jacques, 75014 Paris, France	✉ agroalimentaire@businessfrance.fr 🌐 https://www.businessfrance.fr/
France SOPEXA (APO)	France	☎ (+33) 01 55 37 50 00 ✉ mybusiness@sopexa.com
Estonia Enterprise Estonia (TPO)	Estonia	☎ (+372) 6279421 ✉ info@eas.ee 🌐 https://www.eas.ee/?lang=en
Germany Federation of German Food and Drink (APO)	Germany	☎ (+49) 30 200786-157 ✉ bve@bve-online.de 🌐 https://www.bve-online.de/english
Greece Enterprise Greece / Office of Economic and Commercial Affairs (TPO)	109 Vasilisis Sophias Avenue, 115 21 Athens, Greece	☎ +30 210 335 5779 /+30 210 3355 729 ✉ v.kyrkou@eg.gov.gr a.gravanis@eg.gov.gr

EU MS	Address / location	Contact information
		https://www.enterprisegreece.gov.gr/en/
Hungary Hungarian Export Promotion Agency (TPO)	Hungary	☎ (+36) 1 922 2600 ✉ info@hepa.hu 🌐 https://hepa.hu/en
Ireland Enterprise Ireland (TPO)	Ireland	🌐 https://www.enterprise-ireland.com/en/
Ireland BoardBia (APO)	Ireland	🌐 https://www.bordbia.ie/
Italy Italian Trade Agency (TPO)	Via Liszt 21, Rome, Italy	✉ segreteria.marketing@ice.it 🌐 https://www.ice.it/en/
Lithuania Enterprise Lithuania (TPO)	Lithuania	🌐 https://www.versliietuva.lt/en/
Malta Trade Malta (TPO)	Malta	🌐 https://www.trademalta.org/
Netherlands Netherlands Enterprise Agency (TPO)	Netherlands	🌐 https://english.rvo.nl/
Portugal Portuguese Trade & Investment Agency – AICEP (TPO)	Portugal	🌐 https://www.portugalglobal.pt/EN/Pages/Index.aspx
Slovenia Spirit Slovenia (TPO)	Slovenia	✉ sonja.demsar@spiritslovenia.si ; info@spiritslovenia.si 🌐 https://www.sloveniabusiness.eu/
Spain FIAB (APO)	Spain	☎ +34 91 411 72 11 ✉ internacionalizacion@fiab.es , v.puente@fiab.es
Spain ICEX	Paseo de la Castellana, 278 - 28046 Madrid, Spain	✉ maria.naranjo@icex.es 🌐 https://www.icex.es/icex/es/index.html

8.3.2 Other service providers

SERVICE PROVIDER	ADDRESS	CONTACT INFORMATION
SERVICES FOR AUSTRIAN COMPANIES		
Advantage Austria	41 Kazybek Bi Street, Business Centre Park, Almaty.	☎ +7 727 225 14 84 ✉ almaty@advantageaustria.org 🌐 https://www.advantageaustria.org/
SERVICES FOR BELGIAN COMPANIES		
Benelux chamber of commerce to Kazakhstan	Dinnmukhamed Qonayev Street 12/2, Astana	☎ + 7 717 224 13 19 ✉ info@benelux.kz

SERVICE PROVIDER	ADDRESS	CONTACT INFORMATION
		https://benelux.kz
SERVICES FOR BULGARIAN COMPANIES		
Bulgarian Chamber of Commerce and Industry	9 Iskar Street, Sofia	+ 359 811 74 00 office@bccci.net https://bccci.net/
SERVICES FOR CROATIAN COMPANIES		
Croatian Chamber of Economy	Rooseveltov trg 2, 10000 Zagreb, Croatia	investicije@hgk.hr ; hgk@hgk.hr www.investincroatia.hr
SERVICES FOR CZECH COMPANIES		
Czech Chamber of Commerce	Hospodarska Komora, Na Florenci, 110 00 Prague 1.	+420 266 721 300 office@komora.cz https://www.komora.cz/
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	+357 22889800 chamber@ccci.org.cy
SERVICES FOR DANISH COMPANIES		
Danish Chamber of Commerce	Dansk Erhverv, Borsen, Copenhagen K.	+ 45 33 74 60 00 info@danskerhverv.dk https://www.danskerhverv.dk/
SERVICES FOR DUTCH COMPANIES		
Benelux chamber of commerce to Kazakhstan	Dinnmukhamed Qonayev Street 12/2, Astana	+ 7 717 224 13 19 info@benelux.kz https://benelux.kz
SERVICES FOR ESTONIAN COMPANIES		
Estonian Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	+372 604 0060 koda@koda.ee
SERVICES FOR FINNISH COMPANIES		
Eastcham Finland	Etelaranta 10, Helsinki	+ 358 400 45 88 43 Contact through website https://www.eastcham.fi/
SERVICES FOR FRENCH COMPANIES		
CCI France – Kazakhstan	28 Kazybek Bi Street, Almaty	+ 7 717 278 01 20 Contact through website https://www.ccifc.org/
SERVICES FOR GERMAN COMPANIES.		
Germany- Kazakhstan Chamber of Commerce	Nurlan Kapparov Street, Almaty	+7 727 35610 61

SERVICE PROVIDER	ADDRESS	CONTACT INFORMATION
		☒ Contact through website 🌐 https://www.ahk.de/kazakhstan
SERVICES FOR GREEK COMPANIES		
Hellenic Chamber of Commerce	Akadimas 6, Athens	☎ +30 210 33 87 104-6 ☒ keeuhcci@uhc.gr 🌐 https://uhc.gr/
SERVICES FOR HUNGARIAN COMPANIES		
Hungarian Chamber of Commerce and Industry	Szabadsag Ter 7, Budapest	☎ +36 1 474 51 00 ☒ Contact through website 🌐 https://mkik.hu/
SERVICES FOR IRISH COMPANIES		
Chambers Ireland	11 St Stephens Green, Dublin	☎ +353 1 400 300 ☒ info@chambers.ie 🌐 https://chambers.ie/
SERVICES FOR ITALIAN COMPANIES		
Italian Chamber of Commerce	Morgani 13, Rome	☎ +39 06 44 28 51 ☒ Contact via website 🌐 https://www.cameraitacina.com/
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of commerce and industry	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	☎ +371 67225592 ☒ info@chamber.lv
SERVICES FOR LITHUANIAN COMPANIES		
Lithuanian Chamber of commerce and industry	Vašingtono sq. 1-63a, LT-01108 Vilnius	☎ +370 2613 102 ☒ info@chambers.lt 🌐 https://chambers.lt/en/
SERVICES FOR LUXEMBURG COMPANIES		
Benelux chamber of commerce to Kazakhstan	Dinnmukhamed Qonayev Street 12/2, Astana	☎ + 7 717 224 13 19 ☒ info@benelux.kz 🌐 https://benelux.kz
SERVICES FOR MALTESE COMPANIES		
The Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	☎ + 356 2203 2000 🌐 https://www.maltachamber.org.mt/
SERVICES FOR POLISH COMPANIES		
Polish Chamber of Commerce	Trebacka 4, 00-74, Warsaw	☎ + 48 22 630 96 00 ☒ office@cigpl.org 🌐 https://cigpl.org/
SERVICES FOR PORTUGUESE COMPANIES		

SERVICE PROVIDER	ADDRESS	CONTACT INFORMATION
Portuguese Chamber of Commerce	Rua Das Portas de Saint Antonia, Lisbon	+ 351 213 224 050 geral@ccip.pt https://www.ccip.pt/
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	+40 21 3117534 narcis.pirnaeu@ccir.ro www.ccir.ro
SERVICES FOR SLOVAK COMPANIES		
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	+421 2 54433272
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	+386 1 5898 000 info@gzs.si
SERVICES FOR SPANISH COMPANIES		
ASEMPEA	Velazquez 37 Madrid	+34 91 420 24 27 info@asempea.com https://www.asempea.com/
SERVICES FOR SWEDISH COMPANIES		
Sweden Chamber of Commerce	Brunnsgatan 2, 111 38 Stockholm, Sweden	(+46) 8 555 100 00 https://www.chamber.se/

8.4 Calendar of 2024

Attending trade and consumer shows can help EU exporters better understand the market and identify partners.

It should be noted that with Kazakhstan not being a large market, the number of food fairs specific to the country is also limited. There are some other fairs in the region (Russia) which may be of relevance, but in view of the current geopolitical situation these are not listed – only Kazakh fairs are listed below.

Event	Date	Recurrence	Venue	Organiser Details
May 2024				
Interfood Astana	29 th -31 st	Annual	Expo IEC Astana	+7 727 258 34 34 through website https://interfoodastana.kz/en/
September 2024				
Almaty Wine Festival	Mid-September (around 15 th)	Annual	Almaty	No website – on Instagram https://www.instagram.com/almaty.wine.festival/

October / November 2024				
Foodexpo Kazakhstan	13 th – 15 th November	Annual	Atakent IEC Almaty	 +7 727 258 34 34  through website  https://worldfood.kz/en/
Agro world	30 th October – 1 st November	Annual	Atakent IEC Almaty	 +7 727 258 34 34  through website  https://agroworld.kz/en/

8.5 Database of professionals' contacts



























8.5.1 List of relevant buyers, importers, and distributors






Company name	Type	Area of interest	Contact information
ABR	Distribution	German F&B	☎ +7 727 313 22 22 ✉ marketing@abr.kz 🌐 https://www.abr.kz/
Almaty trade	Import/Distribution	Beverages / alcoholic beverages	☎ +7 727 330 7585 ✉ Contact via website 🌐 https://www.almatytrade.kz/
Alpenhof	Import/Distribution	German F&B	☎ +7 7182 903 999 ✉ Contact via website 🌐 https://alpenhof.kz/
Apple City	Import/Distribution	Packaged food	☎ + +7 727 250 05 50 ✉ info@applecity.kz 🌐 https://www.applecity.kz/
Arba Wines	Import/Distribution	Wines	☎ +7 777 107 4672 ✉ Contact through website 🌐 https://arbawine.com/
A-Store Hypermarket	Import/Distribution	F&B	☎ +7 727 330 97 77 ✉ Contact through website 🌐 http://a-store.kz/
Astykhan	Import/Distribution	F&B	☎ +7 747 444 05 05 ✉ Contact via website 🌐 https://astykzhan.kz/
Ayakaz	Import/Distribution	Fresh F&B	☎ +7 7272 79 18 23 🌐 No website
Barbados	Import/Distribution	F&B	☎ +7 727 225 67 03 ✉ mail@barbados.kz 🌐 https://barbados.kz/

Company name	Type	Area of interest	Contact information
Burger King	Import/Distribution	Processed foods	✉ Contact via website 🌐 https://burgerking.kz/
Carefood	Import/Distribution	F&B	☎ +7 707 849 89 79 ✉ Contact via website 🌐 https://carefood.kz/
Colibri	Import/retail	Gourmet F&B	☎ +7 727 264 7122 ✉ Contact via website 🌐 https://colibri.org.kz/
Common Market	Distribution	Confectionery	☎ +7 7212 55 97 90 ✉ logistic@corp.common.kz 🌐 http://www.common.kz/
Dina Market	Import/Distribution	F&B	☎ +7 7132 531 002 ✉ info@dinamarket.kz 🌐 https://dinamarket.kz/
DoDo Pizza	Import/Distribution	Processed foods	🌐 https://dodopizza.kz/
Elite Import Food	Import/Distribution	Gourmet F&B	☎ +7 707 691 6131 ✉ Contact through website 🌐 https://elite-food.kz/
Esentai Gourmet	Import/Distribution	Gourmet F&B	☎ +7 777 552 0007 ✉ Contact through website 🌐 https://esentai-gourmet.kz/
Fellini	Import/Distribution	Italian F&B	☎ +7 727 331 1013 ✉ Contact through website 🌐 https://fellini.kz/
Frau Irma	Import/Distribution	German F&B	☎ +7 777 365 95 00 ✉ Contact via website 🌐 https://frauirma.kz/
Galmart	Import/Distribution	F&B	☎ +7 701 444 75 57

Company name	Type	Area of interest	Contact information
			✉ info@galmart.kz 🌐 https://galmart.kz/
GeoKrit	Import/Distribution	Olive oil	🌐 No website – Facebook and Linked in only (search GeoKrit Kazakhstan)
Global Wine and Spirits	Import/Distribution	Alcoholic drinks	☎ +7 727 331 6964 ✉ Through website 🌐 https://globalws.kz/
Glovo	Import/Distribution	F&B	🌐 https://glovoapp.com/
Interfood	Import/Distribution	F&B	☎ +7 777 537 08 66 ✉ Contact through website 🌐 https://www.interfood.kz/
Irbris 2016	Import/Distribution	Various F&B, including for food service / Horeca	☎ +7 771 270 71 98 ✉ zakaz@irbisfood.kz 🌐 https://irbisfood.kz/
Kazcorp	Import/Distribution	F&B	☎ +7 7152 524 359 ✉ info@kazcrop.com 🌐 https://www.kazcrop.com/
Keuren	Import/Distribution	F&B	☎ +7 7172 79 55 20 ✉ support@keruen.kz 🌐 https://www.keruen.kz/
KBC (Kazakhstanskaya Pivnaya Kompaniya)	Import/Distribution	Beer / alcohol	☎ +7 727 253 77 23 ✉ reception@kbc.kz 🌐 https://kbc.kz/
KFC	Import/Distribution	Processed foods	☎ +7 727 334 1156 ✉ Contact via website 🌐 https://www.kfc.kz/
Korzina	Import/Distribution	F&B	🌐 http://korzina.com/

Company name	Type	Area of interest	Contact information
KWS (Kazakh Wine and spirits)	Import/Distribution	Alcoholic beverages	 +7 727 356 58 25  WELCOME@KWS.KZ  https://kws.kz/
La Croute Boulangerie Patisserie	Import/Distribution	Baked Goods	 +7 777 133 2626
La Riviere	Import/Distribution	French F&B	 +7 778 114 4111  Contact through website  https://Lariviere.kz
Leprechaun Irish Pub	Import/Distribution	Alcoholic Beverages	 +7 771 046 88 22  https://2gis.kz
Magnum	Import/Distribution	F&B	 +7 771 704 03 47  opt@magnum.kz  www.magnum.kz
Mamma Mia Group	Import/Distribution	Italian F&B	 +7 727 222 17 17  Contact via website/telegram  https://ciaopizza.kz/
Metro	Import/Distribution	F&B	 +7 777 009 1244  clients@metro.com.kz  https://www.metro-kz.com/
Parmigiano Group	Import/Distribution	Italian F&B	 Contact via website  https://pgr.kz/
Paul Cafes	Import/Distribution	French inspired F&B	 +7 727 330 75 05  Contact through website  https://paul.kz/
Paulaner Brauhaus	Import/Distribution	German F&B	 Contact through website  https://www.paulaner-brauhaus-almaty.com/
Prima distribution	Import/Distribution	Various F&B	 Through website (various local offices)

Company name	Type	Area of interest	Contact information
			 https://www.prima-group.kz/
Qazaq fruit	Distribution	Fruit and vegetables	 +7 777 165 36 82  zh.nurgudzhaeva@qazaqfruit.kz  http://www.qazaqfruit.kz
Qazaq Gourmet	Import/Distribution	F&B	 +7 708 988 88 88  Contact via website  https://qazaggourmet.kz/
Raimbek Alco	Import/Distribution	Beverages, alcoholic beverages	 Contact via website  https://raimbek.com/en
Ramstore	Import/Distribution	F&B	 +7 707 482 17 51  https://ramstore.kz/
Restoran	Import/Distribution	Italian F&B	 https://astana.restoran.kz/
Silkway	Import/Distribution	F&B	 +7 727 341 07 55  Contact through website  https://www.silkway.kz/
Small	Import/Distribution	F&B	 +7 800 070 7170  Contact via website  https://small.kz/
Spar	Import/Distribution	F&B	 +7 8 8000 7000 17  Contact through website  https://despar.kz/
Stolichny	Import/Distribution	F&B	 +7 727 313 1370  Contact through website  http://stolichniy.kz/
The Tea House	Import/Distribution	Beverages	 + 727 293 65 51  secretary@teahouse.kz  https://en.teahouse.kz/

Company name	Type	Area of interest	Contact information
Vkusmart	Import/Distribution	F&B	 +7 700 097 20 79  Contact via website  https://vkusmart.vmv.kz/
White Enterprise	Import/Distribution	F&B	 +7 707 909 17 17  https://white.kz/

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