

SEVENTH CHINA ROUND TABLE

EURASIAN PERSPECTIVES ON THE FUTURE OF THE MULTILATERAL TRADING SYSTEM: ACCESSIONS AND THE EVOLUTION OF WTO RULES

26-27 SEPTEMBER 2018, HILTON HOTEL, ASTANA, KAZAKHSTAN

*Welcome Remarks by Ambassador Zhanar AITZHANOVA,
Permanent Representative of Kazakhstan to the WTO*

26 September 2018, Opening Ceremony, 9:30 – 10:00

Ladies and Gentlemen!

First of all, I would like to warmly welcome you in Astana and wish us all fruitful deliberations during this 7th China Round Table on WTO accessions.

For Kazakhstan, as a relatively new member of the World Trade Organization, this is a prestigious event that contributed to further strengthening the cooperation between our country and the WTO and provided an excellent opportunity for brainstorming and experience sharing.

As you know, Kazakhstan became a member of the World Trade Organization in November 2015. The negotiation process on Kazakhstan's accession lasted for 19 years and was referred by some as the most complex and unique in the history of this Organization. WTO member countries have recognized Kazakhstan as a country with a predictable and favorable investment climate that conducts trade policies in accordance with the international law.

Today Kazakhstan develops trade relations with 185 countries of the world, and more than 90% of our trade is done with WTO member countries. The volume of foreign trade of Kazakhstan in 2017 amounted to 77 billion US dollars. Over the past 10 years, foreign direct investment in the amount of more than \$ 200 billion has been attracted to the country's economy.

All of this demonstrates that Kazakhstan is deeply integrated into the world trade and economic system and became its integral part.

Kazakhstan is firmly committed to the multilateral trading system governed by the WTO. We are convinced that membership in the WTO will contribute to further strengthening of Kazakhstan's economy and to the growth of the well-being of our people.

Key points of Kazakhstan's experience:

Negotiations lasted for 19 years (1996-2015);

Focus was set on 4 tracks:

- Goods market access;
- Systemic issues – Working Party meetings;
- Services market access;
- Agriculture subsidies and SPS issues.

Legal framework - amendments were introduced to more than 50 legislative acts of the Republic of Kazakhstan and more than 10 Legal Decisions of the Eurasian Economic Union.

In services negotiations examination of legislation is needed to ensure that all existing restrictions in line with the Articles 16 and 17 of the GATS are reflected in the draft Schedule of Specific Commitments.

Attention shall be paid to the following issues:

1. subsidies
2. foreign ownership of lands and land plots
3. commercial presence
4. movement of natural persons
5. domestic regulation
6. MFN exemptions

Bilateral market access negotiations with 31 WTO members and *bilateral services market access negotiations* with 15 WTO members.

- As a result of the negotiations Kazakhstan's *average bound rate* was set at 8.1%, with 14% for agricultural goods and 6.5% for non-agricultural goods.
- **Customs Union** – Tariff rate exemption on a number of tariff lines (*automobiles, food products, forestry etc.*).
- *Tariff Adjustment* - Kazakhstan's accession experience has provided an answer to a systemic issue of conducting WTO accession negotiation with a country that is in a customs union (not member of the WTO).
- *Negotiations on tariff adjustment (common external tariff)* will commence 3,5 years after full implementation of the final bound tariff rates by Kazakhstan.

Export customs duty - Negotiations were mainly held with the US and the EU.

Services market access:

Intra-corporate transferees (ICT)

Definitions for Executives, managers, specialists and business visitors were agreed.

Financial sector – 5 year transitional period (December 2020) after which Kazakhstan will open its market to direct branches of foreign banks and insurance companies.

Telecommunication sector - As of today, Kazakhstan ahead of schedule removed limitation. Thus, 100% foreign capital participation is allowed in a telecommunication company.

Advice:

- To have regular consultations and meetings with state bodies, domestic and international experts;
 - To conduct consultations with national business associations;
 - To involve experts from the competent authorities to work on WTO accession issues; It is important to involve experts from the competent state bodies responsible for regulation of telecommunications, financial, transportation services sectors and recruitment of foreign labor.
 - To reflect in the form of consolidated decisions agreed positions of the relevant state bodies and officials with regard to each sector.
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