



4TH MEETING OF THE EU – KAZAKHSTAN COOPERATION COMMITTEE IN TRADE CONFIGURATION (CCTC)

(9 OCTOBER 2020, VIA VIDEOCONFERENCE)

Joint Report

The Committee was chaired on the EU side by DG TRADE, T.Hammaren and on the KAZ side by Vice-Minister for Trade and Integration, K. Torebayev.

The Committee was the occasion to examine the state of play of the trade and investment relations between the EU and KAZ and go through the main trade issues, including on market access. The Parties noted that EU – Kazakhstan Enhanced Partnership and Cooperation Agreement between the EU and Kazakhstan (EPCA) entered into force on 1 March 2020, but its Trade and Business Title was applied provisionally already from 1 May 2016.

1. Trade and investment

The parties recalled that KAZ is EU's main trade partner in the Central Asia region and the EU is KAZ's first trading partner (EU-27 accounted for 32% of KAZ trade with the world in 2019) and FDI provider (FDI stock of 80 billion USD in 2018, approximately 60% of total stock and 48% of flows in 2018). In 2019, compared to 2018, EU exports of goods to KAZ increased by 8% and imports decreased by 9%. However, the impact of COVID-19 crisis and the drop in energy's prices had resulted, according to KAZ statistics, in a decline of over 20% in KAZ-EU mutual trade during the first half of 2020.

2. Sanitary and phytosanitary issues (SPS)

The Parties discussed all current issues: upload of EU-KAZ certificates to TRACES, DG SANTE assessment of KAZ requests for export of fisheries, honey and dairy, EU-EAEU certificates for dairy and fisheries products originating in the EU, the situation with KAZ exports restrictions of live cattle from CZ and SK, and the concept of regionalisation for animal diseases. The Parties agreed to organise the technical discussions as soon as possible.

3. EPCA – List of arbitrators

The Parties concurred with the need to agree urgently on the lists of the arbitrators for the Dispute Settlement mechanism foreseen by the Article 196 of the EPCA. KAZ committed to submit in the nearest future their proposal for the list of arbitrators.

4. Kazakhstan’s recycling fee for agricultural machinery

EU provided detailed concerns and questions about implementation in KAZ of the recycling fee for agriculture machinery, especially stressing the potential discriminatory nature of the subsidies paid to local producers. KAZ asked to submit the information and questions in written.

5. Transit through the Russian Federation

EU noted that, according to the Russian decree No 290 of 24 June 2019, discussed at the CCTC meeting last year, transit of sanctioned good through Russian territory is allowed from 6 April 2020 with the use of electronic navigation seals. KAZ side informed that the EAEU agreement on using navigation seals in transporting goods is drafted but cannot be shared with EU side at this moment. The Parties noted that the issue would be further discussed at the next meeting of the Customs Sub-Committee scheduled to take place on 23 November 2020.

6. EPCA – Transition periods for the certain provisions

KAZ informed that is preparing for the implementation of EPCA commitments on public procurement (Chapter 8 of the Title III) and intermediary services providers (Articles 112-116 of the Title III) (both mentioned shall apply from 1 May 2021), as well as documents for accession of KAZ to the Government Procurement Agreement (GPA).

7. Kazakhstan’s entry permissions for foreign employees

On EU request, KAZ informed about the current regime of entry permissions for foreign employees. The entry of foreign nationals into the KAZ territory requires a decision of the Interdepartmental Commission to prevent the emergence and spread of COVID-19 infection in KAZ. Investors and businesspersons may officially apply to the regional akimats (if there is established business in KAZ) or to the KAZ MFA.

8. Intellectual property rights – amendments to the Eurasian Economic Union (EAEU) Treaty allowing international exhaustion of trademark rights

In the context of EAEU ongoing discussions, the EU recalled to KAZ its EPCA commitments as regards intellectual property rights and in particular national / regional exhaustion.

9. Labelling and traceability – EAEU Treaties

On EU request, KAZ informed about ongoing implementation of the EAEU agreement on labelling and preparation for entry into force of the EAEU agreement of traceability.

10. Regional trade projects in Central Asia

KAZ side expressed appreciation for EU's regional trade projects in Central Asia and will use EU recommendations for planning and strategic documents.

In conclusion, parties expressed readiness to organise necessary technical follow up meetings and exchange of documents and information.