

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Diploma Thesis

Foreign trade of the Republic of Kazakhstan with EU

Author: Bc. Marina Abritanova

Supervisor: doc. Ing. Mansoor Maitah, Ph.D. et Ph.D.

© 2017 CULS Prague

DIPLOMA THESIS ASSIGNMENT

Bc. Marina Abritanova

Economics and Management

Thesis title

Foreign Trade of the Republic of Kazakhstan with EU

Objectives of thesis

Aim of diploma thesis: Aim of the Work is to analyze the foreign trade of Kazakhstan in historical view as well as its current state, to analyze the development of foreign trade of the Republic of Kazakhstan with European Union and to reveal how does it influenced on current situation of market and development of country. Practical part is focused on the detailed analyses of the wheat and flour market of Kazakhstan, as one of the major export product.

Methodology

Case studies on studying of foreign trade in Kazakhstan include various methods of a research. For the purpose of investigating of economic processes, in work a number of general scientific methods of knowledge, i.e. such methods which use both social and natural sciences are applied. The methodology of theoretical part will be directed to studying, professional literature, articles and other sources of printing and electronic character. Except the analysis of the existing situation the historical and logical methods will be applied, they are applied in unity. These methods assume detailed studying of social and economic processes in their historical sequence, but along with logical generalizations which allow to estimate these processes in general and to draw the general conclusions.

The proposed extent of the thesis

60 – 80 pages

Keywords

Foreign trade, wheat and flour market, Republic of Kazakhstan, export, import, economic development, European Union

Recommended information sources

Korotkova T. L. International Economics. – Finances and Statistics, 2011. – 192 p. – ISBN: 978-5-279-03501-4

Madiyarova D.M. International trade of the Republic of Kazakhstan in the world economy. – Almaty: Economics, 2003. – 85 p. – (International business activity of RK). – ISBN 9965-00-876-0

Mill, John Stuart. The fundamentals of political economy. In 2 t. T. 2. – Eksmo, 2007. – p. 156 – ISBN: 978-5-699-19313-4

Expected date of thesis defence

2016/17 SS – FEM

The Diploma Thesis Supervisor

doc. Ing. Mansoor Maitah, Ph.D. et Ph.D.

Supervising department

Department of Economics

Electronic approval: 24. 3. 2017

prof. Ing. Miroslav Svatoš, CSc.

Head of department

Electronic approval: 24. 3. 2017

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 28. 03. 2017

Declaration

I declare that I have worked on my diploma thesis titled "Foreign trade of the Republic of Kazakhstan with EU" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 28 March 2017

Marina Abritanova

Acknowledgement

I would like to thank assoc. prof. Ing. Mansoor Maitah Ph.D. et Ph.D. for his recommendations and professional leadership during writing my thesis. Furthermore, I would like to thank my family or their support during the whole study.

Foreign trade of the Republic of Kazakhstan with EU

Zahraniční obchod Republiky Kazakhstan s EU

Summary

The present Diploma Thesis deals with the theoretical aspects of foreign trade of the state, its forms, principles and characteristics. The foreign trade is becoming as a more significant factor of the development of the national economy and economic stabilization of the state.

Definitely believing that foreign trade instruments of Kazakhstan are not fully coordinated with the economic functions taking place in the European Union as well as in connection with the growing need to occupy a rightful place of Kazakhstan in the international division of labor and the threat of food safety, the country faces a number of challenges, the solution of which depends on a clear and smart foreign trade policy implementation.

Starting out from this the development recommendation for state bodies of Kazakhstan is conducted in the part of future development of foreign trade of the country and the European Union.

The aim of the Diploma Thesis is to analyze the current state of Kazakhstan foreign trade development, to characterize the goods traffic structure of the country with the European Union.

The general scientific means of perception such as observation, generalization, comparison, deduction and induction, dialectical-materialistic approach, descriptive and comparative analysis were used in the Diploma Thesis.

In the course of studies the author used systems and factorial analysis methods as well as statistical analysis methods of economic functions.

These methods provide the opportunity to show the factual data in the maximum exactly way.

Key words: Kazakhstan, the European Union, foreign trade, export, import, merchandising changes, mercantile system, tariff instruments, goods turnover.

Souhrn

Diplomová práce se zabývá teoretickými aspekty zahraničního obchodu státu, jeho formy, principy a funkcemi. Zahraniční obchod se stává stále důležitějším faktorem v rozvoji národního hospodářství a ekonomické stability státu.

Obecně je považováno, že nástroje zahraničního obchodu Kazachstánu nejsou plně v souladu s ekonomickými procesy probíhajícími v Evropské unii. Reakce na rostoucí potřeby, obsazení důstojné místa Kazachstánu v mezinárodní dělbě práce a problematika bezpečnosti potravin v zemi vyvolává řadu problémů, které jsou závislé na implementaci vládou jasně a dobře promyšlené zahraniční politiky.

Cílem této práce je analyzovat současný stav rozvoje zahraničního obchodu Kazachstánu, charakteristickou strukturu obchodního obratu země s Evropskou unií.

Práce využívá vědeckých metod poznávání, pozorování, zobecnění, srovnání, dedukce a indukce, dialekticko-materialistický přístup, popisné a srovnávací analýzy.

Autor práce používají metody systémové a faktorové analýzy, statistické analýzy ekonomických procesů. Tyto metody poskytují příležitost k co nejpřesnějšímu zobrazení aktuálních dat.

Na základě toho se v diplomové práci objevují doporučení státním orgánům Kazachstánu, pokud jde o perspektivy rozvoje zahraničního obchodu Kazachstánu a Evropské unie.

Klíčová slova: Kazachstán, Evropská unie, zahraniční obchod, vývoz, dovoz, obchodní metody, merkantilismus, celní nástroje, obrat zboží

Table of Content

1	Introduction	13
2	Aims and Methodology	15
	2.1 Aims.....	15
	2.2 Methodology.....	16
	2.3 Statement of the research hypothesis.....	17
3	Theoretical part	18
	3.1 Foreign trade.....	18
	3.1.1 Concept content.....	18
	3.1.2 Structure of foreign trade.....	19
	3.1.3 Principles of foreign trade.....	19
	3.1.4 Features of international trade.....	20
	3.1.5 Forms of trade.....	21
	3.2 Methods.....	23
	3.2.1 Direct method.....	23
	3.2.2 Indirect method.....	23
	3.2.3 Corporate method.....	23
	3.2.4 Countertrade methods.....	23
	3.2.5 Competitive methods.....	24
	3.2.5.1 Stock exchanges.....	25
	3.2.5.2 International commodity auctions.....	25
	3.2.5.3 International bidding /tender/.....	26
	3.2.6 Electronic commerce.....	26
	3.3 Scientific theories.....	27
	3.3.1 Mercantilism.....	27
	3.3.2 The theory of absolute advantages of A. Smith.....	28
	3.3.3 The theory of comparative advantages of D. Ricardo.....	28
	3.3.4 The Heckscher-Olin theory.....	28
	3.3.5 The paradox of Leontiev.....	29
	3.3.6 Product Life Cycle Theory.....	29
	3.3.7 Theory of M.Porter.....	30
	3.3.8 The Rybchinskiy theorem.....	30

3.3.9	The theory of Samuelson and Stolper.....	31
3.4	Pricing.....	31
3.5	Factors of development.....	32
3.5.1	International division of labor.....	32
3.5.2	Uneven of economic development.....	32
3.5.3	The difference in raw materials and financial resources.....	32
3.5.4	Nature of political relations.....	32
3.6	Regulation instruments.....	33
3.6.1	Tariff instruments.....	33
3.6.2	Non-tariff instruments.....	35
3.6.2.1	Administrative restriction.....	35
3.6.2.2	Quoting.....	36
3.6.2.3	Licensing.....	36
3.6.2.4	Tax instruments.....	36
3.6.2.5	Technical barriers.....	37
3.7	International trade organizations.....	37
4	Practical part	39
4.1	Foreign trade of Kazakhstan.....	39
4.1.1	Structure of foreign economic turnover.....	39
4.1.2	Directions of foreign trade.....	40
4.1.3	Phases of foreign trade development.....	41
4.1.4	Export.....	42
4.1.5	Import.....	44
4.2	Foreign trade of Kazakhstan and the European Union.....	46
4.2.1	Geography of foreign trade of Kazakhstan.....	46
4.2.2	Dynamics of turnover.....	47
4.2.3	Ranking of partner countries.....	49
4.2.4	Export to EU countries.....	52
4.2.5	Import to EU countries.....	54
4.3	Grain and flour market of Kazakhstan.....	56
4.3.1	Grain production.....	56
4.3.2	Sown areas.....	56

	4.3.3 Export of grain.....	57
	4.3.4 Export of flour.....	58
	4.3.5 Problems of grain exports.....	60
	4.4 Priorities of the state policy in the sphere of foreign trade.....	61
	4.4.1 Accession to the WTO.....	61
	4.4.2 Structural problems of foreign trade.....	62
5	Recommendations	64
	5.1 Diversification of the economy.....	64
	5.2 Competitiveness of goods.....	65
	5.3 Government support.....	66
6	Conclusion	67
7	List of references	70
8	Supplement 1. TOP-50 world wheat exporters in 2001-2014	73

List of tables

- Table No. 1 - International business volumes in Kazakhstan [p. 39]
- Table No. 2 - The dynamics of export of Kazakhstan in the context of raw materials and processed goods [p. 44]
- Table No. 3 - The dynamics of Kazakhstan's trade turnover with the EU countries and third countries in 2010-2015 [p. 48]
- Table No. 4 - The range of 10 main partner countries according to their share in the export of Kazakhstan in 1997, 2015 [p. 50]
- Table No. 5 - The range of 10 main partner countries according to their share in the import of Kazakhstan in 1997, 2015 [p. 51]
- Table No. 6 - Main indicators of the mutual trade of Kazakhstan and the European Union in 2015 [p. 52]
- Table No. 7 - The dynamics of Kazakhstan's exports to the EU and third countries in 2010-2015 [p. 52]
- Table No. 8 - The dynamics of Kazakhstan's imports to the EU and third countries in 2010-2015 [p. 54]

List of Graphs

- Graph No. 1 – Export and import of Kazakhstan for the period 1995-2015 [p. 40]
- Graph No. 2 – The structure of the foreign trade turnover of Kazakhstan for 2015 [p. 42]
- Graph No. 3 – The commodity structure of export of Kazakhstan for January-November 2016 [p. 43]
- Graph No. 4 – The commodity structure of import of Kazakhstan for January-November 2016 [p. 45]
- Graph No. 5 – A geographic structure of the foreign trade turnover in January-November 2016 [p. 45]
- Graph No. 6 – The EU's share in the total foreign trade of Kazakhstan in 2010-2015 [p.49]
- Graph No. 7 – A geographic structure of the export in January-November 2016 [p. 53]
- Graph No. 8 – The commodity structure of exports to the EU countries in January-November 2016 [p.53]
- Graph No. 9 – A geographic structure of the import in January-November 2016 [p. 55]
- Graph No. 10 – The commodity structure of imports of Kazakhstan from the EU countries in January-November 2016 [p.56]
- Graph No. 11 – The dynamics of production of grain and legumes in Kazakhstan [p.57]
- Graph No. 12 – The diversification of crop areas in Kazakhstan [p. 57]
- Graph No 13 – The dynamics of grain and flour export from Kazakhstan p.58]
- Graph No. 14 – The dynamics of flour exports from Kazakhstan [p.59]

1 Introduction

The relevance of the Diploma Thesis «Trade economy of Kazakhstan with the European Union» is due to the fact that international business activity is becoming more increasingly important factor of the national economy development and state economic stabilization.

Economic relations between the states have a long history. Throughout the centuries they have existed primarily as foreign trade, solving the problem of providing public goods which the national economy is produced inefficiently or not produced at all.

During the evolution foreign economic relations have become a complex set of international economic relations. Currently, there is almost no industry in the industrially developed countries, which would not be involved in the sphere of international business activity.

In conditions of increasing interdependence between states in the era of globalization, external forces irrespective of its resource and power potential or the degree of development can influence no country in the world.

No one country whatever powerful in military and economic affairs it would be, could not cope with the major problems of today's world in isolation from other countries. To stand against them one can only in terms of international cooperation.

Under such conditions the object of individual states is a quickly adaptation to the new environment. For Kazakhstan, which has become a rightful subject of foreign affairs, it is vitally important to conduct foreign policy, which would collect the environmental challenges of international system in time.

It is worth mentioning that Kazakhstan foreign policy helped the country's entry to foreign affairs system and world economic relations. Over the last years the Republic became a full member of international community, has established stable relationships with all countries. The Republic's international image developed as a serious and reliable partner.

The foreign policy of the Republic of Kazakhstan has a pronounced economic character in recent times. The expected result of the foreign trade development of goods and services has become a Eurasian economic integration.

Central Asia is a gate way between Europe, Russia and China; the importance of this region couldn't be overestimated. The European Union in relation to Central Asia supposes the establishment and development of durable, long and stable relations with all the

countries of Central Asia.

Kazakhstan is the main trade partner of European Union in the region; it was the first Central Asiatic state that concluded partnership agreement and cooperation of new generation with the European Union. The European Union shares the interests in that Kazakhstan would be more stable, democratic and more prosperous and confirm a strong partnership between them. However the efficiency of this policy is not so high now. Fundamentally it is due to the fact that Kazakhstan foreign trade policy instruments not fully accord with economic functions, taking place in the European Union.

The relevance of the problem increases in relation to growing need of taking a rightful place of Kazakhstan in international division of labor and food safety threat. In this direction Kazakhstan has a number of objectives, which solution depends on the government implementation the clear and cautious foreign trade policy. These might include: structure improvement of export and import, competitive recovery of Kazakhstan goods and services, development and improvement of export manufacturing.

Up to the present moment foreign trade issues of the Republic of Kazakhstan hold a specific place in government programs, but more attention was paid to liberalization of international business activity, stabilization of foreign economic relations, rather than to structure rationalization of export and import, in order to improve competitiveness of domestic goods and services.

The particular importance acquires the development structure of export and import. The import structure of the republic is focused on satisfaction of consumer needs. The main feature of the export is that the basis of Kazakhstan export to the EU countries are several types of exported goods generally fuel and raw materials resources. Therefore it causes the raw material specialization of the economy as well as attracts overexposure of the price conditions on the world market of fuel and raw materials.

The above mentioned leads to the relevance of the chosen theme, as well as the aim and objectives of the course research.

The degree of studied problem. Many works of foreign and Kazakh academic economists are dedicated to the research of the problems in the range of foreign trade relations. Issues related to the development and deepening of international trade, strengthening of external economic relations, economic integration and liberalization of foreign trade represented in economic literature.

2 Aims and Methodology

2.1 Aims

Aim of the diploma thesis is to analyze the current state of Kazakhstan foreign trade development, to characterize the goods traffic structure of the country with the European Union.

The objectives of the diploma thesis are as follows:

- to study the theoretical aspects of international business activity of the state;
- to study the basic forms of international business activity;
- to describe the main development factors and regulation instruments of international business activity.
- to conduct empirical research of Kazakhstan foreign trade condition with the European Union;
- to identify the priorities of the state policy in international business activity sphere;
- on the basis of conducted study to submit recommendations to the state authorities of Kazakhstan in terms of development prospects international business activity of the country and European Union.

The subject of diploma thesis is quantitative and qualitative parameters of foreign trade of Kazakhstan and the European Union.

The novelty of the study Scientific novelty of the study proves the conducted comprehensive analysis of modern trade and economic relations of Kazakhstan and European Union under the world crisis conditions.

Theoretical framework of diploma thesis. Educational material was widely used by writing the Diploma Thesis, recourse books, print media publications, Internet materials, affecting various aspects of this problem.

Information base. The work was based on the official data of government Statistics of Kazakhstan, Eurostat, the news agency publications "Informbureau" and other information.

Practical base of the diploma thesis. Data books of Kazakhstan, Eurostat reports, custom service reports, articles in newspapers and magazines in English, Russian, Internet sites were used.

Theoretical significance of the diploma thesis is that the comprehensive study of international business activity of Kazakhstan is conducted from divergent positions,

including: foreign trade principles of regulations; modern trends of foreign trade policy; foreign trade factors; effectivization instruments and prospects for the development of foreign trade. The study identifies factors and trends influencing the current state and foreign trade development of Kazakhstan and the European Union.

Practical significance – potential for use of study materials in academic and lecturing works for students.

The structure and scope of the diploma thesis consists of an introduction, the main body (consisting of 2 chapters), conclusion, list of references and appendixes, contains 67 type-script pages, including 9 tables, 14 graphs.

2.2 Methodology

The research methodology represents a specific set of methods, research techniques, knowledge principles that apply in a particular science.

Methods of diploma study allow solving set tasks and achieve the thesis research aim.

The practical and theoretical methods, widely applied in the research process of various sciences were used in this thesis research. A practical method allows to record and to describe the phenomena, facts and connection between them (comparison, observation, measurement, description).

In terms of the theoretical method a detailed analysis of the different facts is carried out, significant patterns are revealed; factual material (analysis, classification, modeling, system approach, a statistical method, etc.) are systematized.

In the diploma thesis general scientific means of perception: observation, generalization, comparison, deduction and induction, dialectical-materialist approach, descriptive and comparative analysis were used. In the course of studies the author used methods of system, factorial analysis, as well as the methods of statistical analysis of economic functions.

2.3 Statement of the research hypothesis

The hypothesis of the diploma thesis lies in the fact that participation of Kazakhstan in international division of labour, the entry into the 50th most competitive countries of the world will depend on that in what direction the international business activity of Kazakhstan will developed and how effectively the export potential will be used.

3 Theoretical part

3.1 Foreign trade

3.1.1 Concept content

Foreign trade is the most developed form of international economic relations and an important factor in the globalization of the world economy.

The basis of foreign trade is the international division of labor, observed in the specialization of some countries, national industries, in the production of goods and services for the foreign market. Foreign trade is linked directly to the world market, which is a system of stable commodity-money relations between countries.

According to the data of BusinessDictionary.com (2015), foreign trade is "the exchange of goods and services on international borders".

According to the definition of Frolova (2015), foreign trade is a paid commodity turnover between countries, which is a cross-border exchange of goods and services, the totality of foreign trade of all countries in the world.

Korotkova (2011) defines foreign trade as one of the spheres of economic activity of the state, enterprises, firms, closely related to export and import of goods, foreign credits and investments carried out with other countries jointly.

Some economists view foreign trade as a field of activity, consisting in the exchange of goods and services through export and import operations, as well as various objects of intellectual property (Khalevinskaya, 2010).

The subject of foreign trade is material things /finished products, machinery and equipment, raw materials, etc./, services, intellectual property / copyright and patent rights, etc./.

Thus, foreign trade includes trade of goods, services and intellectual property. Information, investment, scientific and technical cooperation, international specialization and cooperation of production connect with it.

On the one hand, it contributes to the economic progress of the industrialized countries, and, on the other hand, it can hamper the development of the economies of developing countries. For example, the trade expansion of advanced countries has become an obstacle to the development of manufacturing industry and the formation of national economic complexes in developing countries.

3.1.2 Structure of foreign trade

Modern foreign trade can be represented as a multilevel system consisting of three floors (Khasbulatov, 2014).

The market of basic goods, such as the products of agriculture and extractive industries is on the ground floor.

Semi-finished and labor-intensive finished products, such as products of ferrous metallurgy, building materials, textiles, light industry products are on the middle floor.

Machines, transport vehicles, basic chemistry products, rubber and plastic products, woodworking products are also on this floor.

High-tech goods, products of high technology industries are on the top floor. They are office and telecommunications equipment, electronics, electrical equipment, precision measuring instruments, aerospace technology, medical equipment, pharmaceuticals and other high-tech products.

3.1.3 Principles of foreign trade

Foreign trade provides undoubted advantages both in the production of goods and in the consumption of goods and services. It helps to improve the living standards of the population and production efficiency. However, these advantages are achieved in conditions of free trade, in the absence of prohibitions and restrictions.

Now liberalization and protectionism determine the main directions for the development of world trade. Trade liberalization involves ensuring the free access of goods and services to external markets; protectionism provides the regulation of the access of foreign goods to domestic markets, protects markets and national industries from unfair competition.

Under the circumstance the world community has developed a number of principles on which international trade is based (Rybalkin, 2012).

The principle of "freedom of trade" means the sovereign right for free trade with other countries, freely conclusion of bilateral and multilateral treaties, joining in international organizations, taking advantages of trade, participation in solving world problems of foreign trade.

The principle of "non-discrimination in trade" means the right of the state not to be

discriminated, to use common modes of access of goods to foreign markets, the right to protect the national market.

The principle of "mutual benefit" means the right of states to consider their interests solving issues and problems of foreign trade, the duty of states not to apply coercive measures in foreign trade aimed at gaining profit or infringing the rights of other states.

The principle of "providing a national regime" means the duty of states to provide goods of import origin with the same treatment on the domestic market as national goods.

The "most-favored" principle derives from bilateral trade agreements. It means the right of states for maximally favorable customs tariff rates for their goods in the foreign customs territory, the obligation of states to distribute the most favorable rates of customs tariffs on foreign goods, as well as the right of states not to grant preferential rates which occur in cross-border trade, in trade with developing countries under the generalized system of preferences.

The principle of "preferences for developing countries" means the right of developing countries for special rates of customs duties on their goods in the markets of developed countries without providing counter compensation, not to provide developed countries with the preferences which occur in trade among developing countries, the right of developing countries for application of subsidies, including export for the purposes of socio-economic development.

The principle of "freedom of transit" means the right of a landlocked state to have free access to the sea for the purposes of foreign trade, the right for freedom of transit and the release of transit goods from customs duties, the obligation of coastal states to grant freedom of transit to goods of countries which do not have access to the sea.

3.1.4 Features of international trade

The features of international trade in comparison with trade within the national market are:

- higher competition,
- more complex structure of the world market,
- higher degree of monopolization,
- the presence of world prices, which differ from domestic prices significantly.

The country's participation in international trade is determined by the level of its economic

development, the size of the territory, the population, the degree of availability of natural resources, the size of the domestic market, the goals and objectives of economic policy. Quantitatively, the country's participation in international trade is expressed in terms of exports and imports, as well as in the export quota (the ratio of the volume of exports to GDP) and the import quota (the ratio of the volume of imports to GDP).

The volume and structure of international trade are determined by the state of material production, its scientific and technical level and the degree of development of the international division of labor (Prokushev, 2016).

Modern international trade is characterized by the following features:

- higher growth rates in comparison with world production (it is due to the international division of labor and increasing specialization and cooperation),
- increasing of the share of finished goods in the structure of trade,
- higher proportion of developed countries than all other countries,
- growth of trade in services (transport services, tourism, communication services, financial services),
- intensification of the trend of trade liberalization and removal of trade barriers,
- strengthening of regional trade groupings,
- formation of three main flows of goods (East Asia - North America - Western Europe).

3.1.5 Forms of trade

The form of trade is considered as a way of existence and expression of the contents of commercial transactions.

The basis of traditional forms of foreign trade is export-import transactions of purchase and sale of goods. They include imports, exports, re-imports, re-exports. (Kuznetsov, 2015)

Import is a form of foreign trade, which is associated with the purchase and import of foreign goods into the buyer's country for their sale in the domestic market. Its signs are the existence of a contract between contractors and the crossing of the goods of the border of the importing country.

Import means import into the country of goods of foreign origin from free zones /free warehouses/, as well as import of goods for processing under customs control.

Reimport is the importation of goods into the country previously exported in the export mode, which has not been processed abroad, without payment of customs duties and taxes. The main reasons for the return of goods are the return of unsold and defective goods, the liquidation or bankruptcy of a partner.

Carrying out import operations the buyer usually faces the following tasks as the establishment of a compromise in terms of the price-quality criterion, as well as the minimization of the transaction risk by checking the reliability of the counterparty, the defensive clauses of the contract, the choice of the form of payment, the adequate degree of risk, insurance, checking the compliance of the transaction with the legal regime.

Export is a form of foreign trade, which involves the sale and exportation of goods abroad for transfer to a foreign counterparty. A contract and the crossing of goods of the border are the main signs of exports.

According to the WTO data, the largest exporters in the world are the European Union, the USA, China and Japan (Zenkin, 2015).

Re-export is a special form of export. It is the export of a previously imported product, which has not undergone significant processing. In accordance with the requirements of the buyer, only the following operations are permitted with the goods as prepackaging, packaging, marking.

There are the following types of re-export in the practice of foreign trade.

Forced re-export is used in the case when the importer cannot sell previously imported goods in the domestic market with the necessary economic effect.

Speculative re-export is used when the goods are purchased for the purpose of resale. It relates mainly to commodities. Technological re-export is typical for construction engineering companies in the implementation of projects under the "key", as well as for the supply of complete equipment. Accounting re-exports are operations carried out without importing into the country of the importer. Customs Statistics considers these transactions as export.

3.2 Methods

The methods of organization of foreign trade are considered as ways of trade exchange between participants. The methods of foreign trade are diverse as the content of foreign trade activities as a whole.

Traditionally, the main methods of trade include direct, indirect and corporate methods. A formal sign of the international nature of a commercial transaction is the different nationality of the legal addresses of the parties of the transaction.

3.2.1. Direct method

Its distinctive feature is the fact that the Seller /resident of one country/ undertakes to transfer the goods to the ownership of the Buyer /resident of another country/ in the contracted terms and under the conditions specified therein, and the Buyer, in turn, undertakes to accept this product and pay for agreed amount.

3.2.2. Indirect method

This method is also common in the practice of foreign trade and consists of the completion of an international trade transaction through an intermediary.

3.2.3. Corporate method

This method appeared in the sphere of small and medium business. In this method, the international trade transaction is carried out through a special intermediary. It is a certain organizational form of business created by a group of initiators of this transaction, the commission of which by each individual participant of the group is impossible, risky or economically unprofitable.

3.2.4. Countertrade methods

Countertrade methods are used widely in the practice of foreign trade. They are used when

the importer is having difficulty with the availability of sufficient amounts of hard currency to purchase the necessary goods (Volkov, 2008).

Countertrade differs in a wide variety of forms. The most common are six basic forms.

- Net barter.

This method of countertrade is the exchange of goods for the goods between counterparties, who act simultaneously as sellers and buyers. There are no cash settlements.

- "Swich" transaction.

This countertrade method involves participation of a third party in a transaction. Counterparties of the transaction exchange goods, a third party, for example, a trading company, sells for certain commission goods.

- Counter purchase.

This method of countertrade involves the mutual agreement of counterparties to buy each other's goods. There are monetary settlements. Goods are delivered simultaneously.

- Advance purchases.

The method of countertrade "advance purchases" is called "junktim". It is widespread in Germany. It is a counter purchase of goods by counteragents. But, in this case, the exchange of goods is time-separated.

- "Buy back" deal.

There are cash settlements in this transaction. The exporter is obliged to buy the goods from the importer. The purchased goods are produced by the importer using the goods purchased from the exporter.

- Commercial compensation.

This method of countertrade involves the exchange of goods between counterparties. The cost of goods can be different. The difference in the value of goods is paid off in cash by one of the counterparties.

3.2.5. Competitive methods

Foreign trade, carried out through commodity exchanges, auctions and international bidding, is attributed to competitive methods of foreign trade.

3.2.5.1 Stock exchanges

The subject of transactions on stock exchanges are mass goods of clearly defined quality standards such as oil, cotton, raw silk, grain, sugar, oil, coffee, cocoa, natural rubber, non-ferrous metals. Now stock exchanges has 30% of world trade turnover (Arustamov, 2016). Exchange transactions are concluded by brokers who have instructions from their clients. Often the subject of transactions are still not produced goods.

There are two main types of transactions concluded on the exchange. These are transactions for real goods and urgent /futures/ transactions.

The largest international stock exchanges are represented mainly by stock exchanges of the USA and Great Britain. One of the largest stock exchanges in the world is the Chicago Mercantile Exchange, which deals with cereals /wheat, corn, oats, soybeans/, precious metals /gold, silver/, treasury bills and US bonds. The London Metal Exchange deals with aluminum, copper, tin, lead and zinc.

3.2.5.2 International commodity auctions.

Auction trade of goods is specially organized markets, periodically operating in certain places, where previously examined by the buyer goods are sold through public bidding at a pre-determined time. These goods pass to the ownership of the buyer who offered the highest price. Trade is conducted only by real cash.

At auctions, goods are sold which have individual properties such as quality, appearance, taste, etc. The main items of bargaining at the auction are fur coats, unwashed wool, bristles, tea, tobacco, vegetables, fruits, flowers, fish, tropical wood, horses, as well as works of art, antiques. For example, India sells 70% of all tea exports through auctions in Calcutta and Cochin.

One seller and many buyers participate in the auction trade. Bidding on the auction is conducted with either the increase or decrease of a price. An auction the participant buys goods, who will give a great price.

3.2.5.3 International bidding /tender/

Tender is a way of purchasing goods, placing orders and issuing contracts. It is the most widespread method of foreign trade. It involves the acceptance of proposals by a certain date from several suppliers from different countries and concluding a contract with one of them whose offer is most favorably at prices and other commercial conditions.

There are open and closed tenders.

All interested companies and organizations, including foreign ones, are invited to open tenders. Orders for standard and versatile equipment are usually placed in open tenders.

In closed tenders, only firms participate which get special invitations in advance. Tender committees give preference to their national firms in other equal conditions.

3.2.6 Electronic commerce

A new method of trade is e-commerce, which creates fundamentally new opportunities for the participation of different countries in world trade. External commercial transactions carried out by electronic commerce are based on the processing and transmission of data in digital form, including text, audio and video transmissions.

The term "electronic commerce" covers any electronic methods of data transmission such as data transfer between computers, on-line communication, e-mail, telex and telefax. The technical basis for electronic commerce is the Internet. It is a world-wide collection of computer networks with a common address space open for all users.

The Internet has the opportunity to give information about goods, services, sellers and buyers, prices and other commercial terms. It allows to conduct commercial transactions electronically.

The difference between electronic commerce and traditional transactions is electronic transactions are concluded using electronic means of telecommunications.

There are no ordinary documents on paper. Electronic document management is used. Electronic documents must have an electronic signature.

3.3 Scientific theories

Many well-known economists dealt with foreign trade. The main theories of foreign trade are Mercantilist theory, The theory of absolute advantages of A. Smith, The theory of comparative advantages of D. Ricardo, Theory of Heckscher - Olin, The paradox of Leontiev, Theory of the product life cycle, M. Porter's theory, Rybchynskiy theorem and The Samuelson and Stolper theory (Ivanov, 2012).

The analysis of ideas and views of western scientists and schools on the issue of the foreign trade allows following the evolution of approaches to the content and objectives of the foreign trade.

3.3.1 Mercantilism

Historically the first major school, making up the analysis of the foreign trade role in the economic development was the mercantile system. The scientific importance of this conception contribution lies in the fact that the interrelation was found between home economy and internal environment, but foreign trade was considered as a source of growth of the country's wealth.

The representatives of the direction are Thomas Man, Antoine de Montchretien, William Stafford. Basic provisions are

- the need to maintain an active trade balance of the state (excess of exports over imports);
 - recognition of the benefits of attracting gold and other precious metals to the country in order to increase its welfare;
 - money is an incentive to trade, an increase in the mass of money increases the volume of the commodity mass;
 - protectionism is encouraged, aimed at the import of raw materials and semi-finished products and the export of finished products;
 - the restriction on the export of luxury goods, since it leads to the leakage of gold from the state.
- The main disadvantage in the views of the mercantilists was that they did not raise the question about the interrelation of foreign trade with public production, commercial capital with industrial one. (Mill, 2007).

3.3.2 The theory of absolute advantages of A. Smith

The real wealth of the country consists of goods and services available to its citizens. If a country can produce any goods more and cheaper than other countries, then it has an absolute advantage. Some countries can produce goods more efficiently than others can.

The country's resources flow into profitable sectors, as the country cannot compete in unprofitable industries. It leads to an increase in the productivity of the country, as well as the qualification of the workforce; long periods of production of homogeneous products provide incentives for the development of more effective methods of work.

Natural advantages are

- climate;
- territory;
- resources.

Acquired benefits are

- technology of production, that is, the ability to produce a variety of products.

3.3.3 The theory of comparative advantages of D. Ricardo

With the development of large engineering the mercantilist views on the promotion of exports increasing questioned by the English economists (D. Ricardo, D. Hume).

The important in the theory of comparative advantages is that the benefits of trade are developed in total cost savings per unit of output. Whereby D.Ricardo believes that free trade provides mutual benefits for the international exchange of the parties.

D. Ricardo was the first who studied the foreign trade character apart from the internal trade. He suggested that the comparative advantage is a combination of internal price difference between the countries, but trade directions are determined by relative costs, regardless of availability or lack of absolute advantage in the production of the product (Mill, 2007).

3.3.4 The Heckscher-Olin theory

This theory of scholars from Sweden, which appeared in the 30s of the twentieth century, refers to neoclassical concepts of international trade.

The main provisions of the theory are the following:

firstly, in countries there is a tendency to export those goods for the production of which excess factors of production are used in the country, and, conversely, to import goods which require relatively rare factors for production;

secondly, in international trade there is a tendency to equalize "factor prices";

thirdly, the export of goods can be replaced by the displacement of factors of production beyond national borders.

Neoclassical concept of Heckscher - Olin proved to be convenient for explaining the reasons for the development of trade between developed and developing countries, when in exchange for raw materials entering developed countries, developing countries imported machinery and equipment. However, today the center of gravity of international trade is gradually shifting to the mutual trade of "similar" goods between "similar" countries.

3.3.5 The paradox of Leontiev

It is the studies of an American economist who questioned the provisions of the Heckscher-Olin theory and showed that in the post-war period the USA economy specialized in those types of production, which required relatively more labor, rather than capital.

The essence of the paradox of Leontiev was that the share of capital-intensive goods in exports could grow, and labor-consuming could reduce. In reality, analyzing the US trade balance, the share of labor-intensive goods did not decrease.

3.3.6 Product Life Cycle Theory

It was put forward and substantiated by R.Verna, C.Kindelberger and L.Wels. In their opinion, the product, from the moment of its appearance on the market and before leaving it, goes through a cycle consisting of five stages. They are:

- product development. The company finds and realizes a new idea of the product. At this time, sales are zero, costs rises.
- marketing. The profit is absent due to high expenses for marketing activities, the sales volume grows slowly;
- rapid market conquest, increase in profits;
- maturity. The growth in sales slows, as the bulk of consumers are already attracted. The level of profit remains unchanged or decreases due to increased costs for marketing activities;
- decline. The decline in sales and the reduction in profits.

A feature of the theory of the life cycle of a product is that the production of high-tech goods at the initial stage is possible only in developed countries, in particular in the USA (Mill, 2007).

3.3.7 Theory of M.Porter

This theory introduces the notion of the country's competitiveness. It is national competitiveness, in Porter's view, that determines success or failure in specific industries and the place that a country occupies in the world economy system. National competitiveness is determined by the ability of industry.

State measures to maintain competitiveness are:

- impact of the government on factorial conditions;
- impact of the government on demand conditions;
- impact of the government on related and supporting industries;
- impact of the government on the strategy, structure and rivalry of companies.

The theoretical premises of M.Porter served as the basis for the development of recommendations at the state level to increase the competitiveness of goods in Australia, New Zealand and the USA in the 1990s of XX century (Mill, 2007).

3.3.8 The Rybchinskiy theorem

The theorem is that if the value of one of two factors of production grows, in order to maintain the consistency of prices for goods and factors, it is necessary to increase the

production of those products in which this increased factor is used intensively and to reduce the production of the rest of the output that uses intensively the fixed factor.

In order the prices for goods remain constant, prices for factors of production must remain unchanged. The prices of factors of production can remain constant only when the ratio of factors used in two sectors remains constant.

3.3.9 The theory of Samuelson and Stolper

In the middle of XX century (1948), American economists P.Samuelson and V.Stolper perfected the Heckscher-Olin theory, suggesting that in the case of the homogeneity of the factors of production, the identity of technology, perfect competition and the total mobility of goods, international exchange equalizes the price of production factors between countries.

The authors consider trade not only as a mutually beneficial exchange, but also as a means to reduce the development gap between countries.

The disadvantage of the theorem is the study of the impact of foreign trade and commodity prices on the distribution of income in a clearly delineated, limited framework.

3.4 Pricing

Pricing in international trade depends on a large number of factors such as:

- place and time of sale of goods;
- relationship between the seller and the buyer;
- commercial terms and conditions;
- nature of the market;
- sources of price information.

World prices are a special kind of price in international trade. It is the prices of major (large, systematic and sustainable) export or import transactions carried out on normal commercial terms in the main centers of international trade by well-known exporting companies and importers of the corresponding products (Nikolaeva, 2013).

The final cost of the goods is formed from:

- manufacturer's price;

- cost of translation services;
 - cost of legal support of the transaction;
 - cost of the control of production (inspection of products);
 - transportation costs;
- amount of payments to the budget (customs payments, VAT, etc.);
- commission of intermediaries organizing the import of products.

3.5 Factors of development

3.5.1 International division of labor

One of the factors of foreign trade expansion is the international division of labor.

The international division of labor is a center in particular countries of certain goods production for the next advantageous sale on the world market and thereby meets the needs of some other countries, presented on this product demand.

By trading to each other, countries have the opportunity to purchase those goods which are not produced in the country, cheaper than if the country was trying to produce this type of product independently (Nosova, 2009).

Foreign trade relations also include the information movement from country to country. First of all, it refers to the R&D deliverables in the form of research and development.

3.5.2 Uneven of economic development

Each country has its own structure of industries, own level of production development, agriculture, transport, communications, service and its specialization in the economy.

Industrial or agricultural specialization gives a strong motion for the foreign trade development, which is very important for the small territories and the population size of advanced capitalist countries: Holland, Norway, Belgium, Finland and others. These countries have a share of export in gross domestic product about 50% and about the same share of import.

3.5.3 The difference in raw materials and financial resources

A large variety of raw material resources, the main share of which are mineral resources objectively contributes to the establishment of commercial relations between the countries of the world.

For the establishment of foreign trade between the states contributes the opportunity of some countries of the world such as Japan, Singapore, Hong Kong, Panama, Bahrain and others, to allocate funds for firms credit accommodation, enterprises, banks, located in different countries.

3.5.4 Nature of political relations

The presence of friendly political relations between countries contributes to the strengthening of foreign trade. And, inversely, the political confrontation reduces dramatically the foreign trade turnover up to the severance of economic ties.

3.6 Regulation instruments

The high growth rates of the world economy in the first half of the twentieth century, which was largely ensured by the development of foreign trade, necessitated its regulation in an international scale. In this connection, after the end of the Second World War, a number of organizations were created to create a system of multilateral regulation of international trade (Nikolaeva, 2013).

They are the General Agreement on Tariffs and Trade /GATT/, the United Nations Conference on Trade and Development /UNCTAD/, the United Nations Commission on International Trade Law /UNCITRAL/, the International Monetary Fund /IMF/, the World Bank, the Organization of Economic cooperation and development /OECD/. Now, the leading regulator of international trade is the World Trade Organization, which became the GATT receiver since 1995.

The GATT Secretariat proposed tariff and non-tariff instruments as methods of the regulation of international trade.

3.6.1 Tariff instruments

In international trade the most common classical instrument for its regulation is a customs tariff used in the form of customs duties.

A customs tariff is a set of rates of customs duties, systematized in accordance with the commodity nomenclature.

Customs duty is an instrument, which increases the prices of imported goods when they are sold at the domestic market. Import duty is an extra charge to the price of imported goods. It is a kind of tax levied by the state when goods or services cross the customs border of the country.

Autonomous /maximal/, conventional /under the most-favored-nation treatment/, preferential /reduced duties, applied as a unilateral non-reciprocal assignment for a particular category of countries/ are used in the practice of foreign trade (Nikolaeva, 2013). There is also a duty-free regime /zero rate of duty/. It is provided to poorly developed countries and used in trade between the countries of the Commonwealth of Independent States.

The rate of the customs tariff consists of the commodity code, a brief description of the goods, columns with rates of duties.

Customs tariffs are also classified according to the nature of their application. There are import, export and transit duties. Export duties are rarely used. Therefore, they do not form an export tariff, but only a list of goods subject to import duties.

In connection with the principle of international trade "freedom of transit" transit fees are not applied.

Import customs duties are the most traditional instrument of the trade policy aimed at restricting the access of imported goods to the domestic market. Export duties are less common and aimed at restricting the export of certain goods from the country and solving fiscal problems.

In spite of the freedom of trade, customs duties continue to be applied by all states. The basis for calculating the customs tariff is the customs value of the goods. The value of the goods is determined by the value payable or paid by the importer. If there are compelling reasons, the customs authority may question the reliability and accuracy of the value declared by the importer.

Principles of formation of import customs tariffs in the interests of national production. They include the principle of tariff escalation and effective tariff protection.

The principle of tariff escalation is an increase of the tariffs for goods as their level of processing increases. The most countries use this principle. Low rates for raw materials and high for finished products and products with a high level of processing are established. Thus, incentives are created for importing the necessary raw materials to the country for the development of the manufacturing industry.

An effective tariff protection is the policy of applying low rates of duties for imported raw materials and components and high rates for final products. At the same time, the level of tariff protection of the industry will depend not so much on the level of duties as on the difference between duties on final products and imported goods used in the production process.

3.6.2 Non-tariff instruments

These tools include administrative restrictions /prohibitions/, quotas, licensing, regulatory tax instruments, technical barriers in trade (Smityenko, 2009).

3.6.2.1 Administrative restriction

Administrative restriction of export /import/ includes a number of prohibitions, which include the following prohibitions.

Economic sanctions based on the decision of international organizations, for example, the UN. There were sanctions on Cuba, Nicaragua, Iraq, North Korea, Russia. Sometimes prohibitions are introduced unilaterally.

Bans for restrictions on religious order. For example, pork and alcohol are not supplied to the countries in the Middle East. There are seasonal bans on the import of certain agricultural products during the harvest in the country.

The WTO allows the introduction of bans, which are recognized as justified due to the shortage of certain goods in the domestic market. Bans are permissible for reasons of protection of public morality, life and health of the population, plant life. Prohibitions in national security concerning the trade of arms and ammunition, fissile material.

Prohibitions on the import of precious metals /gold, silver/. Bans are also permitted under agreements on technical barriers in trade, sanitary and phytosanitary measures, agriculture, textiles and clothing.

Limitations in the form of quotas /by physical volume or by cost/ is one of the most common methods of restricting exports or imports in international trade.

3.6.2.2 Quoting

Quoting is carried out in several forms. There are global, individual, tariff, seasonal quotas (Smitiyenko, 2009).

Global quotas determine the amount of total imports of goods which is not distributed among suppliers and can be realized among them in the order they send requests.

Individual quotas are distributed proportionally to the share of each supplier in imports for the previous /base/ period.

Tariff quotas are the establishment of quantities of goods which are allowed to be imported or exported at a special, lower rate of tariff within a certain time.

Seasonal quotas are set for the importation of certain types of agricultural products during the peak production in the country /fruits, vegetables, etc./.

3.6.2.3 Licensing

It is a traditional measure of non-tariff regulation, which provides a permissive procedure for foreign trade operations with a commodity or country. It is an independent instrument of regulation. It is used as a tool for distributing quotas among suppliers. There are single, general and automatic licenses.

A one-time individual license is a one-time permit for a specific importer upon its application /without the right to transfer/ for the import of the specified quantity of goods from a particular country.

A general license allows any person to import the quantity of the goods without restriction during a long period from any country or from the specified countries.

Automatic license. It is an even more free regulation. It has become a practice in the last decade. It assumes the importer's request to the state body with a license application. The

state does not confirm a license each time, although it has the right to suspend a license. Automatic licensing is for the purposes of monitoring supply, control the implementation of international treaties or the supply of "sensitive" goods.

3.6.2.4 Tax instruments

They have an indirect effect on foreign trade. They have received the name equalizing or boundary. Obviously, if not to apply taxes and fees to foreign goods, which apply to goods produced domestically, then domestic goods will be less competitive. First of all, it concerns the value-added tax (VAT) and excises. It is necessary for fair competition of domestic and imported goods.

The rate of taxes levied on imports does not exceed the tax rates for similar goods of national production. There should not be a double taxation.

3.6.2.5 Technical barriers

It is known that many goods are potentially dangerous for human life and health, animal and plant welfare and the environment. In this regard, each country has the right to take protective measures against the potential risks associated with such goods, develop technical requirements for imported products. Technical barriers can exist in the form of standards, technical norms and rules, requirements for the safety of goods.

Standards are voluntary. Any interested parties develop them. They should be publicly available, for example, ISO standards, the international organization for standardization.

Technical regulations, in contrast to standards, are legislative or regulatory acts of mandatory application. The state has the right to introduce measures, which ensure compliance of the product with the requirements of regulations. Such measures are implemented as conformity assessment procedures. Compliance with the requirements of the regulations is declared.

There is mandatory certification in international trade. It involves checking the compliance of the goods with the compulsory requirements of the third party, the state or an independent certification body. A certification is made before the goods arrive on the market.

The most common technical barriers are expressed in prohibitions on the import of products which do not meet certain technical requirements. Prohibitions have occurred when importing livestock products especially often in recent years.

3.7 International trade organizations

The WTO is an international intergovernmental organization. The main purpose of it is the development and liberalization of world trade through the establishment of unified standards for world trade, binding on all the countries, which join it (Andreeva, 2009).

Officially, the WTO functions since January 1995. This organization was established on the basis of the GATT /General Agreement on Tariffs and Trade/. WTO members have more than 95% of the world trade. The WTO has the status of a specialized agency of the United Nations.

The GATT/WTO agreements govern almost all aspects of international trade. Its legal framework includes in a systematic way what is commonly referred to "generally accepted world practice", which is based on a system of multilateral agreements, conventions, on the basis which ensured the development of international trade. Open, universal and predictable "rules of motion" have been created in the world market of goods and services. The main functions of the WTO are to monitor the implementation of trade agreements, monitor trade policies of its members, organize negotiations, resolve trade disputes and admit new members.

The WTO legal mechanism consists of 56 documents, including 19 agreements, 27 decisions, 7 mutual understandings, 3 declarations. Conventionally, these documents can be divided into several groups. The first group consists of general type agreements such as the General Agreement on Tariffs and Trade /GATT/, the General Agreement on Trade in Services /GATS/, the Agreement on Trade-Related Aspects of Intellectual Property Rights /TRIPS/, the Agreement on Trade Aspects of Investment Measures /TRIMS/.

The second group includes the Agreement on customs value, on import licensing, the Anti-dumping Code, agreements on subsidies and countervailing measures, on protective measures in foreign trade.

The third group includes agreements regulating certain issues, which include technical barriers in trade, sanitary norms, agreements on agriculture, textile and clothing.

The fourth group consists of decisions of the WTO. WTO agreements were ratified by parliaments of all member countries. All WTO member countries undergo a periodic review of trade policies. The goal is to make it transparent and better understood.

4 Practical part

4.1 Foreign trade of Kazakhstan

4.1.1 Structure of foreign economic turnover

Foreign trade is essential for Kazakhstan and plays a key role in the structural reform of the national economic enterprise. The dynamics of foreign trade of Kazakhstan shows consistently positive determination in the national volumes (Table No. 1).

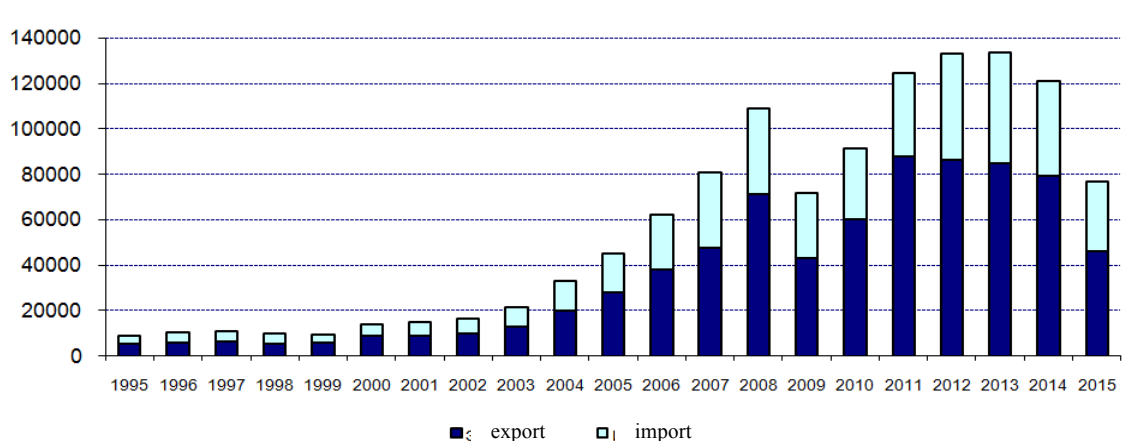
Table No. 1 – International business volumes in Kazakhstan, millions of USD

Period	International business volume	Export	Import
1995	9056,9	5250,2	3806,7
1996	10152,1	5911,0	4241,1
1997	10797,8	6497,0	4300,8
1998	9648,0	5334,1	4313,9
1999	9526,7	5871,6	3655,1
2000	13852,2	8812,2	6446,0
2001	15085,1	8639,1	6584,0
2002	16254,3	9670,3	8408,7
2003	21335,4	12926,7	12781,2
2004	32887,4	20096,2	17352,4
2005	45201,5	27849,1	23676,9
2006	61927,2	38250,3	32756,4
2007	80351,7	47755,3	37889,0
2008	109072,5	71183,5	37889,0
2009	71604,4	43159,8	28408,6
2010	91397,5	60270,8	31126,7
2011	121241,7	84335,9	36905,8
2012	132807,2	86448,8	46358,4
2013	133506,0	84700,4	48508,6
2014	120755,3	79459,8	41295,5
2015	76523,5	45955,8	30567,7
Difference, 2015/1995, %	845,0	875,3	803,0
Difference, 2015/2013, %	57,3	54,3	63,0

Source: Drawn up by the author according to Statistics Committee of the republic of Kazakhstan

According to the data the Committee of Statistics foreign trade turnover of Kazakhstan rose in eight and a half times for the period 1995-2015 (see Graph No. 1). The growth of the turnover is due to the effective foreign policy of the country.

Graph No. 1 – Export and import of Kazakhstan for the period 1995-2015, millions of USD



Source: Statistics of foreign and mutual trade // the Committee of Statistics of RK. – URL: http://stat.gov.kz/faces/wcnav_externalId/homeNumbersForeignTrade?lang=ru

Kazakhstan is based on the principles of openness and free trade. It tends to take a rightful place in the international market and strengthen the integration into the world economy.

4.1.2 Directions of foreign trade

A foreign trade for Kazakhstan stands as one of the main factors of the strategic plan as to ensure a sustainable economic growth. The main benchmark of the state policy is to make the country a regional high-tech, export-import, investment, financial and trade center.

Against the background of the stabilization of the country's economy it takes place a liberalization of a foreign trade regulation step by step. Thus, the analysis of the legal framework shows that the country has gone from the regime of a strict control of a foreign trade activity to a significant liberalization (Madjarova, 2003):

- a cancellation of mechanism of export quota;
- a regular work for the reduction of the list of licensed goods;
- a removing of duties on almost all export products;
- a creation of six free economic zones in different sectors of the economy;

- a development of a flexible scheme of preferences for the certain strategic sectors and companies;
- an improvement of the system of technical, sanitary, phytosanitary and other controls to prevent the importation of substandard goods into the country;
- an organization of the conditions for a free trade among the member countries within the framework of the Customs Union.

An important direction of the state's foreign economic policy is to create a unified economic space in the Eurasian region with its partners in the Customs Union. In addition, the country's accession to the WTO has a great importance for increasing of the openness of the Kazakhstan economy.

4.1.3 Phases of foreign trade development

The latest trend of the foreign trade activity of the country can be divided into several phases (Kehzhesov, 2015):

- 2005-2008 – a significant improvement in the external environment in the global commodity markets. Export and import of Kazakhstan grow rapidly.
- 2009-2012 – a global financial and economic crisis has affected a decrease in the foreign economic activity of the country, but the rapid recovery of the world markets of raw materials contributed to the rapid recovery of exports of Kazakhstan.
- in 2012-2013 the growth rates of imports of goods were increased in the connection of the country's accession to the Customs Union.
- 2014-2015 – since 2014 the volume of the foreign trade of Kazakhstan showed a decrease. According to the official statistics, the import of goods is decreased more slowly than export (see Graph No. 1).

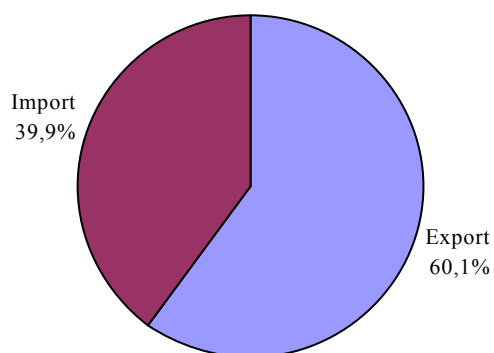
In general, we can conclude that the external orientation of Kazakhstan's economy turned the dynamic development of primary industries, while the share of processing and manufacturing areas remains low.

The dependence of Kazakhstan on external conditions and fluctuations in commodity prices has threatened the macroeconomic and financial stability through the extensive devaluation of currency. The inflation rate in Kazakhstan has increased from 6.0% in 2012 to 13.6% in 2015, or 2.3 times, which led to a decrease in the foreign trade turnover for the last three years by 42.7%, and return to the figures of 2009.

4.1.4 Export

It should be noted that the analysis of the foreign trade activity of the country testifies to the persistence of serious structural problems. At the same time the prevalence of exports over imports (Graph No. 2) is determined by the commodity nomenclature.

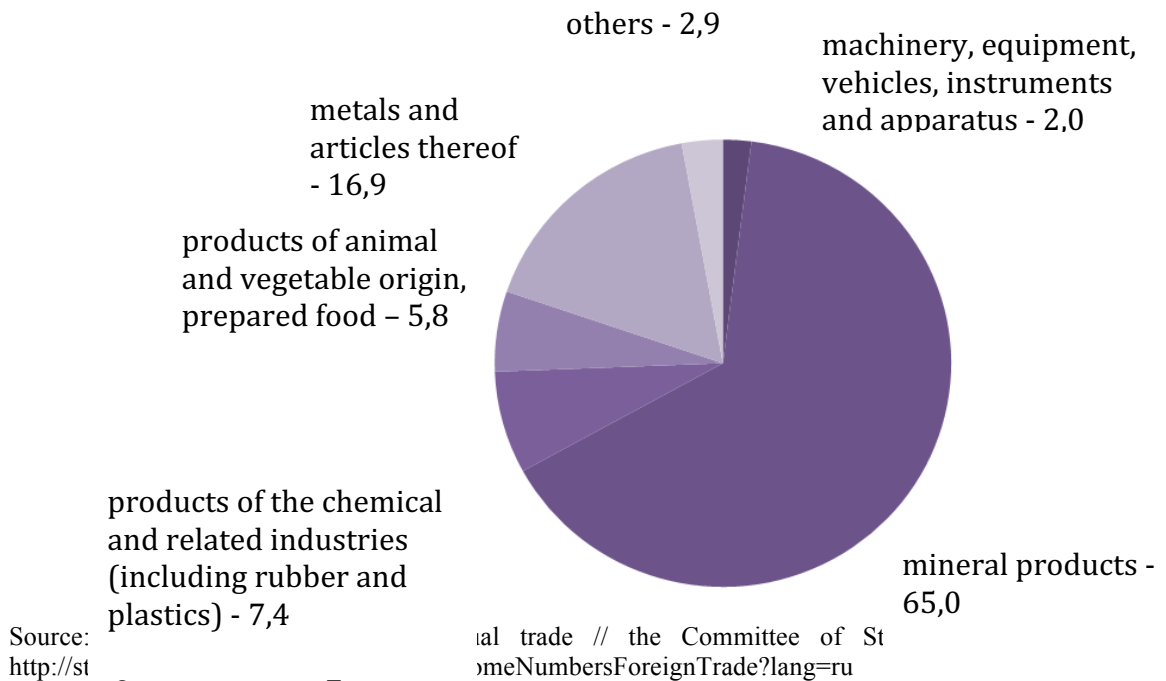
Graph No. 2 – The structure of the foreign trade turnover of Kazakhstan for 2015, %



Source: Compiled by the author according to the Committee of Statistics of RK

Nowadays there is a high concentration of Kazakhstan export commodity. In most cases domestic production is not competitive; in this regard the great share of exports is still for raw materials such as oil and gas condensate, metals, grains, etc. A relatively low diversification of trade flows in the structure of exports creates additional risks (Graph No.

3). Graph No. 3 – The commodity structure of export of Kazakhstan for January-November 2016, %



Thus, in January-November 2016 65.0% of the country's exports are oil and gas condensate, 16.9% - for metals, 5.8% - for grain. Raw materials have 87.7% of the overall structure of the country's exports, which reduce the country's competitiveness in the global market.

In recent years the dynamics of export of Kazakhstan shows the retention of the fact that the foreign trade depends on raw materials. The reduction of the share of total commodity exports for 2010-2015 is only 2.7% (Table No. 2). This decrease is due to the devaluation of the tenge and the reduction of world oil prices.

Table No. 2 – The dynamics of export of Kazakhstan in the context of raw materials and processed goods, millions of USD

	Period	2010	2011	2012	2013	2014	2015
Export structure	Total	60 270,8	84 335,9	86 448,8	84 700,4	79 459,8	45 955,8
RAW MATERIALS	Total	43 460,4	64 108,4	65 098,8	65 074,9	60 960,5	31 904,6
	The share of total exports %	72,1	76,0	75,3	76,8	76,7	69,4
PROCESSED GOODS	Total	16 810,4	20 227,5	21 350,1	19 625,5	18 499,3	14 051,2
	The share of total exports %	27,9	24,0	24,7	23,2	23,3	30,6
Finished goods (final product)	Total	364,9	496,3	727,1	780,5	765,6	621,5
Semi-finished products (intermediate product)	Total	16 437,7	19 702,4	20 595,2	18 840,5	17 716,8	13 416,2
Goods, not included in other categories	Total	7,8	28,8	27,8	4,5	17,0	13,5

Source: the Committee of Statistics of RK, 2015

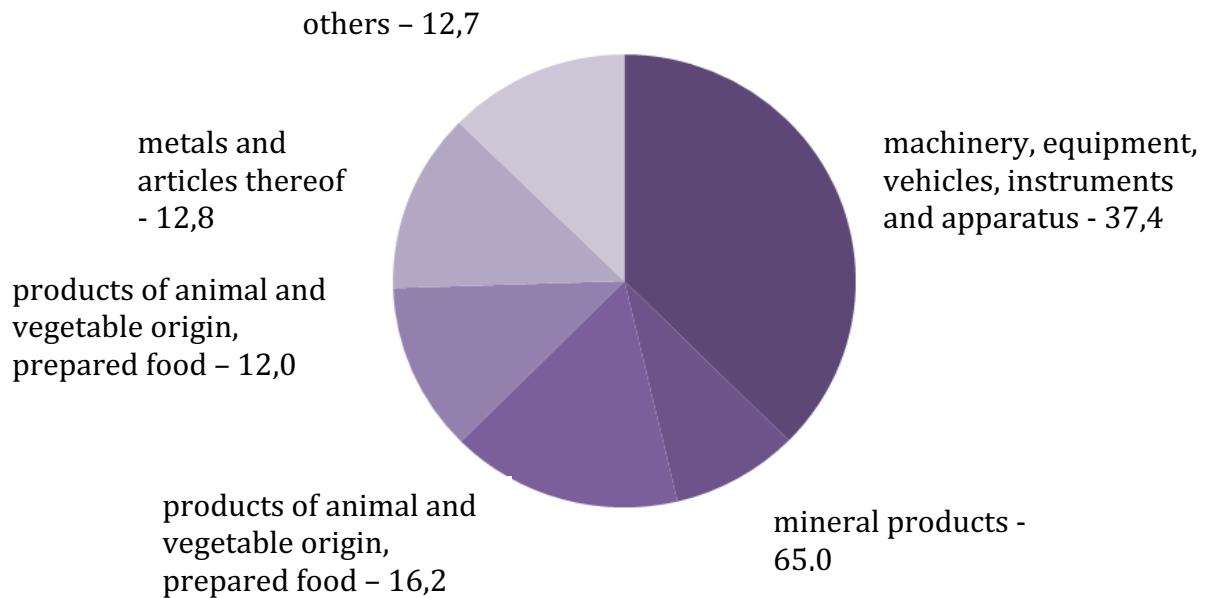
This decrease is due to the devaluation of the tenge in the country and the decline in world oil prices.

4.1.5 Import

On the contrary, an essential commodity diversification is for imports of goods where the most part of the imports are investment and intermediate goods, i.e. products are almost not produced in Kazakhstan.

Moreover, a substantial part of consumer goods are also supplied from abroad. The structure of imports shows that mainly finished products, equipment, vehicles, tools and machines are imported in Kazakhstan (Graph No. 4).

**Graph No. 4 – The commodity structure of import of Kazakhstan for January-
November 2016, %**



Source: Statistics of foreign and mutual trade // the Committee of Statistics of RK. – URL: http://stat.gov.kz/faces/wcnav_externalId/homeNumbersForeignTrade?lang=ru

The main products (66.4% of total imports), imported in Kazakhstan in January-November 2016, are machines, equipment and mechanisms; electrical equipment; parts thereof; sound-recording equipment; apparatus for recording and playback of television image and sound; parts and accessories thereof; base metals and articles thereof; means of land, air and water transport, parts and accessories thereof.

As shown in Figure 3, the greatest demand in 2016 with the index of 37.4% of the total number of imported goods was used the product group "Machinery, equipment, vehicles, tools and apparatus" that is due solely to an increase in quantity of deliveries of cars, which assembled in Kazakhstan.

"Products of the chemical and related industries" with the index of 16.2% are on the 2nd position in the list of the most imported products in Kazakhstan in 2016.

The category "Metals and metal products", metallurgy products related to it, with the index 12.8% received the 3d position on the demand.

The product group "Products of animal and vegetable origin, ready food products" with the index 12.0% is on the 4th position.

The current structure of the foreign trade provides a high dependence of export streams of Kazakhstan on the situation of raw commodity markets, while imports of goods remains not flexible to external shocks and exchange rate fluctuations. In turn, it creates a high threat of an external economic security of the country. An additional challenge for Kazakhstan manufacturers is the accession of Kazakhstan in the trade unions, such as the Customs Union and WTO.

The analysis of the dynamics of the foreign trade turnover of Kazakhstan and influencing internal factors indicates a weak regulation of external trade flows of the country. In turn, the prevalence of exports over imports is determined by the commodity nomenclature, which still retains the dependence on raw materials.

The results indicate a high sensitivity of exports of oil prices. Imports of goods show a little flexibility to the exchange rate fluctuations. Structural imbalances of Kazakhstan's foreign trade are due to the export-oriented commodities while importing finished products. Currently, the export potential of Kazakhstan has a pronounced raw-material orientation and is formed by the fuel, metallurgical and chemical complex. In the structure of Kazakhstan's exports the main share have oil and oil products, non-ferrous metals, ferrous metals, ores, and some of the exports are for the crops.

4.2 Foreign trade of Kazakhstan and the European Union

4.2.1 Geography of foreign trade of Kazakhstan

The results of the analysis of Kazakhstan's foreign trade, as has been shown in the preceding section, demonstrate the high integration of the country into the world economy. More than half of the goods produced in the country (60.1%) are exported abroad; a significant part of consumer goods (39.9%) comes through import channels (Kenzheshov, 2015).

The main trade partners of Kazakhstan are the countries of the European Union, the Customs Union, China and Ukraine.

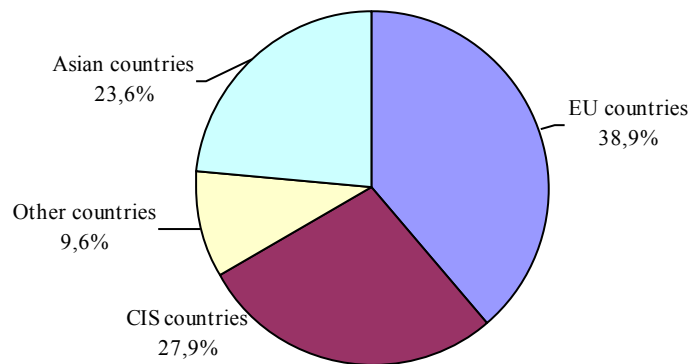
The European Union (EU) is the economic and political union of 28 European states.

Aimed for a regional integration, the Union was legally enshrined by the Maastricht Treaty in 1992 (entered into force on November 1, 1993) on the principles of the European

Communities. The European Union includes 28 countries, such as Austria, Belgium, Bulgaria, Great Britain, Hungary, Germany, Greece, Denmark, Ireland, Spain, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Finland, France, Croatia, Czech Republic, Sweden and Estonia.

A geographic structure of an officially registered foreign trade of goods in January-November 2016 was as follows: 38.9% of the trade turnover for the European Union countries (including Italy - 13.2%), 27.9% for the CIS countries (including the Russian Federation - 20.1%), 23.6% for the Asian countries (including China - 12.8%), 9.6% for other countries (ITC, 2015) (Graph No. 5).

Graph No. 5 – A geographic structure of the foreign trade turnover in January-November 2016, %



Source: Compiled by the author according to the Committee of Statistics of RK

4.2.2 Dynamics of turnover

The high rates of Kazakhstan's trade turnover with Russia and China are connected primarily with the large volume of a cross-border trade. The high rates of export items with Italy are connected with the close cooperation in the oil and gas sector.

The trade turnover of Kazakhstan with the countries of the European Union was decreased in the reporting period by 17.7% (Table No. 3).

Table No. 3 – The dynamics of Kazakhstan's trade turnover with the EU countries and third countries in 2010-2015, millions of USD

	2010	2011	2012	2013	2014	2015	2015 to 2010, %
EU	38 054,2	49 447,4	54 642,2	54 719,5	53 065,5	31 325,0	82,3
<i>incl. Italy</i>	14 175,0	16 147,0	16 339,6	17 515,5	17 089,1	9 310,7	65,7
CIS	22 487,5	30 834,6	33 530,3	33 553,6	28 599,5	20 970,3	93,3
<i>incl. Russia</i>	17 973,8	22 330,6	23 096,6	23 847,0	20 196,2	15 076,9	83,9
Asian countries	24 645,0	28 851,4	32 245,9	33 610,1	29 664,9	18 235,0	74,0
<i>incl. China</i>	14 084,1	19 706,3	21 672,7	22 738,2	17 156,6	10 568,0	75,0
Other countries	6 210,8	12 108,3	12 388,8	11 622,8	9 425,4	5 993,2	96,5
TOTAL	91 397,5	121 241,7	132 807,2	133 506,0	120 755,3	76 523,5	83,7

Source: Compiled by the author according to the Committee of Statistics

Note: EAEC-5 consists of Armenia, Belarus, Kazakhstan, Kyrgyz Republic, Russian Federation.

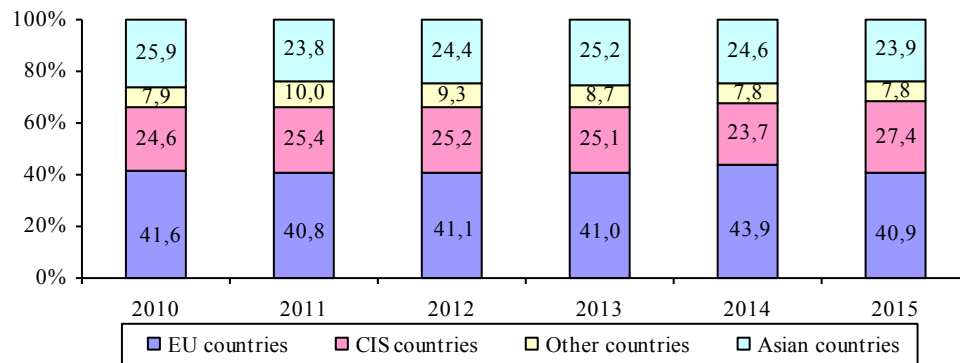
Such a sharp decrease in the volume of the trade with the EU countries due to a number of factors, such as:

- a deterioration in the pricing environment in the global commodity markets, primarily in the markets of raw materials (oil, gas, metals) due to the slowdown in the world economy that the high proportion of mineral resources in the mutual trade structure causes a decrease in its value terms;
- a contraction in the domestic demand in Kazakhstan under the influence of the devaluation of the national currency in 2014. It led to a reduction of the demand for the goods of investment and production purposes, which constitute traditionally a substantial part of the turnover in the EU.

The growth of the trade of Kazakhstan with the countries which entered the EU in the period 2010-2014 has increased by 39.4%, from 38 054.2 millions of USD to 53 065.5 millions of USD. The maximum trading volume was achieved in 2013, when it amounted 54 719.5 millions of USD.

These figures show the importance of maintaining trade and economic relations with the European Union for the development of Kazakhstan's economy. It should be noted that the share of the trade with EU countries in the total trade turnover of Kazakhstan increased from 41.6% in 2010 to 43.9% in 2014, declined slightly to 40.9% in 2015 due to the fall in the demand for Kazakhstan metals and oil, as well as grains that will be studied in detail in the next section (Graph No. 6).

Graph No. 6 – The EU's share in the total foreign trade of Kazakhstan in 2010-2015, %



Source: Compiled by the author according to the Committee of Statistics of RK

4.2.3 Ranking of partner countries

Nevertheless, in spite of the trade relations with more than 180 countries of the world, the range of the main trade partners of Kazakhstan is narrow and limited to 10 countries, such as Iran, Italy, China, the Netherlands, Russia, Turkey, France, Switzerland, Germany, Ukraine. For the analyzed period the average 72.9% of all commercial relations are for the countries mentioned above, and only 21.8% are for other countries (about 170 ones).

The range of 10 main partner countries according to their share in the trade turnover of Kazakhstan in 1997, 2015 is shown in Table No 4.

Moreover, of these 10 countries the greatest share of the turnover belongs to only three or four ones. For example, in 2015 it was the following countries as Italy – 17,7 %, China – 11,9 %, the Netherlands – 10,8 %, Russia – 9,9 %, i.e. 50,3 % of the foreign trade turnover depends on four partner countries (Kenzhesov, 2015). It does not support the interests of the diversification of external relations of the country, i.e. any changes in the policy and the economy of these countries can have a significant impact on the weakening of the economic independence of Kazakhstan.

Table No. 4 – The range of 10 main partner countries according to their share in the export of Kazakhstan in 1997, 2015

Range	1997			2015		
	Country	Export, millions of USD	Share, %	Country	Export, millions of USD	Share, %
1	Russia	2365,8	45,1	Italy	8136,3	17,7
2	Netherlands	511,5	9,7	China	5480,1	11,9
3	China	297,0	5,7	Netherlands	4981,0	10,8
4	Switzerland	188,6	3,6	Russia	4547,6	9,9
5	Germany	171,1	3,3	France	2681,3	5,8
6	Italy	142,5	2,7	Switzerland	2659,3	5,8
7	Ukraine	121,5	2,3	Romania	1343,4	2,9
8	Turkey	70,4	1,3	Turkey	1275,6	2,8
9	Iran	49,2	0,9	Spain	1219,1	2,7
10	Japan	45,2	0,8	Ukraine	1173,7	2,6

Source: Compiled by the author according to the Committee of Statistics of RK

Table No. 4 shows the changes in the level of the presence of these countries in Kazakhstan's exports. So, if in 1997 the top three countries were Russia, the Netherlands, China, in 2015 it was the following countries as Italy (8136.3 millions of USD), China (5480.1 millions of USD) and the Netherlands (4981.0 millions of USD). The main feature of this process is the fact that none of the countries of the CIS, EAEC, EU, the countries with which the Government is developing integration relations actively do not appear no longer in the top three countries in 2015 (in 2015 Russia is on the 4th position (4547.6 millions of USD)).

The EU Member States are on the first place such as Italy and the Netherlands. Their share was 29.6% of the total exports of Kazakhstan in 2015.

Also, the following the countries as Russia, China and Germany had a significant share in Kazakhstan imports in 2015 (Table No. 5).

Russia (the import share decreased from 49,9 % to 34,4 %), China (the share increased from 0,9 % to 16,6 %), Germany (from 5,2 % to 6,5 %), Ukraine (from 2,3 % to 2,7 %), Italy and France (the shares increased from 0,8 % to 3,8 % and from 0,7 % to 2,2 %).

Accordingly, imports from Turkey decreased from 3.2% to 2.4%. The USA, Turkey and Uzbekistan have 6.7%, 2.4% and 2.4% in the country import respectively. It is the result of a multi-polar foreign policy pursued many years in Kazakhstan.

Table No. 5 – The range of 10 main partner countries according to their share in the import of Kazakhstan in 1997, 2015

Range	1997			2015		
	Country	Import, millions of USD	Share, %	Country	Import, millions of USD	Share, %
1	Russia	1889,7	49,9	Russia	10529,3	34,4
2	Germany	196,7	5,2	China	5087,8	16,6
3	Turkey	123,5	3,2	Germany	1986,0	6,5
4	Ukraine	85,7	2,3	USA	2050,9	6,7
5	Switzerland	55,2	1,5	Italy	1174,5	3,8
6	China	34,7	0,9	Ukraine	827,8	2,7
7	Italy	30,2	0,8	Uzbekistan	725,7	2,4
8	Netherlands	29,5	0,8	Turkey	741,9	2,4
9	France	26,1	0,7	France	670,6	2,2
10	Iran	13,8	0,4	South Korea	607,0	2,0

Source: Compiled by the author according to the Committee of Statistics of RK

Thus, the import of 10 countries which are the major trade partners of Kazakhstan have 79.7%, and other countries have 20.3%. Moreover, from 10 countries only Russia has 34.4% of imports.

The countries of the European Union are the main partners for Kazakhstan. Their share in the Republic's foreign trade is more than 40% and it is stable (see Graph No. 6).

The mutual trade of Kazakhstan with the countries of the European Union had 31 325.0 millions of USD in 2015, including export 24 445.5 millions of USD and import 6 879,6 millions of USD.

Only 9 EU countries (Italy, the Netherlands, France, Germany, Spain, Romania, Greece, Great Britain, Poland) have 82.3% of the total turnover of the mutual trade with Kazakhstan, 88.3% of exports and 75.6% of imports.

4 EU countries (Italy, the Netherlands, France and Germany) have more than half of the total turnover of the mutual trade with Kazakhstan - 61.6%, 66.0% of exports and 60.2% of imports.

Italy has the first place in the trade turnover of the Republic of Kazakhstan. Its share is 29.7%. The advantage in the trade turnover between two countries belongs to the supplies to Italy, which are more in seven times than the amount of counter deliveries. The export to Italy has 33.3% of total exports to the EU, the import from Italy has 3.8% (Table No. 6).

Table No. 6 – Main indicators of the mutual trade of Kazakhstan and the European Union in 2015

Country	Commodity turnover		Export		Import	
	Total	Share, %	Total	Share, %	Total	Share, %
Italy	9 310,7	29,7	8136,2	33,3	1174,5	3,8
Netherlands	5293,2	16,9	4981,0	20,4	312,2	1,0
France	3351,9	10,7	2681,3	11,0	670,6	2,2
Germany	1328,6	4,2	342,6	1,4	1986,0	6,5
Spain	1439,1	4,6	1219,1	5,0	220,0	0,7
Romania	1420,1	4,5	1343,4	5,5	76,7	0,3
Greece	1278,5	4,1	1260,0	5,2	19,0	0,1
Great Britain	1231,6	3,9	828,8	3,4	402,8	1,3
Poland	1130,1	3,6	789,2	3,2	340,9	1,1
Others	5541,2	17,7	2863,9	11,7	1676,9	24,4
TOTAL	31325,0	100,0	24445,5	100,0	6879,6	100,0

Source: Compiled by the author according to the Committee of Statistics of RK

The main products exported from Kazakhstan to Italy are raw oil, wheat and iron ore (ferrochrome).

The basis of Kazakhstan's imports from Italy is finished goods, including machinery, equipment, vehicles, textiles, etc.

4.2.4 Export to EU countries

Taking into consideration that Kazakhstan attaches a great importance for increasing of the export of domestic products to foreign markets, it is of interest the dynamics of Kazakhstan's exports to the EU (Table No. 7).

Table No. 7 – The dynamics of Kazakhstan's exports to the EU and third countries in 2010-2015, millions of USD

	2010	2011	2012	2013	2014	2015	2015 to 2010, %
EU	30 790,9	42 124,4	45 316,5	45 662,8	44 442,6	24445,5	79,4
CIS	8458,0	11972,3	11417,8	10881,5	11052,5	7508,3	88,8
Asian countries	12415,0	20956,6	20805,8	20161,2	11815,4	10077,7	81,2
Other countries	8606,9	9282,6	8908,7	7994,9	12149,4	7924,3	92,1
TOTAL	60270,8	84335,9	86448,8	84700,4	79459,9	49955,8	82,9

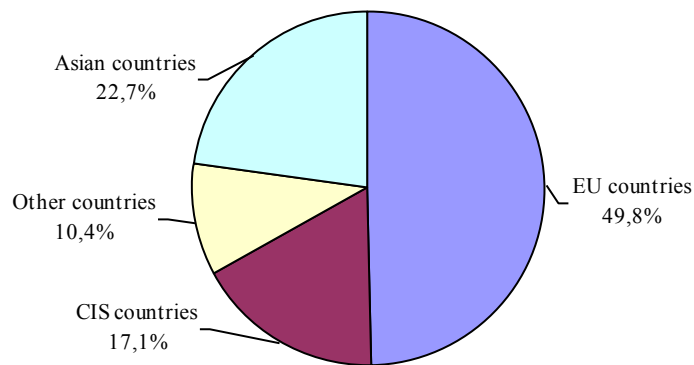
Source: Compiled by the author according to the Committee of Statistics

Such a sharp decrease of export with the EU countries due to a deterioration in the pricing environment in the global commodity markets, primarily in the markets of raw materials (oil, gas, metals) that the high proportion of mineral resources in the export structure causes a decrease in its value terms.

The growth of the export of Kazakhstan with the countries which entered the EU in the period 2010-2014 has increased by 44.3%, from 30 790.9 millions of USD to 44 442.5 millions of USD.

A geographic structure of the export in January-November 2016 was as follows: 38.9% of the trade turnover for the European Union countries, 27.9% for the CIS countries, 23.6% for the Asian countries, 9.6% for other countries (Graph No. 7).

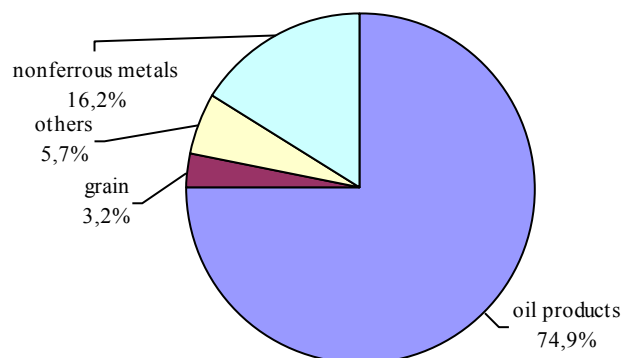
Graph No. 7 – A geographic structure of the export in January-November 2016



Source: Compiled by the author according to the Committee of Statistics of RK

The great share of exports of Kazakhstan is oil, nonferrous metals and grains (Graph No.

8). Graph No. 8 – The commodity structure of exports to the EU countries in January-November 2016



Source: Compiled by the author according to the Committee of Statistics of RK

Thus, in January-November 2016 74.9% of the exports of the country fell on oil and gas condensate, 16.2% - for metals, 3.2% - for grain. Raw materials have 94.3% of the total structure of the country's export to the European Union.

According to the World Trade Organization, Kazakhstan occupies the 51st place among the world exporters (International Trade Centre, 2015). In the ranking of the world exporter the republic occupies a leading place in some export groups. For example, Kazakhstan is the world leader in exports of chromium oxides and hydroxides, quartz, bituminous mixtures based on natural asphalt and petroleum bitumen. In the ranking of the world exporters the republic occupies the third place in the export of radioactive chemical elements, as well as chrome ores and concentrates.

4.2.5 Import to EU countries

The import to Kazakhstan from the countries included in the EU grew steadily, reaching a high level in 2012 for 9.3 billions of USD and then in 2015 it has fallen sharply for 1.8 billions of USD, or 20.3 % to the previous year (Table No. 8).

Table No. 8 – The dynamics of Kazakhstan's imports to the EU and third countries in 2010-2015, millions of USD

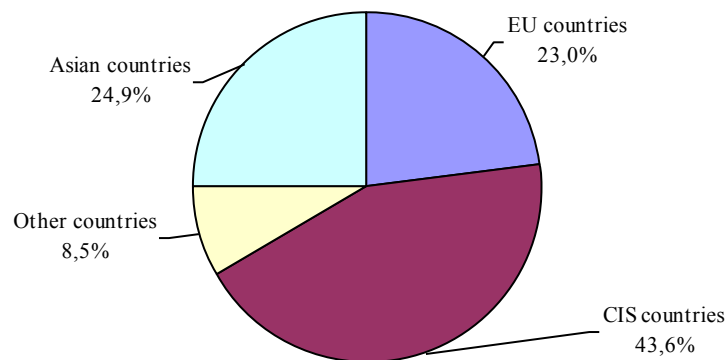
	2010	2011	2012	2013	2014	2015	2015 to 2010, %
EC	7263,3	7323,0	9325,7	9056,7	8629,9	6879,6	94,7
EU	14029,5	18862,3	22112,6	22672,1	17547,0	13062,1	93,1
CIS	8230,0	7894,8	11440,1	13448,9	11849,6	8157,3	99,1
Asian countries	1 603,90	2 825,70	3 480,00	3 627,90	3 186,40	2 468,80	153,9
Other countries	31 126,7	36 905,8	46 358,4	48 805,6	41 212,9	30567,8	98,2
TOTAL							

Source: Compiled by the author according to the Committee of Statistics

This collapse was caused by a decline in domestic demand of Kazakhstan because of the extensive devaluation of the tenge in 2014.

A geographic structure of the import in January-November 2016 was as follows: 23.0% of the trade turnover for the European Union countries, 43.6% for the CIS countries, 24.9% for the Asian countries, 8.5% for other countries (Graph No. 9).

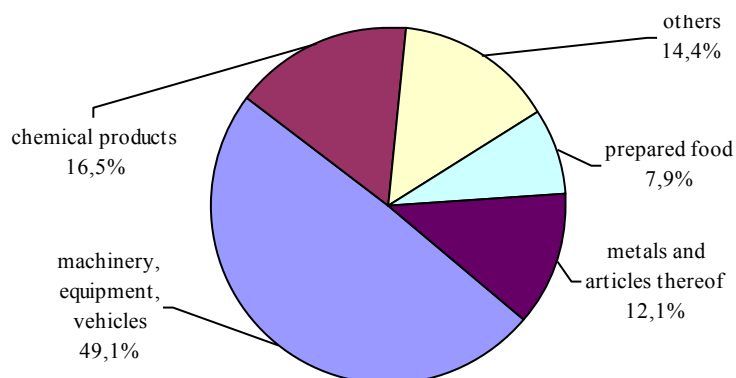
Graph No. 9 – A geographic structure of the import in January-November 2016, %



Source: Compiled by the author according to the Committee of Statistics of RK

The great share of imports of Kazakhstan from the EU countries is oil, nonferrous metals and grains (Graph No. 10).

Graph No. 10 – The commodity structure of imports of Kazakhstan from the EU countries in January-November 2016, %



Source: Compiled by the author according to the Committee of Statistics of RK

Thus, in January-November 2016, 49.1% of the imports of the country fell on machines, equipment, vehicles, 16.5% - chemical products (medicines, tires, household chemicals, pesticides), 12.1% - metals and goods thereof (spare parts for vehicles, pipes for oil), 7.9% - food products (sugar, confectionery products, vegetable oils, tea, alcohol, tobacco products).

4.3 Grain and flour market of Kazakhstan

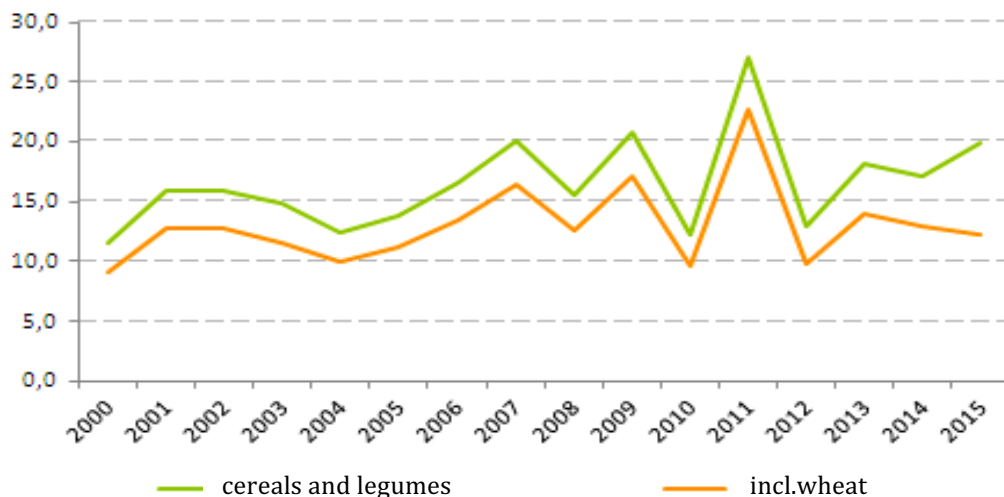
Kazakhstan is the largest producer of grain and its processing products in the Caspian region. However, the last few years there is a trend of a diversification of crop areas in the country, the areas for wheat are declined, while they are expanded for oilseeds and forage crops. Agriculture is the only industry that shows consistently a positive trend among all branches of Kazakhstan. It is also important the fact of increasing of grain harvest. So, the harvest of 2015 had 18.8 million of tons of grain, exceeding the index of 2014 for 1.6 million of tons.

4.3.1 Grain production

Analyzing the dynamics of grain production in Kazakhstan in the last 15 years, up to 2007

there was a clear trend when three productive years had one bad harvest. However, recent 8 years, a yield and a bad year alternate (Graph No. 11).

Graph No. 11 – The dynamics of production of grain and legumes in Kazakhstan, millions of

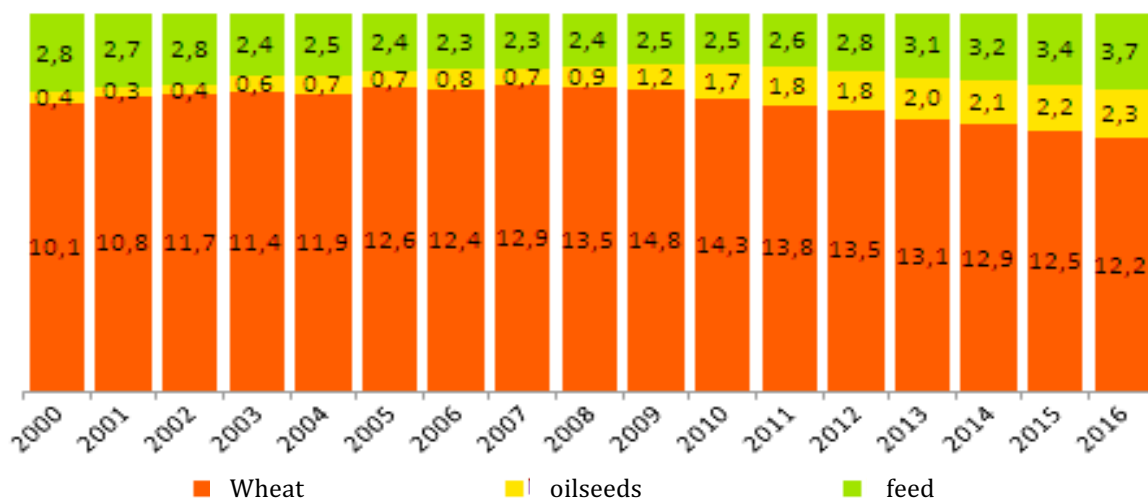


Source: Gan E. 2016

4.3.2 Sown areas

In addition, the diversification of crop areas continues in Kazakhstan. In 2010-2011, they understood an inappropriate insertion of large funds in a grain production as large residues were formed in the country, which had to withdraw. So, the strategy of a diversification of crop areas was accepted. The result is a tendency to reduce the areas for the wheat, but to expand the areas for oilseeds and forage crops (Graph No. 12).

Graph No. 12 – The diversification of crop areas in Kazakhstan, millions of ha

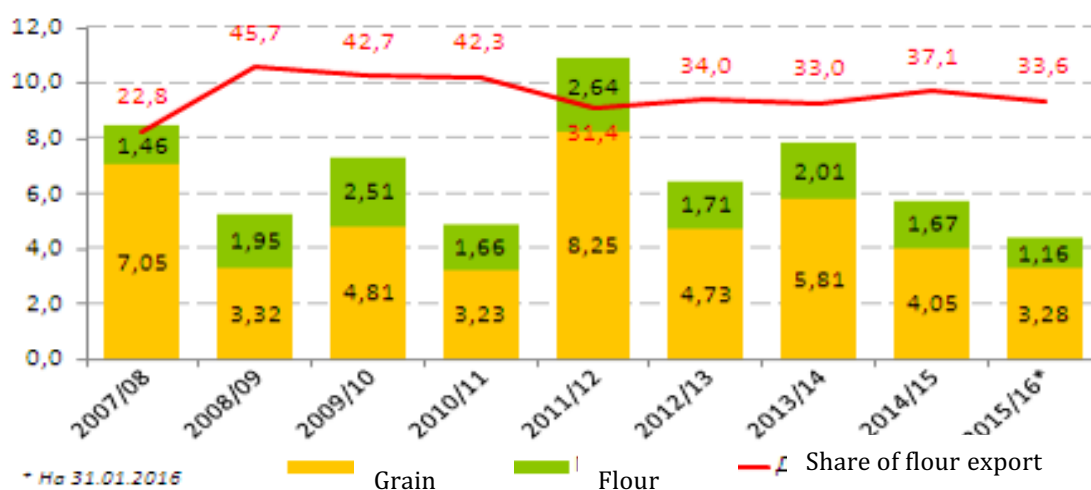


Source: Gan E. 2016

4.3.3 Export of grain

The last few years a steady reduction of the dynamics of the export of grain have been observed, but the flour index remains stable. A processing product has the third part of the total volume of grain and flour export (Graph No. 13).

Graph No 13 – The dynamics of grain and flour export from Kazakhstan, millions of tons



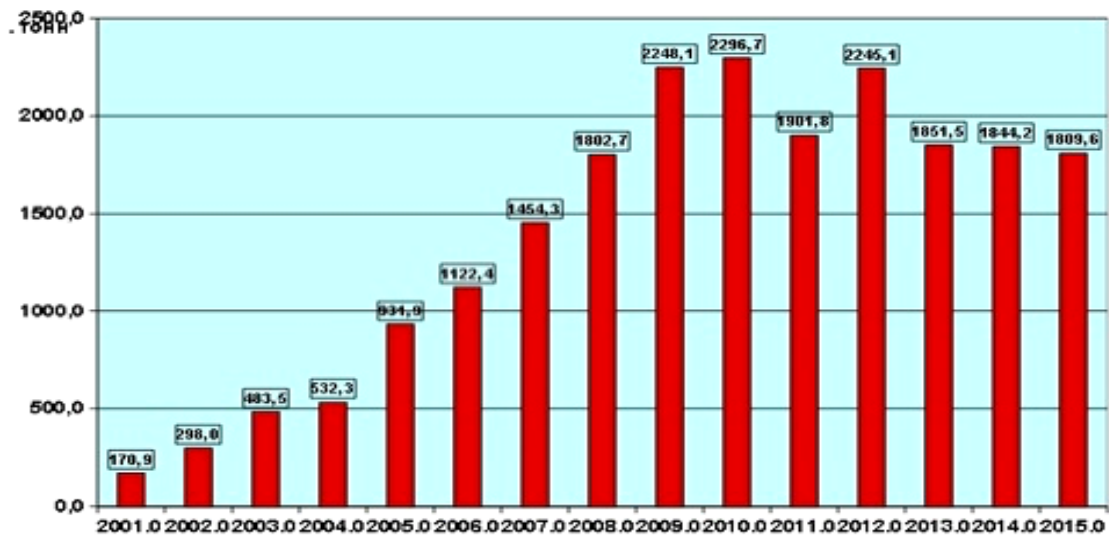
Source: Gan E. 2016

Kazakhstan is one of the top ten of the largest grain exporters in the world. According to the data of the World Trade Organization, in 2014 more than 100 countries exported the wheat. At the same time in 2014 the share of 10 largest country exporters of the cereal was 82.8% of the world volume. These countries are the USA, Canada, Russia, France, Australia, Germany, Ukraine, Romania, Kazakhstan and India (Expert-analytical center of agribusiness, 2014). Kazakhstan holds 2.4% of the world wheat export. The main directions of the grain export from Kazakhstan are the countries of Central Asia (Tajikistan, Uzbekistan, Kyrgyzstan), and Iran, the Russian Federation, and only small volumes of grain are shipped to EU countries (Austria, Italy).

4.3.4 Export of flour

Kazakhstan was the world leader of flour exports since 2007 to 2010 but then sharply reduced the turnover and lost the championship (Graph No. 14).

Graph No. 14 – The dynamics of flour exports from Kazakhstan, millions of tons



Source: Gan E. 2016

In 2007 Kazakhstan took the first place in the world flour exports with a volume of 1 454 000 tons, ahead of the European Union. The volumes continued to grow, reaching a peak in 2010 2 296 700 tons. But then the decline began, and Kazakhstan lost the world leadership. At the end of 2015 the export of flour was just over 1.8 millions of tons.

Kazakhstan lost the leadership in a number of reasons. In 2010 it was the peak of the industry development in Kazakhstan. According to statistics, there were about 980 mills in the country. The total processing capacity reached 11-12 million tons of grain per year. By 2015 the number of the operating mills was reduced to about 350 (Ghan, 2016).

The last five years the milling industry of Kazakhstan does not use any measures of the state support and does not get any subsidies and preferences.

The export of flour from Kazakhstan is less diversified in areas. The main buyer is Uzbekistan. Its share in the total volume of exports was about 75% (in 2012). However,

imports of Kazakhstan flour to Uzbekistan reduced due to the increase of processing capacities in this country. At the end of 2015 Uzbekistan took the 1st place among the buyers of flour from Kazakhstan, but at the first quarter of 2016, it took the 2nd place (the share in total volume of deliveries was 43%), giving the leadership to Afghanistan.

As Kazakhstan is the supplier of both grain and flour, many countries, which have their own processing, prefer to buy raw materials, introducing a variety of barriers to the importation of the processed products. Also the Chinese market is developed, as there is a free trade area between Kazakhstan and China, but it is a promising market now.

It should be noted that Kazakhstan has all chances to increase wheat exports to the EU countries, especially to Italy. Italy is in favor of wheat importer in the worldwide. The share of Italy is 4.9% of the world wheat exports. It was 7526 thousands of tons in 2014. In 2014 the main suppliers of wheat on the Italian market were Canada which had 1.6 millions of tons and France which had 1.5 millions of tons (Expert-analytical center of agrobusiness, 2014).

4.3.5 Problems of grain exports

Kazakhstan loses grain markets because of low quality of the goods. In 2013 Kazakhstan was exported the milling wheat with a high gluten content (26-28%). In this marketing year (2016-2017) the level of gluten in the domestic grain reached only 18-22% (Abylgazina, 2016).

Till 2011 almost 100% of the grain harvest in Kazakhstan consisted of a high-quality 3-grade wheat. In 2012-2014 70% of wheat grain at the elevators was of the 3d class, 65% in 2015 and 45% in 2016. The grain quality is deteriorating rapidly (Ghan, 2016).

In addition, there are more harmful impurities in the Kazakhstan wheat. Standards of Kazakhstan suppose their presence, but importers refuse such parties. Traditionally weather is an objective reason for the reduction of a grain quality. This condition the experts have called abnormal in the last three years.

Most manufacturers are in debt. This fact makes them to use technology to zero, when the production is embedded nothing. Manufacturers just sow grain, use neither fertilizer nor cultivation. Crop farming is reduced; all agricultural technologies are ignored.

The grain storage technology in elevators is not observed, it loses its quality. As a result

the product gets strange smells and infected storage pests. The importers refuse to buy Kazakhstan grain.

Kazakhstan state standards and methods of grain quality checks do not meet international standards of importing countries. Gluten is determined with the standard of 1968. Large discrepancies appear in awarding contracts.

The situation is aggravated with the lack of work with the seed fund. New varieties suitable under the climatic conditions of Kazakhstan are not being developed. This is a consequence of the abolition of subsidies for a seed treatment. It leads to the degeneration of varieties and a steady decline in the quality of grain.

4.4 The priorities of the state policy in the sphere of foreign economic activity

Nowadays one of the main aspects of foreign economic activity in Kazakhstan is to increase the efficiency of the trade within the European Union maximizing the benefits from it. In this sphere the production capacity are diversified with an emphasis on high-tech industries with a high added value.

For Kazakhstan the European Union countries are one of the main partners. Their share is more than 40% in the Republic's foreign trade and it is stable.

The principles of the state regulation of the foreign trade of Kazakhstan were formed in the transition from the regime of the strict control to the substantial liberalization. Today Kazakhstan is drawn increasingly into the orbit of globalization; it establishes extensive contacts with many countries of the world.

4.4.1 Accession to the WTO

The President of the Republic of Kazakhstan N.A. Nazarbayev signed the protocol of the accession of Kazakhstan to the World Trade Organization on July 27, 2015 in Geneva. Kazakhstan filled the application for the accession to the WTO on January 29, 1996 and after 19 years of negotiations the country became the 162nd full member of the WTO.

Kazakhstan scientists-economists speak positively about the issue of the accession of Kazakhstan to the WTO and make positive forecasts. So, Doctor of Economic Sciences, Professor M. Spanov (2015) says: "It was a long process, and how Kazakhstan was able to defend its interests, we learn in the course of work. In any case the country will receive more advantages of joining the WTO than disadvantages».

This event has a high importance for the economy of the country, as the trade with WTO member countries has more than 90% of the foreign trade turnover of the Republic of Kazakhstan. It is especially significant for export oriented enterprises of Kazakhstan, i.e. there are no more barriers for the access to international markets.

Many experts note the Republic's membership in the WTO is a definite indicator for the international community. Kazakhstan adheres civilized conventional trade rules, and in the case of trade disputes Kazakhstan companies will use international mechanisms and institutions to resolve them (Onusheeva, 2015). This position is an important measure to increase the volume of foreign and domestic investment, which creates new industries and jobs and strengthens Kazakhstan's foreign trade turnover with EU countries. Kazakhstan has a high transit potential having a developed system of roads and railways, major airports and access to the sea. Joining the WTO member countries gives the Republic the possibility to transform from a regional leader into a major participant in a global economic process, allowing to adjust the flow of goods between Asia and Europe. WTO accession will have a positive impact on the lives of people of Kazakhstan. WTO membership will provide new technology, better quality and cheaper products. The import customs rates for Kazakhstan will be lower than a single customs tariff set in EAEC countries. The groups of products are food, light industry, pharmaceutical industry, ferrous metals, machinery, aircraft and various industrial products. (Nizamova, 2015).

4.4.2 Structural problems of foreign trade

A foreign economic activity of Kazakhstan is one of the most important factors in determining the dynamics of the country's development, the composition of GDP, domestic and external demand.

However, the analysis of the foreign trade of the country shows a continuation of the serious structural problems that have led to a reduction of the foreign trade turnover in the last three years by 42.7%, and return the indexes of 2009.

Today there is a high concentration of Kazakhstan export commodity. Raw materials have 87.7% of the overall structure of the country's exports reducing the country's competitiveness in the global market.

Domestic production in most cases is not competitive, in this regard the greatest share of exports is still for such raw materials as oil and gas condensate, metals, grains, etc. A low diversification of trade flows in the structure of exports creates additional risks (Kenzheshov, 2015). There are different reasons of the decrease of Kazakhstan's trade with the EU countries. In particular, it is caused by an unstable and fragile nature of the growth of the global economy after the global financial crisis in 2008, the rapid development of new technologies (shale oil, energy-saving technologies, alternative energy sources, information and telecommunications, robotics, biotechnology, etc.), involving the implementation of structural reforms in the economy. All these facts are accompanied by a trend of the reduction in the demand for goods (oil, metals, grains, etc.), which are the main groups of Kazakhstan's exports.

Persistent non-tariff barriers and restrictions, a complex administrative regulation, bureaucracy and corruption prevent the development of the mutual trade between Kazakhstan and the EU countries. Local companies and private entrepreneurs meet with these problems trying to present their goods at EU markets.

5 Recommendations

A condition for the development of the mutual trade within the European Union is a more effective coordination of the economic policy. The aim of such a coordination is to remove possible contradictions in national policy measures, to eliminate existing barriers, to prevent the appearance of additional barriers and restrictions in trade and economic relations between the member countries of the European union.

5.1 Diversification of the economy

Under the new conditions of an external economic environment the identified priorities of the new economic policy of Kazakhstan "Nurly Zhol - Way to the Future" are quite justified. They are aimed at the comprehensive development of infrastructure, the expansion of a diversification and an industrialization of the national economy to achieve a sustainable growth. The basis for the increase of the efficiency of the foreign trade is the transition from narrow oriented exports to diversification of export flows, as well as the decrease of imports of goods by increasing the production capacity in Kazakhstan. In spite of a well-conceived legal framework for the realization of this goal it is necessary to adopt comprehensive measures, such as:

- State policy documents aimed at the diversification of the domestic production are not realized fully. In this regard, it is necessary to tighten the control over the implementation of investment projects under the framework of state programs.
- It is necessary to prevent the excessive bureaucracy and corruption in the state bodies of control and supervision of export-import operations and business activities. Also it is necessary to encourage manufacturers to increase the country's productivity and access to international markets, providing, perhaps, additional benefits and subsidies.
- It is necessary to tighten up sanitary-phytosanitary requirements for the import of goods to Kazakhstan from Customs Union countries. It will allow to reduce the growing volume of low-quality and cheap imports from Russia and to give an incentive for domestic manufacturers. The diversification of the economy, avoiding the dependence on oil and the development of an infrastructure with the help of state and private investments will provide a long-term economic growth, as well as the development of the foreign mutual trade of Kazakhstan in the framework of the European Union and the Chinese initiative "Economic belt f Silk Road".

5.2 Competitiveness of goods

The increasing of the competitiveness of domestic goods has a great importance for the development of the mutual trade of Kazakhstan in the framework of the European Union. Investment projects in the framework of the policy of industrialization will contribute to an emergence of new industrial plants, an expansion of the line of export of goods and an increase of the mutual trade, especially in the framework of the European economic integration.

The membership in the WTO will determine the growth of competitiveness of domestic enterprises and improving the quality of people's living standards. However, it is necessary to analyze in detail all possible consequences of Kazakhstan's accession to the World Trade Organization. Scientists and experts should be involved in this process, as it has already done in Russia. It is necessary to inform the public about the progress and results of the negotiation process of the WTO, about the problems which the Republic can have.

WTO access creates more opportunities for the importers of agriculture and increases the level of the competition in this industry, that is why Kazakhstan enterprises should improve the competitiveness of their products, using all the opportunities which are available for WTO members.

According to WTO rules, there is a theoretical possibility to have twice 8.5% of agricultural subsidies. In the first case, it is without a reference to the product in the amount equal to 8.5% of the gross output of agriculture (for example, subsidies for water, fuel, a reduction of the interest rate). In the second case, it is with a reference to a specific product in the amount equal to 8.5% of the gross value of the product (i.e. 8.5% of the gross output of wheat, meat, milk).

It is very important to maintain the level of the state support for agriculture through subsidies for industries such as the veterinary, phytosanitary, as well as the use of other measures not affecting for the cost of production.

5.3 Government support

A state support should be provided to the least competitive sectors of the economy. A subsidies term of five years will enable the agriculture and engineering to improve their position and become more competitive on the world stage.

Kazakhstan has to work with the quality of the grain not to lose its position in the global market with a very tough competition. It is necessary to build modern laboratories with the latest equipment to check the level of a contamination of grain.

A government support and subsidies for manufacturers is required to create a high-quality reproductive grain for the improving of the seed fund. The introduction of modern technologies of storage of grain in elevators is required to avoid the infection by storage pests.

These measures will correspond to European standards and increase the export potential.

In Kazakhstan there is no competent authority which would be responsible for the development of exports of processed agricultural products. For analytical support of the milling industry of the state it is necessary to analyze the capacity of foreign markets, their growth trends, determine the sales potential. On the basis of these data grain processors will increase the production of finished products and send it for export.

6 Conclusion

The following results were obtained in the course of graduate studies.

A foreign trade policy is a part of the foreign trade policy, a set of targeted activities of the state aimed at the development of trade relations.

I suggest to classify the foreign trade policy for the following items: a duration of exposure; a subdivision; a participation in the international division of labor; a conceptual basis; used methods; industry sign; objects of a foreign exchange; trade flows; a functional orientation. One of the factors of the expansion of foreign trade activities is the international division of labor. An important factor is also the international movement of factors of production, such as the movement of capital between countries, labor force, entrepreneurial skills and knowledge.

The methods of the state regulation of a foreign economic activity can be classified into economic, administrative, commercial and political.

A practical study of the state of Kazakhstan's foreign trade with the European Union showed that the foreign trade turnover of Kazakhstan was increased to eight and a half times for the period 1995-2015.

Kazakhstan is based on the principles of openness and free trade, it tends to take a rightful place in the international market and strengthen integration into the world economy.

For Kazakhstan the foreign trade is one of the main factors of the strategic plan to ensure a sustainable economic growth. The main benchmark of the state policy is to make the country a regional high-tech, export-import, investment, financial and trade center.

The country has gone from the regime of a strict control of a foreign trade activity to a significant liberalization. An important direction of the state's foreign economic policy is to create a unified economic space in the Eurasian region with its partners in the Customs Union. In addition, the country's accession to the WTO has a great importance for increasing of the openness of the Kazakhstan economy.

The analysis of the foreign trade of Kazakhstan shows the high integration of the country into the world economy. More than half of the goods produced in the country (60.1%) are exported abroad; a significant part of consumer goods (39.9%) comes through import channels.

The main trade partners of Kazakhstan are the countries of the European Union, the

Customs Union, China and Ukraine. The high rates of Kazakhstan's trade turnover with Russia and China are connected primarily with the large volume of a cross-border trade.

In general, it can be concluded that the external orientation of Kazakhstan's economy turned the dynamic development of primary industries, while the share of processing and manufacturing areas remains low.

The dependence of Kazakhstan on external conditions and fluctuations in commodity prices has threatened the macroeconomic and financial stability through the extensive devaluation of currency. The inflation rate in Kazakhstan has increased from 6.0% in 2012 to 13.6% in 2015, or 2.3 times, which led to a decrease in the foreign trade turnover for the last three years by 42.7%, and return to the figures of 2009.

The trade turnover of Kazakhstan with the countries of the European Union has decreased by 17.7% for 2010-2015. The results indicate a high sensitivity of exports of oil prices, due to the high proportion of mineral resources in the mutual trade structure causes a decrease in its value terms.

However, the share of trade with EU countries in the total trade turnover of Kazakhstan increased from 41.6% in 2010 to 43.9% in 2014, declined slightly to 40.9% in 2015, due to the fall of the demand for Kazakhstan metals, oil and grain.

There were some changes in the level of the presence of countries in Kazakhstan's exports. So, if in 1997 the top three countries were Russia, the Netherlands, China, in 2015 the following EU member countries were on the first place as Italy and the Netherlands. Their share was 29.6% in the total exports of Kazakhstan in 2015.

Only 9 EU countries (Italy, the Netherlands, France, Germany, Spain, Romania, Greece, Great Britain, Poland) have 82.3% of the total turnover of the mutual trade with Kazakhstan, 88.3% of exports and 75.6% of imports.

4 EU countries (Italy, the Netherlands, France and Germany) have more than half of the total turnover of the mutual trade with Kazakhstan - 61.6%, 66.0% of exports and 60.2% of imports. Italy has the first place in the trade turnover of the Republic of Kazakhstan. Its share is 29.7%. The export to Italy has 33.3% of total exports to the EU, the import from Italy has 3.8%.

The analysis of the foreign trade activity of the country testifies to the persistence of serious structural problems. At the same time the prevalence of exports over imports is determined by the commodity nomenclature.

Nowadays there is a high concentration of Kazakhstan export commodity. In most cases domestic production is not competitive; in this regard the great share of exports is still for raw materials such as oil and gas condensate, metals, grains, etc. Raw materials have 87.7% of the overall structure of the country's exports, which reduce the country's competitiveness in the global market.

The most part of the imports are investment and intermediate goods, i.e. products are almost not produced in Kazakhstan. Imports of goods show a little flexibility to the exchange rate fluctuations. Kazakhstan is one of the top ten of the largest grain exporters in the world. The last few years a steady reduction of the dynamics of the export of grain have been observed, which is caused by a decrease in a grain quality due to non-production and storage technology in elevators.

The basis for the increase of the efficiency of the foreign trade is the transition from narrow oriented exports to diversification of export flows, as well as the decrease of imports of goods by increasing the production capacity in Kazakhstan.

The diversification of the economy, avoiding the dependence on oil and the development of an infrastructure with the help of state and private investments will provide a long-term economic growth, as well as the development of the foreign mutual trade of Kazakhstan in the framework of the European Union.

Today Kazakhstan is drawn increasingly into the orbit of globalization; it establishes extensive contacts with many countries of the world. Kazakhstan has a high transit potential having a developed system of roads and railways, major airports and access to the sea. The activation of foreign trade activities with the European Union countries gives the Republic the possibility to transform from a regional leader into a major participant in a global economic process, allowing to adjust the flow of goods between Asia and Europe.

To summarize, the participation of Kazakhstan in the international division of labor and the entry into the rank of the 50 most competitive countries of the world will depend on the direction of Kazakhstan's foreign economic activity and the effective use of an export potential.

Thus, the hypothesis is confirmed.

7 List of references

Books

1. E. A. Arustamov, R. S. Andreeva International business activity. Moscow: Knorus, 2016. 168 p. ISBN 978-5-406-01065-5.
2. I. N. Andreeva International business activity: study letter. Novosibirsk, NSTU, 2009. 104 p. ISBN 978-5-7782-1216-9.
3. V. M. Bezuglaya International business activity: series of lectures. Tambov: TSTU, 2008. 80 p. ISBN 978-5-8265-0709-4.
4. International business activity: Student's Book / B. M. Smitiyenko, V. K. Pospelov, S. V. Karpova and others. Moscow: Academy, 2009. 304 p. ISBN 978-5-7695-6067-5.
5. International policy of Eastern Europe countries in the first decade of XXI c. – M.: ISISS of RAS, 2013. – 184 p. - ISBN: 978-5-248-00673-1.
6. G.Y. Volkov, G.P. Solodkov. International Trade. Moscow: Feniks, 2008. 344 p. ISBN: 978-5-222-14007-9.
7. Geopolitical problems of Central Asia. Moscow: ISISS of RAS, 2012. 168 p. ISBN: 978-5-248-00616-8.
8. I. V. Zenkin, N. G. Yakubova World Trade Organization. Moscow: International relationship, 2015. 160 p. ISBN: 978-5-7133-1503-0
9. M. Yu. Ivanov International business activity: study letter. Moscow: RYOR, 2012. ISBN: 978-5-369-00980-2.
10. T. L. Korotkova International Economics. Moscow: Finances and Statistics, 2011. 192 p. ISBN: 978-5-279-03501-4.
11. G.V. Kuznetsova, International trade of goods and services: Textbook for undergraduate and graduate programs / G.V. Kuznetsova, G.V. Podbiralina. Moscow: Urait, 2015. 571 p. ISBN 978-5-9916-3998-9.
12. D. M. Madiyarova International trade of the Republic of Kazakhstan in the world economy. Almaty: Economics, 2003. 85 p. ISBN 9965-00-876-0.
13. D. M. Madiyarova World commodity markets: Student's Book. Almaty: Economics, 2005. 400 c. ISBN 9965-685-97-5.

14. World economics and international economic relations: Student's Book / edited by I. P. Nikolayeva, L. S. Shakhovskaya. Moscow: Dashkov and C, 2013. 241 p. ISBN 978-5-394-02091-9.
15. Mill, John Stuart. The fundamentals of political economy. In 2 t. T. 2. Moscow: Eksmo, 2007. p. 156 ISBN: 978-5-699-19313-4.
16. International trade: Textbook for undergraduate and graduate programs / P.I. Khasbulatov (and others). Moscow: Urait, 2014. 489 p. ISBN 978-5-9916-4041-1.
17. I. P. Nikolayeva World economics and international economic relations. Moscow: Dashkov and C, 2013. 242 p. ISBN: 978-5-394-02091-9.
18. N. S. Nosova., N. I. Ronshina International economic relations: lecture notes. Moscow: Eksmo, 2009. 160 p. ISBN: 978-5-699-24536-9.
19. Ye. F. Prokushev, A. A. Kostin International business activity. Moscow: Urait, 2016. 413 p. ISBN 978-5-9916-5494-4.
20. V. Y. Rybalkin International economic relations. Moscow: YUNITI-DANA, 2012. 622 p. ISBN 978-5-238-01650-4.
21. S. V. Sarkisov, A. Madunts, T. N. Polyanova International business activity. Moscow: Business, 2008. 424 p. ISBN 978-5-7749-0520-1.
22. Ye. D. Khalevinskaya International trade agreements and International trade organizations. Moscow: Infra-M, 2010. 208 p. ISBN 978-5-9776-0157-3.
23. I. P. Chernaya, Geoeconomics. Moscow: Dashkov and C, 213. 248 p. ISBN: 978-5-394-01420-8.
24. What is what in the world economy: glossary. Moscow: PH HSE, 2012. 328 p. ISBN: 978-5-7598-0787-2.

Publications

25. I.V. Onusheva, N.A. Nizamova. Kazakhstan's accession to the WTO: prospects and consequences // Economics and modern management: theory and practice: collection of articles on materials LIV-LVLIV-LV international scientific and practical conference # 10-11(53). Part I. Novosibirsk: SibAK, 2015. 82-89 p. ISSN 2309-3390.

Internet resources

1. BusinessDictionary.com, 2015. Foreign Trade definition [online].
[Accessed 2017-01-22]. Available at:
<http://www.businessdictionary.com/definition/international-trade.html>
- Kenzheshov K. Analysis of the foreign trade of Kazakhstan // Modern research and innovation. 2015. № 7. ISSN 2223-4888 [[online]. [Accessed 2017-01-11]. Available at: <http://web.snauka.ru/issues/2015/07/5600>
2. Market Analysis and Research, International Trade Centre, 2015 [online]. [Accessed 2017-01-18]. Available at:
http://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1||||TOTAL||2|1|1|2|2|1|2|1|1
3. Statistics of foreign and mutual trade, 2015 / Ministry of National Economy of the Republic of Kazakhstan Statistics Committee [online]. [Accessed 2017-01-14]. Available at: http://stat.gov.kz/faces/wcnav_externalId/homeNumbersForeignTrade?lang=ru.
4. Abylgazina K. Export of dubious quality, 2016 // Atameken business Channel [online]. [Accessed 2017-01-16]. Available at:
<http://abctv.kz/ru/news/eksport-somnitelnogo-kachestva>.
5. Gan E. Grain and flour market of Kazakhstan: day by day, year by year // APK-Inform: ITOGI. 2016. №5 (23) [online]. [Accessed 2017-01-07]. Available at: www.apk-inform.com/ru/exclusive/topic/1067464.
6. Spanov M.U. WTO will give Kazakhstan more advantages than disadvantages // Informbureau, 2015 [online]. [Accessed 2017-01-13]. Available at: <https://informburo.kz/stati/kazahstan-vtorit-miru--9377.html>.
7. T.A. Frolova, World Economics: lecture notes. Taganrog: TSTU, 2015. [online]. [Accessed 2017-01-09]. Available at: <http://www.aup.ru/books/m175/>
8. Export of wheat in the world // Expert-Analytical Center of Agribusiness, 2014. [online]. [Accessed 2017-01-28]. Available at:
<http://ab-centre.ru/page/strany-eksportery-pshenicy-strany-importery-pshenicy>.

8 Supplement 1

No.	Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	USA	25 652	24 246	25 429	31 581	27 179	23 395	32 947	30 093	21 942	27 645	32 821	25 823	33 118	25 646
2	Canada	17 381	14 840	11 704	15 122	13 919	18 500	17 581	27 245	19 279	18 394	16 335	17 867	19 599	24 143
3	Russia	1 636	10 277	7 580	4 672	10 314	9 688	14 442	11 693	16 742	11 848	15 186	15 993	13 789	22 117
4	France	15 560	13 702	16 335	14 797	16 086	16 614	14 356	16 311	16 892	21 075	20 346	16 469	19 643	20 402
5	Austria	18 317	18 773	10 796	18 678	15 227	15 327	10 970	23 440	20 696	15 888	19 744	23 549	18 012	18 283
6	Germany	6 541	6 579	4 473	3 927	4 972	6 317	4 646	7 038	9 688	8 915	6 148	6 778	8 232	10 956
7	Ukraine	2 853	8 304	901	2 554	6 009	4 671	1 056	7 511	12 883	4 860	4 097	8 590	7 762	10 544
8	Romania	405	265	13	26	259	905	207	1 989	2 341	2 480	1 569	2 315	4 773	4 965
9	Kazakhstan	3 046	3 944	3 588	2 587	1 899	4 195	6 178	4 951	3 229	5 066	2 891	7 459	5 100	4 208
10	India	2 536	3 695	3 621	2 946	1 028	52	1	1	1	1	500	4 585	4 303	3 951
11	Poland	0	549	559	192	455	660	339	375	2 008	984	758	1 016	1 688	3 175
12	Bulgaria	37	1 303	313	667	1 116	1 304	254	1 772	1 795	2 293	2 137	2 452	3 660	2 840
13	Lithuania	409	291	553	368	753	407	438	1 130	1 276	1 123	809	1 672	1 937	2 511
14	Czech rep.	151	457	760	170	1 504	1 007	824	938	1 776	1 263	1 583	1 587	1 581	2 475
15	Hungary	1 515	1 159	1 228	1 057	1 859	2 293	1 637	2 120	1 808	2 110	1 246	1 328	2 435	2 245
16	Argentina	10 790	9 052	6 169	9 977	10 431	9 698	9 645	8 772	5 118	4 039	8 411	11 519	2 389	1 852
17	Latvia	86	103	149	64	403	189	207	729	1 025	1 013	462	1 487	1 137	1 376
18	Mexico	513	440	565	250	395	536	569	1 398	1 136	437	836	441	733	1 264
19	Great Britain	1 699	1 624	3 618	2 531	2 531	2 127	1 917	2 768	2 526	3 397	2 358	1 503	448	1 143
20	UAE	-	-	-	-	2	-	3	20	48	521	40	75	62	1 140
21	Uruguay	0	0	0	22	87	97	112	429	1 071	1 373	1 066	1 441	869	1 122
22	Austria	511	685	544	417	777	568	596	584	542	710	620	588	552	876
23	Swiss	813	378	747	456	345	550	506	562	467	386	407	343	239	847
24	Slovakia	9	60	26	32	326	500	347	273	630	399	277	611	687	832
25	Denmark	730	747	791	231	444	810	904	491	1 520	1 542	876	654	719	765
26	Belgium	488	532	685	873	775	908	852	972	767	715	573	648	668	761
27	Netherlands	184	217	162	226	254	210	440	801	542	516	645	592	690	741
28	Spain	883	1 217	1 027	586	233	653	632	551	532	438	570	280	593	428
29	Greece	354	469	191	81	198	362	190	346	674	527	366	338	208	424
30	Moldavia	63	377	14	0	76	181	42	54	310	177	70	55	312	420
31	Serbia	-	-	-	139	169	58	375	64	207	427	0	317	1 106	393
32	Paraguay	64	78	295	283	594	233	236	580	869	1 104	651	1 403	440	357
33	S. America	304	163	57	54	32	19	56	154	79	168	241	237	220	327
34	Italy	176	217	211	198	146	89	237	446	211	396	578	257	188	310
35	Brazil	1	1	50	1 323	156	652	103	644	385	1 324	2 350	2 323	1 188	277
36	Estonia	3	16	14	5	34	26	25	115	92	124	70	251	224	259
37	Finland	1	1	26	49	25	26	74	71	50	142	194	214	163	175
38	Croatia	284	217	132	1	2	82	412	27	299	293	109	394	412	137
39	Turkey	1 118	55	1	1	328	686	34	8	302	1 174	5	116	275	69
40	Slovin	0	0	1	3	1	2	11	5	29	36	12	65	54	52
41	Turkmenistan	-	-	-	-	-	-	-	-	-	1	-	3	32	49
42	Georgia	10	56	82	113	37	39	27	9	15	36	0	162	150	40
43	Tansania	1	4	1	126	84	97	90	24	1	38	15	55	13	39
44	Uzbekistan	-	-	0	331	57	12	11	-	-	117	122	-	2	36
45	Bosnia and G.	-	-	0	0	0	0	0	1	14	43	2	4	45	31
46	Swaziland	0	0	0	0	0	0	0	-	8	0	1	13	0	27
47	Luxenbery	12	16	11	20	25	50	22	16	25	37	17	32	23	26
48	St. Helena Isl.	-	-	-	-	-	-	-	-	-	-	-	-	-	19
49	Ireland	0	0	0	5	0	0	15	30	13	34	7	2	3	19
50	Othercountries	35	25	55	56	155	23	40	57	38	51	121	51	46	16
	Whole world	843	2 281	3 912	2 033	1 492	2 750	4 049	752	270	770	2 374	310	401	96
		16 013	127 415	107 387	119 827	123 192	127 566	128 655	158 357	152 169	146 453	150 618	164 268	160 926	175 206

Top-50 of world wheat exports in 2001-2014, thousands of tones

Source: URL: <http://ab-centre.ru/page/strany-eksportery-pshenicy-strany-importery-pshenicy>