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MODERN TRENDS AND PROSPECTS FOR IMPROVING THE COMPETITIVENESS OF THE AGRICULTURAL SECTOR OF KAZAKHSTAN IN THE CONDITIONS OF ACTIVATING INTERACTION WITH THE EAEU STATES

Abstract. The impact of the EAEC agreements on sensitive sectors of agricultural sector of Kazakhstan, which contributes to the formation of new mechanisms of introduction of international quality standards and increased control over the safety and quality of imported products has been considered.

Keywords:agro-industrial complex, agricultural market, population incomes, Eurasian economic Union (EAEU), import substitution, integration, integration processes, competitiveness, modernization.

The study of the internalization of social life and the globalization process that follows it emphasize the importance of increasing labor productivity in the transition from one process to another. In the context of deepening integration relations and the protracted global financial crisis in the agrarian sector of Kazakhstan, the problems of increasing the competitiveness of enterprises and the productivity of workers are becoming more urgent.

The food problem remains a global problem of mankind. In this regard, the agricultural structure should be developed, increasing the proportion of people employed in it, which will improve the standard of living in the village, reduce the outflow of the working-age population from the village, get rid of a number of depressed areas. [1] The low level of labor productivity in agriculture of the Republic, the high level of deterioration of agricultural equipment (up to 70%), the imperfection of the technologies used, small-scale production (75% of gross output falls on households and peasant farms) do not allow to keep agricultural production on an intensive basis, ensure more complete usage of material, labor, and other resources, comply with environmental requirements. These factors reduce the competitiveness of the domestic agricultural sector, which in the conditions of the EAEU can lead to the dominance of imports of foreign products, the displacement of local producers from the markets and the risks of transferring the country's agriculture to natural conditions.

Kazakhstan has sufficient resources to ensure that enterprises of the agricultural sector are competitive along with other EAEU member states. The interregional specialization and location of agricultural production, which had been established during the Soviet period, is based on the climatic features and advantages of each state in the production and processing of one or another agricultural product. Despite the fact that, in general, the agroclimatic potential of Armenia, Russia, Belarus and Kazakhstan is inferior to Western Europe and North America, there are also regions where these conditions correspond to high international standards - the southern and black soil regions of Russia, certain regions of Belarus and Kazakhstan. In Russia, in particular, according to various estimates, there are 20-30 million hectares.

Their involvement in an active production process will allow the countries of the Eurasian Economic Union to make a significant contribution to the fight against solving global problems of the global economy [2, c. 355].

An additional positive factor is the geographical, cultural and institutional proximity of participants in the agrofood markets of the EAEU, which creates powerful incentives for the development of agro-industrial production [3, c. 103-104].

The area of the EAEU countries is more than 20 million square kilometers (14% of world land), the population of the EAEU countries as of January 1, 2018 is 183.7 million people [4].

By the end of 2017, the volume of mutual trade turnover in the EAEU countries amounted $ 54.2 billion; the volume of foreign trade in goods with third countries – $ 633.8 billion.

In the first nine months of 2018, the trade turnover of Kazakhstan with the EAEU countries amounted to $ 14 billion and increased by 8.7%. Export amounted to $ 4.3 billion and grew by 12.4%, imports – $ 9.6 billion (growth – 7.2%). At the same time, export of Kazakhstan as a whole grew over the same period by 28.4%, to $ 44.5 billion, and imports – by 11.3%, to $ 23.7 billion. Thus, trade of Kazakhstan with the EAEU countries grew less than with the rest of the world, respectively, the share of EAEU countries in foreign trade turnover decreased – if in January-September 2017, the EAEU accounted for 23% of foreign trade of Kazakhstan, then for the same period of the current year – 21.5%. The relative reduction in the intensity of foreign trade of Kazakhstan and the EAEU does not allow us to speak of its noticeable impact on the Kazakh economy at the macro level [5].

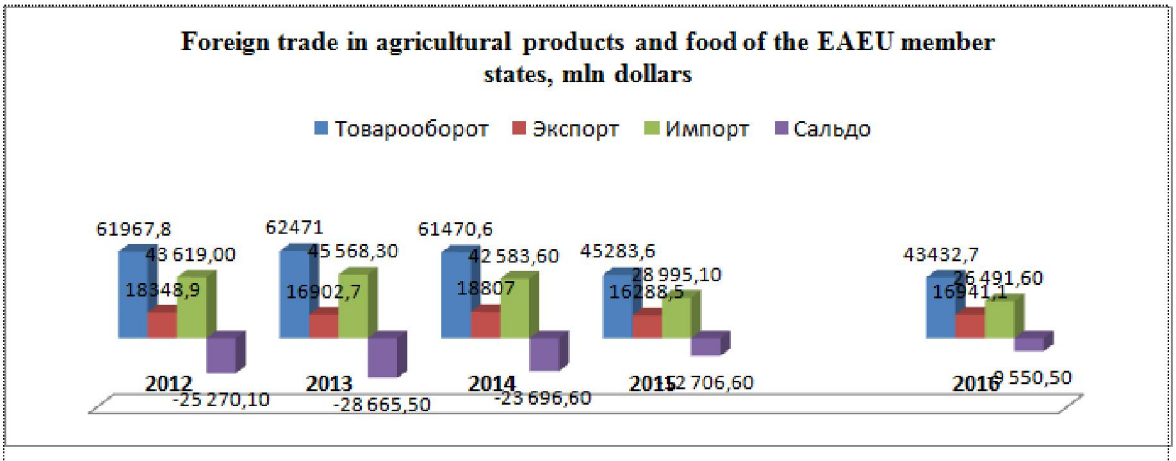
At the same time, it is possible to note the preservation of favorable trends in the investment cooperation of Kazakhstan with the EAEU countries, primarily with Russia.

Currently, there are data only for the first half of 2018, but they show an increase in the inflow of Russian investments in Kazakhstan by $ 445 million (against the background of a slight reduction in the volume of accumulated foreign investments in Kazakhstan as a whole) and the growth of Kazakhstan investments in Russia by $ 314 million. Russia in the net inflow of FDI to Kazakhstan in the first half of the year increased to 5.1% from 4.7% in 2017.

Thus, investment cooperation continues and accelerates, including in comparison with statistics from the rest of the world, but the scale and proportion of investments in Kazakhstan from EAEU countries are not yet significant enough to have a noticeable impact on the country's economy [6]. Foreign trade in agricultural products and food of the EAEU member states is shown in Table 1.

Table 1 - Foreign trade in agricultural products and food of the EAEU member states, mln dollars

Countries	Years				
	2012	2013	2014	2015	2016
Goods turnover					
EAEU	61967,8	62471,0	61470,6	45283,6	43432,7
Armenia	-	-	792,4	646,7	676,9
Belarus	3462,0	3847,1	4176,0	397,0	3404,9
Kazakhstan	5148,6	4907,2	4554,3	3594,1	3398,7
Kyrgyzstan	-	-	433,5	325,0	237,0
Russia	53357,2	53716,6	51514,3	36744,9	35715,2
Export					
EAEU	18348,9	16902,7	18807,0	16288,5	16941,1
Armenia	-	-	178,1	221,2	262,9
Belarus	801,3	823,1	623,9	502,6	310,8
Kazakhstan	2 764,3	2 236,0	2 071,3	1 661,9	1 705,7
Kyrgyzstan	-	-	112,3	115,6	77,9
Russia	14 783,2	13 843,7	15 901,4	13 787,2	14 583,9
Import					
EAEU	43 619,0	45 568,3	42 583,6	28 995,1	26 491,6
Armenia	-	-	614,3	425,5	414,1
Belarus	2 660,7	3 024,1	3 552,1	3 470,3	3 094,1
Kazakhstan	2 384,0	2 671,3	2 483,0	1 932,2	1 693,0
Kyrgyzstan	-	-	321,2	209,4	159,1
Russia	38 574,0	39 872,9	35 612,9	22 957,6	21 131,3
Balance					
EAEU	-25 270,1	-28 665,5	-23 696,6	-12 706,6	-9 550,5
Armenia	-	-	-436,1	-204,3	-151,2
Belarus	-1 859,3	-2 201,0	-2 928,2	-2 967,7	-2 783,4
Kazakhstan	380,0	-435,3	-411,7	-270,3	12,7
Kyrgyzstan	-	-	-209,0	-93,8	-81,2
Russia	-23 790,8	-26 029,2	-19 711,5	-9 170,4	-6 547,4
Compiled by author based on resource [2]					



Picture 1 - Foreign trade in agricultural products and food of the EAEU member states, mln dollars

The share of agricultural land of the Republic of Kazakhstan is 40% – an area of 102.6 million hectares. In recent years, the area of agricultural land tends to increase. During the period under review, their total area increased by 9028 thousand hectares due to the involvement in the agricultural use of land reserves. The irrigated arable land increased by 111 thousand hectares to 1.5 million hectares due to the transformation of deposits of good quality and the development of other lands of arable land. The area of perennial plantings is increased annually, new areas of gardening land are being developed - an increase of 8 thousand hectares to 60.9 thousand hectares.

The structure of agricultural land of Kazakhstan for 2012 – 2016 and the dynamics of the area of agricultural land of the Republic of Kazakhstan in thousand hectares is given in Table 2.

Table 2 – The dynamics of the area of agricultural land of the Republic of Kazakhstan, thousand hectares

Types of acreage	Years				
	2012	2013	2014	2015	2016
Total agricultural land	93428,2	96278,3	98580,2	100835,4	102600,9
Agricultural acreage, of which:	90109,1	92927,5	95236,5	97312,0	99137,2
Farm field, total	24020,5	24191,1	24268,8	24292,8	24343,3
of which irrigable	1373,5	1389,9	1450,1	1455,1	1484,9
Perennial plantings	70,4	74,8	83,6	85,0	87,1
of which: gardens	52,6	55,4	59,9	59,9	60,9
vineland	11,3	12,0	11,8	12,0	13,7
idle land	2657,0	2693,0	2583,7	2481,6	2593,4
hay harvesting	2040,3	2045,9	2041,3	2077,8	2099,7
Pasture, total	61223,3	63908,7	66246,8	68362,5	70001,5
of which moist	38247,8	41196,2	41840,5	42707,2	43213,6
Compiled by author based on resource [2,5]					

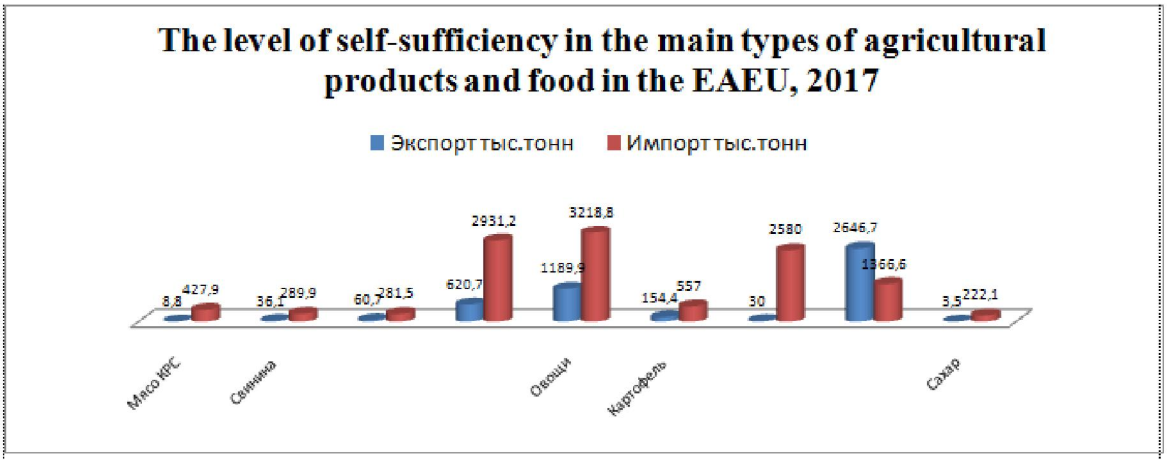
The total sown area in the country in 2016 was 21.5 million hectares; 2.9 million hectares were occupied by steam fields. The largest share in the structure of the use of sown areas is occupied by grain crops on non-irrigated lands. In recent years, there has been a tendency in the crop industry to change the structure of the sown area. There is a process of diversification of grain in the direction of a significant increase in the share of oilseeds, fodder and legumes, which significantly affect the increase in soil fertility and additionally ensure the production of feed for the development of animal breeding.

The yield of grain and leguminous crops varies considerably from 8.6 to 14.8 centners per hectare (Table 3). Therefore, grain production ranges from 12.9 to 20.7 million tons, which is due to climatic changes. The level of self-sufficiency in the main types of agricultural products and food in the EAEU in 2017 is considered in Table 3.

Table 3 - The level of self-sufficiency in the main types of agricultural products and food in the EAEU, 2017

Product	Yielding		Export thousand tons	Import thousand tons	Consumption		Level of self-sufficiency, %	
	thousand tons	kg/person			thousand tons	kg/person	2014	2017
Cattle meat	2456,3	13,4	8,8	427,9	2875,4	15,7	82,0	85,4
Pork	3653,0	20	36,1	289,9	3906,8	21,4	89,0	93,5
Poultry meat	5294,4	29,0	60,7	281,5	5515,2	30,2	88,0	96,0
Milk and dairy products	45636,0	249,7	620,7	2931,2	47946,5	262,4	90,8	95,2
Vegetables	27874,6	152,5	1189,9	3218,8	29903,5	163,6	92,0	93,2
Potato	43712,4	239,2	154,4	557,0	44115,0	241,4	98,0	99,1
Apples, pear, cherry, and etc.	5203,0	28,5	30,0	2580,0	7753	42,6	60,9	67,1
Vegetable oil	5602,7	29,6	2646,7	1366,6	4322,6	20,0	172,0	129,6
Sugar	6459,1	35,3	3,5	222,1	6677,7	36,5	83,0	96,7
Compiled by author based on resource [2,5]								

In 2016 compared to 2014, the level of self-sufficiency in all agricultural products increased significantly, with the exception of vegetable oil.



Note:
Picture 2 – The level of self-sufficiency in the main types of agricultural products and food in the EAEU, 2017

In 2016, the EAEU countries exported agricultural products and food for $ 16.9 billion (Table 3), which is $ 1.4 bln or 7.7% less than in 2012. At the same time, imports of such products from third countries decreased by $ 17.1 bln (by 39.3%). Dynamics of export of agricultural products and food from the EEU, mln in the period 2012-2016 are shown in Table 4.

Table 4 - Dynamics of export of agricultural products and food from the EEU, mln dollars

Member country	2012	2013	2014	2015	2016	2016 to 2012, %
EAEU	18 348,9	16 902,7	18 887,0	16 288,5	16 941,1	92,3
Armenia	-	-	178,1	221,2	262,9	-
Belarus	801,3	823,1	623,9	502,6	310,8	38,8
Kazakhstan	764,3	2 236,0	2 071,3	1 661,9	1 705,7	223,2
Kyrgyzstan	-	-	112,3	115,6	77,9	-
Russia	14 783,2	13 843,7	15 901,4	13 787,2	14 583,9	98,7
Compiled by author based on resource [2,5]						

The geography of supplies of agro-food products of the EAEU is wide enough. In 2016, agricultural products from countries of the Union were exported to more than 160 countries of the world.

The main consumers are the CIS countries (15.0%), the European Union (13.8%), China (10.4%), Turkey (10.3%), the Republic of Korea (7.3%), Egypt (7, 3%) and Iran (3.5%). The markets of these countries account for 2/3 of all supplies of agricultural products of the Union. The main consumers of agricultural products and food from the EAEU member states in 2014–2016 are shown in Table 5.

Table 5 - The main consumers of agricultural products and food from the EAEU member countries in 2014-2015 years

2014			2015			2016		
Importer country	Cost, mln dollars	%	Importer country	Cost, mln dollars	%	Importer country	Cost, mln dollars	%
CIS countries	3 251,8	17,2	CIS countries	2 810,3	17,4	CIS countries	2 548,5	15,0
EC	2 857,0	14,8	EC	2 261,3	13,9	EC	2 339,1	13,8
Turkey	2 421,3	12,6	Turkey	1 851,2	11,4	Turkey	1 769,8	10,4
Egypt	1 386,7	7,2	Egypt	1 494,7	9,2	Egypt	1 738,6	10,3
China	1 216,8	6,3	China	1 176,9	7,2	China	1 244,3	7,3
Republic of Korea	1 192,1	6,2	Republic of Korea	1 019,7	6,3	Republic of Korea	1 238,6	7,3
Iran	902,0	4,7	Iran	637,0	3,9	Iran	590,3	3,5
Saudi Arabia	362,2	1,9	Saudi Arabia	578,8	3,6	Saudi Arabia	340,6	2,0
Other	*5 297,1*	*29,1*	Other	*4 458,6*	*27,1*	Other	*5 131,3*	*30,4*
TOTAL	**18 887,0**	**100,0**	**TOTAL**	**16 288,5**	**100,0**	**TOTAL**	**16 941,1**	**100,0**
Compiled by author based on resource [2,5]								

Traditionally, the EU purchases cake, fish, grain, fats and oils in the EEU countries, Turkey and Egypt - grain and oils, China and the Republic of Korea - fish, Saudi Arabia and Iran - grain.

Thus, the export of agricultural products of the Union is characterized by low diversification, since 2/3 of its volume falls into three commodity groups (grain, fish, oils and fats), as well as raw materials (up to 60–70% of exports are raw materials).

In this regard, it is advisable to reduce the share of raw materials in the structure of exports and diversify the commodity structure by supplying products of mainly deep processing of agricultural raw materials.

The Eurasian Economic Commission (Commission), together with the authorized bodies of the EAEU member states, monitors and forecasts the common EAEU market. The Commission uses specialized and / or research organizations to monitor and forecast the common market.

The monitoring and forecast of the common market includes the collection and analysis of information on the production, volumes of exports and imports in the territory of the EAEU producing goods, including products of manufacturers of the member states, as well as imported products from third countries.

The analysis and forecast of the supply of producers of the member states to their national markets, mutual deliveries to markets of each member state, as well as imports from third countries to the common EAEU market is being conducted, including price levels of national enterprises and imported products, the level of customs and tariff protection, production capacity of member states for the production of relevant products with the level of their loading and other.

According to preliminary consolidated forecasts, the EAEU plans to increase grain exports to 34.6 million tons, reduce imports of meat and meat products to 1.5 million tons, milk and sugar to 5.9 million tons and 0.1 million tons, respectively. Thus, the countries of the Union are striving to increase the production of basic types of food, increase mutual trade and reduce the import component.

In addition, the Commission conducts quarterly and annual monitoring and analysis in the following areas:

- production figures for the agricultural sector as a whole, as well as for the main markets for agricultural products and food (grain, meat and meat products, milk and dairy products, sugar, vegetables, etc.);

- price situation in the agro-food market;
- foreign and mutual trade of the EAEU member states.

The prepared reports are published on the official website of the Commission on Internet in the Monitoring and Analysis section of the Department of Agricultural Policy [7].

Subsequently, on the basis of forecasts, it is planned to implement a policy aimed at creating conditions for the development of the infrastructure of the EAEU common agrarian market.

Within the framework of the Eurasian Economic Union, the foundations of cooperation in economic areas were placed. Among them are foreign trade policy, energy, pharmaceuticals, transport, industry, agriculture. The Eurasian Economic Union is a single capacious market without customs borders of 182 million people with a foreign trade turnover of more than 1 trillion USD.

Within the EAEU framework, agreements have been reached, which in the future will bring additional benefits for our economy:

- phased formation of common markets in the electrical power energy sector by 2019, oil and gas by 2025. In 2015, the Concept for the formation of a common electric power market of the EAEU was approved by the heads of countries, which will ensure the stability of the energy system and enhance the export potential of the electricity industry in Kazakhstan;
- basic agreements were signed to create a common pharmaceutical market based on advanced international standards. Under the conditions of a common market, Kazakh manufacturers of pharmaceutical preparations intend in the future to increase their own exports to the markets of the partner countries to $ 360 million a year;
- since 2015, domestic railway tariffs are applied for the transportation of goods from Kazakhstan to Europe through the seaports of Russia, in this connection, the savings of Kazakhstani consignors and recipients in 2015 amounted to more than $ 104 million [5-7].

Since the beginning of the operation of the Customs Union, export has increased by 33%. The share of processed goods in the total volume of Kazakhstan export to partner countries increased from 45 to 53 percent. With the formation of a common market, the volume of foreign direct investment in the manufacturing industry has increased almost 3 times since the beginning of the Customs Union.

In the future, this will provide an opportunity to form a common economic space without barriers to the movement of goods throughout the Eurasian continent. Also one of the key activities of the EAEU is the need to increase investment attractiveness, improve the business climate, the functioning of the common market without exemptions and barriers [5-8].

The issue of pairing the EAEU and the Chinese initiative “Economic Belt of the Silk Road” is becoming highly relevant. The geographical position of our country, the countries belonging to the EAEU and the Shanghai Cooperation Organization is the central part of the continent, the “key hub” of international trade routes, which gives the opportunity to expand economic cooperation and create a free trade zone between the EAEU and the SCO in the future [9] .

Thus, the EAEU member states have sufficient resources to effectively solve the inquiring problem, not only taking into account the accumulated experience of software problem solving, but also the results of the implementation of agrarian policy of competing countries of the European Union, East Asia, etc.

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СОВРЕМЕННЫЕ ТЕНДЕНЦИИ И ПЕРСПЕКТИВЫ ПОВЫШЕНИЯ КОНКУРЕНТОСПОСОБНОСТИ СЕЛЬСКОХОЗЯЙСТВЕННОГО СЕКТОРА КАЗАХСТАНА В УСЛОВИЯХ АКТИВИРОВАННОГО ВЗАИМОДЕЙСТВИЯ С ГОСУДАРСТВАМИ ЕАЭС

Аннотация Рассмотрено влияние соглашений ЕАЭС на чувствительные отрасли аграрного сектора Казахстана, способствующее формированию новых механизмов внедрения международных стандартов качества и усиления контроля за безопасностью и качеством ввозимой продукции. Выявлены условия для устойчивого производства и роста конкурентоспособности отраслей АПК Казахстана.

Ключевые слова:агропромышленный комплекс, аграрный рынок, доходы населения, Евразийский экономический союз (ЕАЭС), импортозамещение, интеграция.

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"Қаржы академиясы" АҚ, Астана

ҚАЗАҚСТАННЫҢ АГРОӨНЕРКӘСІПТІК СЕКТОРЫНЫҢ БӘСЕКЕГЕ ҚАБІЛЕТТІЛІГІН АРТТЫРУДЫҢ АҒЫМДАҒЫ ТЕНДЕНЦИЯЛАРЫ МЕН ПЕРСПЕКТИВАЛАРЫ ЕАЭО МЕМЛЕКЕТТЕРІМЕН БЕЛСЕНДІ ӘРЕКЕТТЕСУДІҢ ШАРТТАРЫ БОЙЫНША

Аннотация.ЕАЭО келісімдерінің сапаның халықаралық стандарттарын енгізудің жаңа механизмдерін қалыптастыруға және кіргізілетін өнімнің қауіпсіздігі мен сапасын бақылауды күшейтуді қалыптастыруға септігін тигізетін Қазақстанның аграрлық секторының сезімтал салаларына әсері қарастырылған. Қазақстанның АӨК салаларының бәсекеге қабілеттілігі өсіміне және өндіріс тұрақтылығына жасалатын жағдай анықталған.

Түйін сөздер:Агроөнеркәсіптіккешен, аграрлықнарық, халықтабысы, Еуразиялықэкономикалықодақ (ЕАЭО), импорталмастыру, интеграция.

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