Assessing the impact of WTO accession on the agricultural sector of Kazakhstan


After completing all the ratification processes, Kazakhstan will have certain commitments behind the WTO. These commitments include limits on tariffs, limits on domestic support and reduction of export restrictions. Fulfilling these commitments would inevitably affect the agricultural sector of the country. The main goal of this research is to assess the impacts of these commitments on agricultural sector of Kazakhstan. The choice of Kazakhstan as a case of this research can be explained by several factors.

Kazakhstan is the largest economy in Central Asia, and one of the rapidly growing economies in the world. Among the post-soviet countries, Kazakhstan is the second largest economy after Russia. According to Idrissov (2012) Kazakhstan’s GDP per capita increased almost by 16 times since its independence from Soviet Union in 1991.

According to Petrick, Oshakbaev and Wandel (2014), Kazakhstan is regarded as a key player on world agricultural markets, with huge export potentials in wheat, beef and dairy products. In 2014 Kazakhstan was the 7th largest net wheat exporter in the world, by exporting 6mln tonnes of wheat. (2014) Retrieved from http://www.indexmundi.com/agriculture/?commodity=wheat&graph=exports

Moreover, in their research Burkitbayeva and Kerr (2013) state that the KRU (Kazakhstan, Russia and Ukraine) countries account for approximately a quarter of the world wheat exports. There is a huge potential to further improve this statistics. For example, in their work Liefert et al (2010), project that wheat exports by Russia, Ukraine, and Kazakhstan will increase by about 50 percent to over 50 million metric tons (mmt) by 2019.
Methodology

In the current literature there are a wide range of quantitative models available for analyzing the effects of different policies on economic outcomes. According to Piermartini and Teh (2005), the most commonly used trade model is computable general equilibrium (CGE) model. This model assesses the impacts of different policy changes on the economy in general or on the particular sector of the economy.

In this research I would like to use CGE model, as it better suits for the current research question and because of its popularity among researchers.

During this research four scenarios will be simulated using CGE models, namely:
1) Import tariffs reform; 2) AMS-type support reform; 3) Export restrictions reform 4) The scenario that combines previous three, or a full WTO accession.

References
Idrissov E, “Kazakhstan: Reflecting on 21 Years of Independence”, Available at http://www.diplomaticourier.com/kazakhstan-reflecting-on-21-years-of-independence/