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THE ANALYSIS FOR THE CURRENT STATE IN THE MARKET OF AGRICULTURAL
LOANS IN THE REPUBLIC OF KAZAHSTAN

Annotation

In the article the state of the market for agricultural loans in the Republic of Kazakhstan is considered. In the work the state of the loans for the agriculture according to provinces and economic zones of Kazakhstan are considered.

Key words: agricultural loans, the loans market, the financial market of Kazakhstan, economic zones of Kazakhstan.

Introduction

The agriculture is one of the strategic sectors of the economy which determines the food supply security for the sovereign states, the quality of nourishment for the population, and availability of food products in the internal market of a nation. Therefore, stimulating the growth of the agriculture is beneficial for the economy of a nation [1; 2].

There are different financial instruments or economic activities that can help the agriculture, which includes bank loans, subsidies, or government loans.

Agricultural loans allow enterprises to find funds for investment for further expansion, or in returning the previous loans. Availability of the agricultural loans may impact the growth potentials of the economy [3; 4, pp. 3-20]. Therefore, the economic welfare if Kazakhstan may depend on the behaviour of the agricultural loans market. The state of the agricultural loans market is a part of the financial market in Kazakhstan.

The stability of the financial sector may impact the economic growth [5]. Therefore, further economic stability, increase in the living standards, and joining to the club of the economically developed countries may determine that Kazakhstan need to provide security and the growth potentials in agricultural loans market.

The rise in the indicators of agricultural loans between May and April 2015 for the majority of provinces in Kazakhstan may reflect the strengthening of the financial market of Kazakhstan. Providing support for the loans market is one of the steps in order to implement “Strategy Kazakhstan-2050” defined by the President of the Republic of Kazakhstan, Nursultan Nazarbayev. The strategy defines the importance of focusing on the balanced economic development and making stronger the national economy [6]. Therefore, the analysis for the current state in the market of agricultural loans in Kazakhstan is the significant topic to consider.

Table 1 demonstrates the current state of the agricultural loans on May 1, 2015 in the national and the foreign currencies.

Table 1 – The volume of loans to the agriculture on May 1, 2015, million tenge

Provinces	The state for the 1 st of May 2015	in the national currency		in the foreign currency	
		short- term	long- term	short- term	long- term
Kazakhstan (total)	482,004	51,139	262,883	37,267	130,715
Akmola	21,999	3,422	11,760	1,217	5,602

Aktobe	1,977	524	1,297	8	147
Almaty	3,555	721	2,834	0	0
Atyrau	666	8	595	0	63
East Kazakhstan	5,722	1,607	3,680	0	435
Jambyl	4,535	300	4,231	0	4
West Kazakhstan	1,987	626	1,245	0	117
Karagandy	2,899	968	1,932	0	0
Kostanay	23,221	5,019	18,142	0	60
Kyzylorda	495	254	209	31	0
Mangystau	505	10	364	83	49
Pavlodar	10,318	1,011	8,912	0	396
North Kazakhstan	7,165	1,976	5,061	0	128
South Kazakhstan	1,848	306	1,542	0	0
Almaty (city)	130,134	5,874	110,539	2,554	11,167
Astana (city)	264,979	28,515	90,541	33,374	112,548
Source: The National Bank of Kazakhstan (2015) <i>Loans to agriculture</i> . Retrieved on May 2, 2015 from http://www.nationalbank.kz/cont/publish892826_28062.xls					

The above table shows that in 10 provinces of Kazakhstan have short-term loans in the foreign currency on May 1, 2015 less than one million tenge: Almaty, Atyrau, East Kazakhstan, Jambyl, West Kazakhstan, Karagandy, Kostanay, Pavlodar, North Kazakhstan and South Kazakhstan provinces. There are 4 provinces in Kazakhstan that have long-term agricultural loans in the foreign currency less than one million tenge: Almaty, Karagandy, Kyzylorda and South Kazakhstan provinces.

The city of Astana has 86.1% of the market share for the long-term loans in the foreign currency, for the short-term loans in the foreign currency – 89.55% of the market share, for the short-term loans in the national currency – 55.76% of the market share.

The volume of agricultural loans in Akmola province - 21,999 million tenge, in Aktobe province - 1,977 million tenge, in Almaty province - 3,555 million tenge, in Atyrau province - 666 million tenge, in East Kazakhstan province- 5,722 million tenge, in Jambyl province - 4,535 million tenge, in West Kazakhstan province - 1,987 million tenge, in Karagandy province - 2,899 million tenge, in Kostanay province - 23,221 million tenge, in Kyzylorda province – 495 million tenge, in Mangystau province – 505 million tenge, in Pavlodar province - 10,318 million tenge, in South Kazakhstan province – 1, 848 million tenge, in North Kazakhstan province - 7,165 million tenge.

According to table 1 the city of Almaty has the highest market share for the long-term loans in the national currency, the city of Astana – for the long-term loans in the foreign currency, for the short-term loans in the foreign currency, and for the short-term loans in the national currency.

Figure 1 demonstrates the volume of long-term agricultural loans in the national currency.

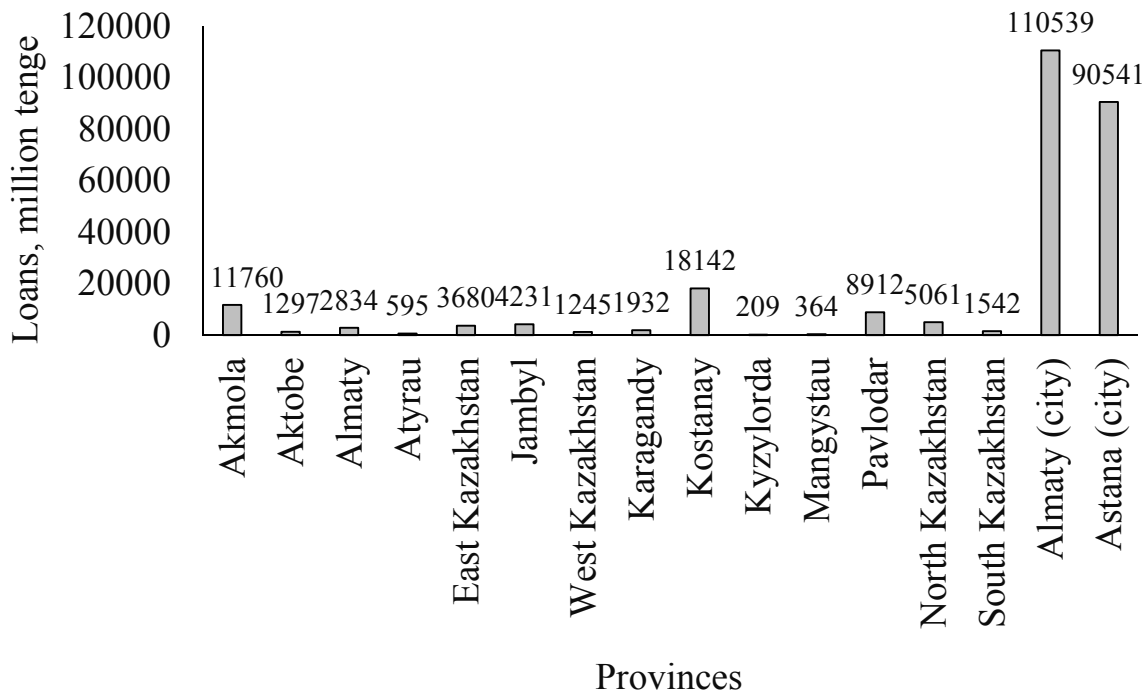


Figure 1 – The volume of long-term agricultural loans in the national currency on May 1, 2015, million tenge.

Source: The National Bank of Kazakhstan (2015) *Loans to agriculture*. Retrieved on May 2, 2015 from http://www.nationalbank.kz/cont/publish892826_28062.xls

The figure above shows that Almaty (city) is the most popular destination for the long-term loans – 42.05%. The second place belongs to the city of Astana, capital of Kazakhstan – 34.44% of the market share. The smallest market share of the agricultural loans belongs to Kyzylorda province - 0.000795%. Three provinces have long-term agricultural loans less than 1 billion tenge: Kyzylorda, Mangystau, Atyrau provinces. The average level of the long-term loans is 16430 million tenge. The standard deviation for the agricultural loans on May 1, 2015 – 33386 million tenge.

Table 2 shows the monthly changes in the volume of agricultural loans between May 1, 2015 and April 1, 2015.

Table 2 – The monthly changes in the volume of agricultural loans between May 1, 2015 and April 1, 2015, million tenge.

Provinces	The state on May 1, 2015	% from the total amount	The state on April 1, 2015	Change in the state between May and April
Kazakhstan (total)	482,004	100.00%	474,720	101.53%
Akmola	21,999	4.56%	20,347	108.12%
Aktobe	1,977	0.41%	1,948	101.49%
Almaty	3,555	0.74%	3,557	99.94%
Atyrau	666	0.14%	672	99.11%
East Kazakhstan	5,722	1.19%	5,366	106.63%

Jambyl	4,535	0.94%	4,489	101.02%
West Kazakhstan	1,987	0.41%	1,968	100.97%
Karagandy	2,899	0.60%	2,795	103.72%
Kostanay	23,221	4.82%	21,464	108.19%
Kyzylorda	495	0.10%	458	108.08%
Mangystau	505	0.11%	513	98.44%
Pavlodar	10,318	2.14%	15,254	67.64%
North Kazakhstan	7,165	1.49%	6,917	103.59%
South Kazakhstan	1,848	0.38%	1,865	99.09%
Almaty (city)	130,134	27%	124,175	104.80%
Astana (city)	264,979	54.97%	262,931	100.78%
Sources: The National Bank of Kazakhstan (2015) <i>Loans to agriculture</i> . Retrieved 2 May, 2015 from http://www.nationalbank.kz/cont/publish892826_28062.xls ; The National Bank of Kazakhstan (2015) <i>Loans to agriculture</i> . Retrieved on May 2, 2015 from http://www.nationalbank.kz/cont/publish601792_27893.xls				

The above table shows that the highest share of the agricultural loans belongs to the city of Astana - 54.97%, which is more than the half of the market share. The second place is given to the city of Almaty – 27%. The third position belongs to Kostanay province – 4.82%. In addition, cities of Almaty and Astana together own more than the four fifth of the market share regardless of their small area compared to any province in the Republic of Kazakhstan – around 81.97% of the market share. The last place for agricultural loans for the 1st of May 2015 belongs to Kyzylorda province – 0.10%. According to table 2 the leaders of the market have not changed, they keep the control over the similar size of the market share. The leader of the market on April 1, 2015 is the city of Astana, which owns 55.39% of the market share. The city of Almaty takes the second position – 26.16%. Kostanay province owns the third place – 4.52%. Moreover, the two biggest cities of Kazakhstan together, Almaty and Astana, control 81.54% of the market.

Table 2 demonstrates that the highest rate of the change in the volume of loans between May 1, 2015 and April 1, 2015 occurs in Kostanay province – 108.19%. The second place in the monthly change rate belongs to Akmola province – 108.12%. The decrease in the monthly volume of agricultural loans happen in Mangystau, Pavlodar and South Kazakhstan provinces. The highest rate of decrease in the volume of the loans for the agriculture between May and April takes place in Pavlodar province – fall by 32.34%. The volume of agricultural loans in Kazakhstan according to the economic regions on May 1, 2015 is shown in the figure 2.

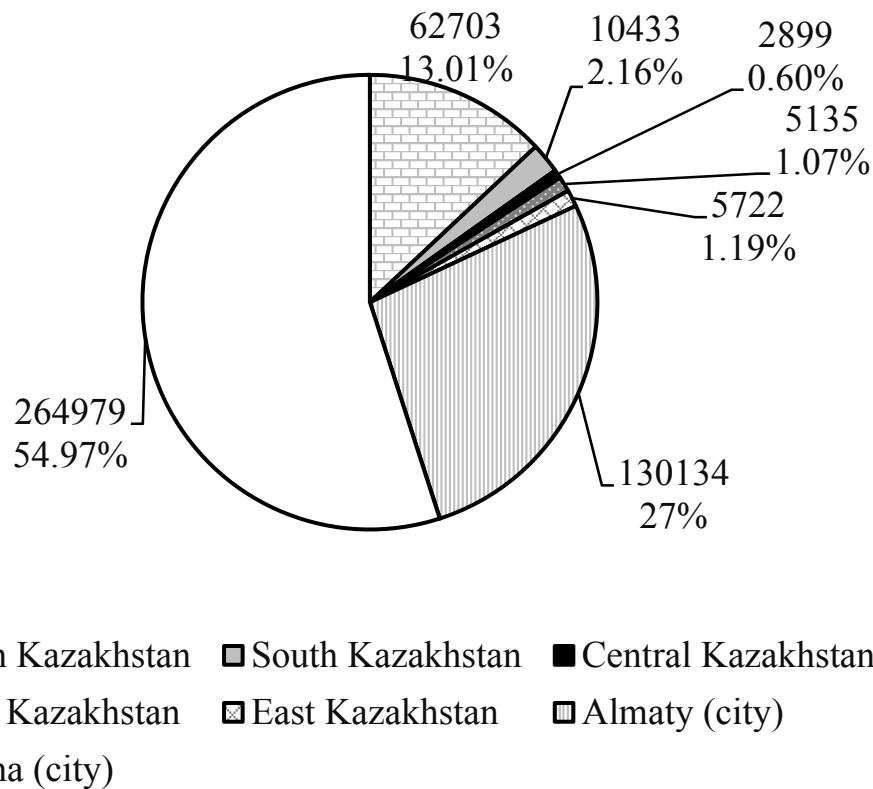


Figure 2 – The volume of agricultural loans in Kazakhstan according to the economic regions on May 1, 2015, million tenge.

Source: The National Bank of Kazakhstan (2015) *Loans to agriculture*. Retrieved on May 2, 2015 from http://www.nationalbank.kz/cont/publish892826_28062.xls

Figure 2 shows that the most attractive market for loans are located in the cities of Astana and Almaty (around 55% and 27%). North Kazakhstan economic zone is the third attractive destination for agricultural loans – 13.01% of the market share.

The least attractive destination for agricultural loans is Central Kazakhstan economic zone – only 0.6%. Finally, both figure 1 and table 2 demonstrate that cities of Almaty and Astana hold the highest potentials for further expansion of the agricultural loans market.

In conclusion, three provinces have both long-term and short-term agricultural loans in the foreign currency less than one million tenge on May 1, 2015: Almaty, Karagandy, South Kazakhstan. The highest market share on May 1, 2015 and on April 1, 2015 belong to cities of Almaty and Astana. Finally, the agricultural loans market have high potentials for further expansion, especially in th urban areas of Almaty and Astana cities.

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Абралиев Ә.

ҚАЗАҚСТАН РЕСПУБЛИКАСЫНДА АУЫЛ ШАРУАШЫЛЫҚ НАРЫҒЫНДАҒЫ НЕСИЕНІҢ ҚАЗІРГІ ЖАҒДАЙЫН ТАЛДАУ

Аңдатпа

Мақалада Қазақстан Республикасында ауыл шаруашылық нарығындағы несиенің жағдайы қарастырылған. Бұл жұмыста Қазақстанның экономикалық зоналары және облыстарындағы ауыл шаруашылық несиесінің жағдайына талдау жүргізілген.

Кілт сөздер: ауыл шаруашылық несиесі, несиелеу нарығы, Қазақстанның қаржы нарығы, Қазақстанның экономикалық зоналары.

Абралиев А.

АНАЛИЗ СОВРЕМЕННОГО СОСТОЯНИЯ НА РЫНКЕ СЕЛЬСКОХОЗЯЙСТВЕННЫХ КРЕДИТОВ В РЕСПУБЛИКЕ КАЗАХСТАН

Аннотация

В статье рассматривается состояние рынка сельскохозяйственных кредитов в Республике Казахстан. В данной работе проведен анализ состояния кредитов для сельского хозяйства по областям и экономическим зонам Казахстана.

Ключевые слова: сельскохозяйственные кредиты, рынок кредитования, финансовый рынок Казахстана, экономические зоны Казахстана.