

Analysis of the Children's products market of the Republic of Kazakhstan

The market of the Republic of Kazakhstan is one of the most promising export lines of the Russian products. According to the FCS, about 35% of all exports go to the export of children's goods to the Republic.

Demand-Side Factors for the Products

Republic of Kazakhstan ranks 42nd in 2018 in terms of GDP - 509 billion USD with a +0,38% increment;

Common customs space and quality requirements within the EAEU;

Number of children under 14 is 5,3 million;

According to the World Bank's forecast, GDP growth by the end of 2019 will be 3,5%.

Volume and dynamics of the children's goods market

Children's goods market for in the Republic of Kazakhstan is practically fully import-dependent.



Figure 1 Average monthly salary in the Republic of Kazakhstan

The most stable line is baby food and feeding and baby care (diapers). Clothing and footwear have high potential, the main competitor of which is products from China, Turkey and India.

It is worth noting that even the volume of imports of children's clothing from Russia is 3 times higher than imports from China.

USD	2	2
TOTAL	168 034 507	218 270 630
Baby food	40 940 877	46 865 902

Toys	80 770 259	120 459 304
Feeding and Care	1 365 803	1 336 244
Footwear	14 104 166	10 368 793
Learning and Development	12 887 863	11 509 753
Clothing	8 899 465	9 625 031
Products for home and street	9 066 074	18 105 602

Figure 2 Import volume by categories of children's goods

The Republic of Kazakhstan can become a good base for re-export of children's goods to Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, and Mongolia. This opportunity is extensively used by Russian baby food manufacturers, as well as representatives of diaper manufacturers.

Growth factors in the children's goods market in the Republic of Kazakhstan

Key growth drivers in the children's goods market are growth of population and income level.

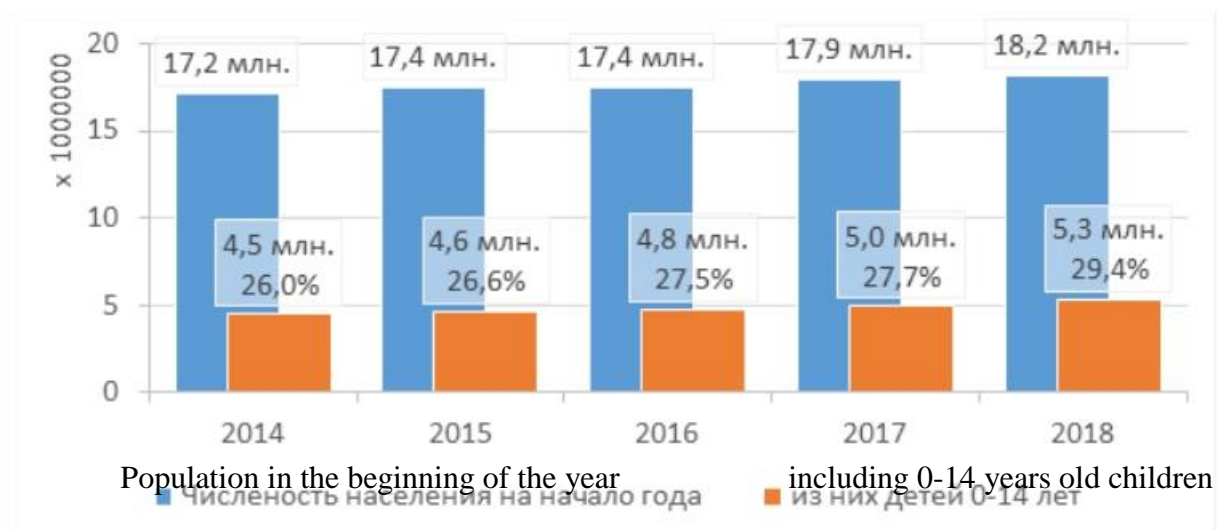


Figure 3 Population in the Republic of Kazakhstan

According to the Kazakhstan Association of Children's Goods Industry, average share of households' spending on children's products is 34% of monthly income.



Figure 4 Average monthly salary in the Republic of Kazakhstan