



EXPO 2017
• Future Energy •
Astana Kazakhstan



INVESTOR'S GUIDE

REPUBLIC OF
KAZAKHSTAN





INVESTOR'S
GUIDE
2017



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Dear partners!

I am glad to welcome you on pages of the “Investor’s guide”. Here you will find useful information about the measures of the State investment support, conditions of starting and doing business in Kazakhstan, investment potential of the sectors of our economy.

Kazakhstan is located in the heart of the Eurasian continent, being a transit bridge between Europe and Asia. Major transcontinental routes, linking the Asia-Pacific with the Middle East and Europe pass through our country. Kazakhstan’s advantageous geographical location, macroeconomic and political stability created one of the most attractive investment climates in the region.

Kazakhstan is the 9th largest country in the world with rich natural resources. The Republic is one of the largest producers of oil, coal, copper, zinc, chromium, etc. It ranks first in uranium mining and one of the leading positions in the world in the export of wheat. In addition to that, in the year 2010 the industrialization program was launched in Kazakhstan, that is intended to reduce raw material dependence and to provide diversification of the economy.

Over the past 10 years more than \$200 billion of foreign direct investments were put into the economy of our country, the largest part of which occurred during the period of industrialization. Moreover, over 70% of foreign investments in the first five years of the program were invested in manufacturing industry. It indicates that this area becomes more attractive than the commodity sector. Today in non-primary sector of the economy about 30 multinational corporations already operate in Kazakhstan, such as Toyota, HeidelbergCement, General Electric, Linde, Danone, Thales, Alstom and others.

In 2015, the President of the Republic of Kazakhstan adopted a Law on the establishment of the Astana International Financial Centre “Astana” (AIFC), which will start functioning in 2018. With a view to attract new investments, unprecedented conditions are created for the participants of the AIFC, taking into account the world’s best practice. The international arbitration centre for the protection of the rights of investors will open on its site, based on the norms of British law. The AIFC courts will be independent and separated from the judiciary system of Kazakhstan. The official language of the AIFC will be English.

From 2014 a large-scale privatization program was launched in the country, in which foreign investors are invited. Thus, 65 of the largest enterprises with Republican and national holdings ownership are offered for the privatization.

Furthermore, in order to enhance the investment attractiveness, the State improves production and transport infrastructure. The “Nurly Zhol” Program, which aims to generate high-quality transportation network before 2020,

will reduce the distance and increase the export capacity. Altogether more than 7 thousand km of motorways will be built and renovated within the framework of this program. In 2015–2016 alone about \$1.8 billion already disbursed. One of the most significant major infrastructural projects is the construction of the Western Europe – Western China motorway, worth about \$3.5 billion. The total length of the motorway is more than 8.4 thousand km, 2.8 thousand of which goes through Kazakhstan. By virtue of implementation of this project, the time for transportation of goods from China to Europe will be reduced 4 times compared to sea route, or from 40 to 10 days. Thus, Kazakhstan becomes a regional logistics hub, providing the shortest transit routes in all directions.

One of the most important priorities in the work of the Government of the Republic of Kazakhstan and our Ministry is to create a favourable investment climate, to improve to the level of countries of the Organisation for Economic Co-operation and Development. We actively work with the OECD on entering the Investment Committee of the organization in the near future.

Due to advantageous geographical location, vicinity to such countries as the Russian Federation, People's Republic of China, Islamic Republic of Iran and the countries of Central Asia, Kazakhstan is a convenient central platform for entering the nearby growing markets with a total volume of more than 300 million people. Kazakhstan is a part of the integration project – The Eurasian Economic Union, which also includes Russia, Belarus, Kyrgyzstan and Armenia. The advantage of this is the access to the market of 183 million people with a total GDP of more than \$2.2 trillion. In addition, in 2015 Kazakhstan joined the World Trade Organization, leading to deeper integration of Kazakhstan into the world trade. Today in the field of investment, rules in force in our country meet all the requirements of the WTO.

In conclusion, I would like to note that Kazakhstan is open for investment, and the Government is doing everything to support partners interested in implementing their projects in our country. We invite you to invest in Kazakhstan!

Zhenis Kassymbek
Minister for Investment and Development
of the Republic of Kazakhstan



National Games

In tough nomad life of Kazakh people a unique system of national traditions has emerged, where hunting, horse competitions and sport games play an important role.



◀ **Kokpar**

Kokpar (derived from “kokbori” – grey wolf) is a national horse game representing a symbiosis of horse racing and fighting. Riders must get hold of the goat carcass, secure it and toss it to the “cauldron” (the net) of the rival team.



ABOUT
KAZAKHSTAN

► 1.1. GEOGRAPHICAL LOCATION

The Republic of Kazakhstan is a country located in the centre of Eurasia, most of which belongs to Asia, less – to Europe. The country ranks ninth in the world by land area.

Kazakhstan adjoins the inland seas – the Caspian and Aral.

In the north and west the country has a common border with Russia – 7 591 km (the longest continuous land border in the world), China in the east – 1 783 km, in the south with Kyrgyzstan – 1 242 km, with Uzbekistan – 2 351 km and Turkmenistan – 426 km. The total length of land borders is 13 200 km.

TERRITORY:

2 724 900 km²

POPULATION:

17 733 198¹

Urban population – 57%,
Rural population – 43%.

CAPITAL CITY: **Astana**

ADMINISTRATIVE DIVISION

14 regions and 2 cities

of Republican significance of Astana and Almaty

OFFICIAL LANGUAGE:

Kazakh

BRIDGE LANGUAGE:

Russian

NATIONAL CURRENCY: **tenge² (KZT)**

¹According to the data of the Statistics Committee of Ministry of National Economy of the RoK as of 01.04.2016.

²According to the exchange rate of the National Bank of Kazakhstan as of 01.11.2016:

\$1 = 335.12 KZT, €1 = 367.06 KZT, 1 RUB = 5.31 KZT





TIME ZONE:

GMT+6 (Astana, Almaty)

Kazakhstan is divided into two time zones: eastern (main) and western zone

► 1.2. MACROECONOMIC INDICATORS

Indicator	Unit	2011	2012	2013	2014	2015
GDP (at constant prices)	%	7.5	5.0	6.0	4.3	1.2
GDP	\$ billions	200.4	215.9	243.8	227.4	184.4
Current account balance ³	% of GDP	5.09	0.49	0.35	2.64	-2.4
The average inflation rate	%	8.3	5.1	5.8	6.7	6.45
Unemployment rate	%	5.4	5.3	5.2	5.0	5.0
The average official exchange rate of tenge	\$/KZT	146.6	149.11	152.13	179.19	221.73
	€/KZT	204.11	191.67	202.09	238.10	245.8
GDP per capita	\$	11 278	12 034	13 509	12 400	10 436
GDP per capita in terms of PPP ³	\$	21 978	23 172	24 591	25 722	25 912

Source: National Bank of the RoK

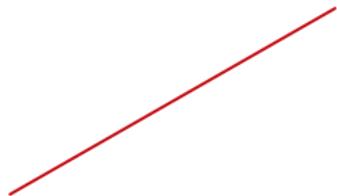
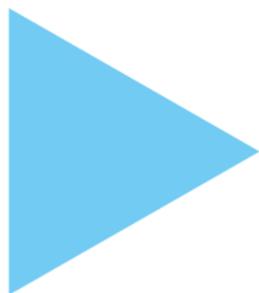
³International Monetary Fund, as of 05.10.2016

◀ **Golden Eagle Hunting**

In times of old, hunting was a very important part of nomads' life, therefore they highly valued a fast horse, subtle greyhound – tazy, and sharp-sighted bird of prey. Nowadays, the tradition of hunting with a golden eagle remains one of the brightest and distinctive traditions of the Kazakh people.



Berkutchi are still passing secrets of their art from one generation to another. As the usual trophies golden eagles bring fox and hare to their master, but there was a time when birds of prey were used for hunting saigas and goitered gazelles.

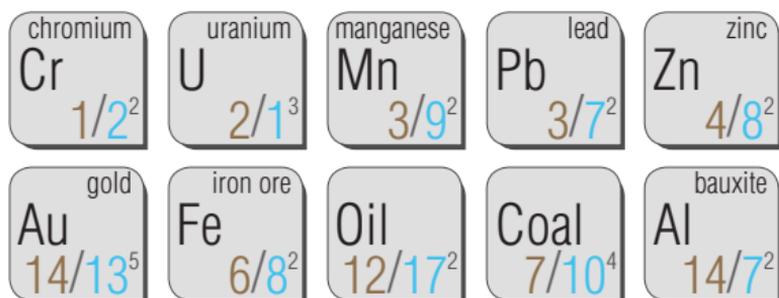


REASONS TO
INVEST IN
KAZAKHSTAN

► 2.1. NATURAL RESOURCES

Kazakhstan is a country with a rich mineral-raw-material base. In the world rankings of reserves, the Republic holds 1st place in chrome, 2nd in uranium, 3rd in manganese and lead, 4th in zinc. The country is the world's largest producer of uranium, as well as one of the leading manufacturers of chromium and zinc.

Kazakhstan in the world ranking of reserves¹ and production



Reserves / Production

► 2.2. TRANSIT POTENTIAL

Kazakhstan is located in the heart of Eurasia – between Europe and China, which makes it a natural crossroad for main transit corridors from East to West and from North to South.

There is a number of major infrastructure projects present in the country, such as a dry port Khorgos on the border with China, the port of Aktau on the Caspian Sea, railway corridor Kazakhstan – Turkmenistan – Iran, connecting Central Asia to the Persian Gulf and the port of Bandar Abbas in southern Iran, as well as transit corridor Western Europe – Western China that allows to reduce time of transportation of cargoes from Lianyungang (China) to St. Petersburg (Russia) to 10 days.

Over the past five years new railways with a total length of 1 791 km were built in Kazakhstan. The Republic is developing port infrastructure through the ports of other countries: the seaport of Batumi in Georgia that provides access to the Black Sea, Kazakh-Chinese logistics centre in the Pacific port of Lianyungang.

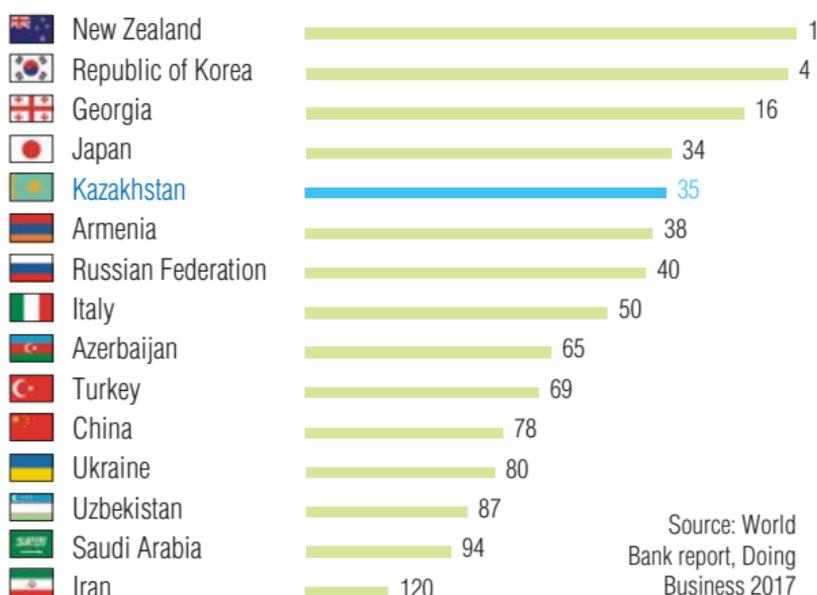


Sources: ¹Committee for Geology and Subsoil Use; ²U.S. Geological Survey; ³World Nuclear Association; ⁴EIA, U.S. Energy Information Administration; ⁵World Gold Council, Metals Focus.

► 2.3. KAZAKHSTAN'S POSITIONS IN INTERNATIONAL RANKINGS

DOING BUSINESS 2017 RANKING

Kazakhstan pays special attention to the creation of a favourable business climate for investors and improvement of business environment. According to the report of World Bank and the International Finance Corporation Doing Business 2017, Kazakhstan is on the 35th place in overall Ease of Doing Business Ranking, and in terms of “Protecting Minority Investors” indicator – 3rd place out of 190 countries of the world.



Top 5 countries that have achieved the best results in conducting reforms in three or more categories of the Doing Business ranking in 2015/2016

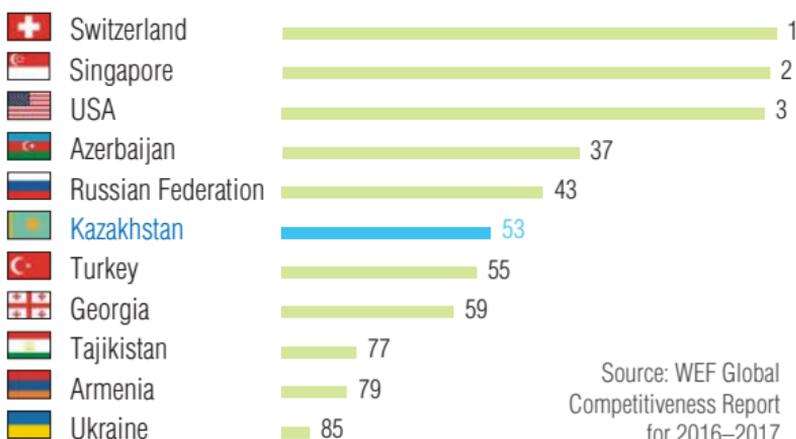
Doing Business rating categories					
Change in DTF indicator *, in points	4.71	5.28	3.52	3.22	2.95
Place in the overall DB 2017 ranking	35	72	92	37	91
Starting a business	+		+		+
Dealing with construction permits	+				
Getting electricity	+	+	+	+	+
Registering property			+	+	+
Getting credit		+		+	+
Protection minority investors	+	+	+	+	
Paying taxes		+			+
Trading across borders	+				+
Enforcing contracts	+	+			+
Resolving insolvency	+	+	+		

 Kazakhstan  Brunei  Kenya  Belarus  Indonesia

*DTF (Distance to Frontier) indicator. Reflects the extent to which each country is close to the best practices in the field of regulation of entrepreneurial activity. Top 5 countries are selected on the basis of a number of reforms and ranked based on the degree of improvement of their DTF indicator (in points).

RATING OF GLOBAL COMPETITIVENESS INDEX

Based on the results of study by the World Economic Forum in 2016 Kazakhstan holds 53rd place in the Global Competitiveness Index ranking among 138 countries of the world.



Source: WEF Global Competitiveness Report for 2016–2017

Positive indicators of Kazakhstan in the Global Competitiveness Index

Competitive advantages	Place
1.21 Strength of investor protection*	25
2.03 Quality of railroad infrastructure	29
2.08 Mobile-cellular telephone subscriptions /100 pop.*	4
2.09 Fixed-telephone lines /100 pop.*	42
3.02 Gross national savings, % GDP	45
3.04 Government debt, % GDP	17
5.01 Secondary education enrollment rate gross, %	21
5.06 Internet access in schools	29
6.05 Total tax rate, % profits	35
6.06 No. of procedures to start a business	22
6.07 Time to start a business, days	26
10.01 Domestic market size index*	43
10.02 Foreign market size index*	47
10.03 GDP (PPP), PPP \$ billions	41

*hard data

Source: WEF Global Competitiveness Report for 2016–2017

SOVEREIGN CREDIT RATINGS

Kazakhstan credit rating

Country	Standard & Poor's	Moody's	Fitch Ratings
Kazakhstan	BBB-	Baa3	BBB
Russian Federation	BB+	Ba1	BBB-
Bulgaria	BB+	Baa2	BBB-
Hungary	BB+	Ba1	BB+
Romania	BBB-	Baa3	BBB-

► 2.4. HUMAN RESOURCES AND VOCATIONAL AND TECHNICAL POTENTIAL

Kazakhstan is the only country in the region that has a high efficiency of the labour market, holding 20th place among the 138 countries on this indicator and 38th place in terms of pay and productivity ratio.⁶

HIGHER EDUCATION

In the world's best universities ranking QS World University Ranking 2016/17, 8 Kazakhstani universities were listed, from which the best results were achieved by: al-Farabi Kazakh National University, L.N. Gumilyov Eurasian National University, The Kazakh National Research Technical University, Kazakh National Research Technical University after K.I. Satpayev and Abai Kazakh National Pedagogical University.

According to data of the Committee on Statistics of the Ministry of National Economy of the RoK as of the beginning of the 2015/16 academic year 127 higher education institutions operate in Kazakhstan. 77 higher education institutions are privately owned, 50 are Government owned.

83 universities **19** institutes

20 academies **5** national higher education institutions

In September 2016 total number of higher education institutions students was 459 369 people, of whom 414 772 are enrolled into Bachelor program, and 39 344 into higher vocational program. The share of students studying in the National language – 62.7%, Russian – 34.3%, English – 3%.

According to the law “On education” based on the Government educational order the advanced training and retraining of skilled workers, as well as specialists are funded, in order to meet the needs of the economy and reproduction of skilled workforce, etc. In 2016 through Government educational grants and orders 137 778 people (30% of the total number of students) are studying, and 316 338 (69.8%) people are educated on the paid basis.



www.nu.edu.kz

Nazarbayev University

In June of 2010 in Astana a unique international level educational project Nazarbayev University was launched, which is intended to become a national brand of Kazakhstan.

Strategic development model of Nazarbayev University is based on a partnership with the best universities of the world, such as: University College London, iCarnegie, University of Wisconsin-Madison, University of

⁶WEF Global Competitiveness Report for 2016–2017

Pittsburg, Duke University, National University of Singapore, University of Pennsylvania, University of Cambridge and others.

Nazarbayev University is the first university in Kazakhstan, which is based on the principles of autonomy and academic freedom. The autonomous status was given to the university in accordance with the law of the Republic of Kazakhstan from January 19, 2011 "On status of Nazarbayev University, Nazarbayev Intellectual schools and Nazarbayev Fund".

Eight schools and one centre provide education in Nazarbayev University:

- Pre-university training centre
- School of Engineering
(international partner – University College London)
- School of Sciences and Technology
- School of Humanities and Social Sciences
(University of Wisconsin-Madison)
- Graduate School of Business
(international partner – Fuqua Business School of Duke University)
- Graduate School of Public Policy
(international partner – Lee Kuan Yew School of Public Policy of the National University of Singapore)
- Medical school
(University of Pittsburgh)
- School of Mining and Earth Sciences
(Colorado School of Mines)
- Graduate School of Education
(University of Pennsylvania, Cambridge University)

PROFESSIONAL EDUCATION

Currently, 184 vocational schools and 780 colleges are operating in Kazakhstan, where 64 814 and 498 965 people are studying respectively. Training is done on 185 professions and 495 qualifications.

In 2016 the project "Modernization of technical and vocational education" was completed, into which \$29.3 mln was invested through a loan obtained from the World Bank and \$3.98 mln from the Republican budget.

In order to prepare skilled labour for six key sectors of the economy the Ministry of Education and Science defined 10 primary colleges, that make up the demand for labour in the regions:

- Kokshetau Higher College
- Almaty State College of Power and Electronic Technologies
- Aktobe Polytechnic College
- West-Kazakhstan Industrial College
- Temirtau Polytechnic College
- Kostanay Polytechnic College
- Zhambyl Polytechnic College
- Shymkent Agro-Technical College
- Mangistau Polytechnic College
- Kyzylorda Agro-Technical College named after I. Abdukarimova.



www.kasipkor.kz

Non-commercial JSC Holding Kasipkor was appointed as the coordinator of ten primary colleges

► 2.5. COMPREHENSIVE PRIVATIZATION PLAN FOR 2014–2016

Within the framework of the program, privatization of more than 780 objects of the Government and quasi-public sector is planned.

Target indicators of the Plan:

- Reduction by 2021 of subjects of quasi-public sector national-owned organizations by 15%.
- Transfer into competitive environment of communal property organizations to the total number of 5%.

List of the Government organizations and subsidiaries, dependent organizations of national holdings and other legal entities that are affiliated with them, to be transferred in a competitive environment, specified in the Decree of the Government of the Republic of Kazakhstan dated December 30, 2015 No. 1141.



Read more:
www.adilet.zan.kz/rus/docs/P1500001141#z16

OBJECTS OF THE SECOND WAVE OF PRIVATIZATION

SOLD as of 14.12.2016

378 OBJECTS

99 955.8 MLN KZT

12 Large state-owned enterprises, to be privatized on a priority basis.

65 Large subsidiaries, affiliates of national holdings and other legal entities affiliated with them offered to be transferred to the competitive environment on a priority basis.

173 Subsidiaries, affiliates of Sovereign Wealth Fund Samruk-Kazyna JSC offered to be transferred to the competitive environment.

49 State-owned enterprises to be privatized.

367 Communal property enterprises offered, to be transferred to the competitive environment.

129 Subsidiaries, affiliates of national holdings and other legal entities affiliated with them offered to be transferred to the competitive environment.

▶ 2.6. EXPO-2017 AND ASTANA INTERNATIONAL FINANCE CENTRE



INTERNATIONAL SPECIALISED EXHIBITION EXPO-2017



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www.expo2017astana.com

Carrying out EXPO-2017 exhibition in Astana is one of the key projects in Kazakhstan. The exhibition will be held from June 10 to September 10, 2017 and will host about 100 participating countries and 10 international organizations. The theme of EXPO-2017 is “Future energy”. The event will showcase achievements and prospects in the field of renewable energy.

The main building of EXPO-2017 – the National pavilion of Kazakhstan – is built in the shape of a sphere using the most advanced technologies. Exhibition complex also includes Congress hall, covered city from Nazarbayev University to the center, international, thematic and corporate pavilions, hotel, 4 thousand apartments, malls and entertainment objects. The total area of the complex is 174 ha.

On the basis of EXPO-2017 objects there will be a scientific and technological park as a tool for the creation of a single environment for “future energy” technologies development – from the research laboratories of the universities to already existing pilot productions and demonstration samples of these technologies in various sectors of the economy. According to the Development strategy of JSC National company Astana EXPO-2017 for 2015–2024 the cumulative volume of own and attracted investments in projects by 2023 should exceed 475 billion KZT.

ASTANA INTERNATIONAL FINANCE CENTRE



Astana
International
Financial
Centre



www.aifc.kz

In accordance with the Decree of the President of the Republic of Kazakhstan, Astana International Finance Centre (AIFC) was established in the capital of Kazakhstan, which will be based on the unique infrastructure of EXPO-2017. It is expected that the Centre will become a financial hub for companies and investors from Central Asia, Transcaucasian republics, EAEU, Middle East, Western China, Mongolia and Europe.

Main strategic directions of the AIFC development

1. Capital markets.
2. Asset management.

Additional directions

3. Private banking.
4. Islamic finance.
5. Alternative investments (private equity funds, hedge funds and venture capital).

The AIFC will provide unprecedented conditions for investors, which have no analogues in the CIS:

- modern infrastructure, created on the basis of the international exhibition EXPO;
- tax exemption for a period of 50 years (CIT on income from financial and support services, PIT, property tax, tax on assets);
- free office space rent for 2 years;
- simplified exchange, visa and labour regulations for authorities, participants and employees of the AIFC, also connection of Astana with the key financial centres of the world via the direct flight connection.

In accordance with the Constitutional law of the Republic of Kazakhstan “On Astana International Finance Centre” (from December 7, 2015 No. 438-V LRK), the AIFC Court is independent and not part of the judicial system of the Republic of Kazakhstan. In doing so, the AIFC Court is guided by the relevant AIFC Management Council regulation, which should be based on procedural principles and rules of England and Wales and (or) the standards of the world’s leading financial centres.

English will be the official language of the AIFC, used in all AIFC regulated spheres of public relations.

Comparison of the AIFC to the largest global financial centres

Best practices							
State is the key agent of the FC ⁷ development	✓	✓	✓	✓	✓	✓	✓
Independent court and English law	✓	✓	✓		✓	✓	✓
Strong and liquid capital markets	✓	✓			✓	✓	✓
Minimal regulation and taxation of residents		✓	✓				✓
Favorable social environment	✓	✓	✓	✓	✓	✓	✓
Use of funds of NWF ⁸ for localization of residents		✓	✓				✓
High international transport availability	✓	✓	✓	✓		✓	✓
Understandable price quotation and clear implementation plan		✓	✓		✓		✓



⁷Financial Centre, ⁸National Welfare Funds

▶ 2.7. EURASIAN ECONOMIC UNION



www.eaeunion.org

Kazakhstan is a Member State of the Eurasian Economic Union (EAEU), international economic integration association along with Armenia, Belarus, Kyrgyzstan and Russia. The Agreement establishing the Union was signed on May 29, 2014 and came into force on January 1, 2015.

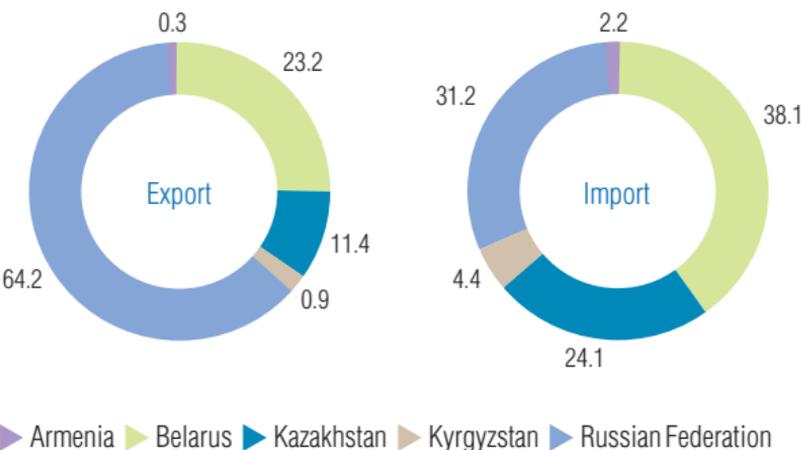
EAEU was created on the principles of free movement of goods, services, capital and labour, as well as coordinated, coherent policies in various sectors of the economy. The Union was formed in order to modernize, to cooperate and to improve the competitiveness of national economies and to create conditions for stable development to improve the living standards of the population of the Member States.

Kazakhstan's membership in EAEU gives investors the opportunity to enter the Russian market (more than 140 million people) and the common market of the Union (over 180 million). Kazakhstan also opens up access to the markets of the countries of Central Asia (49 million), to the markets of the countries bordering the Caspian Sea (235 million) and Western China market (21 million people). The Eurasian integration association has good opportunities for partnership with China, countries of the Middle East, Southeast and South Asia.

A creation of extensive consumer market significantly increases investment attractiveness of our country. Domestic producers get access to the Russian transport infrastructure and now reduce their costs when exporting, increasing the competitiveness of the products on the European markets.

Another important economic precondition for development of Eurasian integration is a task to overcome dependence of the Kazakhstan economy on raw materials. An optimal way for Kazakhstan development is an accelerated industrialization, which is impossible without expansion of the consumption market. Industrial cooperation of the states-members of the Union provides for a stimulation of industrial cooperation and creation of global chains of added value, through which tools for joint development of priority sectorial directions will be provided.

Contributions of EAEU Member States in the total exports and imports in mutual trade of goods in 2015, %



ECONOMIC INDICATORS OF THE EAEU IN 2014

- 1 OIL PRODUCTION. 607.5 mln tons
place in the world. 14.6% of the global indicator
- 2 GAS PRODUCTION. 682.6 bln m³
place in the world. 18.4% of the global indicator
- 6 COAL PRODUCTION. 471.7 mln tons
place in the world. 5.8% of the global indicator
- 4 POWER PRODUCTION. 1 210.2 bln kWh
place in the world. 5.1% of the global indicator
- 3 HOT METAL PRODUCTION. 54.6 mln tons
place in the world. 4.5% of the global indicator
- 5 STEEL PRODUCTION. 76.9 mln tons
place in the world. 4.5% of the global indicator
- 2 GROSS WHEAT HARVEST. 76 mln tons
place in the world. 9% of the global indicator
- 3 MILK PRODUCTION. 44 mln tons
place in the world. 7% of the global indicator
- 4 MEAT PRODUCTION. 11.3 mln tons
place in the world. 3.5% of the global indicator
- 2 RAILWAYS LENGTH. 107.0 thous. km
place in the world. 7.8% of the global indicator



► 2.8. DIVERSIFIED TRADING RELATIONS

According to the Global Competitiveness Report for 2016–2017, Kazakhstan is ranked 45th in the world in market size.

Competitive advantages of Kazakhstan in the sphere of foreign trade:

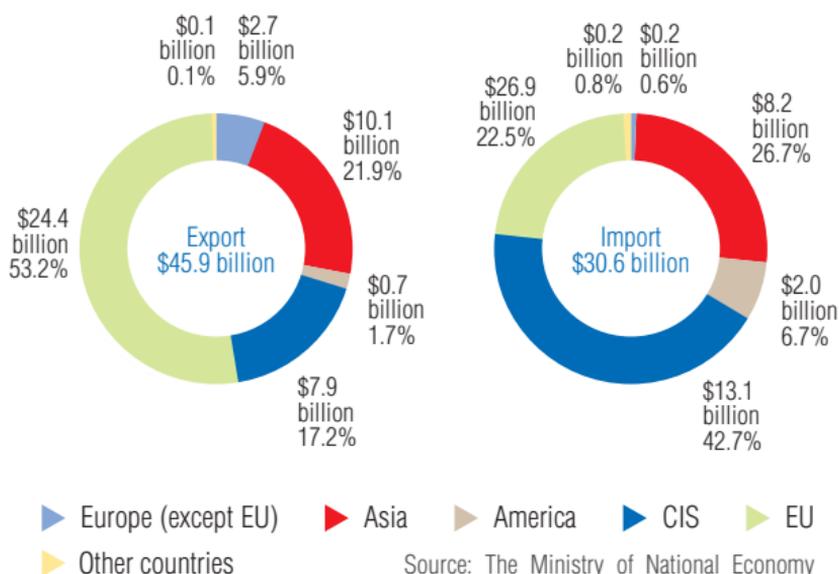
- Customs Union with Russia and Belarus, was created in 2010;
- Eurasian Economic Union Agreement, began to operate starting January 1, 2015.
- Extensive trade ties with China and EU Member States, mainly in the energy sector.
- In 2015, Kazakhstan joined the World Trade Organization as the 162nd member.

Structure of exports and imports of Kazakhstan for goods in 2015, %

Goods	Export	Import
Mineral products	71.3	40.4
Chemical industry goods, including rubbers and plastics	7.3	7.6
Metals and goods made from them	13.1	14.9
Products of animal and plant origin, provisions	4.6	13.4
Machinery, equipment and vehicles	–	2.9
Textiles and textile goods	–	2.8
Wood, timber and paper products	–	3.7
Other goods	3.7	11.1

Particular part will be played by cross-border regions of the Russian Federation and the market of Russia in whole, where share of Kazakhstan products in import of processing industry shall achieve 6%. Potentials of the New Silk Way project will also be used with joining the chains of added value of the states-participants of trade.

Structure of exports and imports of Kazakhstan country-by-country in 2015



► **2.9. FEEDBACK FROM FOREIGN INVESTORS
ON ACTIVITY IN THE REPUBLIC OF KAZAKHSTAN**

RENO SHAMONAL,
General Manager of
Danone Berkut LLP



Six years ago we invested in Kazakhstan and established here the hub to cover the region of Central Asia and the Caucasus. Today we employ more than 300 people. In order to conform to world standards of quality, we built the new Danone plant in Almaty region.

As the President of French-Kazakh Chamber of Commerce and a permanent member of the Council on Improvement of Investment Climate, I see what kind of support is provided by the Government to establish a fruitful dialogue with investors such as us. I can say that I am very satisfied with their support.

ANTON PESHKOV,
General Director of
Tikkurila Central Asia



Tikkurila is a Finnish manufacturer of paints that operates around the world for more than 153 years. The company for a long time was selecting the country where it could launch a new production and apply leading world innovations. I am glad that country turned out to be Kazakhstan and we were able to open a factory near Almaty.

I am pleased that our production is in great demand with partners in Kyrgyzstan, Uzbekistan and Turkmenistan, that is, they are interested in buying paints produced in Kazakhstan. And it gives the basis and platform for further development in the Central Asian region, and that is what we will try to implement. All our employees are citizens of the RoK, for which we create new jobs.

PIETER BOONE,
Member of the Board of Directors of
METRO AG



We, METRO group, have over 2 000 outlets in 29 countries, and our staff consists of more than 220 thousand persons worldwide. We are proud that in Kazakhstan we have 7 shops and 5 warehouses with more than 950 employees. But what is more important it is the impact we have on the economy of Kazakhstan.

Currently we cooperate with 100 local producers and more than 400 suppliers that offer approximately 17 thousand out of 21 thousand items in our product range. Since 80% of our deliveries come from local sources, we consider ourselves to be a driving force of the economy and the modern format of trade in the Republic of Kazakhstan.

◀ **Baiga**

Baiga (horse race) is a horse competition, an inherent part of a large celebrations performed on an even land in a line, with turns or in a loop.



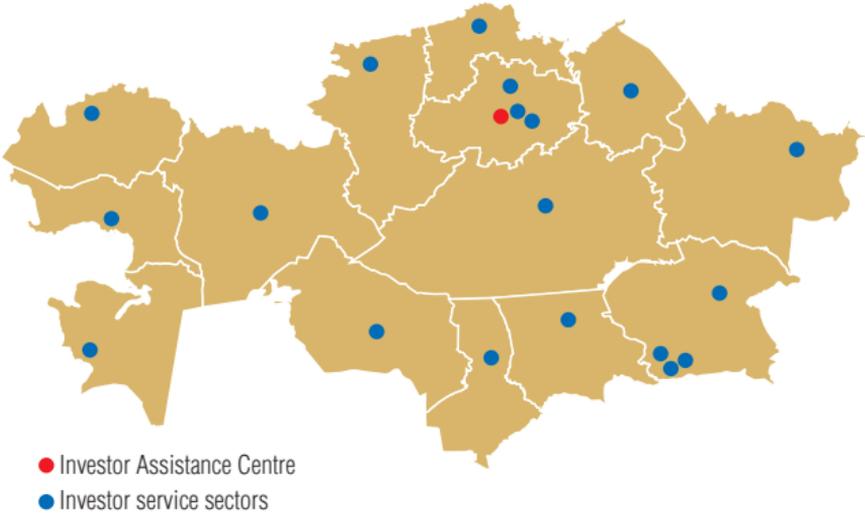
There are three types of baiga: alaman baiga – long and extra-long distance race, kunan baiga – race of two-years old colts, zhoga zharys – race of pacing horses.



MEASURES OF STATE
SUPPORT FOR
INVESTORS

▶ 3.1. "ONE STOP SHOP" FOR INVESTORS

Since 2016 all public services necessary for the implementation of investment projects, are available on a "One Stop Shop" for investors. Investors can contact the Investor Assistance Centre at the Ministry for Investment and Development of the Republic of Kazakhstan, as well as to one of 19 investor service sectors in the non-profit "Government for Citizens" State Corporation" JSC in the regions. The contacts of IAC and 19 sectors are given in Chapter 7.



The "One Stop Shop" for investors functions:

1. Reception and advising on existing public services.
2. Assistance in the preparation and execution of documents necessary to obtain government services.
3. Help in obtaining of electronic digital signature, electronic statements and other documents.
4. Support of the investor in central and local executive bodies in getting the public services¹.

What issues may be addressed to the "One Stop Shop" for investors?

For all the issues on obtaining the public services necessary for the implementation of investment projects, such as the conclusion of investment contracts, obtaining investor visas, registration of a legal entity, obtaining various permits and licenses, and other government services. In total, the support is provided in getting more than 300 kinds of government services.

The automated system for tracking of investors support will be introduced in 2017. This will allow the investor to register in online mode, the necessary background information, to form a "road map" for the implementation of the investment project in the Republic of Kazakhstan, as well as to keep the tracking of the process of providing the necessary public services.

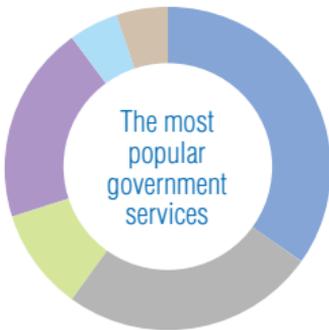


"One Stop Shop" system
<http://isc.baseinvest.kz>

¹In the manner specified in Article 282 of the Entrepreneurial Code of the Republic of Kazakhstan, as well as Rules on organization of a "One Stop Shop" for investors, approved by the Resolution of the Government of the Republic of Kazakhstan No. 1133 dated December 30, 2015.

Hotline for investors:

Tel: +7 (7172) 75 45 40, e-mail: investment@mid.gov.kz



- ▶ registration of the legal entity
- ▶ investors and business visa
- ▶ permits
- ▶ conclusion of the investment contract
- ▶ issuance of technical passport for real estate
- ▶ other services



Details:
www.adilet.zan.kz/rus/docs/P1500001133



Details:
www.adilet.zan.kz/rus/docs/K1500000375#z282

▶ 3.2. INVESTMENT AND TAX PREFERENCES

TYPES OF INVESTMENT PREFERENCES

According to the investment project (including investment priority projects) the following types of investment preferences are provided:

1. Exemption from customs duties:

- while importing the production equipment and its components for a period not exceeding 5 years;
- while importing the spare parts for production equipment for up to 5 years, depending on the volume of investment in fixed assets;
- while importing raw materials and (or) materials for 5 years.

2. The government land grants:

- the property owned by the Republic of Kazakhstan, passed for temporary free use, or as a right of temporary gratuitous land use followed by the gratuitous transfer of the ownership of, or in land use;
- the maximum size of the state natural grant shall not exceed 30% of the total investment in fixed assets.

ACCORDING TO THE INVESTMENT PRIORITY PROJECTS THE FOLLOWINGS MAY BE PROVIDED IN ADDITION:

1. Tax preferences:

- A reduction in the corporate income tax by 100 percent, 10 years;
- The application of 0 coefficient to the rates of the land tax, 10 years;
- The calculation of property tax at the rate of 0 percent to the tax base, for 8 years.

2. Investment grant:

Refunds up to 30 percent of the actual costs of construction and installation works and purchase of equipment.



Terms of the investment grant are approved by Resolution of the Government of Kazakhstan No. 1120 dated December 29, 2015
www.adilet.zan.kz/rus/docs/P1500001120

THE PROCEDURE AND CONDITIONS FOR OBTAINING INVESTMENT PREFERENCES

1. Investment preferences are provided to the legal entity of Kazakhstan when implementing investment project for the activities included in the list of priority activities approved by the Government Resolution.



Government Resolution No. 13 dated January 14, 2016 "On some issues of implementation of the state support of investments".
www.adilet.zan.kz/rus/docs/P1600000013

2. Investment preferences are provided:

- As per investment project – to legal entities of the RoK;
- As per investment priority projects – to the newly created legal entity of the Republic of Kazakhstan.

For reference: Investment priority project – is an investment project implemented by the newly established legal entity (the state registration of the legal entity carried out no earlier than 24 calendar months before the date of filing of the application for investment preferences) to carry out the certain priority activities and provides for the implementation of investments in the amount of not less than the amount of two million times of the monthly calculation index.

Investment preferences for investment priority project are subject to compliance with other conditions of paragraph 2 of Article 286 of the Entrepreneurial Code of the RoK.

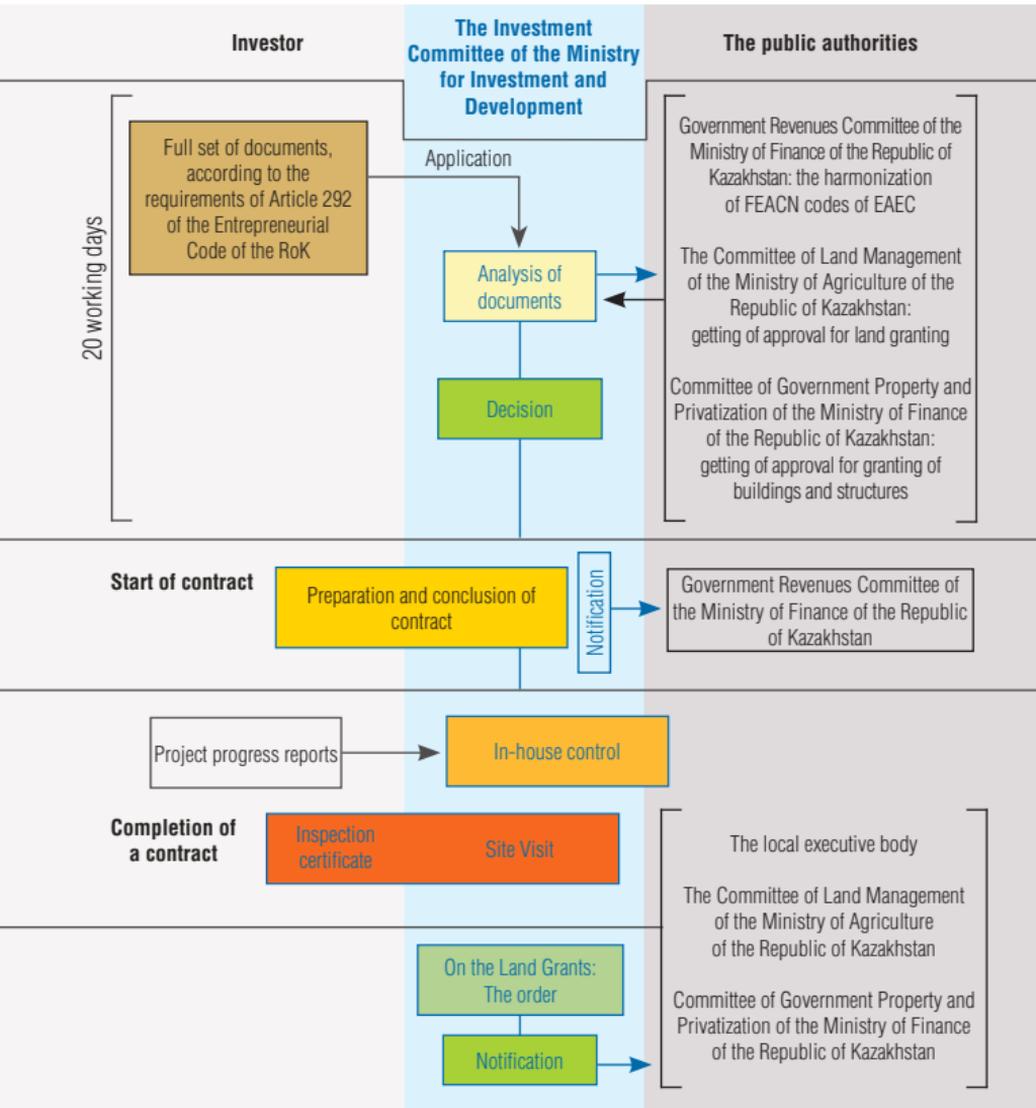
3. Investment preferences are granted on the basis of an investment contract between the Investment Committee of the Ministry for Investment and Development of the Republic of Kazakhstan and the legal entity of the Republic of Kazakhstan who implements the investment project.

DOCUMENTS REQUIRED TO OBTAIN INVESTMENT PREFERENCES

For obtaining the investment preferences the entity of the RoK sends to the Investment Committee of the Ministry for Investment and Development of the RoK the application for investment preferences and the following documents:

- 1) a certificate of state registration (re-registration) of a legal entity;
- 2) a copy of the charter of the legal entity, certified by signature and seal of the legal entity (if any);
- 3) the business plan of the investment project;
- 4) copies of the documents, required by the legislation of the Republic of Kazakhstan, supporting the estimated cost of construction and installation work and costs for the acquisition of fixed assets, raw materials and (or) materials used for the implementation of the investment project, certified by the signature and seal of the legal entity (if any);
- 5) the documents confirming the size (value) of state natural grant requested by the legal entity of the RoK applied, and preliminary approval of its provision;

The scheme of investment preferences



6) a statement of the Government Revenue Authority at the place of registration confirming the absence of the tax debt, debt on compulsory pension contributions, compulsory professional pension contributions and social contributions.



The application form for investment preferences and requirements for drawing up a business plan approved by Order of the Minister for Investment and Development of the Republic of Kazakhstan No. 1133 dated November 30, 2015 "On some issues of state support for investment."
www.adilet.zan.kz/rus/docs/V1500012572

If the application for investment preferences stipulates the investment subsidies, a legal entity of Kazakhstan in addition to these documents for a period of implementation of the investment priority project shall provide the conclusion of expert examination of preliminary and (or) project documentation in accordance with the legislation of the RoK, certified by signature of the head and sealed with the stamp of legal entity (if any).

The information regarding provision of investment preferences is posted on the www.invest.mid.gov.kz.

▶ 3.3. SPECIAL ECONOMIC AND INDUSTRIAL ZONES

Special Economic Zone (SEZ) – a part of the territory of Kazakhstan with precisely defined boundaries with a special legal regime for the implementation of priority activities.



The Law of RoK "On special economic zones in the Republic of Kazakhstan" No. 469-IV dated July 21, 2011
www.adilet.zan.kz/rus/docs/Z1100000469

There are 10 SEZs
in Kazakhstan



1  **NIPT SEZ**
petrochemistry
Atyrau Region
www.atyrau-sez.kz

2  **Aktau Seaport SEZ**
mixed
Mangystau Region
www.sez.kz

3  **Burabay SEZ**
tourism
Akmola Region
www.sezburabay.kz

4  **Astana – the new city SEZ**
mixed
www.sez.astana.kz

5  **Pavlodar SEZ**
petrochemistry
Pavlodar Region
www.prom.pavlodar.gov.kz

6  **The chemical park Taraz SEZ**
chemicals
www.seztaraz.kz

7  **Saryarka SEZ**
metallurgy
Karaganda Region
www.spk-saryarka.kz

8  **The park of innovative technologies SEZ**
IT-innovations
www.sezpit.kz

9  **Ontustik SEZ**
textiles South
Kazakhstan Region
www.sez-ontustik.kz

10  **Khorgos – the Eastern Gates SEZ**
logistics
www.sezkhorgos.kz

BENEFITS FOR THE SEZ PARTICIPANTS

Tax exemptions:

1. Reduction of the amount of calculated corporate income tax by 100%.
2. Application of 0 coefficient to the rates of land tax.
3. Application of 0 percent rate of the property tax.
4. The 0 rate of VAT for goods sold on the territory of the SEZ.

5. Coefficient of 0 to rates for land use during the period of establishment of a special economic zone.

Additional tax benefits for participants of the "PIT" SEZ:

1. Exemption from social security tax for 5 years, under the stipulation that the labor costs comprise at least 50% of annual revenue and 90% of labor costs spent on Kazakhstan residents.
2. The organization, registered in Kazakhstan and located outside the "PIT" SEZ, before January 1, 2018, is considered a participant of the "PIT" SEZ if it:
 - a) has no subdivision units;
 - b) at least 70% of the total annual income is income receivable (received) from the sale of goods of own production, works and services from the following activities:
 - Design, development, implementation, pilot production and production of software, databases and hardware information technologies, as well as services of data centers, on-line services;
 - Carrying out research engineering and research & development works on the creation and implementation of information technology projects.

Customs privileges:

Exemption from customs duties for goods imported into the territory of the SEZ.

Other incentives:

1. Attracting foreign labor force out of quotas and permits for the projects worth more than one million MCI during the construction period and 1 year after commissioning.
2. Available complete infrastructure.
3. The SEZ management body – coordination and support for all internal processes (land, engineering network, permissions, etc.).

Conditions for obtaining of tax benefits:

1. Register as a member of the SEZ and the taxpayer on its territory.
2. Absence of subdivision units outside the SEZ.
3. Gains from the sale of goods produced in the priority activities of the SEZ – not less than 90% of the total annual income (for the "Park of innovative technologies" SEZ – 70%).
4. For a social tax applicable for paying the labor cost which is not less than 50% of revenue and 90% of the RoK residents, participants of "PIT" SEZ.

Who can be the participant of the SEZ:

The legal entity (including foreign) who plans to undertake the priority activities on the territory of the SEZ. If a legal entity at the time of application is not a resident of the Republic of Kazakhstan and is not registered as a taxpayer, then a copy of the certificate of absence of state registration as a taxpayer in the bodies of Tax Service of the Republic of Kazakhstan shall be provided.

Who cannot participate in the SEZ:

1. Subsoil users.
2. The organizations producing excisable goods, except organizations engaged in the production, assembly of excise goods under subparagraph 6) of Article 279 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget."

3. Organizations applying special tax regimes.
4. Organizations applying (using) investment tax preferences provided before the enactment of the Tax Code dated 10 December 2008.
5. Organizations that implement (implemented) the investment priority projects and strategic investment project in accordance with the legislation of Kazakhstan in the field of investments.
6. Organizers of gambling business.

In Kazakhstan, there are 19 industrial zones (IZ), including 4 private owned ones:



- 1 Aktobe Region: Aktobe city IZ (200 ha)
- 2 Almaty Region: ILC Damu private IZ (90 ha).
- 3 Atyrau Region: private IZs SGT Group (50 ha), Carat LLP (35 ha); ZhigerMunayServis LLP (14.1 ha).
- 4 Eastern Kazakhstan Region: Ondiris IZ (92 ha).
- 5 Kyzylorda Region: Ondiris IZ (760 ha), Serpin IZ (22 ha), District of Aral IZ (10 ha), District of Shieli IZ (50 ha), District of Kazaly IZ (12.7 ha), District of Karmakshi IZ (15 ha).
- 6 South-Kazakhstan Region: Ontustik IZ (337 ha), District of Sozak IZ (50 ha), Turkistan IZ (40 ha), District of Tulkubas IZ (30 ha), District of Maktaral IZ (28 ha), District of Kazygurt IZ (40 ha), Kentau IZ (25 ha).

Types of IZs in Kazakhstan:

- 1) The land plots provided with infrastructure purposed for the construction of production buildings and facilities;
- 2) The production facilities fully ready for lend-lease or sale to entrepreneurs, including those which have the existent infrastructure of currently idle, stand-by or non-operating industries;
- 3) The complex IZs have both the land plots for construction and production facilities.

Laying out the infrastructure networks to the borders of land property and inside the IZ is funded from the national budget with co-financing from the local budget according to the budget legislation.

The criteria for construction of the missing infrastructure for development of industrial zones:

- 1) The amount of investments into the project cannot be less than 10 billion KZT;
- 2) The cost of construction (reconstruction) of the infrastructure cannot be less than 2 billion KZT;
- 3) The cost of construction (reconstruction) of the infrastructure cannot exceed 50% of the cost of the project of creation or development of industrial zones.

► 3.4. BUSINESS SUPPORT PROGRAMS

In addition to investment preferences and benefits within the framework of SEZ or IZ, in Kazakhstan, there is an established comprehensive system of business support within the relevant government programs.

“BUSINESS ROAD MAP-2020” – THE UNITED PROGRAM OF SUPPORT AND DEVELOPMENT OF BUSINESS – aimed at reducing the interest payments on the loan, loan guarantees, government grants and loans and business training to support and develop small and medium business in Kazakhstan.

Implementation period: 2015–2019.

The program goals: to ensure sustainable and balanced growth of regional businesses, as well as the maintenance of existing and creation of permanent jobs.

Participants: small and medium-sized businesses operating in the priority sectors² of economy, entrepreneurs willing to open a business or expand an existing one.

Operators of the program: National Managing Holding “Baiterek” JSC and its subsidiaries (financial support), the National Chamber of Entrepreneurs (the operator of non-financial support).

The program includes four lines of activity:

1. Support for new business projects: for beginners and existing entrepreneurs, implementing or planning to implement their own projects in small and single-industry towns and in the countryside. It does not contain any sectoral restrictions.
2. Sectoral support: for the entrepreneurs engaged in the economy priority sectors can participate, as well as manufacturing industries, specified by the second five-year plan of the Government Program of Industrial and Innovational Development of Kazakhstan.
3. Reduction of currency risks: for the entrepreneurs engaged in the economy priority sectors, as well as manufacturing industries specified by the second five-year plan of the Government Program of Industrial and Innovational Development of Kazakhstan.
4. Taking the measures of non-financial support. Participants: the people with entrepreneurial initiative and existing entrepreneurs. This line will be partially implemented by the National Chamber of Entrepreneurs “Atameken”.

The main implementation instruments

Support for new business projects:

- a) Subsidizing the interest rates on loans / leasing transactions. The size of subsidies – 10% per annum of the interest rate of the loan / lease.

b) The partial guarantee on loans. The guarantees amount: for start-ups – up to 85% on loans up to 20 million KZT. For existing enterprises – up to 50% on loans up to 180 million KZT.

c) The provision of the state grants. The maximum amount for a single entrepreneur – up to 3 million KZT.

The industry support:

a) Subsidizing the interest rates on loans / leasing transactions. The size of subsidy: to priority sectors – 7% per annum of the interest rate, for the projects of Kazakh producers – 10% per annum of the interest rate.

b) The partial guarantee on loans. The guarantees amount: for priority sectors – up to 50% on loans up to 360 million KZT, for projects of materials processing industry – up to 20% on loans up to 1 850 million KZT.



Partner-banks
www.damu.kz/3214



²The list of priority sectors:
www.adilet.zan.kz



Details:
www.baiterek.gov.kz



Details:
www.damu.kz/2371

THE PROGRAM FOR THE DEVELOPMENT OF AGRO-INDUSTRIAL COMPLEX IN THE REPUBLIC OF KAZAKHSTAN "AGRIBUSINESS-2020"

aims at the development of national agricultural sector.

Implementation period: 2013–2020.

The program goal: is to create the suitable conditions for improving the competitiveness of agribusiness entities.

Participants: the entities of agriculture complex, agricultural producers in Kazakhstan.

Operators of the program: The Ministry of Agriculture of Kazakhstan, KazAgro National Management Holding JSC and its subsidiary – KazAgroFinance.

The program administrators: Municipal Administrations of regions, and Astana and Almaty City Administrations.

The program includes four lines of activity:

1. Financial recovery of entities of agrarian and industrial complex – restructuring, refinancing and financing of the financial obligations of agricultural producers.
2. Increasing affordability of goods, works and services for the agribusiness entities will provide farmers with greater access to essential commodities and means for more effective development of the agricultural sector.
3. Development of public support systems for agribusiness entities will help agricultural producers to develop veterinary and phytosanitary safety, and to ensure the well-being in the field of livestock and crop production.
4. Improving the efficiency of state regulation of agriculture complex will improve the methods of public participation in the development of the agricultural sector and will provide the comprehensive support to agricultural producers.

The instruments of financial support:³

1. Funding the loans of agribusiness entities.
2. Subsidizing the loans of agribusiness entities.
3. Support program for the entrepreneurs creating the silos.

4. Organization of the meat-processing complexes with production of block meat and lump cuts in vacuum packaging.
5. The support program for the entrepreneurs engaged in deep processing of grain.
6. Creation of network of feedlots with developed infrastructure.
7. Organization of production for the assembly of agricultural machinery.
8. Development of fruit and vegetable production, technical and oilseeds with the use of irrigation systems.
9. Establishment of a network and the development of existing vegetable storehouses.
10. Establishment of a network and the development of existing greenhouses.
11. Establishment of a network and the development of existing poultry farms.
12. Establishment of a network and the development of existing dairy farms.



³The schemes and conditions of micro programs for the each line of activity:

www.mgov.kz/programma-agrobiznes-2020



Details:
www.adilet.zan.kz



Details:
www.business.gov.kz

THE GOVERNMENT SUPPORT OF INDUSTRIAL INNOVATION ACTIVITY

According to the Entrepreneurial Code of the RoK the State support is provided for the entities of industrial and innovative activity – the private persons and (or) legal entities implementing industrial and innovative projects in priority sectors of the economy, or carrying out activities in the promotion of domestic processed goods, works and services for the domestic and (or) foreign markets.

The instruments of the State support:

1. Financing, including co-financing of projects, lease financing.
2. The provision of warranties and guarantees on loans.
3. Lending through financial institutions.
4. Subsidizing interest rates on loans issued by financial institutions, and the coupon interest rate on bonds.
5. Investing into the authorized capitals.
6. Guaranteed order.
7. Provision of innovation grants.
8. Provision of qualified human resources.
9. Provision of engineering and communication infrastructure.
10. Provision of land and subsoil use rights.
11. Support on the domestic market.
12. Attracting foreign investment.
13. Development and promotion of export of domestic processed goods, services.
14. Support in improving productivity and the development of regional clusters.
15. Debt restructuring in the framework of the financial and economic recovery.

COMPREHENSIVE SYSTEM OF SUPPORT FOR EXPORT-ORIENTED ENTERPRISES AND EXISTING EXPORTERS OF NON-PRIMARY SECTOR OF THE ECONOMY

Recipients of support: Kazakhstani small and medium-sized businesses, existing and potential exporters.

Program administrator: Ministry for Investment and Development of the Republic of Kazakhstan.

Operators of the program: National Agency for Export and Investment KAZNEX INVEST JSC and KazExportGarant – Export Credit Insurance Corporation JSC.

Measures of the State support to exporters:

1. Analytical and informational support.
2. Increased export potential of enterprises.
3. Promotion of products on foreign markets.
4. Financing trade export operations.
5. Reimbursement of exporters expenses.

Instruments of financial support

1. Reimbursement of 50% of the costs related to the promotion of the domestic processed products and services to foreign markets.
2. Insurance of exporter's credit (commercial risks – 80% of the amount of loss incurred, political risks – 80% of the amount of loss incurred).
3. Export-trade financing within the framework of the State Program of Industrial and Innovative Development (funding rate: CIRR (Commercial Interest Reference Rate) + 2% per annum, period – up to 1 year, the maximum amount of one deposit – 150 million KZT).

Instruments of non-financial support

1. Service support for exports.
2. Reference and information services.



Details:
www.export.gov.kz



Details:
www.kaznexusinvest.kz



Details:
www.kecic.kz

THE STATE SUPPORT OF PRODUCTIVITY IMPROVEMENT is performed based on the State program of industrial and innovative development of the Republic of Kazakhstan and is aimed at the modernization of existing and creation of new competitive industries, as well as service support of business entities.

The state support measures' goals: improving the competitiveness of the industrial enterprises in priority sectors of the economy by increasing productivity.

Recipients of the State support measures: existing enterprises operating at least 1 year in the priority sectors of the economy according to the program Annex.

Program administrators: Ministry for Investment and Development of Kazakhstan.

Program operators: Kazakhstan Industry Development Institute JSC, BRK-Leasing JSC.

Measures of the State support in increasing productivity:

1. Subsidies for the payment of long-term lease financing.

2. Financial assistance in development or expertise of the comprehensive investment project plan.
3. Innovation grant, and etc.

Instruments of financial support:

1. Provision of a long-term lease financing for a period of 10 years, interest rate – 5%.
2. Assistance in the payment of costs for the development and / or expertise of the comprehensive investment project plan (provided for the payment of expenses in the amount of 50%, but not more than 7.5 million KZT).
3. Reimbursement of costs for raising the enterprise competence.
4. Reimbursement of costs for the improvement of production processes.
5. Reimbursement of costs for the improvement of the production efficiency.
6. Reimbursement of costs for the development of the Strategy and Roadmap of development of territorial cluster.



Details:
www.adilet.zan.kz



Details:
www.baiterek.gov.kz



Details:
www.kidi.gov.kz



Details:
www.kdbl.kz

▶ **3.5. DIALOGUE PLATFORMS**



THE FOREIGN INVESTORS' COUNCIL
CHAIRLED BY THE PRESIDENT OF
THE REPUBLIC OF KAZAKHSTAN



www.fic.kz

FOREIGN INVESTORS' COUNCIL UNDER THE PRESIDENT OF THE REPUBLIC OF KAZAKHSTAN (FIC) is an advisory body which is headed by the President of the Republic of Kazakhstan.



Details:
www.adilet.zan.kz/rus/docs/U980003985_

The main and objectives of the FIC

Development of recommendations and proposals on key aspects of the investment policy and the economic development of the country, including:

- Determination of the main directions of Kazakhstan's investment policy;
- Improving the investment climate in the country by identifying problematic issues faced by international companies that have already invested in Kazakhstan;
- Improving the legal framework of the RoK;
- Creation of favorable investment and legal conditions for economic diversification, industrialization of the industrial sector, the development of small and medium-sized businesses;
- Further integration of Kazakhstan's economy in the global economic processes;
- Strategies to attract more foreign investments to Kazakhstan's economy;
- Other important issues for the Republic of Kazakhstan, as well as investors.

The members of the FIC

The permanent members of the Council shall be ex officio: Prime Minister of the Republic of Kazakhstan, Chairman of the National Bank of Kazakhstan, First Deputy of the Prime Minister, Deputy of the Prime Minister, Deputy Head of the Presidential Administration or the Assistant to the President of Kazakhstan, who is in charge of social and economic issues, the Minister of Foreign Affairs of the Republic of Kazakhstan, the Minister for Investment and Development of Kazakhstan, the Minister of Finance of the RoK, Minister of National Economy of the RoK and the first head of the working body of the Council.

The members of the foreign part of the Council are formed from representatives of the international economic and financial institutions, the first heads of foreign companies, or their deputies.

Terms of membership: investing in the economy of Kazakhstan the direct investments worth at least \$500 million for investors operating in the area of subsoil use, and at least \$125 million to investors in other sectors of the economy. Currently, the structure includes 33 international organizations.

The working groups of the FIC

In order to implement the tasks assigned to the FIC, four joint working groups were established:

- 1) on the implementation of the investment policy;
- 2) for energy, environment and oil and gas industry;
- 3) on labor legislation, human capital development and attraction of foreign labor;
- 4) on innovation and technological development and diversification of the economy of Kazakhstan.

Exchange of views and recommendations of the Council members made at the annual plenary meeting of the Council under the chairmanship of the President of Kazakhstan. At the working level, representatives of the members of the FIC with foreign parties and members of the Government of the RoK share their opinions at meetings of the working groups of the FIC, which are held throughout the year.

The FIC activity is carried out by working body of the Council – the Investment Committee of the Ministry for Investment and Development of the RoK.

COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE (CIIC)

The CIIC is an advisory body under the Government of the Republic of Kazakhstan, which operates since March 1, 2012 under the chairmanship of the Prime Minister.⁴

The main and objectives of the CIIC

Implementation of a unified investment policy of Kazakhstan which meets the development priorities of the country's economy, as well as assistance in attracting and efficient use of domestic and foreign investment, including the following tasks:

- Definition of a single investment strategy development, taking into account OECD practices in investment policy and development priorities of the Republic of Kazakhstan;
- Development of proposals for the creation of a favorable investment climate in Kazakhstan, including the protection of the rights and interests of foreign investors and improve the legal framework of Kazakhstan on investment policy, tax and customs legislation;

⁴Approved by Order of the Prime Minister of the RoK No. 90-R dated 29.09.2016 "On some issues on an advisory body under the Government of the Republic of Kazakhstan".

- Analysis of possible solutions to problems that are holding back investment in the manufacturing sector of the economy of Kazakhstan.

The composition of the CIIC

The Chairman of the Board of the Council is the Prime Minister of the Republic of Kazakhstan. Composition of the CIIC from the Kazakh side is formed from a number of leaders, their deputies and the executive secretaries of the Ministries of Finance, National Economy, Justice, Investment and Development, Foreign Affairs, the General Prosecutor's Office and other organizations.

The composition of the foreign side of the CIIC is formed from a number of not more than 20 people from the representatives of the international economic and financial organizations, foreign business executives.

Council meetings are held as required, but at least twice a year in the terms defined by the Chairman of the CIIC. At the meeting, representatives of the Republic of Kazakhstan State bodies concerned may be invited, as well as domestic and foreign companies that are not included in it.

The CIIC's working body is the Ministry for Investment and Development of Kazakhstan, which provides organizational and technical support for its work, including preparing proposals for the agenda of the CIIC meetings, the necessary documents and materials.

INVESTMENT OMBUDSMAN

Kazakhstan has created the legal framework for the effective functioning of the Investment Ombudsman – an official appointed by the Government of Kazakhstan, which is entrusted with functions to assist in the protection of rights and legitimate interests of investors.



Article 314 of the Entrepreneurial Code of the RoK
www.adilet.zan.kz/rus/docs/K1500000375#z1192

Main functions:

- Consideration of investors complaints on matters arising in the course of investment activities in the Republic of Kazakhstan, and to make recommendations for their resolution, including with the public authorities.
- Assist investors in addressing emerging issues in court and pre-trial orders.
- Development and introduction of the government recommendations on improvement of legislation of the RoK.

In accordance with Government Resolution from August 31, 2016 No. 499 Investment Ombudsman is the Minister for Investment and Development of Kazakhstan Zhenis Kassymbek.



Decree of the Government of the RoK No. 499 dated
August 31, 2016
www.egov.kz/cms/ru/law/list/P1600000499

The activity of the Investment Ombudsman is provided by the authorized body on investments – Ministry for Investment and Development of Kazakhstan.



Decree of the Government of the RoK No. 1069 dated
December 26, 2015
www.adilet.zan.kz/rus/docs/P1500001069#z5

▶ 3.6. LEGAL PROTECTION OF INVESTMENTS

INTERNATIONAL GUARANTEES

The Washington Convention of 1965 on the settlement of investment disputes between the states and foreign nationals and the New York Convention on the recognition and enforcement of foreign arbitral awards are acting at the present time in Kazakhstan. Thus, there are suitable conditions maintained for foreign investors to invest in the economy of the Republic, also the level of political risks of investment are decreased as well.

AGREEMENTS "ON ENCOURAGEMENT AND MUTUAL PROTECTION OF INVESTMENTS"

Kazakhstan signed 46 bilateral and 1 multilateral agreements "On encouragement and mutual protection of investments." These documents create a favorable legal environment for the promotion and protection of Kazakh investments abroad and foreign investments in Kazakhstan, contribute to improve investment climate and further development of mutually beneficial trade and economic cooperation between two countries.

The State	The date of signing	Effective Date
<i>America</i>		
 USA	19.05.1992	12.01.1994
<i>Europe</i>		
 Austria	12.01.2010	21.12.2012
 Belgium–Luxembourg Union	16.04.1998	16.04.1998
 Bulgaria	15.09.1999	20.08.2001
 Bulgaria (Protocol amending)	24.07.2006	21.05.2007
 Czech Republic	08.10.1996	02.04.1998
 Czech (Protocol to amend)	25.11.2010	15.09.2013
 Estonia	20.04.2011	26.08.2014
 Finland	09.01.2007	01.05.2008
 France	03.02.1998	21.08.2000
 Germany	22.09.1992	10.05.1995
 Greece	26.06.2002	At DP stage ¹²
 Hungary	07.12.1994	03.03.1996
 Latvia	08.10.2004	21.04.2006
 Lithuania	15.09.1994	25.05.1995
 Macedonia	02.07.2012	At DP stage
 Netherlands	27.10.2002	01.08.2007
 Poland	21.09.1994	25.05.1995
 Romania	02.03.2010	17.07.2013

MEASURES OF STATE SUPPORT FOR INVESTORS

The State	The date of signing	Effective Date
 Serbia	07.10.2010	At DP stage
 Slovakia	21.11.2007	At DP stage
 Spain	23.03.1994	22.06.1995
 Sweden	25.10.2004	01.08.2006
 Switzerland	12.05.1994	13.05.1998
 United Kingdom	23.11.1995	09.01.1997
The Commonwealth of Independent States (CIS) and the former USSR		
 Azerbaijan	16.09.1996	30.04.1998
 Armenia	06.11.2006	01.08.2010
 Georgia	17.09.1996	24.04.1998
 Kyrgyzstan	08.04.1997	01.06.2005
 Russia	06.07.1998	11.02.2000
 Tajikistan	17.12.1999	16.12.1999
 Ukraine	17.09.1994	04.08.1995
 Uzbekistan	02.02.1997	08.09.1997
Asia, Africa and the Middle East		
 Afghanistan	27.09.2012	At DP stage
 China	10.08.1992	18.08.1994
 Egypt	14.02.1993	28.03.1997
 Iran	16.01.1996	03.04.1999
 Israel	27.12.1995	19.02.1997
 Japan	23.10.2014	At DP stage
 Jordan	29.11.2006	01.07.2008
 Korea	20.03.1996	26.12.1996
 Kuwait	31.08.1997	01.05.2000
 Malaysia	27.05.1996	03.08.1997
 Mongolia	02.12.1994	13.05.1995
 Pakistan	08.12.2003	01.10.2009
 Qatar	04.03.2008	At DP stage
 Turkey	01.05.1992	10.08.1995
 Vietnam	15.09.2009	07.04.2014
International organizations		
 Member states of the Eurasian Economic Community	12.12.2008	

¹² DP – domestic procedures

NATIONAL GUARANTEES

The Entrepreneurial Code of the RoK provides various safeguards that minimize risks of investment activities in Kazakhstan:



Details:
www.adilet.zan.kz/rus/docs/K1500000375#z1057

1. Guarantee of legal protection of investors' activity on the territory of Kazakhstan. Investor has full and unconditional protection of rights and interests.

2. Guarantees of use of revenues. Investors shall have the discretion to use income derived from their activities, after taxes and other compulsory payments to the budget, as well as to open the bank accounts in national currency and (or) foreign currency in the banks in accordance with banking and currency legislation of the Republic of Kazakhstan.

3. Publicity of the state bodies in relation to investors. Investors are provided with free access to information about the registration of legal entities, their charters, registration of real estate transactions, as well as the licenses issued, except for the information containing commercial and other confidentiality protected by law.

4. Guarantees of investors rights in case of nationalization and requisition. Forcible seizure of property of the investor (nationalization, requisition) for State needs is permitted in exceptional cases stipulated by the laws of the RoK. With the nationalization of the losses suffered by the investor as a result of the enactment of legislative acts of Kazakhstan on nationalization shall be compensated in full. Requisition of property of investor is conducted via the payment of the market value of the property.

5. Guarantees of stability when changing the legislation of the RoK. In accordance with Article 289 of the Entrepreneurial Code of the RoK for the legal entities implementing investment projects and investment priority strategic projects the stability is guaranteed when following is amended:

- The tax legislation of the Republic of Kazakhstan in accordance with the Code of the RoK “On taxes and other obligatory payments to the budget”.
- Legislation of the RoK on employment in the field of attracting foreign labor.



Details:
www.adilet.zan.kz/rus/docs/K1500000375#z289

In the event of early investment contract termination, the application of guarantees for stability of the legislation is canceled in the manner prescribed in the Entrepreneurial Code.

6. Guarantees of contract terms stability. The Republic of Kazakhstan guarantees the stability of contracts conditions between investors and state bodies of the Republic of Kazakhstan, except in cases where the amendments to contracts are made by mutual agreement. This warranty does not apply to:

- Amendments in the legislation of Kazakhstan and (or) the entry into force and (or) changes in international treaties of the Republic of Kazakhstan, which change the procedure and conditions of import, production and sale of excisable goods;

- Amendments and additions, made to the laws of the Republic of Kazakhstan in order to ensure national security, public order, health or morals.

THE JUDICIAL SYSTEM IN KAZAKHSTAN

A significant event for investors in Kazakhstan was the creation on January 1, 2016 of two new judicial boards with an exclusive jurisdiction for proceedings of investment disputes:

1. Investment Board in a court of Astana with an exclusive jurisdiction to deal with “investment disputes” (except for cases under the jurisdiction of the Supreme Court) and “other disputes between investors and state bodies related to investment activities of the investor” according to the rules of the court of first instance.
2. Investment Board in the Supreme Court with an exclusive jurisdiction to deal with “investment disputes” involving “large investors” (about \$12.8 million in 2016) according to the rules of the court of first instance.

These are the first boards in the CIS, demonstrating Kazakhstan’s determination in reforming the judicial system and reducing barriers that investors face in practice.

INTERNATIONAL ARBITRATION



Details:

www.adilet.zan.kz/rus/docs/Z1600000488

In accordance with Article 501 of the Civil Procedure Code of the RoK decisions, statutes and judgments approving the settlement agreements, court orders of foreign courts and foreign arbitration awards are recognized and enforced by the courts of Kazakhstan, if it is stipulated by the legislation and (or) international treaty ratified by Kazakhstan, or on the basis of reciprocity. The conditions and the procedure for recognition and enforcement of the above regulations shall be determined by law, unless otherwise provided by international treaty ratified by the Republic of Kazakhstan.



Details:

www.adilet.zan.kz/rus/docs/K1500000377



Details:

www.adilet.zan.kz/rus/docs/K1500000377#z501

If the decisions of foreign courts and tribunals, are not executed voluntarily within the time limits laid down in them, side court, arbitration, in favor of which these acts are made, shall be entitled to apply for their enforcement in the Court of the place of arbitration or the place of residence of the debtor or the location of the body of the legal person, or at the location of the debtor’s property. The application for issuance of a writ of execution is necessary to make the original or a certified copy of the decision of the foreign court / arbitration, and if available, the arbitration agreement. If the decision or arbitration agreements are in a foreign language, it is required to submit a certified translation into Kazakh or Russian languages.

◀ **Tenge Alu**

In the life of Kazakh people masterly skills of horse control were vitally important. In bold horse games, such as tenge alu (pick up a coin), powerful, brave and skillful dzhigits were showing their strength and skills.



Riders, having rid after a signal from a provisional start line to a finish line, while riding at a full tilt they shall pick up as many coins covered in wrap, that were previously placed on the field, as they can. The winners keep the money they deservedly won.



DOING BUSINESS IN
KAZAKHSTAN

▶ 4.1. ARRIVAL IN KAZAKHSTAN

4.1.1. CONDITIONS OF ENTRY AND STAY IN KAZAKHSTAN

Visa is required for foreign nationals and stateless persons to enter the territory of Kazakhstan, unless otherwise has been stipulated by international treaties of the RoK.

TYPES OF VISAS FOR ENTRY INTO THE TERRITORY OF KAZAKHSTAN

According to the "Rules of the issuing of visas of the Republic of Kazakhstan, as well as extending and shortening their validity" there are three types of visas are issued: 1) non-immigrant, 2) immigrant, 3) exit.

Non-immigrant visas:

diplomatic, service, investor, business, missionary, tourist, private and transit.

Immigrant visas

Issued for: 1) education, 2) work, 3) humanitarian purposes.

Exit visas: several categories.

VISA-FREE REGIME

In case of stay on the territory of the Republic of Kazakhstan not exceeding 30 days, irrespectively of the purpose of stay, a visa-free regime is applicable to citizens of the following countries:

 Argentina	 Hungary	 Portugal
 Australia	 Iceland	 Serbia
 Austria	 Ireland	 Singapore
 Azerbaijan	 Israel	 Slovakia
 Belgium	 Italy	 Slovenia
 Brazil	 Japan	 South Korea
 Canada	 Latvia	 Spain
 Chile	 Luxembourg	 Sweden
 Czech Republic	 Malaysia	 Switzerland
 Denmark	 Mexico	 Tajikistan
 Ecuador	 Moldova	 Turkey
 Estonia	 Monaco	 UAE
 Finland	 Netherlands	 United Kingdom
 France	 New Zealand	 USA
 Germany	 Norway	 Uzbekistan
 Greece	 Poland	

In case of stay on the territory of the Republic of Kazakhstan not exceeding 90 days, irrespectively of the purpose of stay, a visa-free regime is applicable to citizens of the following countries:

 Armenia	 Kyrgyzstan	 Ukraine
 Belarus	 Mongolia	
 Georgia	 Russia	

For citizens of Hong Kong, in case of their stay on the territory of Kazakhstan for up to 14 days, irrespectively of the purpose, a visa-free regime is applied.

OBTAINING C1 AND C2 INVESTOR VISA

For investment and business visit, citizens of foreign countries shall obtain an investor or business visa to enter Kazakhstan, unless other procedure is established by an agreement with the respective country or the Government of the RoK.

C1 multiple visa for a period of up to 3 years is issued based on visa support and a request of the RoK authorized investments agency.



Ministry for Investment
and Development of the RoK
www.mid.gov.kz

C2 category visa is a single entry visa with duration up to 30 days, issued to executive heads and top managers of foreign legal entities participating in investment into the economy of Kazakhstan, participants of the RFCA, as well as their spouses and minor children without invitation within 3 business day based on an instruction of the Ministry of Foreign Affairs of the RoK or based on requests of the heads of foreign institutions of the RoK¹, in case of solicitation of foreign legal entities or authorized body of the RoK on investment matters.



Ministry of Foreign
Affairs RoK
www.mfa.gov.kz



¹For more details visit:
[www.mfa.gov.kz/
index.php/en/map](http://www.mfa.gov.kz/index.php/en/map)

Investor visa, respective visa support and solicitation are provided free of charge.

OBTAINING A BUSINESS VISA

Single entry business visa valid for up to 30 days is issued on the basis of the visa support, except for citizens of Bulgaria, Jordan, Qatar, Cyprus, Lithuania, Liechtenstein, Malta, Oman, Romania, Saudi Arabia, and Croatia, for whom a single entry business visa is issued on the basis of a company's letter of request with indication of the purpose of the visit to Kazakhstan, period of stay and contact details of the inviting party. Multiple entry business visas are issued to citizens of foreign states on the basis of the visa support.

VISA SUPPORT

The inviting party shall submit to the Ministry of Foreign Affairs of the RoK a letter of confirmation with a relevant set of documents.



For more details visit:
[www.egov.kz/cms/en/
services/680_mid](http://www.egov.kz/cms/en/services/680_mid)

The letter of invitation shall be submitted not later than two weeks prior to the expected date of entry into the Republic of Kazakhstan. Invitation letter is provided in three copies, two of which are submitted to the Ministry of Foreign Affairs of the Republic of Kazakhstan and the third, as visa confirmation, directed to applicants.

Information on the invitees shall be submitted on electronic media and prepared in accordance with the Rules for Issuing Visas of the RoK, Extension and Reduction of Their Validity. The documents for visa support processing submitted to the Ministry of Foreign Affairs of the RoK and containing false data shall not be taken for processing and shall be re-submitted to the Ministry of Foreign Affairs after their correction by the inviting party.

The visa support processing period shall not exceed 5 business days. If it is required to study visa documents more thoroughly, this period may be extended.

The inviting party shall undertake all the liabilities related to timely explanation to the foreigners of their rights and obligations stipulated by the legislation of the Republic of Kazakhstan. Solicitation of a visa recipients' invitation from the individuals and legal persons that previously repeatedly failed to ensure compliance by the invited foreigners with the legislation on legal position of foreigners and the migration legislation of the RoK shall not be processed.



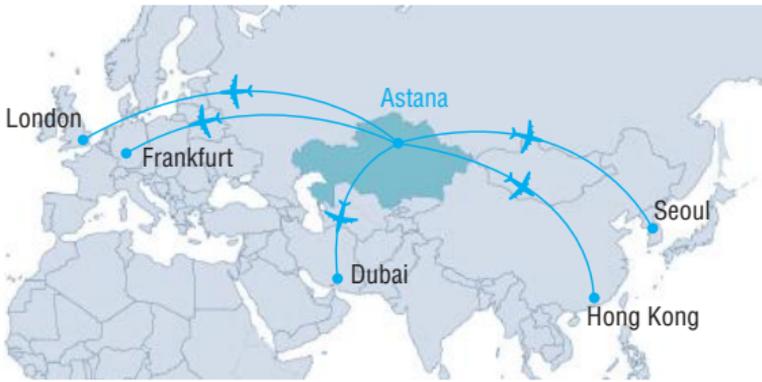
For more details visit:
www.mfa.gov.kz/index.php/en/consular-issues12/rules-visa-support

4.1.2. INTERNATIONAL AIR TRANSPORT

Kazakhstan signed 44 intergovernmental air transport agreements, therefrom with far abroad States – 31, with neighbouring countries – 13.

 Armenia	 India	 Russia
 Austria	 Iran	 Singapore
 Azerbaijan	 Israel	 Sri Lanka
 Belarus	 Jordan	 Sweden
 Belgium	 Kyrgyzstan	 Switzerland
 Bulgaria	 Latvia	 Tajikistan
 China	 Lithuania	 Thailand
 Denmark	 Luxembourg	 Turkey
 Egypt	 Malaysia	 Turkmenistan
 Estonia	 Mongolia	 UAE
 Finland	 Norway	 Ukraine
 France	 Netherlands	 United Kingdom
 Georgia	 Pakistan	 Uzbekistan
 Germany	 Poland	 Vietnam
 Hungary	 Qatar	

20 airports are operating in Kazakhstan, the largest of which are international airports of Almaty and Astana. Almaty has a flight connection with 20 countries on 29 international destinations, and Astana – with 16 countries on 25 destinations. From the capital of Kazakhstan there are flights to 5 international financial centres – Frankfurt, London, Dubai, Hong Kong, Seoul. Each week Astana hosts 126 international and 289 domestic flights.



The main airlines of Kazakhstan and foreign airlines participating in regular flights from the RoK
www.aeroport.kz/aviakompanii

4.1.3. EMPLOYMENT OF FOREIGN NATIONALS IN KAZAKHSTAN

In accordance with the Labour Code² and the Employment Law of the RoK³ employment of foreign national by an employer to carry out labour activities on the territory of Kazakhstan is allowed on the basis of permits issued by the local executive body of the respective administrative-territorial unit.



²The Labour Code of the Republic of Kazakhstan
 No. 414-V LRK dated November 23, 2015
www.adilet.zan.kz/rus/docs/K1500000414



³Employment Law of the RoK
 No. 482-V dated April 6, 2016
www.adilet.zan.kz/rus/docs/Z1600000482

The quota for foreign labour recruitment is set as a percentage of the labour force and includes:

- 1) quota for foreign labour recruitment by types of economic activity;
- 2) quota for foreign labour force by country of origin subject to existence of ratified international treaties of the RoK on cooperation in the labour migration and social protection of migrant workers;
- 3) quota on recruiting of labour immigrants.



For more details visit:
www.adilet.zan.kz/rus/docs/P1200000045



For more details visit:
www.elicense.kz

▶ 4.2. STARTING A BUSINESS

4.2.1. LEGAL ENTITY FORMS

According to the Article 34 of the Civil Code of the RoK, the business in Kazakhstan is conducted through legal entities of various forms of incorporation. The place for the legal entity among the companies with the foreign participation should be specifically determined, whether it is a joint venture (JV) or a foreign enterprise. It is often that JV represents enterprises established by several entities, irrespective of their country of origin. For enterprises with foreign participation, being the JV or “foreign enterprise” characterise only the participation of foreign capital, but not their organizational and legal form. In practice, companies with foreign participation are established in the Republic of Kazakhstan or in the form of a limited liability partnership, or as a joint-stock company.

Limited Liability Partnership (LLP)

LLP is a partnership established by one or more persons/entities, the charter capital of which is divided into shares determined by constituent documents. LLP participants are not liable for its obligations and bear the risk of losses associated with the activities of the partnership to the extent of their contributions, except for the cases stipulated by legislative acts of the RoK.

Joint Stock Company (JSC)

JSC is a legal entity that issues shares to raise funds for its activities. JSC has property separate from the property of its shareholders, and is not liable for their obligations. JSC is liable for its own obligations to the extent of its property. JSC shareholders are not liable for JSC's obligations and bear the risk of losses associated with its activities, to the extent of shares owned by them, except for the cases stipulated by legislative acts of the RoK.

Branches and representative offices

Branches and representative offices are not legal entities. They are endowed with property of the legal entity and act on the basis of approved by laws.

A branch is a separate subdivision of a legal entity located outside of the legal entity's location and performing all or part of the legal entity's functions, including the function of representation.

A representative office is a separate subdivision of a legal entity located outside of the legal entity's location, which represents and protects interests of the legal entity, enters on behalf of the legal entity into transaction and performs other legal actions, except for the cases stipulated by legislative acts of the RoK.

4.2.2. REGISTRATION OF LEGAL ENTITIES

According to Article 42 of the Civil Code of the RoK the legal entity is subject to mandatory public registration in the judicial authorities and is considered as established from the moment of its obtaining.



Submittal of application and other documents

Details:
www.egov.kz

Unlike the legal entities established by Kazakhstani shareholders only, while registering, the legal entities with foreign participation are required to provide additional documents confirming the legal status of their foreign founders and their capacity to pay:

- a legalized extract from the trade register or other legalized document certifying that the founder – a foreign legal entity – is a legal entity under the laws of a foreign country, with a notarized translation into Kazakh and Russian languages;
- a copy of the passport or other identity document of the founder – foreigner, with a notarized translation into Kazakh and Russian languages;
- a receipt or a document confirming the payment of the public registration fee to the budget.

OPENING A BANK ACCOUNT

A company which has obtained the public registration has the right to open a bank account. Investors have the right to open bank accounts in the banks on the territory of the RoK in national and (or) foreign currency in accordance with banking and currency laws. Branches and representative offices have the right to work through foreign accounts.

► 4.3. LICENSING

According to the Law of the RoK “On permits and notifications” for private entrepreneurs and other individuals in Kazakhstan there is authorization or notification based procedures of implementation of certain types of activities or actions.

Category I permits – licenses, which are introduced for types (subtypes) of activities or actions (operations) with a high level of danger.

Category II permits – all permits, other than licenses, that are introduced for types (subtypes) of activities or actions (operations) with an average level of danger.



Activities subject to licensing and fee
www.egov.kz

SPECIAL ASPECTS OF SECOND CATEGORY PERMIT ISSUANCE

The permit documents are divided into 6 classes:

Class 1. Permits issued for activities.

Class 2. Permits issued for the professional activities of individuals.

Class 3. Permits issued for activities with limited resources or by using quotas.

Class 4. Permits issued for objects.

Class 5. Single-time permits.

Class 6. Permits issued for products.

A full list of activities subject to obtaining category II permits is listed in Annex 2 of the Law of the RoK "On permits and notifications".



For more details visit:

www.adilet.zan.kz/rus/docs/Z1400000202

▶ 4.4. STANDARDISATION, CERTIFICATION AND ATTESTATION

The Law of the RoK "On technical regulation" No. 603 dated November 9, 2004 establishes the legal framework of the state system of technical regulation.



For more details visit:

www.adilet.zan.kz/rus/docs/Z040000603_

The public authority in the field of technical regulation is the Committee of Technical Regulation and Metrology of the Ministry for Investment and Development of the RoK.⁴

Kazakhstan Institute of Standardization and Certification RSE carries out its activities in order to perform tasks on the development and improvement of the legislative and regulatory frameworks for technical regulation of quality and safety of products, works and services in the country and their harmonization with international requirements.⁵



⁴For more details visit:

www.memst.kz



⁵For more details visit:

www.kazinst.kz

▶ 4.5. LAND MATTERS

In the Republic of Kazakhstan the land use right is the right of an individual or a legal entity to own and use the land in public ownership. Herewith the foreigners, stateless persons and foreign legal entities have the same rights and bear responsibilities in land relations on an equal footing with citizens and legal entities of the RoK, if otherwise not stipulated by the Land Code or other legislative acts.

Types of land use rights:

- The right for permanent land use
- The right for temporary land use
- The right for temporary gratuitous land use
- The right for temporary paid land use (lease)
- Secondary land use right (sublease)

A document certifying the right to use the land is called either “the Deed of the permanent land use”, or “the Deed of the temporary paid (long-term, short-term) land use (lease)”, or “the Deed of the temporary gratuitous land use”.

THE STATE LAND GRANTS

The land plots and land use right in the form of the state grants shall be provided to the legal entity of the RoK implementing the investment project in accordance with the Land Code and the investment legislation of the RoK.

The decision on the granting of land plot as a natural grant is taken by local executive body of the region, the city of the Republican significance, the capital city, the district, the city of regional significance within its competence to provide land plots on the basis of the decision of the authorized body on investments.

Learn more about the types and conditions for the provision of other investment and tax preferences in section 3.2. Chapter 3 of this Guide.



The Land Code No. 442 dated June 20, 2003
www.adilet.zan.kz/rus/docs/K030000442_

► 4.6. PROTECTION OF INTELLECTUAL PROPERTY

In the Global Competitiveness Index on the indicator “Protection of intellectual property rights” since 2011 Kazakhstan improved its rating by 42 points, getting up from 116th to 74th place and surpassing countries such as Spain, Brazil, Russia and Georgia.

NATIONAL LEGISLATION RELATED TO THE INTELLECTUAL PROPERTY

According to Article 125 of the Civil Code of the RoK an intellectual property is the exclusive right of a citizen or legal entity for the results of his/her/its intellectual creative activity and equated to this the means of identification of legal entity’s brand, private individuals or private entity’s products, performed work or services (trade name, trademark, service marks etc.). Using the results of creative intellectual activity and means of identification can be carried out by third parties only with the consent of the owner.

The objects of intellectual property are the copyright, related rights, the right to a trademark, the service mark, the right to use the appellation of origin of goods, the patent law.

The objects of intellectual property are the objects protected by the following laws:

1. Copyright and related rights law

According to the law the duration of copyright is throughout the author's life and 70 years after his/her death. The state registration of copyright is required for the works protected by copyright.



For more details visit:
www.adilet.zan.kz/rus/docs/Z960000006_

2. The Patent Law of the RoK

This law regulates the granting of patents for inventions, industrial designs and utility models. Patent for inventions validity period from the date of application is 20 years with the possibility to extend for up to 5 years, patent for industrial designs validity period is 15 years with the possibility to extend for up to 5 years.



Details:
www.adilet.zan.kz/rus/docs/Z990000427_



Receipt of a patent
Details:
www.egov.kz

3. The Law of the RoK “On protection of selection achievements”

A selection achievement is – a new plant variety, a new breed of the animal, which granted a patent. Patent validity period from the date of application is 25 years with the possibility to extend for up to 10 years.



For more details visit:
www.adilet.zan.kz/rus/docs/Z990000422_

4. The Law of the RoK “On Trademarks, Service Marks and Appellations of Origin”

According to this law the following items are subject to registration:

- a trademark, the registration shall be valid for 10 years from the application date and shall be renewable each time for 10 years at the owner's request.
- an appellation of origin of a good, the registration shall be valid perpetually, subject to maintaining special properties of a product produced on the territory of the geographical area specified.



For more details visit:
www.adilet.zan.kz/rus/docs/Z990000456_

5. The Law of the RoK “On legal protection of topographies of integrated circuits”

The legal protection provided by the law applies only to the original topology.



For more details visit:
www.adilet.zan.kz/rus/docs/Z010000217_

► 4.7. TAXATION

In Kazakhstan, there are 50 Conventions concluded with foreign states on avoidance of double taxation and prevention of evasion of taxes on income and capital. Avoidance of double taxation is a procedure where each Contracting Government provides the taxpayer the opportunity to pay the tax only once – in one of the Contracting Governments.



The complete list:
www.kgd.gov.kz

NATIONAL LEGISLATION

The tax legislation of the RoK is based on the Constitution of the RoK, the Code “On taxes and other obligatory payments to the budget” (Tax Code) of the RoK, as well as other normative legal acts.

The Tax Code governs the power relations to establish, impose and order of calculation and payment of taxes and other obligatory payments to the budget, as well as relations between the Government and the taxpayer (tax agent) associated with the fulfillment of tax obligation.



Read more:
www.kgd.gov.kz/en/content/tax-code-rk-2015

TAXATION OF RESIDENT AND NON-RESIDENT INCOMES

Taxation of income of non-residents depends on the existence of a permanent establishment of the non-resident in Kazakhstan. Permanent establishments of non-resident recognized the permanent place of business through which the non-resident is fully or partially conducts business, including the activity carried out through an authorized person.

The criteria for creation of permanent establishment from the terms prospective is the provision of services (carrying-out the works) by a non-resident deploying the personnel for more than 183 calendar days within any consecutive 12-month period from the date of commencement of business activity within a project or related projects.

The branch or representative office of foreign companies is also recognized as permanent non-resident agencies. The subsidiary of non-resident legal entity is recognized as a permanent establishment if it meets the criteria of a dependent agent.

The individual person is recognized as a permanent resident in Kazakhstan for the current tax period, if he/she resides in Kazakhstan at least for 183 calendar days in any consecutive twelve-month period ending in the current tax period.

TYPES OF TAXES

1. Corporate Income Tax (CIT)

Payers of the CIT – Kazakhstan legal entities, as well as foreign companies operating in Kazakhstan through a permanent establishment, or receiving income from sources in the RoK. The CIT general rate is 20% of the amount of taxable income.

Objects of the CIT taxation:

1. taxable Income;
2. income taxable at the source of payment;
3. net income of foreign company carrying out activities through a permanent establishment in Kazakhstan.

In addition to the CIT, the net income of foreign companies working in Kazakhstan through a permanent establishment is taxable at the rate of 15%.

The CIT for taxable income of foreign companies operating without formation of a permanent establishment in Kazakhstan is deducted at the source of payment by tax agent (the person paying income).

Foreign companies' incomes from sources in the RoK, not related to a permanent establishment are tax deductible according to the established rates of 5 to 20%. Order of payment and the rates of the CIT, subject to withholding at the source of payment depends on the existence of international double taxation agreements between Kazakhstan and corresponding country.

2. Personal Income Tax (PIT)

Payers – individuals.

Objects of taxation:

1. income taxable at the source of payment:
 - employee's income
 - individual person's income from the tax agent, etc.
2. income taxable at the source of payment:
 - the property tax
 - income of private entrepreneur, etc.

Income subject to the PIT at the rate of 10%, except for the income in the form of dividends, taxable at the rate of 5%. Calculation, withholding and payment of tax on income, taxable at the source of payment, is made by tax agents.

3. Value Added Tax (VAT)

The payers:

1. Persons, which made statement on the registration account for VAT in the Republic of Kazakhstan:
 - individual entrepreneurs;
 - resident legal entities, except for government agencies;
 - non-residents operating in the RoK through a branch, representative office;
 - trust managers, engaged in the turnover of sales of goods, works and services under trust agreements with the trustors or with beneficiaries in other cases of occurrence of asset management.

2. persons importing goods into the territory of the RoK in accordance with the customs legislation of EAEU and (or) the customs legislation of the RoK.

Objects of taxation:

Taxable turnover of goods (works and services) and taxable import. The VAT is charged in the case, if the minimum turnover exceeds 30 000 MCI a year. The VAT rate is 12%.

The Tax Code of the RoK set a list of goods (services), turnover and import of which is an exempt from the VAT.

4. Excise taxes

Payers of excise duty: Individuals and legal entities who:

1. produce and import excisable goods on the territory of the RoK;
2. carry out wholesale, retailing of petrol (except aviation petrol) and diesel fuel on the territory of the RoK;
3. carry out sale of confiscated, ownerless, moved as per the right of inheritance to the Government and donated to the Government on the territory of the RoK of excisable goods if previously tax was not paid in accordance with the legislation of the RoK;
4. carry out sale of excisable goods property if for specified goods the excise tax on the territory of the RoK has not been previously paid in accordance with the legislation of the RoK;
5. assemble (furnish) excisable goods under subparagraph 5 of the following list.

List of excisable goods and rates for calculation of the amount of excise duty indicated in Articles 279–280 of the Tax Code.

5. Rent tax

Taxpayers: individuals and legal entities who export:

1. crude oil and crude oil products, except:
 - subsoil users exporting crude oil and gas condensate obtained in the framework of contracts;
 - legal entities, the list whereof shall be determined by the authorized body in the field of oil and gas, using the customs procedure to export crude oil in quantities, defined by the authorized body in the field of oil and gas, and previously placed under the customs procedure of processing outside the customs territory.
2. coal.

Object of taxation:

The exported crude oil and crude petroleum products, coal.

6. Taxation of subsoil users

Special payments and taxes of subsoil users include:

1. special fees (subscription bonus, bonus commercial detection, payment for refundable historical costs);
2. mineral extraction tax;
3. excess profit tax.

Subscription bonus

A single-time fixed payment by a subsoil user to acquire the right of subsoil use in the contract area, as well as paid while expanding the contract area.

Commercial discovery bonus

Payable by a subsoil user within the frameworks of the production contracts and (or) combined exploration & production for every commercial discovery on the territory of the contract area, including the discovery, made as a result of the additional exploration of fields.

Payment to reimburse historical costs

A fixed payment of the subsoil users to recover the total cost, incurred by the Government for the Geological Survey and exploration of the contract territory prior to conclusion of the subsoil use contract.

Mineral Extraction Tax

Paid separately for each type of subsoil minerals, oil, subsoil water and therapeutic mud produced on the territory of the RoK.

Excess profit tax

Excess profit tax is calculated for the tax period for each individual subsoil use contract under which a subsoil user is a payer of the excess profit tax in accordance with Article 347-1 of the TC.

7. Social Tax

Payers:

1. individual entrepreneurs;
2. private notaries, private bailiffs, lawyers, professional mediators;
3. legal entities-residents of the RoK;
4. non-resident legal entities carrying out activities in the RoK through the permanent establishments;
5. non-resident legal entities carrying out activities through a branch or representative office that does not lead to the formation of permanent establishment in accordance with an international treaty on avoidance of double taxation.

Object of taxation:

The cost of employer paid employees (residents and non-residents), as well as income of foreign personnel. General rate of social tax is 11%.

8. Compulsory assignments to the Social Health Insurance Fund

Payers of assignments

Employers, including foreign legal entities performing activities in Kazakhstan through a permanent establishment, as well as branches, representative offices of foreign legal entities, calculating (deducting) and transferring assignments and contributions to the Fund in the manner prescribed by Chapter 6 of the Law "On compulsory social health insurance".



Read more

www.adilet.zan.kz/rus/docs/Z1500000405

Rates of assignments:

from July 1, 2017 – 2% of object to calculation of assignments;
from January 1, 2018 – 3% of object to calculation of assignments;
from January 1, 2019 – 4% of object to calculation of assignments;
from January 1, 2020 – 5% of object to calculation of assignments.

Object of calculation of assignments:

Expenses paid by the employer to the employee in the form of income.

9. Tax on property of legal entities and individual entrepreneurs

Payers:

1. legal persons having object of taxation on the property right, economic conducting or operative management on the territory of the RoK;
2. individual entrepreneurs having object of taxation on the property right on the territory of the RoK;
3. the concessionaire who has the right to own, use object of taxation, which is the object of the concession in accordance with the contract of concession;
4. persons referred to in Article 395 of the Tax Code of the RoK.

The total tax rate is 1.5% of the average annual cost of objects of taxation, but the tax code of the RoK provides for other rates, depending on the status and activity of the taxpayer.

10. Land Tax

Taxpayers – individuals and legal entities who have the taxation objects:

1. on the right of ownership;
2. on the right of permanent use of land;
3. on the right of the primary grant temporary land use.

Taxable Item:

Land property (with share ownership to the land plot – land share). The tax rates are established in Articles 378–386 of the TC of the RoK depending on purpose of land, their location, etc.

Comparison of underlying tax rates in Kazakhstan, Russia and China

Taxes	Kazakhstan	Russia	China
Corporate Income Tax (CIT)	20%	20%	25%
Value Added Tax (VAT)	12%	18%	17%
The Land Tax	\$0.03-\$0.16/1 m ²	0.3%, 1.5%	–
The property tax	1.5%	2.2%	1.2%*, 12%**

*appraised value, **rental property

Source: The Ministry of Finance of the RoK, Federal Tax Service of Russia, State Administration of Taxation of the People's Republic of China

TAXATION OF AN ORGANIZATION IMPLEMENTING AN INVESTMENT PRIORITY PROJECT

The organization that implements the investment priority project and is not subject to a special tax regime:

1. Reduces the CIT by 100% up to 10 consecutive years, which shall be calculated starting from January 1 of the year following the year in which the signed an investment contract on realization of the investment priority project.

2. When calculating land tax on the parcels used for implementation of priority investment project, to the corresponding land tax applies coefficient 0 to 10 consecutive years, which shall be calculated starting from January 1 of the year following the year in which the signed an investment contract on implementation of the investment priority project.
3. For the projects, which entered into service for the first time on the territory of RoK shall calculate the property tax according to the rate of 0% of the tax base up to 8 consecutive years, which shall be calculated starting from January 1 of the year following the year in which the first asset is included in the composition of the fixed assets in accordance with international financial reporting standards and requirements of the legislation of the RoK on accounting and financial reporting.

VAT EXEMPTION FOR IMPORTED RAW MATERIALS AND (OR) MATERIALS

In the framework of investment contract, the investor shall be exempt from VAT imports of raw materials and (or) materials, while at the same time under the following conditions:

- raw materials and (or) material included in the list of raw materials and (or) materials import of which is exempt from VAT under an investment contract;
- import of raw material and (or) material according to furnished documents stipulated by the customs legislation of the Customs Union and (or) the customs legislation of the RoK;
- VAT payer presented a commitment to the Customs authorities on the use of imported raw materials and (or) material within the limitation period solely in carrying out activities within the framework of the investment contract.

Exemption from VAT imports of raw materials and (or) material within the framework of the investment contract is available to legal entities of the RoK for a period for 5 consecutive years, starting with 1 day of the month in which the fixed assets were put into operation, provided for in the work program, which is annexed to the investment contract. If the work program provides for input 2 or more fixed assets, the term of the exemption from VAT for imports of raw materials and (or) materials produced since 1 month, which commissioned the first fixed asset on the work program.

TAXATION OF ORGANIZATIONS OPERATING IN THE SEZ

Tax benefits:

1. exemption from the CIT;
2. exemption from the land tax;
3. exemption from the property tax;
4. exemption from the value added tax (VAT) for the sale of products inside the SEZ that are entirely used in production.
5. exemption from social tax for 5 years provided that labor costs account for at least 50% of the annual income and 90% of these costs is spent on residents of the RoK participants of "Park of information technologies" ("PIT") SEZ;
6. organization registered in Kazakhstan and outside the "PIT" SEZ before January 1, 2018 is considered a member of "PIT" SEZ if:
 - 1) the organization has no structural subdivisions;

2) at least 70% of the total annual income comprise incomes, receivable (received) from the sale of goods of own production, works and services from the following activities:

- design, development, implementation and production of databases and hardware units, development, implementation and production of software (including prototypes);
- services on information storage and processing in electronic form using the server info-communication equipment (data-center services);
- carrying out research engineering and research & development works on the creation and implementation of information technology projects).

Conditions for obtaining tax incentives:

1. register as a taxpayer on the territory of the SEZ;
2. register as a member of the SEZ;
3. absence of structural subdivisions outside the SEZ;
4. gains from the sale of goods produced in the priority activities of the SEZ – not less than 90% of the total annual income (for the “PIT” SEZ – 70%).

► 4.8. CUSTOMS LEGISLATION

The territory of Kazakhstan, Russia, Belarus, Armenia and Kyrgyzstan represent a unified customs territory which operate common customs regulation, including the Customs Code and the Common Customs Tariff of the Eurasian Economic Union. The main aspects of unified customs regulation foreseen by the Treaty on the EAEU.



EAEU web-site:
www.eaeunion.org



EEC web site:
eec.eaeunion.org

CUSTOMS PROCEDURES

Legislation of the Customs Union provides 17 different customs procedures, the most common of which are for domestic consumption and temporary importing (admittance) of the goods. Other customs procedures include: customs warehouse, duty free trade, export, Customs transit, free warehouse, etc.

When placing the goods under the customs procedure of release for domestic consumption of imported goods acquire the status of goods of CU and are in free circulation throughout the territory without any customs restrictions. Specified regime involves payment of customs duties and taxes in full, as well as compliance with prohibitions and restrictions.



More on customs information portal:
www.customs.kz

Temporary import (admission) of the goods is the customs procedure under which imported goods retain the status of foreign goods and should

be removed from the territory of the CU after the expiry of the temporary importing. This procedure assumes a full or partial exemption from import duties and taxes.

List of goods in respect of which a full exemption is granted from customs duties, is defined by international treaties applicable to the States members of the CU and/or decisions of the Commission of the CU. In respect of goods which are not included in the above list partial release from payment of customs duties is applied, at the rate of 3% per month of the amount of customs duties and taxes to be paid after release of goods for domestic consumption.

CUSTOMS PAYMENTS AND TAXES

Customs payments and taxes include:

1. Import customs duty;
2. Export customs duty;
3. VAT charged on importing of goods into the territory of the RoK;
4. Excise tax (excise) charged upon importing of the goods into the customs territory of the Customs Union (CU);
5. Customs duties (customs fees for customs clearance of the goods, for Customs escorts, fee for preliminary decision).



Customs Code:
[www.adilet.zan.kz/rus/
docs/K100000296_](http://www.adilet.zan.kz/rus/docs/K100000296_)



More information
www.keden.kz

Types of custom duties

- ad valorem duties – are set as a percentage of the customs value of taxable goods;
- specific duties – are set depending on physical characteristics in natural units (quantity, weight, quantity or other characteristics);
- combined duties – combining 2 first types.

Customs fees – compulsory payments charged by Customs authorities for committing actions associated with the release of the goods, customs escort of goods, as well as for committing other acts established by the Customs Code (hereinafter CC).

Types of customs fees:

1. customs fees for Customs clearance of goods;
2. customs fees for Customs escort;
3. fee for the preliminary decision.

Exemptions from payment of customs duties and taxes

In CC, under preferences in payment of customs payments and taxes it shall be understood the followings:

1. tariff preferences;
2. tariff privileges (privileges on payment of customs duties);
3. tax relief;
4. customs duties relief.

CUSTOMS FEES FOR CUSTOMS CLEARANCE OF GOODS

Rates of customs fees are set in euros (€):

1. €60 for the main list of the declaration;
2. €25 for each additional page to the goods declaration

3. Customs fees for customs escort:
 - €11 for a distance up to 50 km;
 - €16 for a distance from 50 to 100 km;
 - €26 for a distance from 100 to 200 km;
 - €128 for a distance from 200 to 400 km;
 - €178 for a distance from 400 to 600 km;
 - €283 for a distance from 600 to 800 km;
 - €385 for a distance from 800 to 1000 km;
 - €523 for a distance from 1 000 to 1 500 km;
 - €743 for a distance from 1 500 to 2 000 km;
 - €878 for a distance from 2 000 to 2 500 km.
4. The fee for the preliminary decision – €70.

IMPORT/EXPORT OF CURRENCY, SECURITIES, PROMISSORY NOTES, CHECKS:

The import into or export from the RoK by individuals of foreign and (or) the national currency, promissory notes, checks (including traveller's checks), securities in documentary form, out of the territory or on the territory that is part of the customs territory of the CU can take place without restrictions and customs declaration.

When a single import into the territory of the RoK from third countries or the export from the RoK to the territory of third countries of foreign and (or) the national currency (with the exception of coins made of precious metals) and (or) traveller's checks for a total amount exceeding the equivalent of \$10 thousand, these values are subject to customs declaration in written form by filing a customs declaration for the whole amount of imported or exported values.

CUSTOMS PRIVILEGES FOR THE SEZ MEMBERS

When importing goods into the territory of the SEZ:

Exemption from customs duties.

When exporting goods out of the territory of the SEZ:

1. Goods of the CU produced (processed) by SEZ residents, registered before January 1, 2012 using imported components, but recognized as EAEU products, based on the criteria of sufficient processing exported from the territory of the SEZ to the rest of the customs territory of the CU, shall not be subject to payment of customs duties from January 1, 2017 onwards.
2. Goods of the CU exported from the territory of the SEZ outside the customs territory of the CU are subject to payment of export customs duties. If foreign goods do not have the status of goods of the CU (simple assembly), export from the territory of the SEZ to the rest of the customs territory of the CU is, subject to payment of customs duties.
3. If foreign goods are not used and not recycled in the territory of the SEZ, then the export (to third countries) of the goods shall be exempt from "re-export" customs duties.
4. If foreign goods are processed on the territory of the SEZ, at the time of exporting the export duties are paid according to the Decree of the Government of the RoK No. 520 dated 28.04.2010.

More information on customs exemptions is provided in the Agreement on free (special) economic zones on the territory of the Customs Union and customs procedure of the customs-free zone.

▶ 4.9. PUBLIC-PRIVATE PARTNERSHIP

In Kazakhstan determined actions are being taken to promote public-private partnerships (PPP) for infrastructure development by combining the resources and experience of both public and private sectors in industries traditionally belonging to the sphere of responsibility of the State, subject to balanced distribution of risks, benefits and costs in respect to rights and duties.

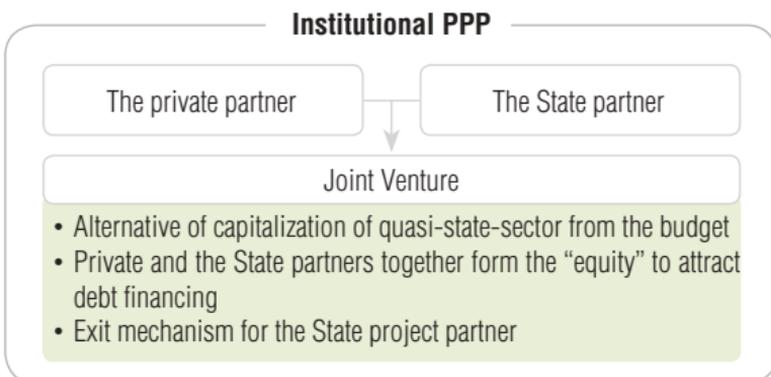
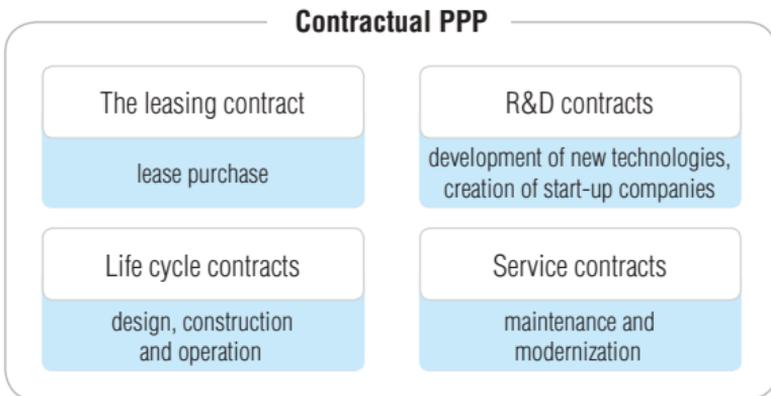
The Law “On public-private partnership” No 379-V ZRK dated October 31, 2015 defines the legal conditions of PPP, its types and regulates social relations arising in the process of conclusion, implementation and termination of PPP treaties.

PPP contracts may be implemented through such instruments as the concession, asset management of State property, lease of State property, as well as contracts for technology development, prototype manufacturing, pilot testing and small-scale production, and also life cycle contracts, service contracts and other agreements relevant to PPP properties.

THE APPLICATION SCOPES OF THE PPP

Public-private partnerships can be implemented in all sectors (areas) of the economy, except for objects that cannot be subject to PPP projects implementation, the list of which is determined by the President of the RoK.

TYPES OF PPP



FORM OF PARTICIPATION OF QUASI-STATE SECTOR SUBJECTS IN PPP PROJECTS

1. Share participation in PPP projects through establishment of legal entities or acquisition (purchase) of shares (interests in Charter capital) of legal entities.
2. Transfer of exclusive rights to intellectual property objects.
3. Service support, including technology transfer services, supporting innovation, consulting, engineering, training and skills upgrading.
4. Provision of services of technology parks, business incubators, special economic and industrial zones.
5. Construction, establishment, reconstruction, modernization and (or) operation of facilities.
6. Export promotion and others.

INSTITUTIONS FOR THE DEVELOPMENT OF PPPS IN KAZAKHSTAN:



www.kzppp.kz

Kazakhstan Public-Private Partnership Centre JSC. The Centre's activities focus on research, examinations, assessment, implementation and monitoring of the PPP projects in the area of concession, as well as the establishment of a scientific base and develop human resource capacity.



www.kppf.kz

Kazakhstan Project Preparation Fund, which serves as the single operator of the PPP projects at the national and regional levels.

► 4.10. BANKING AND FINANCIAL SECTOR



NATIONAL BANK OF KAZAKHSTAN



www.nationalbank.kz

Kazakhstan has a two-tier banking system. The National Bank of the RoK is the central bank of the country and represents the top (first) level of the system. All the other banks represent the bottom (second) level of the banking system with the exception of the Development Bank of Kazakhstan, which has a special legal status.

The National Bank of the RoK is a Government body that is regulated by the Law "On the National Bank of the RoK" dated March 30, 1995 No. 2155, in the Provision on the National Bank, approved by the Presidential Decree dated December 21, 2003 No. 1271. The National Bank represents the interests of Kazakhstan in relations with central banks and banks of other countries, in international banks and other financial-credit institutions.

COMMERCIAL BANKS IN KAZAKHSTAN

The legal basis for the activities of the second-tier banks (STB) is the Law "On banks and banking activities in the Republic of Kazakhstan" dated August 31, 1995 No. 2443, whereby the STB is defined as a legal entity carrying out (regardless of ownership) commercial activity with the purpose of making a profit. Second-tier banks may open their subsidiaries, branches and representative offices both in Kazakhstan and abroad.



More information
on the STB of Kazakhstan
www.egov.kz

The structure of the banking sector of Kazakhstan⁶

	2014	2015	2016
The number of second-tier banks, including:	38	38	35
banks with 100% Government participation in the authorized capital	1	1	1
second-tier banks with foreign participation	17	16	16
second-tier subsidiary banks	14	14	13

Dynamics of macroeconomic indicators of banking sector⁶

STB indicators, %	2014	2015	2016
Assets to GDP	45.1	47.2	57.6
Loan portfolio to GDP	38.9	36.7	37.7
Customers' deposits to GDP	28.7	29.4	37.8

Dynamics of concentration in the banking sector of Kazakhstan⁶

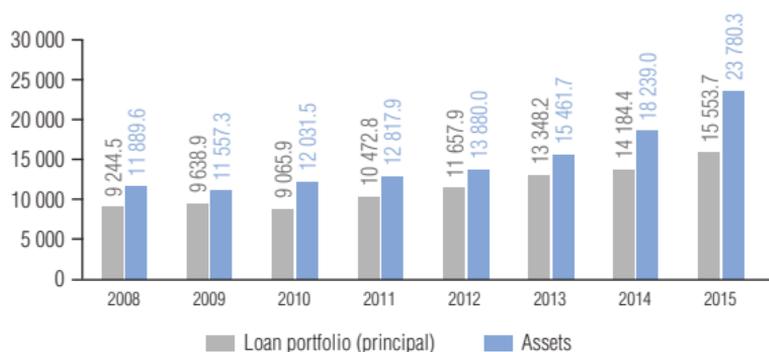
Share of the five largest banks, %	2014	2015	2016
in the assets of the banking sector	55.4	52.4	59.2
in total loan portfolio	62.1	58.9	63.4
in total deposits of clients	54.4	51.0	60.6

Assets and loan portfolio of the leading STB of Kazakhstan*, bln KZT

	Bank name	Assets	Loan portfolio
Division I STB with assets > 1.5 bln KZT	Kazkommertsbank JSC	5 081.6	3 920.7
	Halyk Bank of Kazakhstan JSC	4 208.4	2 283.5
	Tsesnabank JSC	2 113.6	1 591.7
	SB of Sberbank JSC	1 508.7	951.5
	Bank CenterCredit JSC	1 320.1	920.0
Division II STB with assets 1–1.5 bln KZT	Kaspi Bank JSC	1 165.7	745.7
	ATFBank JSC	1 311.4	722.7
	ForteBank JSC	1 181.4	498.1
	Eurasian Bank JSC	956.0	660.7
	Bank RBK JSC	1 033.9	746.7

*as of 01.09.2016

Source: Financial Institutions' Association of Kazakhstan

Loan portfolio and assets of the banking sector in Kazakhstan⁶, bln KZTLoans of the economy of Kazakhstan in 2014–2016⁶, mln KZT

Year	Total	in national currency	in foreign currency	short-term	long-term
2014	11 314 974	7 914 496	3 400 479	2 133 715	9 181 259
2015	12 165 954	8 524 246	3 641 707	2 500 052	9 665 902
2016	12 844 824	8 297 677	4 547 147	2 159 865	10 684 959

STB loans by sectors of the economy of Kazakhstan⁶, mln KZT

Sectors	Total	To legal entities	To individuals
Nationwide total	12 674 245	8 510 656	4 163 589
including:			
industry	1 698 638	1 687 834	10 804
agriculture	653 644	640 819	12 825
construction	991 739	986 719	5 020
transport	609 183	598 905	10 278
communications	136 715	136 279	436
trade	2 645 676	2 547 190	98 486
other sectors	5 938 650	1 912 911	4 025 739

DEVELOPMENT BANK OF KAZAKHSTAN



Development Bank
of Kazakhstan



www.kdb.kz

The Development Bank of Kazakhstan (DBK) is a joint stock company, the controlling interest of which belongs to NMH Baiterek. In accordance with the law of the RoK “On Development Bank of Kazakhstan” dated April 25, 2011 No. 178 the Bank carries out the following Government tasks:

1. Financing of investment projects through the implementation of operations on the medium-and long-term basis, acquisition of DBK bonds, funds from placement which are transferred by the issuer for implementation of investment projects, as well as bridge financing to ensure the preparation and implementation of investment projects.
2. Financing of export transactions.

⁶Source: The National Bank of the RoK

3. Provision of mezzanine financing, project financing.
4. Provision of syndicated loan, financing the current activities of borrowers for implementation of projects financed by the DBK.
5. Stimulation of lending to the economy of the RoK through the issuance of guarantee obligations on loans provided by other credit institutions, as well as co-financing and interbank lending, lending to lessors organizations, as well as to organizations conducting certain banking operations.
6. Improvement of financing mechanism of a project.

STOCK MARKET OF KAZAKHSTAN

KASE



www.kase.kz

A key indicator of the state of the stock market of Kazakhstan is the organized market represented by the stock exchange Kazakhstan Stock Exchange JSC. As of January 1, 2016 the number of corporate stocks and bonds issues, included in the official list of KASE, amounted to 106 (18.8%) and 273 (48.4%) issues respectively. Government securities accounted for 31.4% (or 177 issues).

Volume of stock trading in Kazakhstan in 2013–2015⁷, \$ mln

Sector	2013	2014	2015
Foreign currency sector	120 583.0	188 295.8	312 812.5
Kazakhstan GS sector	7 691.2	5 713.0	2 256.6
Shares sector	770.9	961.1	4 737.4
Corporate bonds sector	2 573.4	2 488.3	5 612.7
Repo (NGS and GS) total	78 157.9	62 754.2	104 204.3
inc. repo on GS, direct deals	–	0.6	0.0
inc. auto repo on GS	77 724.8	61 466.4	103 855.5
inc. repo on NGS, direct deals	7.4	9.8	26.2
inc. auto repo on NGS	425.8	1 277.3	322.5
Term contracts sector	–	–	–
Bonds of microlenders	216.5	220.5	0.0
Total trading volume	210 025.9	260 441.1	429 623.9

Capitalization of KASE to Kazakhstan GDP⁷, %



UNIFIED PENSION SAVINGS FUND



www.enpf.kz

UPSF is the only organisation, which attracts mandatory pension contributions, mandatory occupational pension contributions and voluntary pension contributions.



Law of the RoK "On pensions security in the Republic of Kazakhstan" dated June 21, 2013 No. 105-V
www.adilet.zan.kz/rus/docs/Z1300000105

The total amount of pension assets of UPSF according to the results of 2015 amounted to 5 834.6 bln KZT, which is 1 315.0 bln KZT (+29.1%) more than a year before.

Number of depositors (recipients) of pension savings funds⁷

Category	2015*	2016*
for whom mandatory pension contributions were made	9 377 563	9 474 689
for whom voluntary pension contributions were made (including mandatory occupational pension contributions)	39 934	39 045
for whom mandatory occupational pension contributions were made	328 105	372 889

*As of January 1st of the relevant year

Pension savings⁷, bln KZT

Category	2015*	2016*
on mandatory pension contributions	4 490.0	5 762.0
on voluntary pension contributions (including mandatory occupational pension contributions)	1.5	1.7
on mandatory occupational pension contributions	26.3	64.5

*As of January 1st of the relevant year

UPSF Investments

A major share of the total investment portfolio of UPSF as of January 1st, 2016 consists of Government securities of the RoK and corporate securities of the issuers of the RoK (46.7% and 40.5% respectively, of the total volume of invested pension assets of UPSF). In addition, the volume of investments in the securities of foreign issuers is 368.4 bln KZT (incl. non-Government securities of foreign issuers, securities of international financial organisations and foreign government securities issuers), or 6.5% of the volume of invested pension assets. The share of deposits in second-tier banks accounted for 6.3% or 363.9 bln KZT.

UPSF in the economy of Kazakhstan

Since the beginning of 2016, an increase of the relative indicators characterising the role of the pension sector in the economy can be observed, namely the ratio of pension savings to GDP from 11.7% to 14.1%, pension contributions to GDP from 9.5 to 10.6%, net investment income to GDP from 2.6 to 4.2%.

⁷Source: The National Bank of the RoK

Dynamics of the relative indicators characterising the role of the pension sector in the economy of Kazakhstan

Indicator	2015	2016
GDP, bln KZT	38 711.9	41 307.6
Ratio of pension savings to GDP, %	11.7	14.1
Ratio of pension contributions to GDP, %	9.5	10.6
Ratio of net investment income to GDP, %	2.6	4.2

▶ 4.11. INSURANCE

Insurance companies activity is regulated by the Law “On insurance activity in the RoK” dated December 18, 2000 No. 126-II. The National Bank of Kazakhstan carries out supervisory responsibility in the insurance market, provides licences, as well as monitors industry's statistics.



The Law “On insurance activity in the RoK”
www.adilet.zan.kz/rus/docs/Z000000126_

Top 10 largest insurance companies in Kazakhstan, thous. KZT

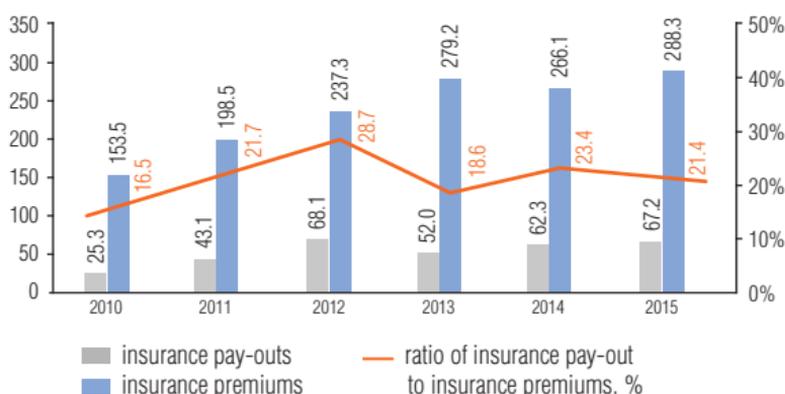
Insurance company	Assets	Own capital	Insurance premiums
Eurasia Insurance Company	175 375 792	96 761 641	36 768 509
Victoria Insurance Company	87 073 113	81 355 695	4 155 557
Kazkommerts Life	57 631 128	14 321 534	12 260 271
NOMAD LIFE LIC	55 289 344	5 737 347	18 970 687
Halyk-Kazakhinstrakh	50 665 988	25 898 322	28 891 368
Kaspi Insurance	49 394 250	32 407 569	12 487 589
Kazkommerts-Policy Insurance Company	47 487 380	30 161 529	10 414 850
Halyk-Life	38 385 904	8 989 243	19 017 360
Life-Insurance Company State Annuity Company	32 664 412	4 845 379	4 961 804
NOMAD Insurance Company	29 518 492	7 349 092	13 627 052

Source: The National Bank of the RoK



More information on
 insurance companies
www.nationalbank.kz

Ratio of insurance pay-out to insurance premiums, bln KZT



Insurance sector concentration, %

Share of insurance market aggregate indicators	2014	2015	2016
Assets of the top ten insurance companies	70.0	70.2	75.5
Own capital of the top ten insurance companies	72.5	71.5	75.8
Insurance premiums of the top ten insurance companies	56.6	54.9	56.0
Insurance pay-outs of the top ten insurance companies	50.5	53.5	61.1

Source: The National Bank of the RoK

Macroeconomic indicators of the insurance sector

	2014	2015	2016
GDP, bln KZT	34 291.4	38 624.4	41 308.0
Ratio of assets to GDP, %	1.53	1.59	2.00
Ratio of own capital to GDP, %	0.74	0.74	0.98
Ratio of insurance premiums to GDP, %	0.81	0.69	0.70
Ratio of insurance premiums per capita, KZT	16 272	15 296.8	16 331.4

Source: The National Bank of the RoK

INSURANCE CORPORATION KAZEXPORTGARANT



KazExportGarant



www.kecic.kz

Joint-stock company Export Credit Insurance Corporation "KazExportGarant", the subsidiary of JSC National Management Holding Baiterek is the only specialized insurance enterprise, which functions as an export credit agency of the Republic of Kazakhstan.

KazExportGarant was established by a Decree of the Government of the RoK as of May 12, 2003 No. 442, as one of the new development institutions. Its mission is to support the growth of export of processed goods, works and services in priority sectors of the economy, as well as development of practice of financial and non-financial insurance support for the Kazakhstani enterprises.

Functions:

- insurance (reinsurance) of exports of non-primary goods and services;
- insurance (reinsurance) of investments abroad.

◀ **Kazaksha Kures**

Kazaksha Kures (Kazakh wrestling) is one of the oldest types of martial art, which was an important element in military training of nomads. The main goal of a combat is to throw the opponent on his back.



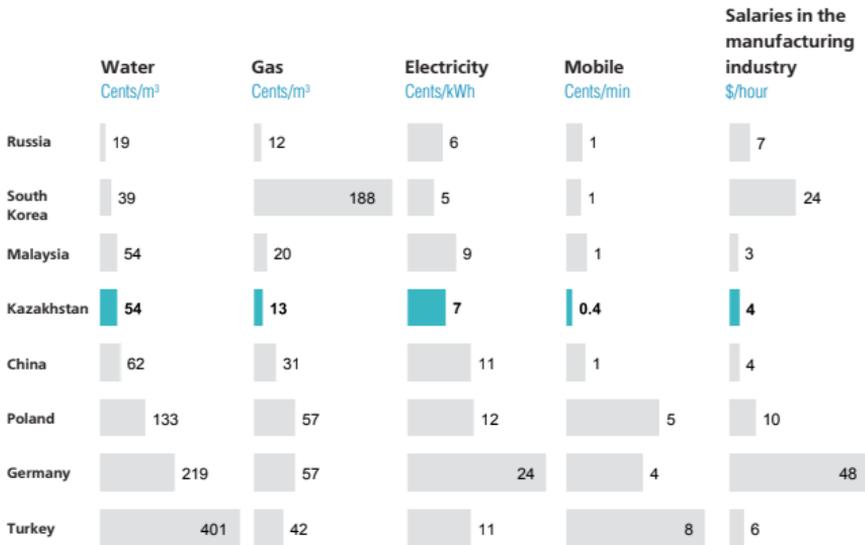
Kazaksha Kures wrestling is carried out standing. Holding upper body, jacket and belt is allowed. It is also allowed to make sweeps, leg hooks, hip-rolls.



SECTORIAL
POTENTIAL FOR
INVESTORS

► 5. ATTRACTIVE COST POSITIONS

The competitive cost of primary factors of production is the key to attractiveness of Kazakhstan's economy to investors.



Source: Financial Times Limited 2016 (latest available data), expert analysis



5.1. RETAIL TRADE

Trade is one of the most important sectors of Kazakhstan's economy. Its share in the country's GVA is growing steadily and in 2015 it accounted for 18%. Retail trade is growing fast despite the devaluation of the national currency in 2015. 15% of the employed population are engaged in trade.

Trade share in Kazakhstan's GVA, %

2011	2012	2013	2014	2015
14.8	16.2	16.5	17.3	18.0

Retail volume, \$ billion

2011	2012	2013	2014	2015
26.4	30.6	36.0	35.3	29.6

Retail space, million m²

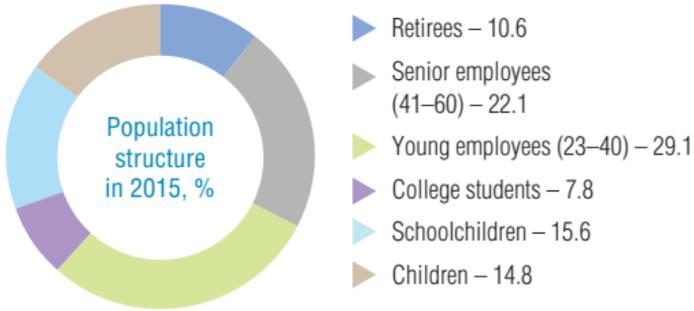
2011	2012	2013	2014	2015
7.7	6.8	8.2	7.9	10.9

Retail space per 1,000 people is accounted for 616 m². The penetration of modern trade formats is growing, but there is significant potential for

penetration improvement. The young and employed population of Kazakhstan creates a buoyant demand for modern trade formats in all product categories.

CONSUMER PROFILE

Population – 17.7 million people



CAGR 2011–2015 – 1.5%

Share of urban population – 57%

Average population age – 30

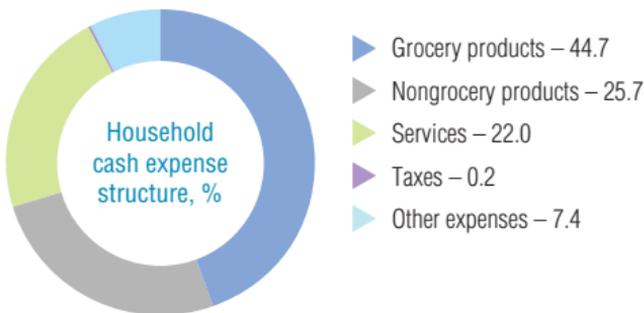
Long-term unemployment level – 2.4%

Average household size – 3.4 people

Share of households own a car – 35%

Average monthly salary – \$570

Population	Share of urban population	Average household size	Share of households own a car	Average monthly salary
17.7 million people	57%	3.4 people	35%	\$570



FOREIGN DIRECT INVESTMENT IN THE TRADE SECTOR

Kazakhstan's trade sector consistently attracts FDI. Over the last 5 years, international investors have invested more than \$12 billion in the sector.

Examples of successful investment

METRO**METRO Cash & Carry**

Metro is a German company, which manages the 3rd largest retail chain in Europe and the fifth largest in the world. METRO Cash & Carry has more than 750 Cash & Carry shopping centers in 29 countries. In Kazakhstan since 2008. Company owns 8 stores in 7 cities of Kazakhstan. Investments of more than EUR 20 million per store and EUR 170 million in total.

Carrefour 

Carrefour S. A.

Carrefour S.A. is a multinational retailer headquartered in Boulogne Billancourt, France. It is one of the largest hypermarket chains in the world (with about 1 600 hypermarkets as of the end of 2015) and the 2nd largest retail group in the world in terms of revenue. The company operates in more than 30 countries.

In Kazakhstan since 2016. Plans to invest EUR 13 million in 3 stores in Almaty and Astana at the first stage. One store operates already; three stores will be opened at the first stage, ten stores will be opened in total.

STATE SUPPORT AND PREFERENCES FOR INVESTORS

- Broad support for the development of modern retail trade at the level of local executive authorities under the Program of Service Sector Development 2020. The priorities of the program include: increase in permanent retail facilities and availability of selling space.
- State subsidies under Business Roadmap 2020 on the construction of modern retail facilities: in Astana and Almaty – on the construction of retail facilities of over 5 000 m², in regions – on the construction of retail facilities of over 2 000 m².
- State support for the development of e-commerce under the Information Kazakhstan 2020 Program. One of the major goal the program is reaching 10% share of e-commerce in the total market of goods and services by 2020.



Attractive industrial niches:
www.invest.gov.kz/pages/retail_trade



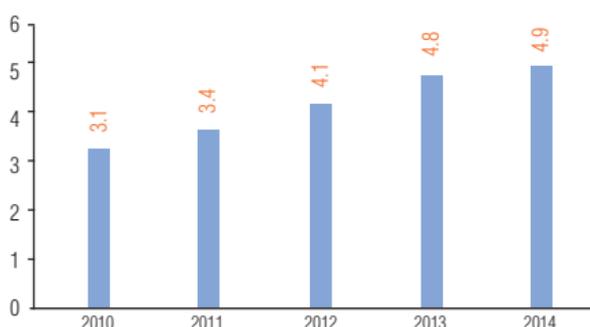
5.2. MACHINERY SECTOR

Machinery is one of the most promising sectors in Kazakhstan. In 2015 market size amounted to \$14.7 billion. Sharp decline in 2014 and 2015 was due to the devaluation of tenge. Share of machinery sector production in the total industrial production has been increasing in 2010–2014 by 12% annually. There is a considerable potential for import substitution in the machinery market, where import share remains consistently high (80–85%) in the last 5 years.

Market size of machinery sector in Kazakhstan, \$ billion

	2011	2012	2013	2014	2015
Total, \$ billion	17.4	21.6	23.9	21.2	14.7
Import, %	83	85	82	85	84
Local production, %	17	15	18	15	16

Share of machinery sector production in total industrial production, %



COMPETITIVE ADVANTAGES

Low production costs. Due to the devaluation, local manufacturers have obtained a competitive advantage through lower production costs for labor and utilities.

Duty-free access to the Eurasian Economic Union (EAEU) machinery market. Kazakhstan is the 2nd largest machinery market in the EAEU, which also has direct duty-free access to the markets of Russia, Belarus, Kyrgyzstan, and Armenia.

EAEU countries machinery market size, \$ billion

	Russia	157
	Kazakhstan	14.7
	Belarus	9.6
	Armenia	0.7
	Kyrgyzstan	0.7

Level of development of sectors that intensively use machinery products.

Kazakhstan's economy specializes on machinery-intensive industries. Agriculture, mining, oil and gas, electricity, and construction account for over 25% of the GDP.

FOREIGN DIRECT INVESTMENT IN MACHINERY SECTOR

In recent years, more than 30 international investors from the USA, France, China, South Korea, and other countries have invested in machinery sector projects in Kazakhstan with a total value of over \$1.5 billion. In 2015 share of FDI in machinery sector of Kazakhstan against the total machinery sector production amounted to 10%.

Examples of successful investments

ALSTOM

Alstom

Major French engineering company, one of the largest power equipment and rail transport manufacturers. In Kazakhstan since 2010. The company has launched production of electric switch mechanisms and electric locomotives with a design speed of 200 km/h. Total projects value exceeded \$100 million. More than 300 jobs created.



Talgo

Spanish high-speed intercity passenger trains manufacturer. In Kazakhstan since 2010. The company has launched production of passenger rolling stock with design speed of 200 km/h. Total project value exceeded \$60 million. More than 300 jobs created.

STATE SUPPORT AND PREFERENCES FOR INVESTORS

Support of machinery sector is a strategic state priority under the State Program of Industrial and Innovative Development of the Republic of Kazakhstan. The program resulted in increase of labor productivity in machinery sector by 2 times and of actual production volumes by 77%.

Kazakhstan has a wide range of preferences for international investors both in SEZs (special economic zones) and under the investment contracts. Government pays considerable attention to the development of machinery clusters in SEZs, where international players already have presence.

“Astana – New City” SEZ

Location: Astana city

Investments: \$850 million

Jobs created: 2 800

Specialization: machinery and equipment, motor vehicles, trailers, and semi-trailers, electrical equipment, railway locomotives and rolling stock

Company examples: Alstom, Airbus helicopters, Talgo.

ALSTOM



Talgo

“Saryarka” SEZ

Location: Karaganda region

Investments: \$115 million

Jobs created: 500

Specialization: machinery

Company example: Böhmer



“Park of Innovative Technologies” SEZ

Location: Almaty city

Investments: \$235 million

Jobs created: 3 200

Specialization: Electronic equipment

Company example: Mitio Electronics



Attractive industrial niches:
www.invest.gov.kz/pages/machinery



5.3. CHEMICAL INDUSTRY

Kazakhstan is a profitable chemicals investment site due to abundant resource base and proximity to fast-growing markets such as China, Russia, Turkey, Iran, etc.

► **KAZAKHSTAN'S RESERVES:**

Oil and condensate – 12th in the world

3.9 billion tons

Phosphate – 14th in the world

1 billion tons

Natural gas – 24th in the world

0.9 trillion m³

Potash

6 billion tons

► **SIZE OF CHEMICALS MARKETS:**

\$1.5 trillion – China



\$69 billion – Russia



\$60 billion – Turkey



Iran



Belarus



Ukraine



Uzbekistan



Azerbaijan



INVESTMENTS IN PETROCHEMICAL PRODUCTION

Kazakhstan is one of the key sources of hydrocarbons to the world economy, ranking 16th in the world by production volume in 2015. Production volume of oil and condensate (all oil fields) 79.3 Mt. Access to low-cost feedstock with a high content of ethane (10%) and high demand for petrochemical products in neighboring countries make investments in this segment attractive.

► RAW MATERIALS



Salt – reserves more than 1.3 billion tons



Sulfur – oil refining by-product



Phosphorus – reserves more than 1 billion tons
 P_2O_5 (4 billion tons of ore)

► INDUSTRIAL CHEMICALS



Hydrochloric acid



Sulfuric acid



Caustic soda



Phosphoric acid



Calcium chloride,
calcium hypochlorite

Kazakhstan's oil and gas resources and ethane content

		Tengiz	Karachaganak	Kashagan
Production	Crude oil and condensate	27.2 million tons	10.8 million tons	Reserves are estimated at 4.6 billion tons
	Gas	14.9 million m ³	18.2 million m ³	
Content	Ethane	10–13%	5–6%	10–11%

INVESTMENTS IN THE PRODUCTION OF INDUSTRIAL CHEMICALS

Access to low-cost feedstock in Kazakhstan and stable demand from the mining sector allow to develop the production of different industrial chemicals.

Examples of successful investments

**Linde AG**

Linde AG is one of the world's leading manufacturers of industrial gases (acetylene, oxygen, etc.) serving more than 1.5 million consumers in more than 50 countries. In Kazakhstan since 2010. Production of industrial gases in the Karaganda region, and also acts as a contractor in the project for the production of industrial gases in the Atyrau region.

Investments more than \$170 million. Capacity of 62 000 m³/h "O₂", 70 000 m³/h "N", and 2 400 m³/h "Ar".

**EuroChem**

EuroChem is a vertically integrated agrochemical company, a top ten fertilizer company globally. In Kazakhstan since 2014. Extraction began in early 2014 and is now proceeding while construction of the plant that will produce SOP and NPK for the Chinese and Central Asian market. Investments more than \$130 million. Planned capacity of 1 Mt fertilizers per year.

STATE SUPPORT AND INCENTIVES FOR INVESTORS

- Since 2010, the chemicals industry has been actively supported within the State Program of Accelerated Industrial and Innovative Development (SPIID) of Kazakhstan. The work performed within the first five-year stage of the SPIID (2010–2014) led to realization of 40 new investment projects, production volume increase by 27% and labor productivity in real terms increase – 2.2 times.
- 4 out of 10 Special economic zones in Kazakhstan have chemical companies located near the feedstock sources.

“National Industrial Petrochemical Technopark” SEZ

Location: Atyrau region

Invested: \$730 million

Total project cost: \$5 606 million

Examples of operating companies: Polymer Production LLP

Product examples: BOPP film, PE film, PP bags

Raw-material base: oil & gas, salts

“Aktau Sea Port” SEZ

Location: Mangystau region

Invested: \$252 million

Total project cost: \$1 960 million

Examples of operating companies: Aktau Polymer LLP, Caspio PLast LLP

Product examples: polyethylene pipes

Raw-material base: oil & gas, salts

“Pavlodar” SEZ

Location: Pavlodar region

Invested: \$195 million

Total project cost: \$226 million

Examples of operating companies: Caustic JSC,

Belizna-PV LLP, AgroChemProgress LLP

Product examples: Caustic soda and chlorine, detergents, agrochemicals

Raw-material base: salts

“Taraz Chemicals Park” SEZ

Location Zhambyl region

Stage: under construction

Invested: \$13 million

Total project cost: \$1 158 million

Raw-material base: natural gas, phosphates, salts



Attractive industrial niches:

www.invest.gov.kz/pages/chemicals

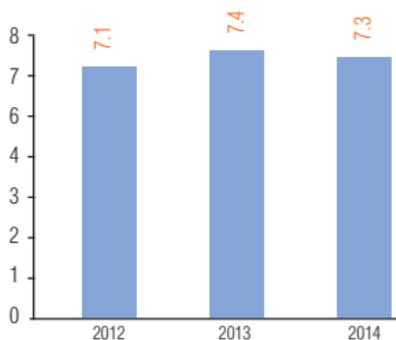


5.4. AGRICULTURE AND FOOD INDUSTRY

Kazakhstan ranks ninth in the world by land area. More than 80% of lands or over 210 million ha are agricultural.

Agriculture and food manufacturing are one of the most important sectors of Kazakhstan's economy with total contribution more than 7% to the country's GVA. Almost 20% of the employed population are engaged in agriculture or food manufacturing.

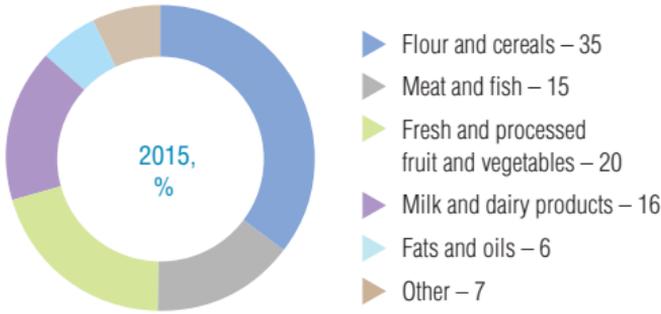
The share of GVA of agriculture and the food manufacturing in Kazakhstan GVA in 2010–2014, %



DOMESTIC MARKET

Consumption of agricultural and food products in Kazakhstan grew on average at an annual rate of over 5% (2010-15) and in 2015 totalled over \$35 billion. Imports remaining high – only about 25% of agricultural products produced in Kazakhstan undergo further processing.

Main types of food products consumed in Kazakhstan in 2015, %



FOREIGN MARKETS

Kazakhstan is situated between Russia and China, some of the largest importers of agricultural and food products.

Volume of imports in 2015

	China	Russia
Oilseed	more than \$38 billion	more than \$1 billion
Fresh fruit and vegetables	more than \$13 billion	more than \$11 billion
Dairy products	more than \$7 billion	more than \$4 billion

FOREIGN DIRECT INVESTMENT IN KAZAKHSTAN'S AGRICULTURE AND FOOD INDUSTRY

Over the last few years the foreign direct investments in the agriculture and food industry have grown significantly and over the last 5 years they made up over \$1.3 billion.

Examples of successful investments



Lactalis

Lactalis is the 2nd largest European producer of dairy products and the 15th largest agricultural and food group in the world. In Kazakhstan since 2004, Lactalis acquired FoodMaster International's production in Kazakhstan.

The company has 3 plants, 16 retail units, and 2 own dairy farms. It is the leading producer of dairy products in Kazakhstan. Investments of over \$46 million. Production capacity – 330 tones per day.

Coca-Cola İçecek

Coca-Cola İçecek

Coca-Cola İçecek is part of Coca-Cola Group and the 5th largest plant producing Coca-Cola soft drinks in terms of sales volume. Coca-Cola İçecek launched its first plant of soft drinks in Almaty in 2006 and the second in Astana in 2016. Investments of over \$300 million. Production capacity – 700 million liters per year.

SECTOR PREFERENCES FOR INVESTORS

Subsidies and other benefits

- Subsidies to cover the cost of mineral fertilizers and herbicides
- Subsidies to cover the cost of water supply services
- Subsidies to cover the expenses related to creating and developing irrigation systems
- Subsidies to cover the expenses related to purchasing raw materials
- Insurance subsidies related to crop farming
- Recovery of certain expenses associated with export of local products
- Investment subsidies
- Grants of up to 30% for investments in fixed assets incl. incurred costs related to construction, equipment assembly, and purchase
- Subsidies on remuneration rates related to loans and leasing
- Tax benefits for certain types of production

Loans

- Leasing of agricultural equipment
- Loans for certain types of capital expenditure
- Loans for spring irrigation and harvesting
- Loans for farmers' cooperatives
- Linking of lending to agricultural producers to the utilization of processing facilities
- SME microlending
- External loans



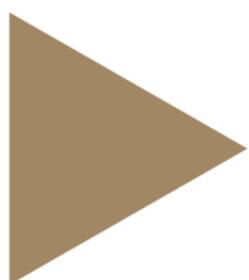
Attractive industrial niches:
www.invest.gov.kz/pages/agriculture-and-food-manufacturing

◀ *Altynbakan*

Altynbakan swing (alty – six, bakan – pole) is one of essential entertainments of any Kazakh celebration, meeting place for young people where they can sing songs and have fun.



To install altynbakan, six 3–4 meters long logs, wide crossbeam and three lassos are required. Altynbakan is used for swinging by couples – boy and girl, taking turns.



REGIONS OF
KAZAKHSTAN

AKMOLA REGION

Administrative centre: Kokshetau

Territory: 146 200 km² (9th place)

Major cities: Kokshetau, Stepnogorsk, Shchuchinsk

Population¹: 745.7 thous. people (11th place)

Population density: 5.1 inhabitants/km² (9th place)



GRP

\$5 bln

ECONOMIC INDICATORS:

Gross regional product: \$5 bln

Relative share in GDP of Kazakhstan: 2.7%

Investments into fixed capital: \$900 mln

Number of JVs and foreign companies: 281

Volume of industrial production: \$1 500 mln

Relative share in industrial production of the RoK: 2.3%

Volume of agricultural production: \$1 200 mln

Volume of regional exports: \$400 mln

Volume of regional imports: \$500 mln

SPECIALISATION:

Agriculture (16% in GRP), manufacturing industry (15%),
trade (13%), transportation and storage (9%),
construction (6%), education (4%).

MINERAL RESOURCES:

- metals – 57 deposits
- minerals – 6 deposits
- COMR* – 372 deposits

Export

\$400 mln

LAND RESOURCES:

87% of the land is occupied by farmland (42% arable, 58% pastures)

WATER RESOURCES:

- major rivers: Ishim, Nura, Siley, Kulanotpes
- major lakes: Teniz, Korgalzhyn, Kypshak, Kerei
- reservoirs: Astana, Seletinsk, Chaglinsk (13 total)
- 13 underground and 5 mineral water deposits

RATES:

Water supply: 0.22 \$/m³

Power supply: 7.96 \$/100 kW

Heat supply: 12.31 \$/Gcal

Liquefied gas: 0.42 \$/kg

Import

\$500 mln



www.akmo.gov.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

AKTOBE REGION

Administrative centre: Aktobe
 Territory: 300 600 km² (2nd place)
 Major cities: Aktobe, Kandyagash
 Population¹: 838 thous. people (9th place)
 Population density: 2.8 inhabitants/km² (16th place)

**ECONOMIC INDICATORS:**

Gross regional product: \$7.9 bln
 Relative share in GDP of Kazakhstan: 4.3%
 Investments into fixed capital: \$1 600 mln
 Number of JVs and foreign companies: 437
 Volume of industrial production: \$4 600 mln
 Relative share in industrial production of the RoK: 6.8%
 Volume of agricultural production: \$600 mln
 Volume of regional exports: \$3 600 mln
 Volume of regional imports: \$1 100 mln

GRP
\$7.9 bln

SPECIALISATION:

Mining industry (23% in GRP), trade (16%), manufacturing industry (9%), transportation and storage (9%), real estate (8%), construction (6%).

MINERAL RESOURCES:

- hydrocarbons – 73 deposits
- metals – 80 deposits
- minerals – 29 deposits
- COMR* – 178 deposits

Export
\$3 600 mln

LAND RESOURCES:

32.5% of the land is occupied by farmland
 (6.7% arable, 88.8% pastures, 4.5% deposits)

WATER RESOURCES:

- major rivers: Torgay, Oiyl, Zhem, Yrgyz
- major lakes: Aike (150 total)
- reservoirs: Kargalinsk, Aktubinsk, Sazdinsk

RATES:

Water supply: 0.22 \$/m³
 Power supply: 3.77 \$/100 kW
 Heat supply: 9.08 \$/Gcal
 Natural gas: 0.02 \$/kg

Import
\$1 100 mln



www.investinaktobe.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

ALMATY REGION

Administrative centre: Taldykorgan
 Territory: 223 540 km² (5th place)
 Major cities: Taldykorgan, Tekeli,
 Kapshagay, Issyk, Talgar, Kaskelen, Zharkent
 Population¹: 1 952.2 thous. people (2nd place)
 Population density: 8.7 inhabitants/km² (4th place)



ECONOMIC INDICATORS:

Gross regional product: \$8.9 bln
 Relative share in GDP of Kazakhstan: 4.8%
 Investments into fixed capital: \$2 200 mln
 Number of JVs and foreign companies: 257
 Volume of industrial production: \$5 500 mln
 Relative share in industrial production of the RoK: 3.8%
 Volume of agricultural production: \$2 000 mln
 Volume of regional exports: \$300 mln
 Volume of regional imports: \$1 400 mln

GRP
\$8.9 bln

SPECIALISATION:

Manufacturing industry (18% in GRP), agriculture (16% in GRP) transport and logistics (11%), transportation and storage (11%), real estate (10%), construction (10%), trade (10%).

MINERAL RESOURCES:

- metals – 31 deposits
- minerals – 8 deposits
- COMR* – 483 deposits

Export
\$300 mln

LAND RESOURCES:

73% of the land is occupied by farmland
 (7% arable, 93% pastures and hayfields)

WATER RESOURCES:

- major rivers: Ili, Lepsy, Karatal, Aksu
- major lakes: Balkhash, Alakol, Sasykkol (30 total)
- reservoirs: Ili-Kapshagay, Shelek-Bortagay (25 total)
- 50 underground water deposits

RATES:

Water supply: 0.20 \$/m³
 Power supply: 6.15 \$/100 kW
 Heat supply: 10.53 \$/Gcal
 Liquefied gas: 0.35 \$/kg

Import
\$1 400 mln



www.invest.alm-reg.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

ATYRAU REGION

Administrative centre: Atyrau
 Territory: 118 600 km² (12th place)
 Major cities: Atyrau, Kulsary
 Population¹: 597.8 thous. people (15th place)
 Population density: 5 inhabitants/km² (10th place)

**ECONOMIC INDICATORS:**

Gross regional product: \$19 bln
 Relative share in GDP of Kazakhstan: 10.3%
 Investments into fixed capital: \$6 500 mln
 Number of JVs and foreign companies: 472
 Volume of industrial production: \$15 500 mln
 Relative share in industrial production of the RoK: 23.1%
 Volume of agricultural production: \$200 mln
 Volume of regional exports: \$14 700 mln
 Volume of regional imports: \$2 400 mln

GRP
\$19 bln

SPECIALISATION:

Mining industry (47% in GRP), professional services (9%),
 construction (8%), transportation and logistics (7%),
 real estate (4%), manufacturing industry (4%).

MINERAL RESOURCES:

- hydrocarbons – 180 deposits
- minerals – 24 deposits
- COMR* – 61 deposits

Export
\$14 700 mln

LAND RESOURCES:

19% of the land is occupied by farmland (88% pastures,
 1% cultivation area, 11% private subsidiary farming)

WATER RESOURCES:

- Caspian Sea
- major rivers: Ural, Oiyl, Zhem, Sagyz
- major lakes: Inder
- 36 underground water deposits

RATES:

Water supply: 0.33 \$/m³
 Power supply: 2.24 \$/100 kW
 Heat supply: 13.82 \$/Gcal
 Natural gas: 0.02 \$/kg

Import
\$2 400 mln



www.atyrauinvest.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

EAST KAZAKHSTAN REGION

Administrative centre: Ust-Kamenogorsk
 Territory: 283 220 km² (3rd place)
 Major cities: Ust-Kamenogorsk, Semey,
 Ridder, Ayagoz, Zyryanovsk
 Population¹: 1 396.3 thous. people (4th place)
 Population density: 4.9 inhabitants/km² (9th place)



ECONOMIC INDICATORS:

Gross regional product: \$10.4 bln
 Relative share in GDP of Kazakhstan: 5.6%
 Investments into fixed capital: \$1 800 mln
 Number of JVs and foreign companies: 310
 Volume of industrial production: \$4 600 mln
 Relative share in industrial production of the RoK: 6.8%
 Volume of agricultural production: \$1 300 mln
 Volume of regional exports: \$2 100 mln
 Volume of regional imports: \$1 800 mln

GRP
\$10.4 bln

SPECIALISATION:

Manufacturing industry (20% in GRP), trade (14%),
 agriculture (10%), real estate (9%), mining industry (7%),
 construction (5%).

MINERAL RESOURCES:

- hydrocarbons – 2 deposits
- metals – 146 deposits
- minerals – 11 deposits
- COMR* – 287 deposits

Export
\$2 100 mln

LAND RESOURCES:

36% of the land is occupied by farmland
 (14% arable, 86% pastures and hayfields)

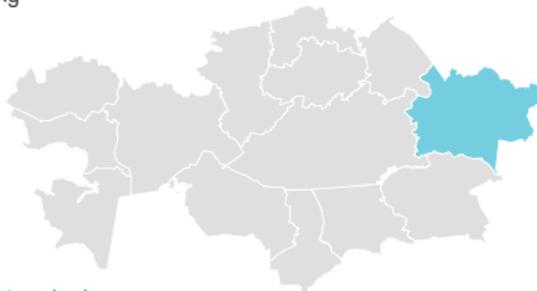
WATER RESOURCES:

- major rivers: Irtysh, Ulba
- major lakes: Alakol, Zaysan, Sasykkol, Markakol
- reservoirs: Bukharta, Ust-Kamenogorsk, Shulba (75 total)

RATES:

Water supply: 0.16 \$/m³
 Power supply: 4.63 \$/100 kW
 Heat supply: 8.66 \$/Gcal
 Liquefied gas: 0.53 \$/kg

Import
\$1 800 mln



www.invest.e-vko.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

KARAGANDA REGION

Administrative centre: Karaganda
 Territory: 428 000 km² (1st place)
 Major cities: Karaganda, Balkhash,
 Zhezkazgan, Satpayev, Saran, Temirtau, Shakhtinsk
 Population¹: 1 386.3 thous. people (5th place)
 Population density: 3.2 inhabitants/km² (15th place)

**ECONOMIC INDICATORS:**

Gross regional product: \$14.0 bln
 Relative share in GDP of Kazakhstan: 7.6%
 Investments into fixed capital: \$1 600 mln
 Number of JVs and foreign companies: 1 112
 Volume of industrial production: \$6 400 mln
 Relative share in industrial production of the RoK: 9.5%
 Volume of agricultural production: \$700 mln
 Volume of regional exports: \$3 300 mln
 Volume of regional imports: \$1 400 mln

GRP
\$14 bln

SPECIALISATION:

Manufacturing industry (30% in GRP), trade (13%),
 transportation and storage (10%), mining industry (9%),
 real estate (7%), construction (4%).

MINERAL RESOURCES:

- hydrocarbons – 25 deposits
- metals – 147 deposits
- minerals – 37 deposits
- COMR* – 187 deposits

Export
\$3 300 mln

LAND RESOURCES:

92.6% of the land is occupied by farmland
 (95% pasture, 3% crops, 2% private farms)

WATER RESOURCES:

- major rivers: Nura, Torgay, Sarysu, Shiderty
- major lakes: Balkhash, Karasor, Kypshak (83 total)
- reservoirs: Temirtau, Sherubaynur, Zhezdin
- channel Irtysh – Karaganda

RATES:

Water supply: 0.32 \$/m³
 Power supply: 4.04 \$/100 kW
 Heat supply: 9.46 \$/Gcal
 Liquefied gas: 0.44 \$/kg

Import
\$1 400 mln



www.karaganda-region.gov.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

KOSTANAY REGION

Administrative centre: Kostanay
 Territory: 196 000 km² (6th place)
 Major cities: Kostanay, Rudny, Lisakovsk, Zhitikara
 Population¹: 883.9 thous. people (7th place)
 Population density: 4.5 inhabitants/km² (11th place)



ECONOMIC INDICATORS:

Gross regional product: \$6.2 bln
 Relative share in GDP of Kazakhstan: 3.4%
 Investments into fixed capital: \$800 mln
 Number of JVs and foreign companies: 524
 Volume of industrial production: \$2 000 mln
 Relative share in industrial production of the RoK: 3.0%
 Volume of agricultural production: \$1 200 mln
 Volume of regional exports: \$950 mln
 Volume of regional imports: \$95 mln

GRP
\$6.2 bln

SPECIALISATION:

Trade (15% in GRP), agriculture (13%),
 transportation and storage (13%), real estate (11%),
 manufacturing industry (11%), mining industry (7%).

MINERAL RESOURCES:

- metals – 74 deposits
- minerals – 3 deposits
- COMR* – 251 deposits

Export
\$950 mln

LAND RESOURCES:

92.4% of the land is occupied by farmland
 (68% pastures, 32% arable)

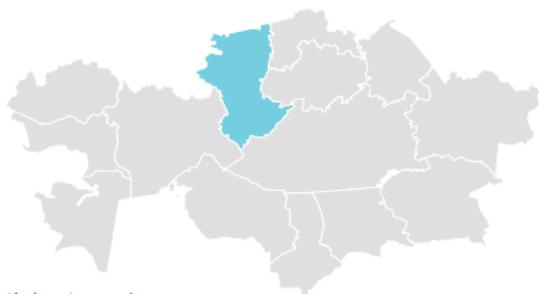
WATER RESOURCES:

- major rivers: Torgay, Tobyl
- major lakes: Kusmurnyn, Akkol, Tontyger (9 000 total)
- reservoirs: Verkhne-Tobolsk, Karatomar (9 total)

RATES:

Water supply: 0.23 \$/m³
 Power supply: 6.64 \$/100 kW
 Heat supply: 16.79 \$/Gcal
 Natural gas: 0.07 \$/kg

Import
\$950 mln



www.investinkostanay.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016
 *COMR – commonly occurring mineral resources

KYZYLORDA REGION

Administrative centre: Kyzylorda
 Territory: 226 000 km² (4th place)
 Major cities: Kyzylorda, Baikonur, Aralsk
 Population¹: 768.6 thous. people (11th place)
 Population density: 3.4 inhabitants/km² (14th place)

**ECONOMIC INDICATORS:**

Gross regional product: \$5.2 bln
 Relative share in GDP of Kazakhstan: 2.8%
 Investments into fixed capital: \$1 000 mln
 Number of JVs and foreign companies: 94
 Volume of industrial production: \$2 700 mln
 Relative share in industrial production of the RoK: 4.0%
 Volume of agricultural production: \$300 mln
 Volume of regional exports: \$1 200 mln
 Volume of regional imports: \$100 mln

GRP
\$5.2 bln

SPECIALISATION:

Mining industry (28% in GRP), transportation and storage (11%),
 construction (9%), trade (8%), real estate (6%),
 manufacturing industry (5%).

MINERAL RESOURCES:

- hydrocarbons – 82 deposits
- metals – 20 deposits
- minerals – 1 deposit
- COMR* – 251 deposits

Export
\$1 250 mln

LAND RESOURCES:

13.5% of the land is occupied by farmland (70% pastures,
 6.5% cultivation area, 23.5% private subsidiary farming)

WATER RESOURCES:

- Aral Sea
- major rivers: Syrdarya
- major lakes: Kamystybas, Arys, Aschykol
- 26 underground water deposits

RATES:

Water supply: 0.18 \$/m³
 Power supply: 6.95 \$/100 kW
 Heat supply: 9.34 \$/Gcal
 Natural gas: 0.06 \$/kg

Import
\$100 mln



www.e-kyzylorda.gov.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

MANGYSTAU REGION

Administrative centre: Aktau
Territory: 165 600 km² (7th place)
Major cities: Aktau, Zhanaozen
Population¹: 631.7 thous. people (9th place)
Population density: 3.8 inhabitants/km² (13th place)



ECONOMIC INDICATORS:

Gross regional product: \$9.5 bln
Relative share in GDP of Kazakhstan: 5.2%
Investments into fixed capital: \$2 000 mln
Number of JVs and foreign companies: 465
Volume of industrial production: \$7 000 mln
Relative share in industrial production of the RoK: 10.5%
Volume of agricultural production: \$50 mln
Volume of regional exports: \$4 000 mln
Volume of regional imports: \$600 mln

GRP
\$9.5 bln

SPECIALISATION:

Mining industry (41% in GRP), transportation and trade (9%), real estate (9%), construction (7%), trade (4%), manufacturing industry (4%).

MINERAL RESOURCES:

- hydrocarbons – 169 deposits
- metals – 6 deposits
- minerals – 3 deposits
- COMR* – 140 deposits

Export
\$4 000 mln

LAND RESOURCES:

31% of the land is occupied by farmland
(80% pastures, 0.01% cultivation area)

WATER RESOURCES:

- Caspian Sea
- 33 underground water deposits

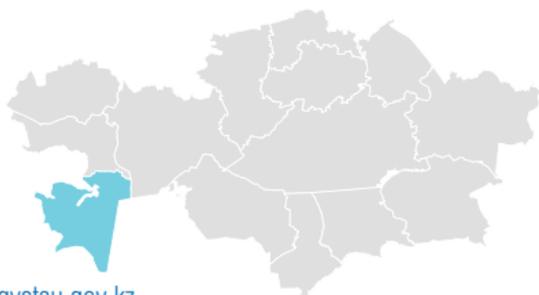
RATES:

Water supply: 0.68 \$/m³
Power supply: 4.06 \$/100 kW
Heat supply: 9.76 \$/Gcal
Natural gas: 0.03 \$/kg

Import
\$600 mln



www.mangystau.gov.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

NORTH KAZAKHSTAN REGION

Administrative centre: Petropavlovsk
 Territory: 97 993 km² (41th place)
 Major cities: Petropavlovsk, Taiynsha,
 Sergeevka, Bulaevo, Mamlyutka
 Population¹: 568.9 thous. people (16th place)
 Population density: 5.8 inhabitants/km² (7th place)

**ECONOMIC INDICATORS:**

Gross regional product: \$3.8 bln
 Relative share in GDP of Kazakhstan: 2.1%
 Investments into fixed capital: \$700 mln
 Number of JVs and foreign companies: 367
 Volume of industrial production: \$700 mln
 Relative share in industrial production of the RoK: 1.1%
 Volume of agricultural production: \$1 400 mln
 Volume of regional exports: \$100 mln
 Volume of regional imports: \$400 mln

GRP
\$3.8 bln

SPECIALISATION:

Agriculture (25% in GRP), trade (15%),
 real estate (12%), manufacturing industry (9%),
 transportation and storage (8%).

MINERAL RESOURCES:

- metals – 16 deposits
- minerals – 2 deposits
- COMR* – 171 deposits

Export
\$100 mln

LAND RESOURCES:

92% of the land is occupied by farmland
 (63% arable, 29% pastures and hayfields)

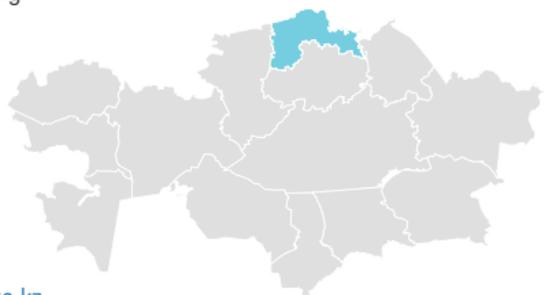
WATER RESOURCES:

- major rivers: Ishim, Akanburluk, Imanburluk
- lakes: ~2 300
- reservoirs: Sergeev, Petropavlovsk
- 33 underground and 6 mineral water deposits

RATES:

Water supply: 0.22 \$/m³
 Power supply: 4.88 \$/100 kW
 Heat supply: 9.21 \$/Gcal
 Liquefied gas: 0.44 \$/kg

Import
\$400 mln



investinsko.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

PAVLODAR REGION

Administrative centre: Pavlodar
 Territory: 124 800 km² (11th place)
 Major cities: Pavlodar, Ekibastuz, Aksu
 Population¹: 759.1 thous. people (10th place)
 Population density: 6.1 inhabitants/km² (6th place)



ECONOMIC INDICATORS:

Gross regional product: \$7.8 bln
 Relative share in GDP of Kazakhstan: 4.2%
 Investments into fixed capital: \$2 000 mln
 Number of JVs and foreign companies: 438
 Volume of industrial production: \$4 700 mln
 Relative share in industrial production of the RoK: 7.0%
 Volume of agricultural production: \$570 mln
 Volume of regional exports: \$1 200 mln
 Volume of regional imports: \$1 500 mln

GRP
\$7.8 bln

SPECIALISATION:

Manufacturing industry (22% in GRP), transportation and storage (17%), construction (8%), real estate (6%), electricity supply (6%), agriculture (5%).

MINERAL RESOURCES:

- metals – 24 deposits
- minerals – 4 deposits
- COMR* – 133 deposits

Export
\$1 200 mln

LAND RESOURCES:

89.6% of the land is occupied by farmland
 (73.5% pastures, 17% arable and hayfields, 9.5% others)

WATER RESOURCES:

- major rivers: Irtysh, Shiderty, Olenty, Selety (130 total)
- channel Irtysh – Karaganda
- major lakes: Kyzylkak, Zhalauly, Karasor (1 200 total)
- reservoirs: Shiderty, Ekibastuz (10 total)
- 15 underground water deposits

RATES:

Water supply: 0.09 \$/m³
 Power supply: 4.08 \$/100 kW
 Heat supply: 6.46 \$/Gcal

Import
\$1 500 mln



www.investinpavlodar.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

SOUTH KAZAKHSTAN REGION

Administrative centre: Shymkent
 Territory: 117 300 km² (13th place)
 Major cities: Shymkent, Turkistan, Arys
 Population¹: 2 857.0 thous. people (1st place)
 Population density: 24.2 inhabitants/km² (3rd place)

**ECONOMIC INDICATORS:**

Gross regional product: \$11.3 bln
 Relative share in GDP of Kazakhstan: 6.1%
 Investments into fixed capital: \$1 800 mln
 Number of JVs and foreign companies: 301
 Volume of industrial production: \$3 000 mln
 Relative share in industrial production of the RoK: 4.5%
 Volume of agricultural production: \$1 600 mln
 Volume of regional exports: \$1 700 mln
 Volume of regional imports: \$1 400 mln

GRP
\$11.3 bln

SPECIALISATION:

Industry (19% in GRP), real estate (12%), trade (11%),
 agriculture (9%), transportation and storage (9%),
 construction (6%).

MINERAL RESOURCES:

- hydrocarbons – 2 deposits
- metals – 32 deposits
- minerals – 9 deposits
- COMR* – 286 deposits

Export
\$1 700 mln

LAND RESOURCES:

87% of the land is occupied by farmland
 (7.5% arable, 78.8% pastures and hayfields)

WATER RESOURCES:

- rivers: Syrdarya and 118 small rivers
- 25 lakes and 28 reservoirs
- 79 underground water deposits

RATES:

Water supply: 0.22 \$/m³
 Power supply: 6.67 \$/100 kW
 Heat supply: 16.17 \$/Gcal
 Natural gas: 0.09 \$/kg

Import
\$1 400 mln



www.ontustik.gov.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

WEST KAZAKHSTAN REGION

Administrative centre: Uralsk

Territory: 151 300 km² (8th place)

Major cities: Uralsk, Aksai

Population¹: 638.44 thous. people (13th place)

Population density: 4.2 inhabitants/km² (12th place)



ECONOMIC INDICATORS:

Gross regional product: \$7.7 bln

Relative share in GDP of Kazakhstan: 4.1%

Investments into fixed capital: \$1 600 mln

Number of JVs and foreign companies: 314

Volume of industrial production: \$5 800 mln

Relative share in industrial production of the RoK: 8.7%

Volume of agricultural production: \$400 mln

Volume of regional exports: \$5 100 mln

Volume of regional imports: \$900 mln

GRP
\$7.7 bln

SPECIALISATION:

Mining industry (46% in GRP), trade (8%),
real estate (6%), construction (4%),
manufacturing industry (4%), agriculture (3%).

MINERAL RESOURCES:

- hydrocarbons – 35 deposits
- minerals – 3 deposits
- COMR* – 120 deposits

Export
\$5 100 mln

LAND RESOURCES:

36.4% of the land is occupied by farmland
(9.2% arable, 74.3% pastures and hayfields)

WATER RESOURCES:

- major rivers: Ural, Saryozen, Karaozen, Kaldygaity
- major lakes: Shalkar, Aralsor, Botkol
- reservoirs: Kirov, Bitik, Dongelek

RATES:

Water supply: 0.14 \$/m³

Power supply: 4.18 \$/100 kW

Heat supply: 13.51 \$/Gcal

Natural gas: 0.05 \$/kg

Import
\$900 mln



www.bko.gov.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

ZHAMBYL REGION

Administrative centre: Taraz
 Territory: 144 300 km² (10th place)
 Major cities: Taraz, Shu
 Population¹: 1 114.3 thous. people (6th place)
 Population density: 7.7 inhabitants/km² (5th place)

**ECONOMIC INDICATORS:**

Gross regional product: \$4.6 bln
 Relative share in GDP of Kazakhstan: 2.5%
 Investments into fixed capital: \$1 000 mln
 Number of JVs and foreign companies: 94
 Volume of industrial production: \$1 300 mln
 Relative share in industrial production of the RoK: 1.9%
 Volume of agricultural production: \$800 mln
 Volume of regional exports: \$150 mln
 Volume of regional imports: \$340 mln

GRP
\$4.6 bln

SPECIALISATION:

Transportation and storage (14% in GRP),
 manufacturing industry (12%), agriculture (12%),
 trade (11%), real estate (9%), construction (8%).

MINERAL RESOURCES:

- hydrocarbons – 8 deposits
- metals – 40 deposits
- minerals – 31 deposits
- COMR* – 219 deposits

Export
\$150 mln

LAND RESOURCES:

29.8% of the land is occupied by farmland
 (13% crops, 77% pastures)

WATER RESOURCES:

- major rivers: Shu, Talas, Asa
- major lakes: Balkhash, Aschykol, Biylikol
- reservoirs: Tasotkel, Aschybulak

RATES:

Water supply: 0.08 \$/m³
 Power supply: 5.67 \$/100 kW
 Heat supply: 11.24 \$/Gcal
 Natural gas: 0.42 \$/kg

Import
\$340 mln



www.dppzhambyl.gov.kz



¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

*COMR – commonly occurring mineral resources

ASTANA

Administrative division: 3 districts

Territory: 710 km² (15th place)

Population¹: 877.7 thous. people (8th place)

Population density: 1 229.0 inhabitants/km² (2nd place)



ECONOMIC INDICATORS:

Gross regional product: \$21.6 bln

Relative share in GDP of Kazakhstan: 11.8%

Investments into fixed capital: \$3 500 mln

Number of JVs and foreign companies: 1 739

Volume of industrial production: \$1 700 mln

Relative share in industrial production of the RoK: 2.6%

Volume of agricultural production: \$6 mln

Volume exports: \$4 100 mln

Volume imports: \$3 700 mln

SPECIALISATION:

Trade (21% in GRP), real estate (11%), construction (9%), transportation and storage (9%), manufacturing (4%).

FORMED CLUSTERS:

- trade and e-commerce
- construction and building materials
- business-services
- transport and logistics
- tourism and hospitality
- financial services
- education and scientific research
- telecommunications
- personal services

GRP
\$21.6 bln

EMERGING CLUSTERS:

- services and materials for agriculture
- communication equipment production and communication services
- marketing, design and publishing
- leisure and entertainment
- art

Export
\$4 100 mln

WATER RESOURCES:

- Esil river

RATES:

Water supply: 0.14 \$/m³

Power supply: 4.82 \$/100 kW

Heat supply: 7.24 \$/Gcal

Liquefied gas: 0.32 \$/kg

Import
\$3 700 mln



www.astana.gov.kz

¹According to the Committee on Statistics of the MNE of the RoK as of 01.04.2016

ALMATY

Administrative division: 8 districts
 Territory: 683.5 km² (16th place)
 Population¹: 1 716.7 thous. people (3rd place)
 Population density: 2 492.3 inhabitants/km² (1st place)

**ECONOMIC INDICATORS:**

Gross regional product: \$41.0 bln
 Relative share in GDP of Kazakhstan: 22.3%
 Investments into fixed capital: \$2 400 mln
 Number of JVs and foreign companies: 6 293
 Volume of industrial production: \$3 000 mln
 Relative share in industrial production of the RoK: 4.4%
 Volume of agricultural production: \$6 mln
 Volume exports: \$2 800 mln
 Volume imports: \$11 700 mln

SPECIALISATION:

Trade (36% in GRP), real estate (11%), finance and insurance (9%), professional services (7%), information and communication (6%), transportation and storage (6%).

FORMED CLUSTERS:

- trade and e-commerce
- financial services
- retail
- real estate
- personal services
- business-services
- transport and logistics
- education and scientific research
- construction and building materials
- telecommunications

GRP
\$41 bln

EMERGING CLUSTERS:

- printing services
- household appliances production
- video production and distribution
- communication equipment production and communication services
- music and sound recording
- furniture manufacturing
- leisure and entertainment
- aquaculture
- vehicles

Export
\$2 800 mln

RATES:

Water supply: 0.16 \$/m³
 Power supply: 6.70 \$/100 kW
 Heat supply: 16.77 \$/Gcal
 Natural gas: 0.09 \$/kg

Import
\$11 700 mln

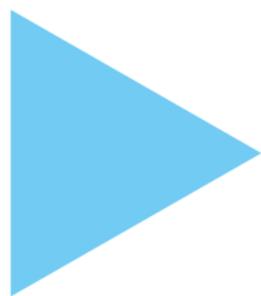


◀ *Kyz Kuu*

According to an immemorial custom existing back in the time of Saks tribes, before marrying a girl, a boy shall prove his skills of a rider. To do this, a Kyz Kuu game was used, this name is translated as “catch up to a girl”.



Horse race is started by a girl, little later a boy starts. If he can catch up to her, he is allowed to hug and kiss her while riding. If not, they race back and if the girl can catch up to the boy, she can whip him and she is declared to be a winner.



CONTACT

INFORMATION

► **PUBLIC BODIES AND ORGANIZATIONS
RESPONSIBLE FOR ATTRACTION OF INVESTMENTS:**

**Ministry for
Investment
and Development**



32/1 Kabanbai Batyr avenue,
Astana, 010000
tel.: +7 (717) 275 4411
fax: +7 (717) 275 4080
e-mail: mid@mid.gov.kz
www.mid.gov.kz

"KAZNEX INVEST"
National Export and
Investment Agency, JSC
6nd floor, 2 Kunayev street,
Astana, 010000
tel.: +7 (717) 291 9040
fax: +7 (717) 291 9050
e-mail: info@kaznexinvest.kz
www.kaznexinvest.kz



**Investment Committee
of the Ministry
for Investment and Development**

32/1 Kabanbai Batyr avenue,
Astana, 010000
tel.: +7 (717) 275 4585
e-mail: callcentre@cominvest.kz

Hotline for investors:
tel.: +7 (717) 275 4540
e-mail: investment@mid.gov.kz



**Investors Service Sectors at the Public
Corporation "Government for Citizens", NJSC**

Astana city department

- Department of Esil district
(depart. № 1)
BC "Saint Petersburg",
20 Dostyk street, Astana
tel.: +7 (717) 242 5842
- Department of Esil district
(depart. № 7)
7 Sauran street, Astana
tel.: +7 (717) 250 1370

Almaty city department

- Department of Medeu district
44 Markov street, Almaty
tel.: +7 (727) 330 9814
- Department of Bostandyk district
9A Khodzhanov street, Almaty
tel.: +7 (727) 396 2559
- Department of Auezov district
51 Dzhandossov street, Almaty
tel.: +7 (727) 303 6825

Akmola region department

Department № 2 of Kokshetau city
96 Abay street, Kokshetau
tel.: +7 (7162) 500 809

Aktobe region department

Department № 1 of Aktobe city
109 Turgenev street, Aktobe
tel.: +7 (7132) 578 027

Almaty region department

Department of Taldykorgan city
67B Tauelsizdik street, Taldykorgan
tel.: +7 (7282) 244 043

Atyrau region department

Department № 1 of Atyrau city
23 Satpayev street, Atyrau
tel.: +7 (7122) 558 004

East Kazakhstan region department

Department № 3 of
Ust-Kamenogorsk city
37A Belinskiy street,
Ust-Kamenogorsk
tel.: +7 (7232) 784 290

Karaganda region department

Department № 3 of Karaganda city
10/5 Tatimbet street, Karaganda
tel.: +7 (7212) 559 021

Kostanay region department

Department № 1 of Kostanay city
14 Taran street, Kostanay
tel.: +7 (7142) 547 499

Kyzylorda region department

Department № 1 of Kyzylorda city
2e Muratbayev street, Kyzylorda
tel.: +7 (7242) 230 295

Mangistau region department

Department of Aktau city
67b building,
15 microdistrict, Aktau
tel.: +7 (7292) 422 317

Pavlodar region department

Department № 3 of Pavlodar city
48 Pavlov street, Pavlodar
tel.: +7 (7182) 334 745

North Kazakhstan region department

Department № 1 of
Petropavlovsk city
157, M. Auezov street,
Petropavlovsk
tel.: +7 (7152) 551 050

South Kazakhstan region

Department № 2 of Shymkent city
1/16 Madeli Kozha street,
Shymkent
tel.: +7 (7252) 214 896

West Kazakhstan region department

Department № 1 of Uralsk city
81 Zhambyl street, Uralsk
tel.: +7 (7112) 282 405

Zhambyl region department

Department № 1 of Taraz city
158A K.Koigeldy street, Taraz
tel.: +7 (7262) 454 606

► **CENTRAL EXECUTIVE BODIES (MINISTRIES)
OF THE REPUBLIC OF KAZAKHSTAN**

Ministry of Foreign Affairs

31 Kunayev street, Astana, 010000
tel.: +7 (717) 272 0517
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e-mail: mfa@mfa.kz
www.mfa.gov.kz

Ministry of Finance

11 Pobeda avenue, Astana, 010000
tel.: +7 (717) 271 7764
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e-mail: administrator@minfin.gov.kz
www.minfin.gov.kz

Ministry of National Economy

7 entrance, House of Ministries,
8 Orynbor street, Astana, 010000
tel.: +7 (717) 274 3798
e-mail: info@economy.gov.kz
www.economy.gov.kz

Ministry of Information and Communication

14 entrance, House of Ministries,
8 Orynbor street, Astana, 010000
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fax: +7 (717) 274 0364
e-mail: mic@mic.gov.kz
www.mic.gov.kz

Ministry of Energy

19A Kabanbai Batyr avenue,
Astana, 010000
tel.: +7 (717) 297 6981
e-mail: kence@energo.gov.kz
www.energo.gov.kz

Ministry of Education and Science

8 Orynbor street, Astana, 010000
tel.: +7 (717) 274 2425
e-mail: pressa.edu@gmail.com
www.edu.gov.kz

Ministry of Agriculture

36 Kenesary street, Astana, 010000
tel.: +7 (717) 255 5763
fax: +7 (717) 255 5995
e-mail: office@minagri.gov.kz
www.mgov.kz

Ministry of Culture and Sport

15 entrance, House of Ministries,
8 Orynbor street, Astana, 010000
tel.: +7 (717) 274 0460
fax: +7 (717) 274 0454
e-mail: mksrk@mks.gov.kz
www.mks.gov.kz

Ministry of Healthcare and Social Development

6 entrance, House of Ministries,
8 Orynbor street, Astana, 010000
tel.: +7 (717) 274 3604
e-mail: minzdravsoc@mzs.gov.kz
www.mzs.gov.kz

Ministry of Defence

14 Dostyk avenue, Astana, 010000
tel.: +7 (717) 272 1384
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e-mail: mod@mod.gov.kz
www.mod.gov.kz

Ministry of Internal Affairs

14 Tauelsizdik avenue,
Astana, 010000
tel.: +7 (717) 272 2050
e-mail: kense@mvd.gov.kz
www.mvd.gov.kz

Ministry of Justice

13 entrance, House of Ministries,
8 Orynbor street, Astana, 010000
tel.: +7 (717) 274 0797
fax: +7 (717) 274 0954
e-mail: kanc@minjust.kz
www.adilet.gov.kz

► **LOCAL GOVERNMENTS (MAYORS' OFFICES)
OF THE REPUBLIC OF KAZAKHSTAN:**

Mayor's Office in Astana city

11 Beibitshilik street,
Astana, 010000
tel.: +7 (717) 255 6655
fax: +7 (717) 255 6484
e-mail: office_akimat@astana.kz
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Mayor's Office in Almaty city

4 Republic Square,
Almaty, 050001
tel.: +7 (727) 271 6675
e-mail: site@almaty.kz
www.almaty.gov.kz

Mayor's Office in Akmola region

83 Abai street,
Kokshetau, 020000
tel.: +7 (7162) 297 271
fax: +7 (7162) 297 310
e-mail: akim@akmo.kz
www.akmo.gov.kz

Mayor's Office in Aktobe region

40 Abilkhair avenue,
Aktobe, 030000
tel.: +7 (7132) 932 064
e-mail: info@akto.kz
www.aktobe.gov.kz

Mayor's Office in Almaty region

38 Tauelsizdik street,
Taldykorgan, 040000
tel.: +7 (7282) 247 429
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www.zhetysu.gov.kz

Mayor's Office in Atyrau region

77 Aiteke Bi street, Atyrau, 060010
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www.atyrau.gov.kz

**Mayor's Office in
East Kazakhstan region**

40 Gorkii street,
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fax: +7 (7232) 264 242
e-mail: chancellery@akimvko.gov.kz
www.akimvko.gov.kz

Mayor's Office in Karaganda region

13 Alikhanova street,
Karaganda, 100000
tel.: +7 (7212) 501 515
fax: +7 (7212) 501 532
e-mail: kanc_oblakimat@krg.gov.kz
www.karaganda-region.gov.kz

Mayor's Office in Kostanay region

66 Al-Farabi avenue,
Kostanay, 110000
tel.: +7 (7142) 575 084
e-mail: akim@kostanay.gov.kz
www.kostanay.gov.kz

Mayor's Office in Kyzylorda region

1 Sultan Beibarys street,
Kyzylorda, 120003
tel.: +7 (7242) 401 191
fax: +7 (7242) 605 570
e-mail: oblakimat@orda.gov.kz
www.e-kyzylorda.gov.kz

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www.worldbank.org



Islamic Development Bank
Together We Build A Better Future

Islamic Development Bank (IDB)

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Asian Development Bank

Asian Development Bank (ADB)



European Bank

European Bank for Reconstruction
and Development (EBRD)

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GLOSSARY

AIC	Agro-industrial Complex
AIFC	Astana International Financial Centre
CIIC	Council on Improvement of Investment Climate
CIS	Commonwealth of Independent States
CIT	Corporate Income Tax
COMR	Commonly occurring mineral resources
CU	Customs Union
DBK	Development Bank of Kazakhstan
DP	Domestic Procedures
DTF	Distance to Frontier
EAEU	Eurasian Economic Union
FC	Financial Centre
FIC	Foreign Investors' Council
GNP	Gross National Product
GDP	Gross Domestic Product
GRP	Gross Regional Product
GS	Government Securities
IAC	Investor Assistance Centre
ILC	Investment Logistic Centre
IZ	Industrial Zone
JSC	Joint Stock Company
KASE	Kazakhstan Stock Exchange
KZT	Tenge
LLP	Limited Liability Partnership
MCI	Monthly Calculation Index
MMC	Mining & Metallurgical Complex
MFA	The Ministry of Foreign Affairs of the Republic of Kazakhstan
MID	The Ministry for Investment and Development of the Republic of Kazakhstan
MNE	The Ministry of National Economy of the Republic of Kazakhstan
MO	Microfinance Organization
NIPT	National Industrial Petrochemical Technopark
NWF	National Welfare Fund
NS	Non-government Securities
OECD	Organisation for Economic Co-operation and Development
"PIT" SEZ	Park of Innovative Technologies
PIT	Personal Income Tax
PPP	Public Private Partnership
PRC	People's Republic of China
RF	Russian Federation

¹Since January 1, 2016 1 MCI = 2,121 KZT

RFCA	Regional Financial Centre of Almaty city
R&D	Research and Development
RE	Renewable Energy
RoK	Republic of Kazakhstan
SEZ	Special Economic Zone
SPIID	State Program on Industrial and Innovative Development
STB	Second-tier Banks
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UPSF	Unified Pension Savings Fund
VAT	Value Added Tax
WIPO	World Intellectual Property Organization
WTO	World Trade Organization



Investment Committee of the
Ministry for Investment and Development
invest.mid.gov.kz



Republic of Kazakhstan

- State boundary
 - The boundaries of areas
 - Astana** Capital
 - Almaty** The city of republican significance
 - Karaganda** Administrative centres
 - Highways
 - Railroads
- | | |
|--------------------------|----------------------------|
| 1 Akmola region | 8 Karaganda region |
| 2 Aktope region | 9 Kostanay region |
| 3 Almaty region | 10 Kyzylorda region |
| 4 Atyrau region | 11 Mangystau region |
| 5 East kazakhstan region | 12 Pavlodar region |
| 6 Zhambyl region | 13 North kazakhstan region |
| 7 West kazakhstan region | 14 South kazakhstan region |





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