

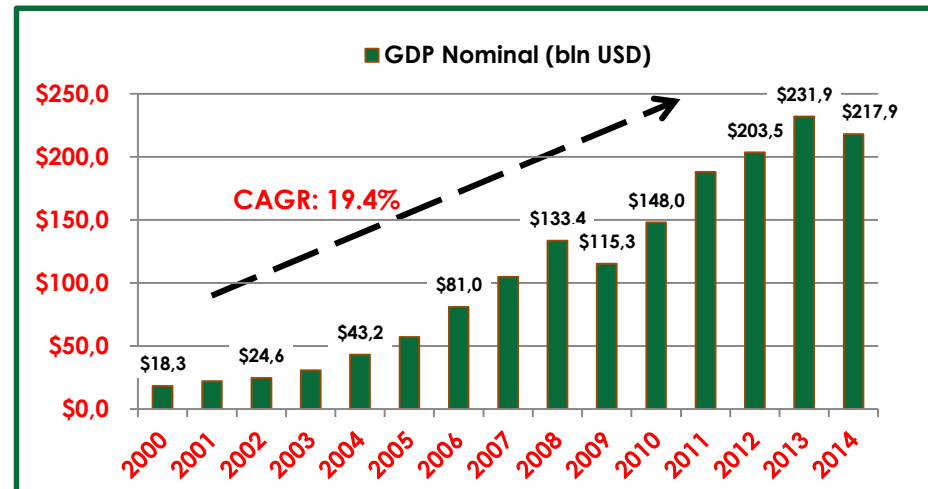
# Investment Opportunities of Aqmola region



## BRIEF OVERVIEW

# The Republic of Kazakhstan

Kazakhstan, with a territory of 2.7 mln SqM, is the **9<sup>th</sup> largest** country in the world with population of 18.1 mln people. Kazakhstan has the largest and strongest performing economy in Central Asia. Supported by rising oil output, Kazakhstan's economy grew at average **CAGR of 19.4%** over past 14 years: GDP demonstrated a 12 fold increase in US Dollar value (in local currency it showed an even higher rate of growth), from \$18.3 bln in 2000 to \$217.9 bln in 2014. Kazakhstan is the first former Soviet Republic to repay all of its debt to IMF, 7 years ahead of schedule. Kazakhstan gained considerable profits from exports of oil and other natural resources, nevertheless, in order to diversify its economy from oil dependency the government has implemented new policies focused on shifting from export of oil to output of manufactured products and boosting agriculture production. In 2011 the government initiated **State Program on Industrial Development (ГПФИИР)** to boost the manufacturing industry and in 2013 initiated **State Program Agribusiness-2020** to boost the agriculture industry. In 2011, Kazakhstan became a member of Customs Union which gives the country access to 180 mln CIS consumers market. In 2015, Kazakhstan became a member of WTO, getting access to the world trade benefits.



Source: International Monetary Fund

# Aqmola region

## Location:

Norther part of Kazakhstan (Astana, is an enclave surrounded by the territory of the region)

## Region area:

146,2 thousand sq km (5,4 % of Kazakshtan's territory)

## Administrative division :

19 regions (Region's capital – Kokshetau)

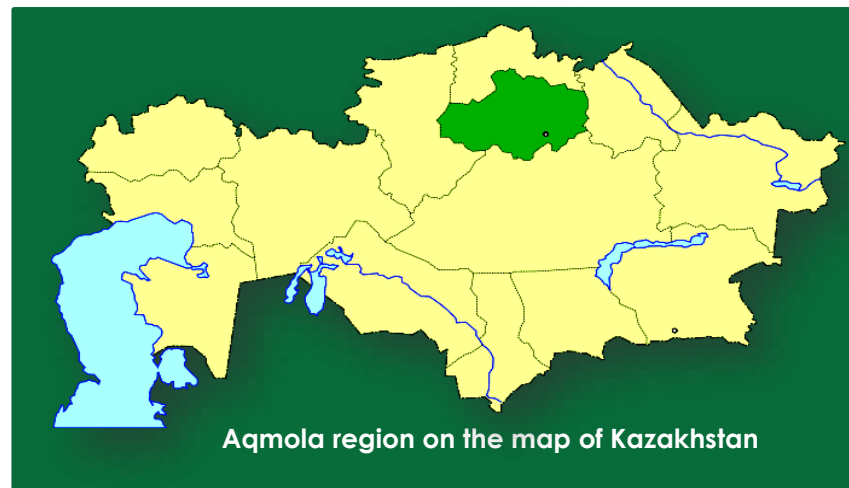
## Population:

738,600

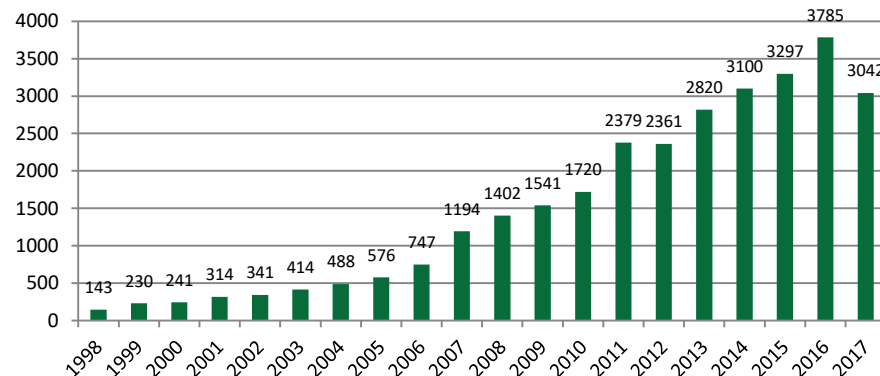
## Transport and transit potential:

- developed railway network
- highways
- Kokshetau International Airport

The economy of Aqmola region is stable and has shown rapid growth over the past 18 years: from \$ **143 million** in 1998 to \$ **3 785 million** in 2016. For **9 months of 2017** the GDP was \$ **3 042 million**.



## GDP Nominal (mln USD)



Source: Statistics department of Aqmola region

# Export opportunities

## The export potential of Aqmola region:

Trade relations with many countries of the world, among which the main partners are:

- Russia,
- countries of Central Asia,
- China,
- countries of the European Union.

Dependence on imports of **machinery, chemicals, and finished food products** increases the development potential of import-dependent segments.



## Export to foreign countries for 2017

Name	thousand USD
Products of animal and vegetable origin, ready-made food products	254 901,4
Mineral products, including fuel and energy products	2 698,8
Chemicals and related products	3 638,8
Construction materials	1 702,9
Metal products	24 621,4
Machinery, equipment, vehicles, tools and devices	45 843,9
Other goods	117,2
<b>Total Export</b>	<b>\$333 524,4</b>

## Export opportunities of agricultural products supply by agricultural producers of Aqmola region

Name	Price	Volume
grain	130-160 \$ for 1 ton	1,8 mln of ton
poultry meat	770 \$ for 1 ton	2,0 thousand of tons
chicken eggs	0,05 \$ for 1 piece	270,0 mln of pieces
flour	190-200 \$ for 1 ton	418,6 thousand of tons
plastic pipes	2,02 \$ for 1 kg	2,0 thousand of tons
polyethylene bags	0,23 \$ for 1 piece	18 mln of pieces
non-alcohol beverages	0,22 – 0,30 \$ for 1 liter	60,0 mln of liters
shoes	38 – 72 \$ for one pair	200 thousand of pairs

# Investment Attractiveness

Aqmola region has several comparative advantages that helped to attract foreign investments, keep high growth rate:

**Fuel and energy:** The region has relatively cheap fuel price (50 cents/L), energy (5 cents/Kwh);

**Abundant agriculture land:** On average, more than 80% of the lands of Aqmola region are intended for the development of agro-industrial complex. More than 90% of crop fields are occupied by grain and leguminous crops;

**Industry: attractive free niches are:**

- 1) production of food products (availability of raw materials for production);
- 2) the construction industry (the presence of common mineral resources);
- 3) mechanical engineering (the presence in the region of large agricultural enterprises, railway engineering).

**Tourism:** in the region there are 3 national nature parks and 1 nature reserve.

**Deposits of mineral resources:** There are **135** deposits of common mineral resources and solid minerals free from the right of subsoil use:

**124** deposits of common mineral resources:

- brick raw materials (clay and clay rocks) – 85;
- building stone – 20;
- construction sand – 7;
- sand-gravel mixture – 3;
- cement raw materials (clay, limestone) – 5;
- dolomite – 1;
- kaolin – 1;
- mineral paints (clay ocher) – 1;
- perlite raw materials (rhyolite) -1.

**11** deposits of solid minerals:

- uranium – 9;
- gold – 1;
- muscovite – 1.



# Priority sectors of Aqmola region



1 Industry sector

2 Agrarian sector

3 Tourism sector

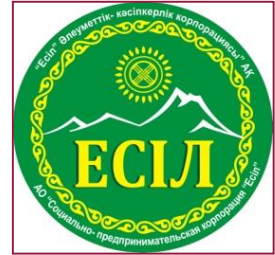


**Astana agglomeration**  
(construction, food industry,  
tourism, transport and logistics)

# **1. “NATIONAL COMPANY “SOCIO-ENTREPRENEURIAL CORPORATION “YESIL” JSC**



# Public and Private Partnership



## “NATIONAL COMPANY “SOCIO-ENTREPRENEURIAL CORPORATION “YESIL” JSC

**Registered:** October 15, 2010

**Establisher:** Akmola Region's Government(100%)

**Management body:** The board of directors, headed by the Government of Akmola region

**Execution body:** managerial authority

### The aim of creation of SEC:

Support of business initiatives and stimulation of economic activity of entrepreneurship in the region.

### Mission:

Assistance to the socio-economic development of the region on the principles of public and private partnership.

### Goals:

- Creation of new and modernization of existing competitive productions in priority sectors of the region's economy (growth points);
- Ensuring the involvement of state assets in business turnover, rehabilitation of distressed assets and the development of competitive industries on their basis;
- Development of infrastructure for supporting start-ups (business incubators, technical parks, industrial zones);
- Expansion of cooperation with state development institutions for the implementation of business projects;
- Attracting domestic and foreign investors to the region for the implementation of promising projects;
- Assisting investors during the implementation of projects through equity financing, asset participation and obtaining financing in the framework of state and sector programs;

## “NATIONAL COMPANY “SOCIO-ENTREPRENEURIAL CORPORATION “YESIL” JSC



### Opportunities:

- Obtaining a priority right to acquire the subsoil use right for exploration and extraction of common minerals, ground waters and therapeutic muds without holding a tender on the basis of direct negotiations;
- Exemption from compensation for losses of agricultural production;
- Provision of a land plot in payment of the authorized capital by prices calculated by the cadastral (estimated) value of the land plot;
- Participation in the implementation of projects through equity financing (asset participation), as well as obtaining financing under state and sector programs;

## 2. STRATEGIC PROJECTS

# The expansion of the regional grain holding

## The grain holding

<b>Project cost</b>	81.5 million USD
<b>Activity</b>	Grain production and its subsequent sale in the domestic and foreign markets
<b>Purpose</b>	Expansion of sown areas from 160 000 ha to 500 000 ha by increasing the area of land by buy-out
<b>Location</b>	Aqmola region

### **Description:**

Ensuring the production of high-quality grain, its subsequent sale in the domestic and foreign markets and distribution of revenues to the Holding participants.



## Beef cattle

<b>Project cost</b>	5.6 million USD
<b>Activity</b>	Fattening and slaughter of cattle, as well as sales of beef
<b>Purpose</b>	Construction of a feedlot site for 6,000 livestock with subsequent processing at meat processing plants and sales in domestic and foreign markets.
<b>Location</b>	Aqmola region

### Description:

Ensuring the production of high-quality beef by building a site for fattening cattle with a capacity of 6.000 heads of cattle and a meat processing complex with a production capacity of 5.500 tons of products per year.



## **3. PROJECTS REQUIRING DIRECT INVESTMENT**



# The creation of a poultry complex for the industrial production of turkey meat

## «Indeya» LLP

<b>Project cost</b>	33,3 mln USD
<b>Required amount of investments</b>	27,6 mln USD
<b>Production capacity</b>	7 700 tons per annum in live weight (6 200 tons of meat)
<b>Location</b>	Aqmola region, Burabay district
<b>Nomenclature of products (name of products, services)</b>	Turkey meat

### Current status:

A business plan for the project was developed with a financial model.

Applications were submitted to local executive bodies for allocation of land plots for production zones.

An application is submitted to the Business Support Map; Conditions and cost of design estimates are discussing.



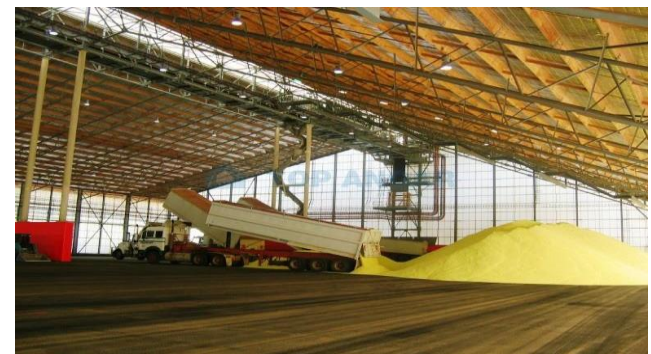
# Creation of a Biotechnological Complex for deep processing of grain

<b>Project cost</b>	86,6 million USD
<b>Required amount of investments</b>	86,6 million USD
<b>Production capacity</b>	120 thousand tons of grain
<b>Location</b>	Aqmola region
<b>Nomenclature of products (name of products, services)</b>	Processed grain

## Description:

Organization of a modern, environmentally safe production of integrated processing of wheat grain to produce the following products:

- glucose-fructose syrup;
- molasses;
- dry wheat gluten;
- concentrated feed.



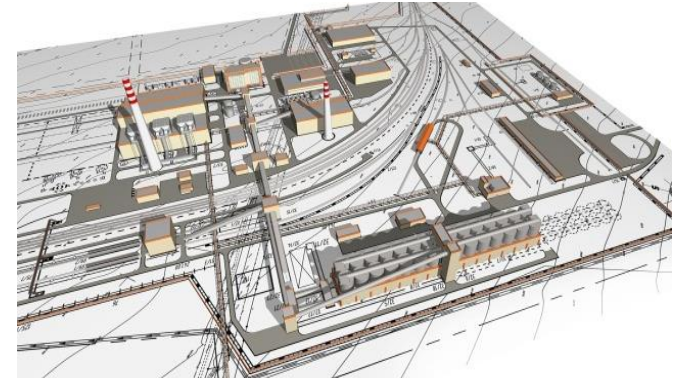
## 4. INFRASTRUCTURE

# Construction of CHPP in Kokshetau

<b>Project cost</b>	396,2 mln USD
<b>Required amount of investments</b>	396,2 mln USD
<b>Production capacity</b>	Power - 180 MW (electric), 450 Gcal / hour (thermal)
<b>Location</b>	Kokshetau
<b>Nomenclature of products (name of products, services)</b>	Electric and thermal energy

## Current status:

Development of a feasibility study has begun. Issues on the allotment of land are resolved. All specifications are received. Environmental expertise was carried out. The scheme of the connected load to KEGOC networks is developed.





# Reconstruction and expansion of water treatment facilities in Kokshetau

## “Kokshetau Construction department”

Project cost	7, 52 mln USD
Required amount of investments	7, 52 mln USD
Production capacity	30,0 thousand m3/per day
Location	Kokshetau
Nomenclature of products (name of products, services)	Expansion of water treatment facilities



### Current state:

The construction part of the buildings of the reagent farm, the mechanical dehydration department, the laboratory, the crossing point, the administrative and residential complex have been completed. Under the construction of the microfiltration unit and contact clarifiers, the foundations and frame of prefabricated-monolithic structures were erected. According to the need to adjust the project in the section of technology and equipment, the construction of the station was stopped.

# Construction of new sewage treatment plants

## “Kokshetau Construction department”

<b>Project cost</b>	17,8 mln USD
<b>Required amount of investments</b>	14,3 mln USD
<b>Production capacity</b>	50,0 thousand m3/per day
<b>Location</b>	Kokshetau
<b>Nomenclature of products (name of products, services)</b>	Construction of new sewage treatment plants





## 5. TOURISM

# LAKE RESORT DEVELOPMENT BIG CHEBACHYE AND TEKEKOL, 233 hectares («AQ BUR»)»





# LAKE RESORT DEVELOPMENT BIG CHEBACHYE AND TEKEKOL, 233 hectares («AQ BUR»)»

## THE GENERAL PLAN OF THE TOURISTIC ZONE



# LAKE RESORT DEVELOPMENT BIG CHEBACHYE AND TEKEKOL, 233 hectares («AQ BUR»)»

## 233 Ha INVESTMENT PROJECT PHASES (thousand \$)

No	Investment event	Total cost	2019	2020	2021	2022-2024	2025-2030
<b>1<sup>st</sup> PHASE</b>							
1	Construction of a family hotel (250 rooms)	44 787	4 905	19 941	19 941		
2	Construction of a hotel for couples without children (150 rooms)	21 770	1 770	10 000	10 000		
3	Water park and adventure park	37 634	3 634	17 000	17 000		
4	Ski Arena	23 935	3 935	10 000	10 000		
5	Educational and entertainment center	7 480	1 480	3 000	3 000		
6	City center (50%)	11 193	1 193	5 000	5 000		
7	Landscaping and gardening of the territory	20 000		10 000	10 000		
8	Helipad	65			65		
<b>TOTAL 1<sup>st</sup> PHASE</b>		<b>166 864</b>	<b>16 917</b>	<b>74 941</b>	<b>75 006</b>		
<b>2<sup>nd</sup> PHASE</b>							
1	Sports hotel (250 rooms)	32 155				32 155	
2	Sports center (indoor and outdoor)	12 087				12 087	
3	SPA & wellness centre	6 406				6 406	
4	City center 50%	11 193				11 193	
5	Private villas and cottages	28 280				28 280	
<b>TOTAL 2<sup>nd</sup> PHASE</b>		<b>90 121</b>				<b>90 121</b>	
<b>3<sup>rd</sup> PHASE</b>							
1	Private villas and cottages	53 357					53 357
<b>TOTAL 3<sup>rd</sup> PHASE</b>		<b>53 357</b>					<b>53 357</b>
<b>TOTAL INVESTMENTS</b>		<b>310 342</b>	<b>16 917</b>	<b>74 941</b>	<b>75 006</b>	<b>90 121</b>	<b>53 357</b>



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**THANK YOU!**