



INVEST KAZAKHSTAN

THE LAND OF GREAT OPPORTUNITIES

INVESTMENT OPPORTUNITIES

November 2018

KAZAKHSTAN IN A NUTSHELL

9th largest country in the world, bordering Russia, Kyrgyzstan, Turkmenistan, Uzbekistan, China

More than 80% of land (220 million hectares) are used for agricultural production making a country the **5th biggest** exporter of wheat.

Politically, socially and economically **STABLE**

Member of OSCE, WTO, UN, OIC, SCO, CSTO, EEU

Resource-rich country. Almost all of the elements on the periodic table can be found in Kazakhstan's soil. The country is **a global leader** in explored reserves of uranium, zinc, tungsten and barite, being **second** in silver, lead and chromites, **third** in copper and fluorite, **fourth** - molybdenum, **sixth** - gold.

FACTSHEET

Population **18.2 mln people**

Area **2.8 mln sq. km**

GDP **\$ 160 bln**

Foreign trade turnover **\$ 77.7 bln**

Inflation rate (CPI, 2016-17) **7.1%**

Credit rating Fitch (BBB),
Standard & Poor (BBB),
Moody's (Baa3) **Stable**

Doing Business ranking, 2019 **#28**

Life expectancy **77 years**

The largest economy in Central Asia with \$160 Billion (2017) (Source: World Bank)

A higher GDP than all other
Central Asian states combined
(The Revenge of Geography, Robert D. Kaplan)





WHY INVEST IN KAZAKHSTAN?

10 REASONS TO INVEST IN KAZAKHSTAN

- 1 Strategic Location
- 2 Political, Social and Economic Stability
- 3 Rule of Law and Investors' Rights Protection
- 4 Business-Friendly Environment
- 5 Talented and Skilled Laborforce
- 6 Comprehensive Strategic Vision
- 7 Robust Infrastructure
- 8 Lucrative Investment Incentives
- 9 Vast Opportunities Across Sectors
- 10 Continuous Support

REASON 1. STRATEGIC LOCATION

Providing a LAND BRIDGE, Kazakhstan is a New Strategic Location at the Crossroads of Europe and Asia

Preferential access to a regional **market of more than 500 million** and to a common market of Eurasian Economic Union with more than **180 mln consumers**

- Central Asian markets (50 mln)
- Western China (300 mln)
- Caspian Sea Countries (150 mln)

Kazakhstan plays a key role in the realisation of the **Belt and Road Initiative**. More than 3,000 km out of 10,000 km in total will run through Kazakh territory, making it an important stretch of the main land corridor and reducing the time and cost of transportation significantly.

Time-efficient cargo transportation

China-Europe-China
to St.Petersburg: **10 days**
to Hamburg: **16 days**
to London: **18 days**

Western Europe-Western China
Transcontinental Auto Expressway
will allow products to be shipped
between China and Europe
in mere **10 days**.

Sea Ports **Aktau and Kuryk**

Sea Port infrastructure in other
countries include **Batumi** (Georgia)
and logistics terminal in the Pacific
port of **Lianyungang** (China)

REASON 2. POLITICAL, SOCIAL AND ECONOMIC STABILITY

Average Annual GDP Growth (%), 2008-2017

4.1	Kazakhstan
2.4	Belarus
2.3	Armenia
1.2	Russian Federation

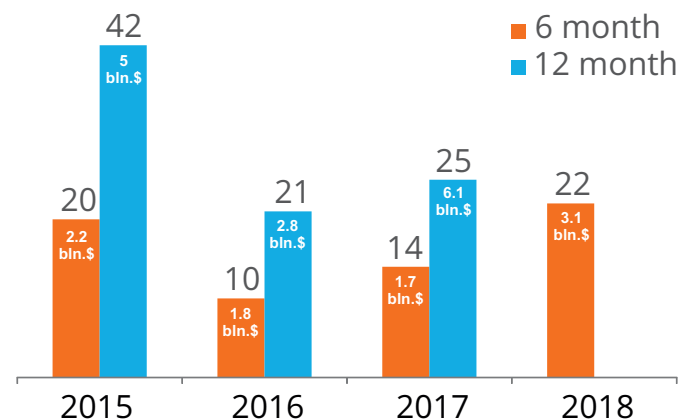
Share of GDP in the CCA, 2017 (PPP, billion \$)

476	Kazakhstan
23	Kyrgyz Republic
223	Uzbekistan
28	Tajikistan
104	Turkmenistan
28	Armenia
40	Georgia
172	Azerbaijan

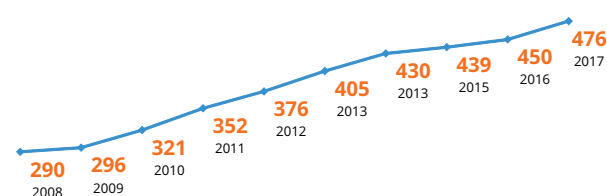
1ST in the CCA for attracted FDI 2017

4.6	Kazakhstan
0.1	Kyrgyz Republic
0.1	Uzbekistan
0.1	Tajikistan
2.3	Turkmenistan
0.2	Armenia
1.9	Georgia
2.9	Azerbaijan

Announced FDI projects 2015-2018



Growth of GDP (PPP, billion \$)



REASON 3. RULE OF LAW AND INVESTORS' RIGHTS PROTECTION

AIFC Court and International Arbitration Center (*separate and independent from the Republic of Kazakhstan judicial system*) provides **a common law court system** that operate to the highest international standards to resolve civil and commercial disputes in the AIFC*.

Special Proceedings for Investors' Disputes Resolution according to the Rules of First Instance (*National Legislation*)

- *The Specialized Judicial Board of the Supreme Court of the Republic of Kazakhstan*
- *The Court of Astana*

Kazakhstan signed 47 bilateral and 1 multilateral investment treaties.

- *guarantee the rights of investors in case of nationalization, expropriation and requisition;*
- *guarantee the legal protection of investors' activity on the territory of Kazakhstan;*
- *guarantee the use of income;*
- *regulation of investment dispute resolution*

The AIFC Court provides a common law court system **for the first time in Eurasia...** In addition to myself as Chief Justice, the AIFC Court has eight Justices. The Justices are among the most experienced and distinguished judges from the common law world with global reputations for **absolute independence, impartiality, integrity, unconditional application of the rule of law, and incorruptibility.**

*Chief Justice of the Astana
International Financial Centre (AIFC) Court*



REASON 4. BUSINESS-FRIENDLY ENVIRONMENT

Kazakhstan is 28th in the World Bank's Flagship Ranking (out of 190) and among the most improving economies

#1 in Minority investors' protection

#4 in enforcing contracts

Just 100 days to receive all the construction permits (**#35**)

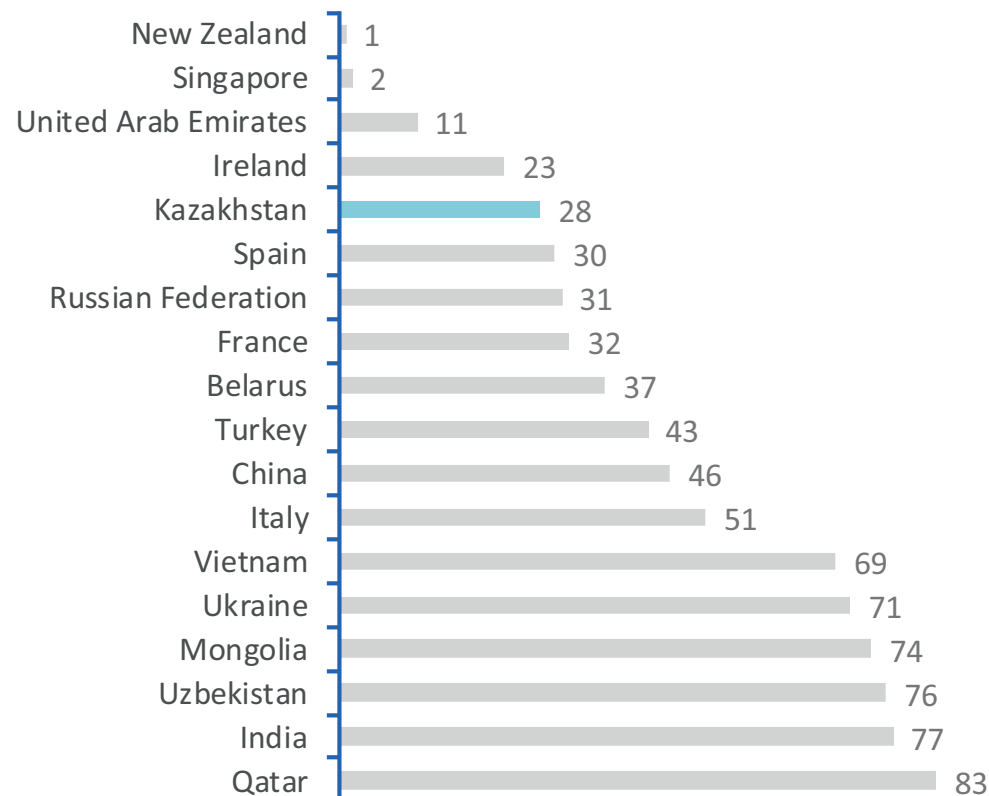
3 easy steps to register property in just 3 days (**#18**)

5 easy steps to start a business in just 5 days (**#36**)

THE MOST FAVOURABLE TAX REGIME IN THE REGION

**Total Tax and Contribution Rate
(% of profit)**

Kazakhstan	Russia	Uzbekistan	China
29.4	46.3	48.17	64.9



Source: World Bank,
Doing Business 2019



REASON 5. TALENTED AND SKILLED LABORFORCE

29th on the
Human Capital
Development
Index

**Cheap and reasonably
skilled workforce**
The average monthly wages

\$416 Kazakhstan

\$548 Russia

\$701 China

**Simplified
procedures
for employment**

Visa-free regime for the citizens
of more than 65 countries include
all OECD members

Kazakhstan has the **highest literacy** rate
in the region, most citizens are **bilingual**
with good knowledge of English, while
Kazakhstan's universities focus heavily
on STEM subjects.

BOLASHAK International Scholarship

More than 10 thousand specialists have
been trained in the world's top 100 universities:
8000 - for a bachelor's and master's programs,
2140 - for PHD, internships and clinical residency.

Kazakhstan has 128 higher education
institutions, 8 of them were listed in the
world's best universities ranking 2017/18.
Kazakhstan's universities have international
teaching staff and partner with world-renowned
institutions such as University of Cambridge, UCL,
Duke University, Colorado School of Mines,
The National University of Singapore, etc.



REASON 6. COMPREHENSIVE STRATEGIC VISION

Infrastructure development

State programme “nurly zhol”
 (“bright path”)

State programme “nurly zher”
 (“bright land”)

Economic diversification and modernization

State programme
 of industrial and
 innovative development

State programme
 “digital kazakhstan”

Reduction of government's share in the economy

Privatization programme

Financial services

Astana international
 financial center

Market openness

Wto, eaeu, belt and road initiative,
 well-balanced foreign policy

**Kazakhstan
 emerges as a
 leading logistics,
 trade and business
 hub with vast
 investment
 opportunities
 and sound financial
 Institutions**



REASON 7. ROBUST INFRASTRUCTURE



Over 14 million of Kazakhstan's 18 million citizens regularly **use the internet**, a penetration rate of 77%, which is the **highest in Central Asia**



Housing development by 2020 year will reach **10 694 thousand square meters**.



In 2018, the total volume of transshipment of Kazakhstan's **port infrastructure** in the Caspian Sea will exceed **9 million tonnes**.



Main pipelines
Total: 23 thousand km (15 thousand miles)
Gas pipelines: 15 thousand km (9 thousand miles)
Oil pipelines: 8 thous. km (5 thous. miles)



Kazakhstan has **24 Airports (72 air corridors)**. The capital Astana hosts **126 international and 289 domestic flights** to such international financial centres as Frankfurt, London, Dubai, Hong Kong, Seoul.



Kazakhstan is #1 In Central Asia for **internet connectivity** (Global Digital Report 2018)



The length of **railways** in Kazakhstan exceeds **15 thousand km.**, connecting the railway system of Kazakhstan with neighboring states.



Most advanced telecom in Central Asia with extensive 4G network.



The length of the **roads** is **128 thousand km**



REASON 8. LUCRATIVE INVESTMENT INCENTIVES

12 Special Economic Zones

Fiscal incentives

Corporate
income tax

Land tax

Property tax

Exemption from
customs duties

0%

Non-fiscal incentives

Free plot of land

Simplified procedure for
employment of foreign labor

Ready infrastructure on
“plug-and-play” basis

22 Industrial Zones

Access to established
infrastructure and digital networks

Options for long-term leases and
repayment schedules based
on cadastral land value

No sectoral restrictions

Opportunity to conclude Investment
Contract with the Government

Investment Contract

Non-fiscal incentives

In-kind state grants
(Land plots, buildings, equipment, etc.)

Simplified procedure for
employment of foreign labor

Investment subsidies
(30% rebate on construction expenses)

Fiscal incentives

Corporate
income tax

Land tax

Property tax

Exemption from
customs duties

0%



REASON 9. VAST OPPORTUNITIES ACROSS SECTORS

Agricultural sector	22 projects (\$714 million)
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Chemicals and Petrochemicals	5 projects (\$2.6 billion)
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Mining and metallurgy	20 projects (\$5 billion)
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Real-estate and tourism	7 project (\$673million)
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Logistics and infrastructure	4 project (\$335 million)
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PPP and other sectors	6 project (\$869 million)
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REASON 10. GOVERNMENT'S CONTINUOUS SUPPORT

WHO WE ARE

Kazakh Invest is a **“one stop shop”** for current and potential investors.

We are a **single point of contact** to support businesses on their investment journey.

Trusted experts who can offer business security and local knowledge, expertise that **focus on specific areas of industry.**

Responsive and available 24/7.
Office doors never shut
– the team never stops until investors are satisfied

Established by the Government of Kazakhstan to attract high-quality inward investment as a **single negotiator** on its behalf with wide range of international and local representatives in 3 continents and all regions.

Kazakh Invest

local expertise, global ambition

WHAT WE DO

On the side of investors, we provide tailor made support to unlock their unique potential

We provide a full range of services to support investment projects – from the initial investment concept right through to project implementation, as well as providing retained support for established businesses.

We ensure clarity on **investment opportunities** and **reduce red tape** – facilitating all investors' needs Including public services and permits needed.



OUR PARTNERS

ALSTOM

(Electric locomotives)



(Diesel locomotive)

AIRBUS
GROUP

(Spacecraft)

HITACHI

(Equipment and electronics)



(Food Processing)



(Food Processing)



(Pharmaceuticals)

HEIDELBERGCEMENT

(Construction Materials)



(Chemicals)



(Chemicals)



(Chemicals)



(Construction Materials)

ExxonMobil

(Oil and Gas)



(Oil and Gas)



(Oil and Gas)



(Oil and Gas)

wilo

(Electric pumps)

KNAUF

(Construction Materials)

GLENCORE

(Mining)

RioTinto

(Metallurgy)





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THANK YOU FOR YOUR ATTENTION!

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