

INVEST IN Kazakhstan

BASIC FACTS







National Emblem



2,724,000 km² (1,051,742 Area:

sq. miles), 9th largest

Population: 17,353,700 Official language: Kazakh, Russian Political system: Presidential republic

Head of State: President Currency: Tenge (KZT) Capital: Astana

14 regions + 2 cities of Administrative division:

republican significance

Member of organizations: UN, IMF, WB, OSCE, OIC Time zone: **GMT + 6**

summer: +19°C / 66°F (north) Average temperatures:

+28°C/82°F (south)

winter: -19°C / -2°F (north)

-2°C / 28°F (south)

Country calling code: + 7

(calling abroad: 8+10+country

code+number)

TV / video system: PAL

Voltage: 220V, 50Hz/AC

System of weights and

measures:

Metric system (kilometer, meter,

kilogram, gram)

Payment system: International credit cards are

accepted









Mobile telephone

operators:

GSM system:

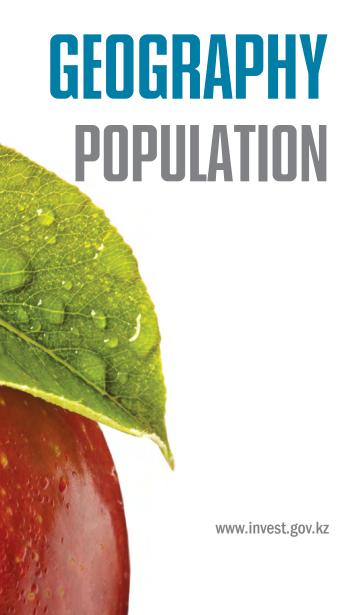






The research on DNA of different varieties of apples conducted by British scientists from Oxford revealed that Kazakhstan is the motherland of apples in the world





Location: Central Asia

Distance:

North/South: 1,700 km (1,056 miles)

West/East: 3,000 km (1,864 miles)

Bordering on (length of border):

Russian Federation 6,467 km (4,018 miles)

Uzbekistan 2,300 km (1,429 miles)

China 1,460 km (907 miles)

Kyrgyz Republic 930 km (578 miles)

Turkmenistan 380 km (236 miles)

Lowest point: The Karagiye depression – - 132 m (- 433 ft)

Highest point: Khan Tengri – + 6,995 m (22,949 ft)





Total: 17,353,700 people

Age structure:

• 0 - 15 years: 27.3 %

• 16 - 62 years: 62.4%

• 63 + years: 10.3%

Urban population:

55%

Rural population:

45%

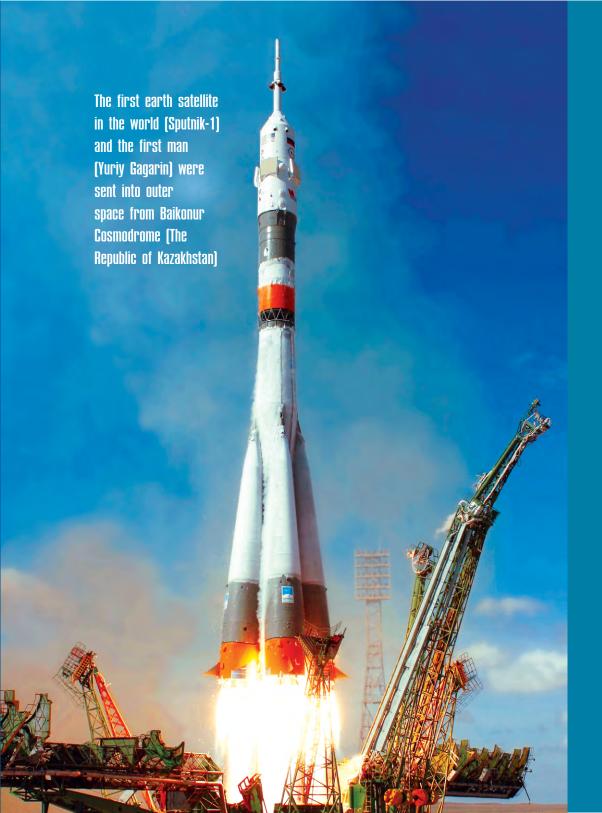
Birth rate:

22.73 births / 1,000 population

Death rate:

7.98 deaths / 1,000 population

Source: Committee on Statistics of the Ministry of National Economy of the RK



FOREIGN POLICY

www.invest.gov.kz

KAZAKHSTAN IN THE EURASIAN ECONOMIC UNION

(with Russia and Belarus)

Timeline:

- 10 October 2000 the Agreement on the establishment of the Eurasian Economic Community.
- 6 October 2007 the Agreement on the establishment of the integrated customs territory and the formation of the Customs Union between Kazakhstan, Russia and Belarus.
- 1 July 2010 Kazakhstan is a member of the Customs Union (free trade).
- 1 July 2011 customs control in borders of Russia, Belarus and Kazakhstan was canceled.
- 1 January 2012 the formation of Common Economic Space.
- 29 May 2014 signing the agreement on the Eurasian Economic Union, which comes into force on January 1, 2015.





The Kazakhstan banknote with the nominal value of five thousand was recognized as the best banknote of the year 2012 according to International Bank Note Society (IBNS).

The Kazakhstan banknote with the nominal value of one thousand was recognized as "The best banknote of 2013"

ECONOMY



CREDIT RATINGS

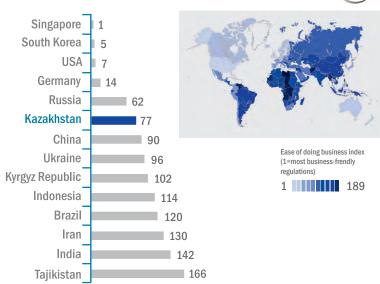
	Standard & Poor 's	Moody, s	Fitch Ratings
COUNTRY			
Kazakhstan	BBB+	Baa2	BBB
Russia	BBB-	Baa2	BBB
Bulgaria	BBB-	Baa2	BBB-
Hungary	ВВ	Ba1	BB+
Romania	BBB-	Baa3	BBB-

Source: Bloomberg

DOING BUSINESS 2015

KAZAKHSTAN RANKED 77 th





GLOBAL COMPETITIVENESS INDEX RANKINGS



RANK	COUNTRY	SCORE
1	Switzerland	5.70
2	Singapore	5.65
3	USA	5.54
4	Finland	5.50
5	Germany	5.49
6	Japan	5.47
•••		
50	Kazakhstan	4.42
53	Russia	4.37
71	India	4.21
76	Ukraine	4.14
108	Kyrgyz Republic	3.73

Source: World Economic Forum, Global Competitiveness Report 2014-2015

COMPETITIVE ECONOMY

The Global Competitiveness
Report 2014-2015 ranks*
Kazakhstan 50th out of 144 world economies



Rank
(4)
(9)
(11)
(16)
(20)
(22)
(22)
(25)
(26)
(28)
(33)
(34)
(34)
(37)
(37)
(37)

Source: World Economic Forum, Global Competitiveness Report 2014-2015

LABOR MARKET EFFICIENCY



COUNTRY	RANK SCORE (OUT OF 144)	SCORE (1-7)
Switzerland	1	5.75
Kazakhstan	15	4.90
Netherlands	21	4.73
Japan	22	4.73
Germany	35	4.57
China	37	4.55
Russia	45	4.42
France	61	4.27
South Korea	86	4.07

PAY AND PRODUCTIVITY

COUNTRY	RANK SCORE (OUT OF 144)	VALUE
Hong Kong	1	5.5
Malaysia	2	5.4
Kazakhstan	16	4.7
United Kingdom	17	4.7
Czech Republic	19	4.6
Russia	24	4.6
Germany	40	4.3
France	77	3.9
Turkey	81	3.8

Source: World Economic Forum, Global Competitiveness Report 2014-2015

- · Creative, innovative, skilled and experienced labor force.
- Lower costs compared to Western economies.
- Steady inflow of new graduates into the labor market.

^{*}before the new incentives that were approved by the Law of the Republic of Kazakhstan "On investments" from January 8, 2003 (with ammendments as to June 12, 2014).

EDUCATIONAL ATTAINMENT

The Human Capital Report 2013. Kazakhstan ranked 45th out of 122 world economies for the Human Capital Index



ADULT LITERACY

%	COUNTRY
99.7	Kazakhstan
99.7	Russia
99.0	Italy
95.9	Singapore
95.1	China
94.1	Turkey

TERTIARY EDUCATION ATTAINMENT (% POPULATION AGE 25+)

RANK (OUT OF 122)	COUNTRY
5	Singapore
25	Kazakhstan
26	Russia
61	Italy
67	Turkey
77	China

SECONDARY EDUCATION ATTAINMENT (% POPULATION AGE 25+)

RANK (OUT OF 122)	COUNTRY	
3	Kazakhstan	
19	Russia	
31	Singapore	
36	Italy	
41	China	
71	Turkey	

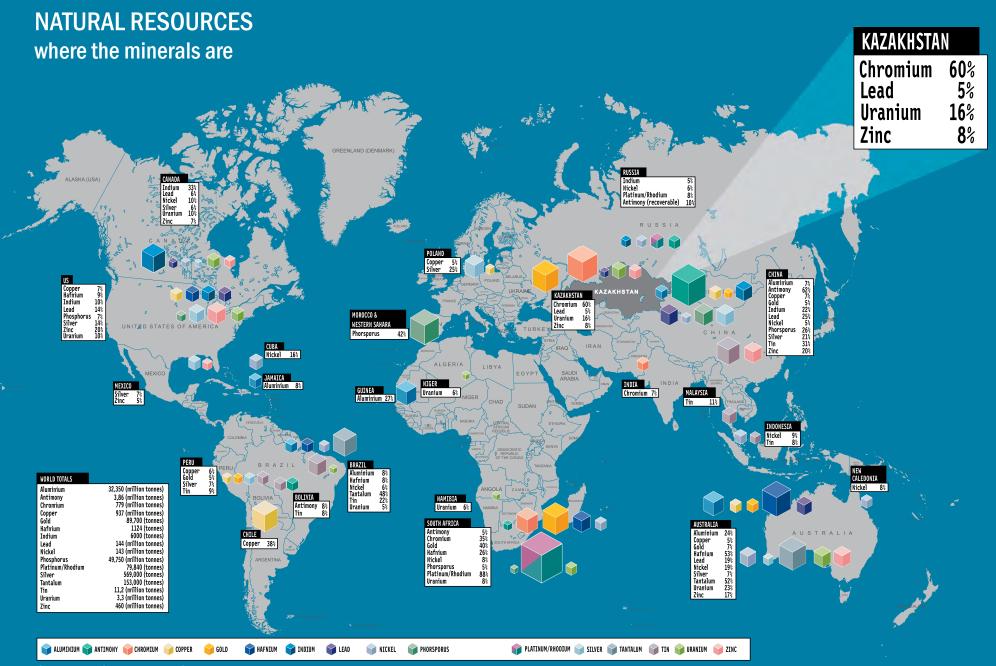
Source: World Economic Forum, The Human Capital Report 2013

WAGES BY REGION

AVERAGE GROSS MONTHLY WAGES IN 2014 1 EUR = 242 KZT 1 USD = 182 KZT

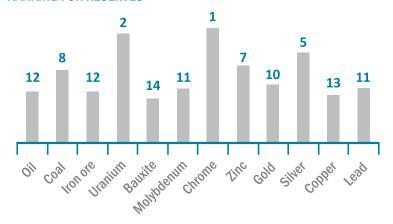
REGION	WAGES (KZT)	WAGES (EUR)	WAGES (USD)
Astana city	182,898	756	1,005
Almaty city	158,567	655	871
Akmola region	89,504	370	492
Aktobe region	108,318	448	595
Almaty region	94,837	392	521
Atyrau region	221,810	917	1,219
East Kazakhstan region	102,119	422	561
Zhambyl region	85,905	355	472
West Kazakhstan region	110,567	457	608
Karagandy region	111,262	460	611
Kostanay region	92,671	383	509
Kyzylorda region	108,350	448	595
Mangystau region	222,417	919	1,222
Pavlodar region	104,569	432	575
North Kazakhstan region	85,817	355	472
South Kazakhstan region	94,730	391	520

Source: Committee on Statistics of the Ministry of National Economy of the RK

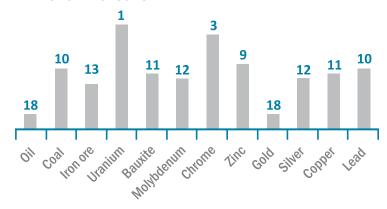


NATURAL RESOURCES

KAZAKHSTAN IN THE WORLD RANKING FOR RESERVES



KAZAKHSTAN IN THE WORLD RANKING FOR PRODUCTION



Source: U.S. Geological Survey, Mineral Commodity Summaries 2014; BP Statistical Review of World Energy, June 2014; U.S. Energy Information Administration, Independent Statistics and Analysis; The Global Source, The Silver Institute; Thomson Reuters GFMS, Gold Survey 2013 Update 1





COST OF LIVING SURVEY

MERCER'S 2014 COST OF LIVING RANKINGS

RANK 2014	CITY	COUNTRY
1	Luanda	Angola
2	N'Djamena	Chad
3	Hong Kong	Hong Kong
4	Singapore	Singapore
•••	•••	•••
111	Almaty	Kazakhstan
115	Kuala Lumpur	Malaysia
135	Istanbul	Turkey
209	Bishkek	Kyrgyz Republic
210	Windhoek	Namibia
211	Karachi	Pakistan

Source: Mercer HR Consulting, 2014

IMD WORLD COMPETITIVENESS YEARBOOK 2014

COUNTRIES OVERALL RANKING

RANK	COUNTRY	
1	USA	
2	Switzerland	
3	Singapore	
32	Kazakhstan	
33	Czech Republic	
36	Poland	
38	Russia	
44	India	

Source: IMD (International Institute for Management Development) World Competitiveness Yearbook 2014



TAXATION: COMPARISON WITH CHINA AND RUSSIA

TAXES

	Kazakhstan	Russia	China
Corporate income tax (CIT)	20%	20%	25%
Value-added tax (VAT)	12%	18%	17%
Land tax	from 0.03 to 0.16 USD 1 sq.m (10.8 sq.ft)	0,3%, 1,5%	-
Property tax	1,5%	2,2%	1,2% assessed value; 12% rental property.

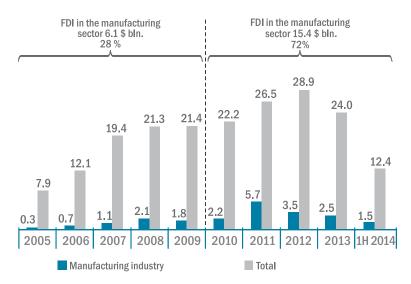
Source: Ministry of Finance of the RK; Federal Tax Service of Russia; State Administration of Taxation of the People's Republic of China

PREFERENTIAL TAX RATES

	Kazakhstan*	Russia	China
Income tax	0% (СІТ)	10% on income of foreign organizations; 0%, 9%, 15% on dividend income; 0%, 9%, 15% on transactions with certain types of debt obligations; 0% for agricultural producers.	20% special CIT rate apply to small and thin-profit enterprises; 15% CIT rate apply to state-encouraged new high-technology enterprises; 10% dividends; 10% interest; 10% royalties.
Land tax	0%		
Property tax	0%	-	-
VAT	-	0%, 10%	13% reduced rate; 3% for small-scale payers; 0% on export.

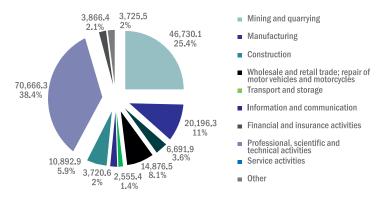
*for priority investment projects
Source: Ministry of Finance of the RK; Federal Tax Service of Russia; Deloitte, Taxation and Investment in China 2014

FDI ATTRACTION



CUMULATIVE FDI INFLOW BY SECTORS 2005 – 2013

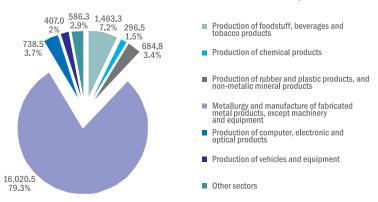
Total USD: 183,921.8 million



Source: National Bank of the RK

CUMULATIVE FDI INFLOW IN MANUFACTURING 2005 – 2013

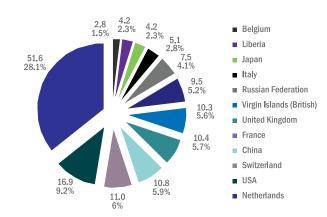
Total USD: 20,196.3 million



Source: National Bank of the RK

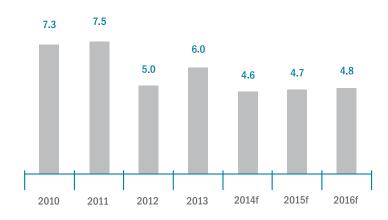
CUMULATIVE FDI INFLOW BY COUNTRIES 2005 - 2013

Main countries USD: 144,588.4 million Total USD: 183,921.8 million



Source: National Bank of the RK

GROSS DOMESTIC PRODUCT (constant prices, percent change)



Source: International Monetary Fund (as of November 11, 2014)



FORECAST OF MACROECONOMIC INDICATORS



		2010	2011	2012	2013	2014	2015	2016
Current Forecas					ecast			
Gross domestic product	const.pr., percent change	7.3	7.5	5.0	6.0	4.6	4.7	4.8
Gross national savings	% of GDP	27.4	28.8	26.1	27.0	28.6	29.3	30.0
Current account balance	% of GDP	0,9	5.4	0.5	-0.1	0.3	-0.7	-0.5
Total investment	% of GDP	26.5	23.4	25.6	27.1	28.4	30.0	30.5
Average inflation rate	%	7.1	8.3	5.1	5.8	6.9	6.1	6.0
Unemployment rate	% of total labor force	5.8	5.4	5.3	5.2	5.2	5.2	5.2

Source: International Monetary Fund (as of November 11, 2014)

EXTERNAL TRADE WITH THE OTHER COUNTRIES (2013)

PARTNER COUNTRY	THSD. USD
Russia	23,847,038
China	22,738,214
Italy	17,515,526
Netherlands	10,261,563
France	6,492,656
Switzerland	4,505,510
Ukraine	4,311,059
Austria	3,957,616
Turkey	3,529,186
Germany	2,883,985

Source: Committee on Statistics of the Ministry of National Economy of the RK

STRUCTURE OF EXPORT BY MAJOR COMMODITIES (2013)

COMMODITY	THSD.USD	%
Mineral products (fuel and energy products)	67,872,442.3	80.1
Metals and metal products	7,802,230.9	9.2
Chemicals and related products	3,435,615.5	4.1
Products of animal and vegetable origin, finished food products	2,733,361.4	3.2
Machinery, equipment, vehicles, appliances	1,279,317.5	1.5
Other goods	1,163,962.2	1.4
Textile products	184,065.4	0.2
Wood, timber, pulp and paper products	103,720.3	0.1
Footwear, head wear and haberdashery	47,944.6	0.1
Leather raw materials, fur and products thereof	39,298.8	0.0
Construction materials	38,414.9	0.0

STRUCTURE OF IMPORT BY MAJOR COMMODITIES (2013)

COMMODITY	THSD.USD	%
Machinery, equipment, vehicles, appliances	19,514,903.8	40.0
Chemicals and related industries products	6,451,088.2	13.2
Metals and metal products	6,370,384.7	13.1
Mineral products (fuel and energy products)	6,090,652.7	12.5
Products of animal and vegetable origin, finished food products	4,619,439.8	9.5
Other goods	1,694,508.5	3.5
Textile products	1,422,011.6	2.9
Wood, timber, pulp and paper products	1,233,792.6	2.5
Construction materials	676,641.9	1.4
Footwear, head wear and haberdashery	580,178.7	1.2
Leather raw materials, fur and products thereof	151,965.8	0.3

Source: Committee on Statistics of the Ministry of National Economy of the RK

EXTERNAL TRADE: TOP 15 EXPORT COUNTRIES (2013)

PARTNER COUNTRY	THSD.USD	%
Italy	16,480,655.2	19.5
China	14,373,748.0	17.0
Netherlands	9,888,286.0	11.7
Russia	5,875,273.6	6.9
France	5,460,114.3	6.4
Switzerland	4,313,586.9	5.1
Austria	3,614,869.4	4.3
Canada	2,654,209.8	3.1
Turkey	2,603,060.6	3.1
Romania	2,396,490.0	2.8
Ukraine	2,041,423.9	2.4
Spain	1,846,014.1	2.2
United Kingdom	1,504,765.6	1.8
Uzbekistan	1,145,309.9	1.4
Portugal	933,439.8	1.1

EXTERNAL TRADE: TOP 15 IMPORT COUNTRIES (2013)

Source: Committee on Statistics of the Ministry of National Economy of the RK



MAJOR INVESTORS: MACHINERY

2010-2014

Automobile Production



SSANG YONG





CHEVROLET

33

CHEVROLET

PEUGEOT

























Railway Machinery







ALSTOM ALSTOM





GENERAL ELECTRIC



Machinery for Mining



DANDO DRILLING DANDO DRILLING



Aviation Machinery







MAJOR INVESTORS: CHEMICAL AND PHARMACEUTICAL INDUSTRIES

2010-2014

Chemical Industry

















Pharmaceutical Industry









INCENTIVES

EXEMPTION FROM CUSTOMS DUTIES

- 1) When transporting manufacturing equipment and components for it the exemption from customs taxation is granted for the term of investment contract but not later than 5 years after the investment contract registration.
- 2) When importing spare parts for the manufacturing equipment, raw stock and (or) materials for term up to 5 years the exemption from customs taxation is granted to the legal companies depending on the volume of investment in the fixed assets.

IN-KIND GRANTS

In-kind grants of not more than 30% of the total investment in fixed assets.



Land



Buildings

Free land, buildings, structures, machinery and equipment, computers, measuring and control devices and equipment, vehicles (excluding cars), industrial and household equipment.

NEW INCENTIVES (since 2014)

FREE ENTRY

Visa-free entrance

Visa-free entrance for citizens of USA, Great Britain, Germany, France, Italy, Malaysia, Netherlands, UAE, South Korea, Japan for the period from 15 July 2014 till 15 July 2015 if the stay does not exceed 15 days (general application).



FREE WORK PERMITS

Foreign labor



Without permit

for the duration of construction + 1 year after commissioning of the investment project for those with investment contracts.

NEW INCENTIVES (since 2014)

INCENTIVES FOR PRIORITY INVESTMENT PROJECTS*

TAX EXEMPTIONS:



Corporate income tax (10 years)



Land tax (10 years)

0%



Property tax (8 years)

CASHBACK ON INVESTMENTS

Reimbursement up to

30%

of the actual expenses for installation and construction works and equipment acquisition without value added tax and excises on the basis of supporting documents, but not exceeding the cost of expenses provided by preproject documentation having the conclusion of state expertise.

*Criteria for priority investment projects:

- matching the List of Priority Activities (approved by the Government);
- newly created legal entity with investments of more than 2 million MCI (MCI monthly calculated index, approved by the Law on the National Budget).

NEW INCENTIVES (since 2014)

INCENTIVES FOR PRIORITY INVESTMENT PROJECTS* STABLE LEGISLATION

Stability of tax legislation for all taxes except VAT and excise (subject to investment contract)



STRONG PROTECTION OF INVESTOR'S RIGHTS

Ombudsman's Office

For ensuring protection of the rights and legitimate interests of the investors, the investment ombudsman:

- 1) considers addresses of investors on issues arising during the implementation of investment activity and gives recommendations for their solution, including interacting with government bodies;
- 2) assists to investors in solution of arising issues in extrajudicial and pre-judicial procedures.

*Criteria for priority investment projects:

- matching the List of Priority Activities (approved by the Government);
- newly created legal entity with investments of more than 2 million MCI (MCI monthly calculated index, approved by the Law on the National Budget).

SPECIAL ECONOMIC ZONES



INVESTMENT INCENTIVES IN SEZS

FISCAL INCENTIVES



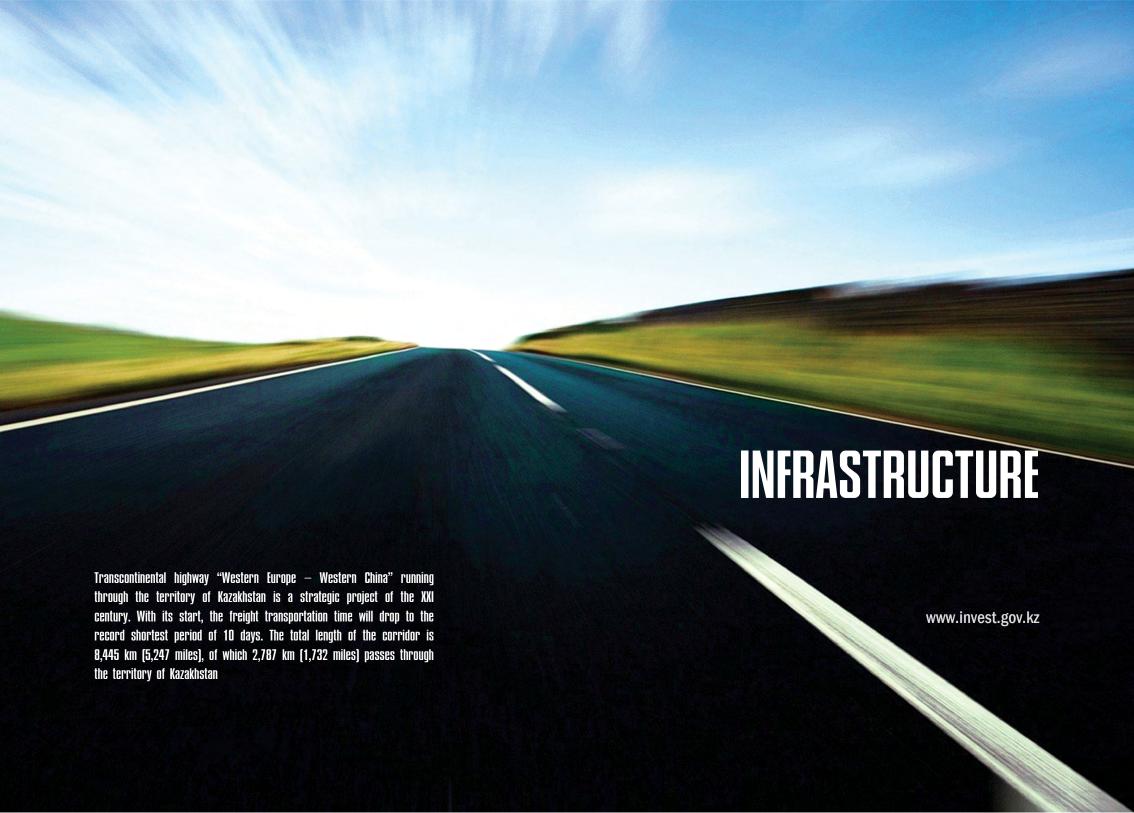
(for products consumed in SEZ)

Increase of marginal rate of depreciation for tax on the

- Increase of marginal rate of depreciation for tax on the production of software to 40%
- For «Park of Innovative Technologies» SEZ social tax is 0% for 5 years, under certain conditions and depreciation rate for software increased to 40 %

NON-FISCAL INCENTIVES

- Provision of free land in SEZ for a period of up to 10 years from registration time as SEZ resident
- Simplified procedure for the recruitment of foreign labor



LOCATION AND INFRASTRUCTURE

- The Kazakhstan's geographical position makes it a natural crossroads for major transit corridors from East to West, from North to South.
- The transcontinental automobile road corridor "Western Europe Western China" passes through the territory of Kazakhstan. The corridor will allow to deliver freights from China to Europe in 10 days.
- There is a territory with population of more than 3.3 bln. people within a radius of 2 thsd. km (1,243 miles) from Kazakhstan.
- The flight time from most European destinations is five hours.



AIRPORTS





Total: 21 (17 international)

MAIN INTERNATIONAL AIRPORTS IN KAZAKHSTAN:

- Almaty International Airport (ALA)
 - Airport has an advantageous geographical location on the route from South-Eastern Asia to Europe and back
 - The runway is equipped with the latest technology, meeting ICAO international requirements
 - Airport serves 4 million passengers and handles 50 thousand flights annually
- Astana International Airport (TSE)
 - There are about 80 flights every day to CIS and non-CIS states regions
 - In 2013, airport rendered services for 2 mln. 609 thousand passengers and handled 8,329 ton of cargo
 - Astana Airport is certificated as IIIA category of ICAO standards



Roadways

Total: 96,873 km (60,194 miles) 86,581 km (53,799 miles) of hard surface roads



Railways

Total: 15,341 km (9,532 miles) 4,800 km (2,983 miles) of double-track lines 4,100 km (2,548 miles) of electrified tracks

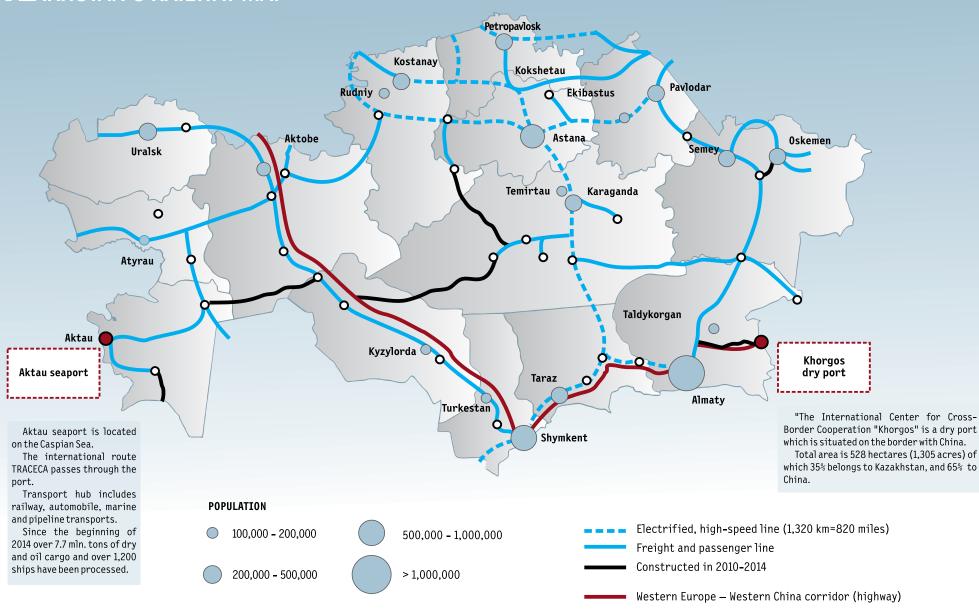


Waterways

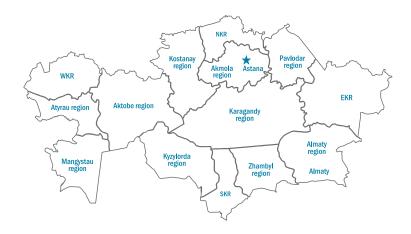
Total: 4,151 km (2,579 miles)

Source: www.alaport.com, www.astanaairport.kz, Transport Committee of the Ministry of Investment and Development of the RK

KAZAKHSTAN'S RAILWAY MAP







Kazakhstan is a unique region in the world, because of its history, geographical position and size.

It has a unique landscape and rich biological diversity: lofty mountains, flat lands and hills, glacier, lakes and rivers. Kazakhstan is the first country in the Central Asia received the status of a biosphere reserve of the UNESCO.

Today the country provides almost all existing types of tourism – educational, entertainment, ethnic, environmental and others. Tourists are offered a large number of travel routes in the entire territory of the Republic of Kazakhstan.

Source: Kazakhstan. Travel guide. www.kazakhstan.travel

UNESCO SIGHTS



Mausoleum of Khoja Ahmed Yasawi in Turkestan city (S. Kazakhstan)





Petroglyphs within the Archaeological Landscape of Tamgaly (S. Kazakhstan)

Silk Roads: Chang'an — Tianshan Corridor (SE. Kazakhstan)





Saryarka Steppe and Lakes (N. Kazakhstan)



ASTANA: capital of Kazakhstan since 1997

The tallest skyscraper in Central Asia «Abu Dhabi Plaza» is planned to be completed in 2017.

Astana will host an International Exposition EXPO-2017 "Future Energy".

The Exhibition complex "Astana EXPO-2017" will be self-sufficient urban area with a territory of 174 hectares (430 acres), which will bring together the scientific, technological and cultural facilities, surrounded by open space, residential complexes, shopping and business centers.





Astana has gained its status as the main city of the country on December 10, 1997.

It is a large political, administrative, business and cultural centre with population of over 800 thousand people.

In July, 1999 Astana was declared a "World City" by UNESCO.

ALMATY: former capital of Kazakhstan



Almaty is a large scientific, cultural, financial and industrial megalopolis of Kazakhstan. The population is more than 1,5 mln. people.

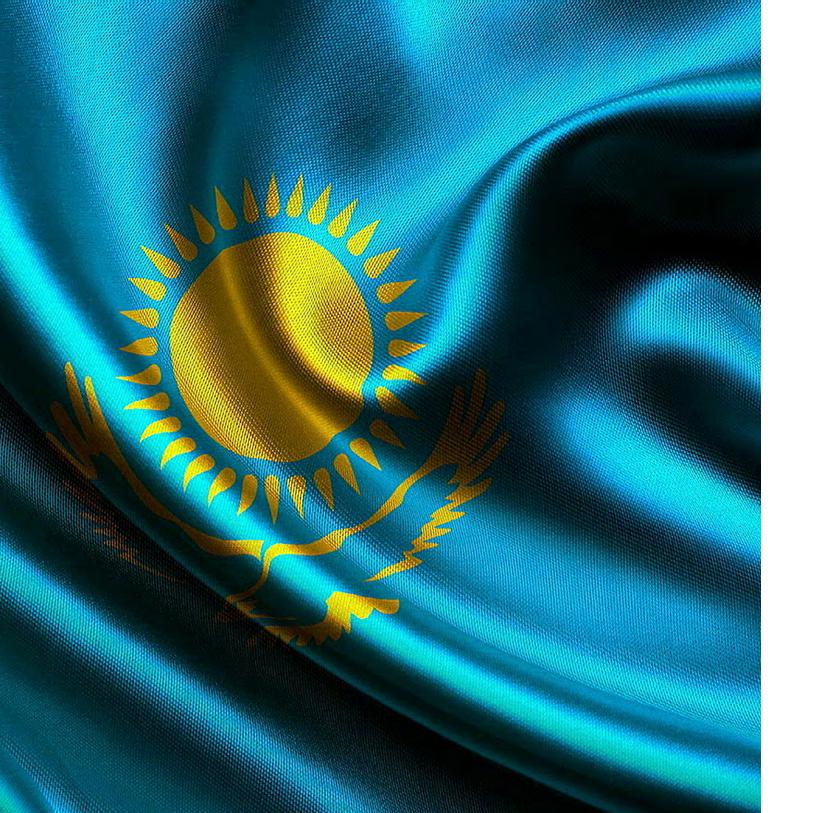
It was included in The Global Financial Centres Index (GFCI) and ranked 58th out of 83 international financial centers for the first time in March 2014.

Almaty was approved as a candidate to host the Winter Olympic Games in 2022 at the IOC executive board meeting in Lausanne on July 7, 2014.



The highest ice skating rink "Medeu" is located at the altitude of 1,691.2 meters (5,549 ft) above sea level.





KAZAKH Brands

www.invest.gov.kz

KAZAKH BRANDS











Air Astana was incorporated in late 2001 and its maiden flight was on the 15th May 2002.

Air Astana operates a fleet of 30 aircraft with an average age of 5.62 years.

It operates over 60 domestic and international routes.

Its passengers are served by more than 4,300 highly qualified staff, the majority of whom are from Kazakhstan, supplemented by experienced foreign personnel.

Air Astana has purchase orders in place for Boeing 787, Boeing 767, Airbus A320 and Embraer 190 family aircraft. These will expand the fleet to 36 aircraft by the end of 2017, and to 43 aircraft by 2020.

Air Astana is celebrating triple success at the 2014 World Airline Awards where Air Astana was named the Best Airline in Central Asia and India for the third consecutive time.

Air Astana also received the award for Best Staff Service in Central Asia and India for the second consecutive time.

Since 2012. Air Astana has been rated as a 4 Star carrier by Skytrax and remains the only airline in Eastern Europe and CIS to achieve this.

www.airastana.com

KAZAKH BRANDS

ASTANA PRO TEAM



Astana Pro Team is a professional road bicycle racing team sponsored by the Samruk-Kazyna, a coalition of state-owned companies from Kazakhstan and named after its capital city Astana.

Astana has UCI ProTeam status (UCI team code: AST). General Manager of the team is Alexander Vinokurov.

Achievements

- 1st general classification Alexander Vinokurov, Vuelta a España 2006.
- 1st overall classification, Critérium du Dauphiné Libéré 2007.
- 1st general classification Alberto Contador, Giro d'Italia 2008.
- 1st general classification Alberto Contador, Vuelta a España 2008.
- 1st general classification Alberto Contador, Le Tour de France 2009.
- 1st overall classification. Le Tour de France 2009:

(Lance Armstrong, Alberto Contador, Andreas Klöden, Levi Leipheimer, Yaroslav Popovich, Haimar Zubeldia, Dmitriy Muravev, Sérgio Paulinho и Gregory Rast).

- 1st Alberto Contador, Stage race Paris-Nice 2010.
- 1st general classification Alberto Contador, Le Tour de France 2010.
- 1st general classification Vincenzo Nibali, Giro d'Italia 2013.
- 1st overall classification, Critérium du Dauphiné Libéré 2014.
- 1st general classification Vincenzo Nibali, Le Tour de France 2014.





USEFUL LINKS

www.invest.gov.kz



Ministry of Investment and Development of the RK www.mir.gov.kz



Electronic Government www.egov.kz



National Export and Investment Agency «KAZNEX INVEST» www.kaznexinvest.kz



National Investment Internet Resource www.invest.gov.kz

invest. gov.kz



Ministry of Investment and Development of the Republic of Kazakhstan

www.mir.gov.kz



National Export and Investment Agency "KAZNEX INVEST"

www.kaznexinvest.kz www.invest.gov.kz