

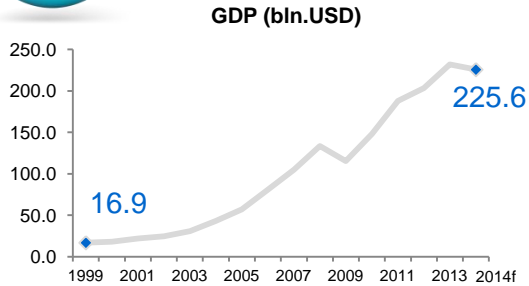


National Export & Investment Agency “KAZNEX INVEST”  
Ministry of Investment and Development

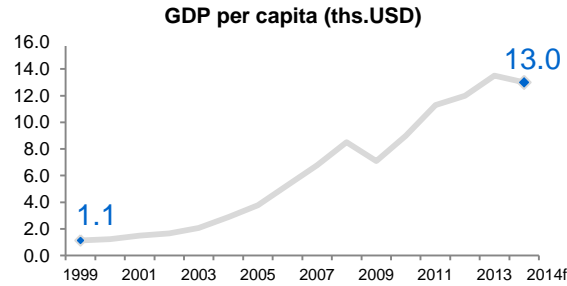
# Why Kazakhstan is attractive for foreign investors?



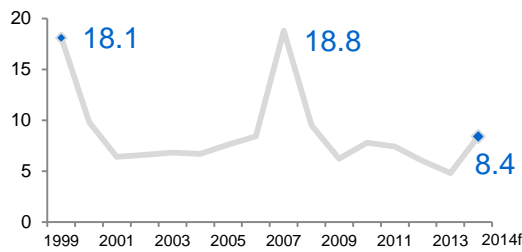
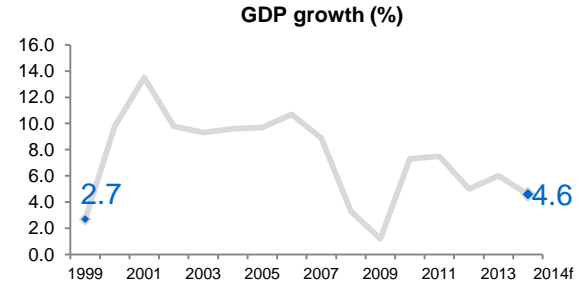
# Stable macroeconomic indicators and high growth



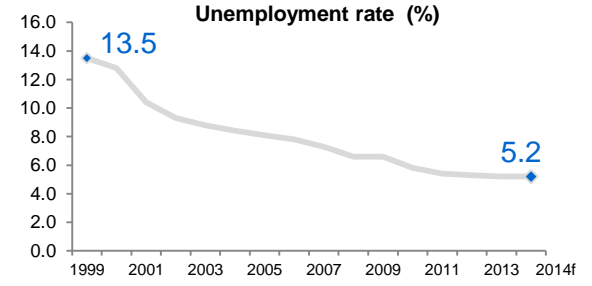
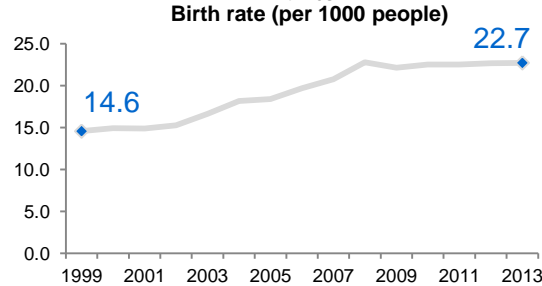
GDP from 1999 to 2013 increased by 14 times



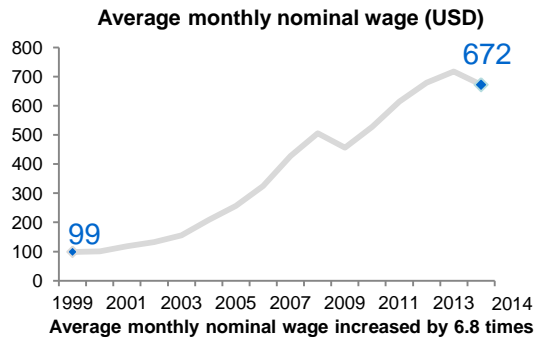
GDP per capita from 1999 to 2013 increased by 12 times



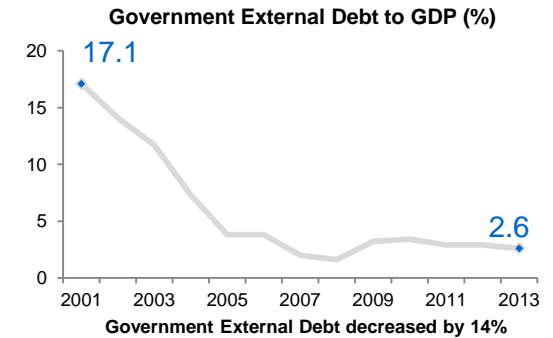
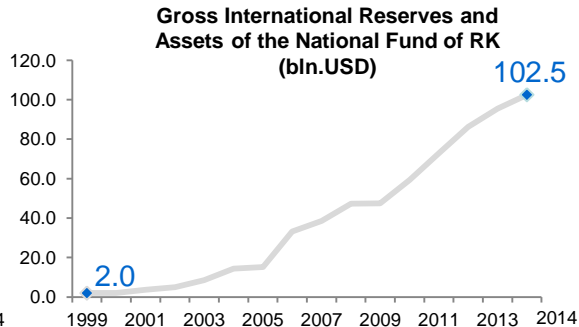
Inflation from 1999 to 2013 decreased by 13%



Unemployment rate from 1999 to 2013 decreased by 8%



Average monthly nominal wage increased by 6.8 times



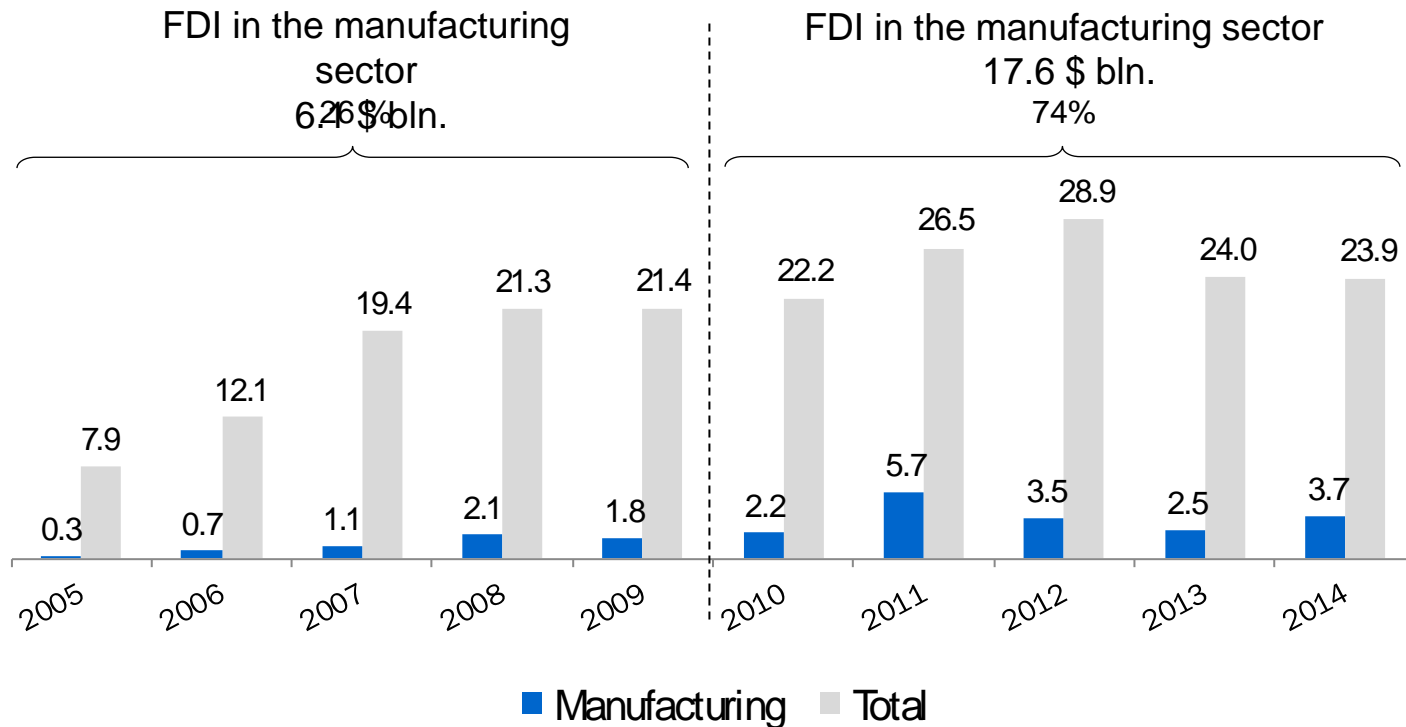
Government External Debt decreased by 14%

The total amount of gross FDI from 2005 to 2014 amounted to \$207.6 billion.



# Economy

## FDI ATTRACTION



Since 2005, gross inflows of FDI in the manufacturing sector amounted to \$ 23.7 billion, of which: From 2010 to 2014 gross inflow of FDI in the manufacturing industry was 17.6 billion USD, which corresponds to 74% of total FDI inflows in the manufacturing industry since 2005.

Source: National Bank of the RK



# Political stability and good investment climate

## PROTECTION OF FOREIGN INVESTMENTS



### Doing Business 2015

Italy - 56

Russia - 62

**Kazakhstan – 77 rank**

China - 90

### Protecting Minority Investors

Italy - 21

**Kazakhstan – 25 rank**

Russia – 100

China – 132

### Taxation

**Kazakhstan – 17 rank**

Russia – 49

China – 120

Italy – 141



### The Global Competitiveness Index 2014-2015

China – 28

Italy – 49

**Kazakhstan – 50 rank**

Russia – 53

### Protecting Investors

**Kazakhstan – 22 rank**

Italy - 45

China – 83

Russia – 98

### Trust in political institutions index

China – 26

**Kazakhstan – 34 rank**

Russia – 74

Italy – 139

### Platforms for dialogue between public authorities and investor

Foreign Investors' Council  
chaired by  
the President

on  
strategic  
issues

Council for improvement of  
investment climate chaired by  
the Prime Minister

on  
systemic  
issues

Investment Ombudsman  
chaired by the Minister on  
Investments and Development

on current  
problems  
of  
investors



# Priority sectors

## 1 Metallurgy

1. Ferrous metallurgy
2. Non-ferrous metallurgy

## 2 Chemical Industry

3. Agricultural chemistry
4. Production of chemicals for industry

## 3 Petrochemical Industry

5. Oil refining
6. Petrochemical industry

## 4 Machinery

7. Manufacture of motor vehicles
8. Electrical equipment
9. Agricultural machinery engineering
10. Railway machinery engineering
11. Mining equipment
12. Oil producing equipment; oil and gas refining equipment

## 5 Production of construction materials

13. Production of construction materials

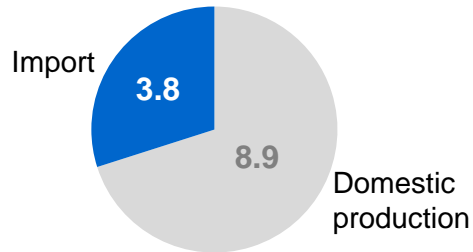
## 6 Food Industry

14. Food production

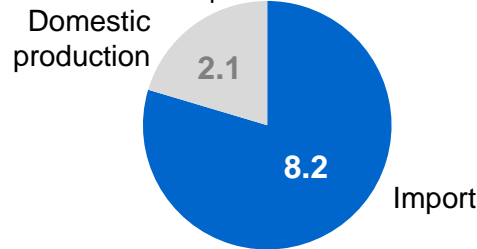


# Industrial niches

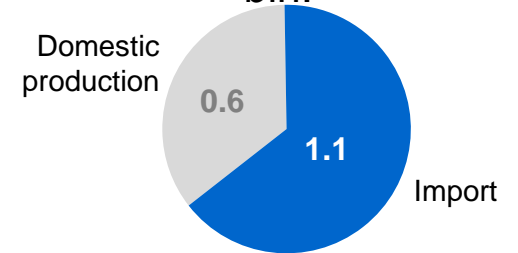
MMC - \$12.7 bln.



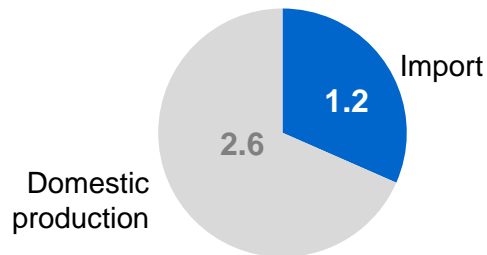
Machinery Industry - \$10.3 bln.



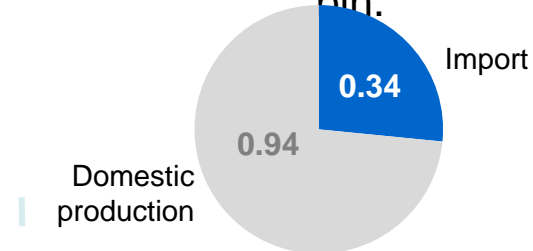
Chemical Industry - \$1.7 bln.



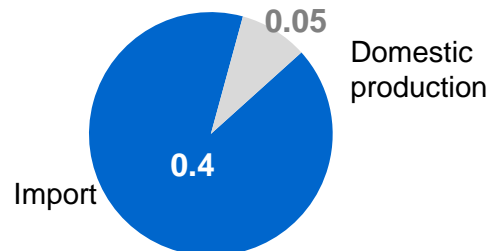
Foodstuffs - \$3.8 bln.



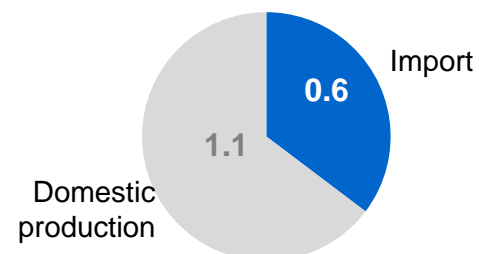
Construction materials - \$1.3 bln.



Petrochemicals - \$0.5 bln.



Oil refining - \$1.7 bln.






# Support for investors

## INVESTMENT PREFERENCES\*

### NEW INCENTIVES (since 2014)\*

<b>Tax benefits</b>	<ul style="list-style-type: none"> <li>• CIT – <b>0 % 10 years</b></li> <li>• Land tax – <b>0% 10 years</b></li> <li>• Property tax – <b>0% 8 years</b></li> </ul>
<b>Investment reimbursement</b>	Up to 30% of construction and installation works and equipment
<b>Migration benefits</b>	<p>The right to employ foreign labor without quotas and permits          Visa-free travel for citizens of 10 countries</p> 
<b>Stable legislation</b>	Stability of tax legislation for all taxes except VAT and excise (subject to investment contract)

### INCENTIVES

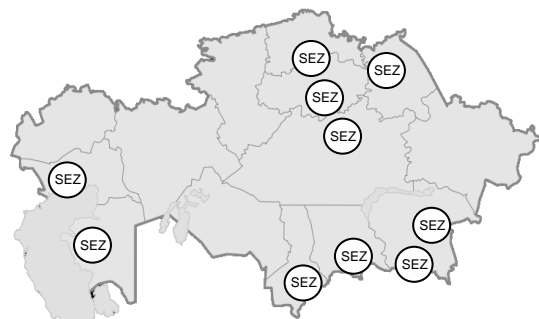
<b>Customs privileges</b>	Customs duties 0% on the import of: <ul style="list-style-type: none"> <li>• equipment and its components,</li> <li>• spare parts,</li> <li>• raw materials and supplies.</li> </ul>
<b>State in-kind grants</b>	Land plots, buildings, machinery and equipment in property.

\*for priority investment projects

Priority types of activities:

1. Metallurgy
2. Chemical Industry
3. Petrochemical Industry
4. Machinery
5. Production of construction materials
6. Food Industry

## SPECIAL ECONOMIC ZONES

<b>Tax benefits</b> CIT – <b>0%</b> Land tax – <b>0%</b> Property tax – <b>0%</b> VAT – <b>0%</b> (on all goods completely consumed in the production process)	<b>Customs privileges</b> Exemption from customs duties for goods imported into SEZ territory
<b>Other privileges</b> Providing the land in the territory of the SEZ for a period of up to 10 years Simplified procedure for recruiting foreign workers	

The "one window" principle for the investor and service support for investment

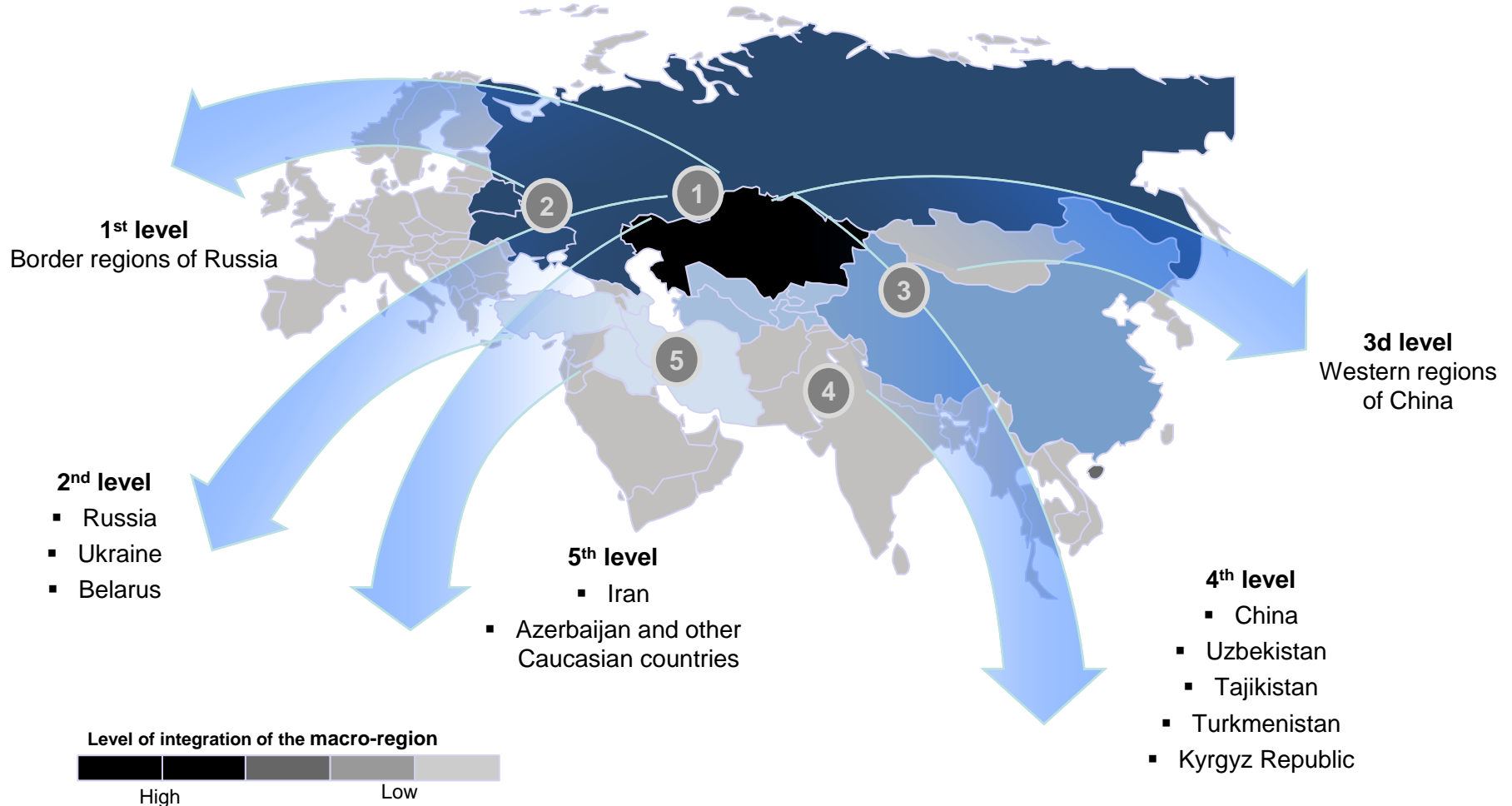
Assistance in obtaining the required approvals and permits	Provision of services to foreign investors and representatives of Kazakhstan business
Information, consulting, organizational and other assistance to the investor	Support for investment project till the start of the production



# Market of the macro-region

Kazakhstan is a member of the Customs Union with Russia and Belarus:

- free trading without customs duties
- access to population over 170 mln. people

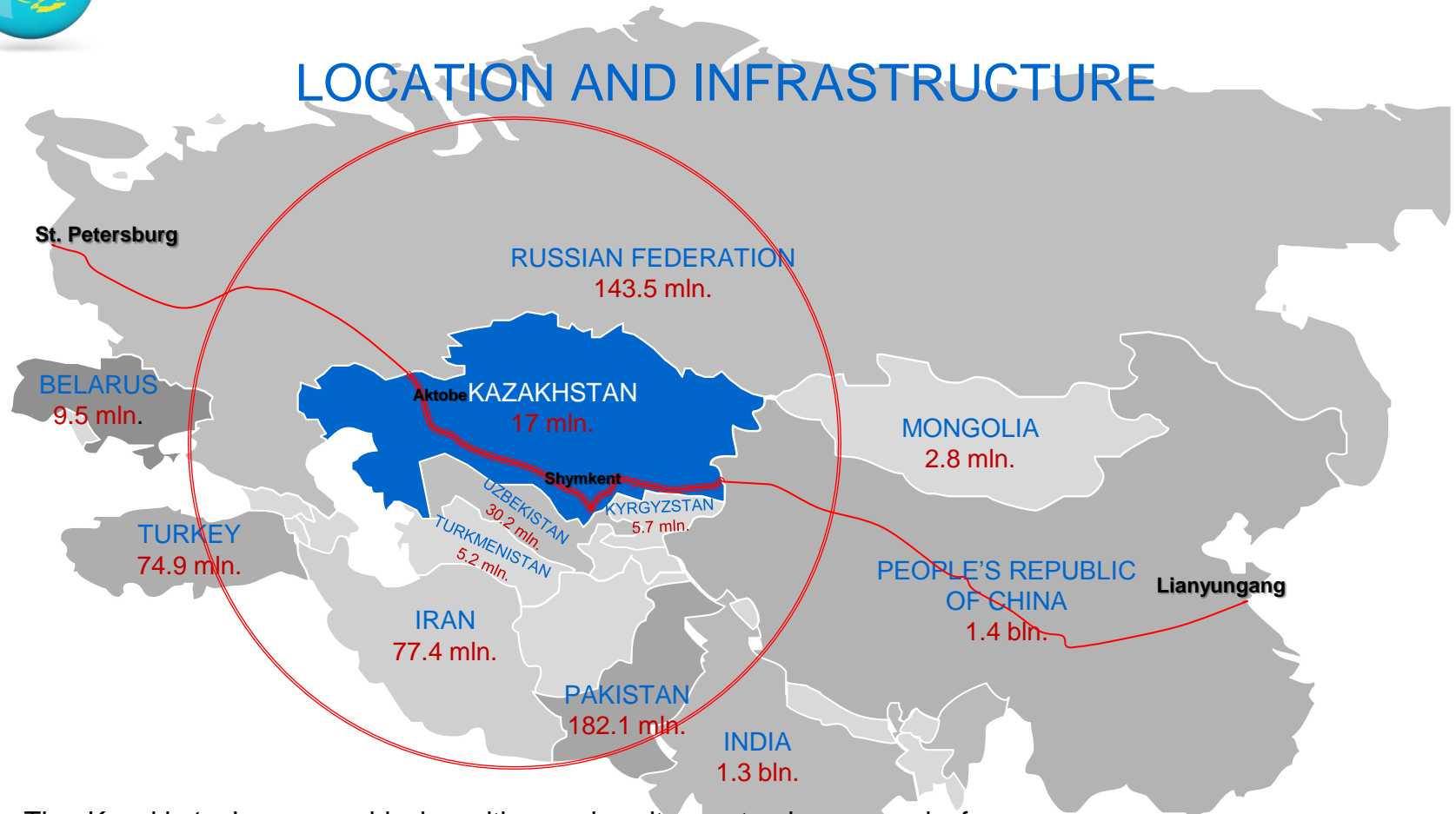






# Infrastructure

## 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.

— Western Europe – Western China corridor (8,445 km=5,247 miles)

== Western Europe – Western China corridor on the territory of Kazakhstan (2,787 km=1,732 miles)



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Thank you  
for your attention