



# INVESTMENT FRIENDLY KAZAKHSTAN

The country is in top three most attractive investment destinations in the CIS

Since Kazakhstan became independent 20 years ago, the goal of establishing a favourable investment climate has been at the top of the country's agenda. As a result, more than USD131 billion in FDI have been attracted since 1991. There are more than eight thousand companies with foreign capital operating in Kazakhstan at present, including large multinationals from the Fortune-50 list, such as Chevron, Siemens, Microsoft, General Electric, Coca Cola, DANONE, Henkel, and others.

Last year Kazakhstan launched a forced industrialisation program, the key implementation mechanism of which is the Map of Industrialisation. The Map enables both the government and businesses to make proper investment decisions, to link the implementation of private projects with infrastructure development by the state and to utilise the country's resource base.

The Map of Industrialisation is also designed to provide international and domestic investors with information on investment projects with potentially high ROI. Those are well-prepared projects that meet a set of criteria prescribed by the state industrialisation program.

The Map of Industrialisation includes projects in ten priority sectors of Kazakhstan's economy:

- Agriculture
- Metallurgy
- Petroleum refining
- Energy
- Chemistry and pharmaceuticals
- Construction materials production
- Transport and telecommunication
- Machinery
- Tourism
- Space activities

Today, the Map of Industrialisation covers 469 projects with the total value of USD56.4 billion. The projects are aimed at establishing production of high-quality, competitive goods that can be supplied not only for the domestic market, but also for exports. In 2010 only, 152 projects worth USD5.4 billion were launched and 23 thousand jobs were created. In the first half of 2011, 75 investment projects worth USD 770 million were started and more than six thousand jobs created.

New investment projects are continuously being added to the database. The Map contains projects of two levels: national and regional. On the national level are projects that are being implemented with the participation of ministries and national holdings. Projects that are considered important but not yet ready for investment are kept as prospective projects to be added to the Map in the future; they will be offered to development institutes, banks, and foreign investors for evaluation and investment decision.

The forms of state support for investment projects can be divided into three groups:

- Firstly, these are the systemic support measures, including stimulation of demand and consumption through investment preferences, trade and tariff regulation;
- Secondly, it is the provision of necessary infrastructure for investment projects, with utilities and transport infrastructure being of particular importance;
- And finally, it is the financial support, including:
  - Strict control over implementation of budget programs by state bodies at the national and regional levels, as well as by state companies and organisations;
  - Use of leasing, project and syndicated finance and employment of public-private partnership mechanisms;
  - Concessional financing and subsidies;
  - Land grants to the projects included in the Map of Industrialisation.

If you are ready to make a smart choice and invest your capital in Kazakhstani projects, you are welcome to contact the National Export and Investment Agency **KAZNEX INVEST**.

**KAZNEX INVEST** can assist by:

- advising on doing business in Kazakhstan;
- accompanying investors in Kazakhstan;
- organising meetings with Kazakh businessmen and state entities;
- organising business forums and road-shows at home and abroad.

# KAZNEX INVEST

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