



KAZAKH INVEST

NATIONAL COMPANY

WHY KAZAKHSTAN

Investment Opportunities
at the Heart of Eurasia

*April 26, 2023
Sofia*

GROSS FDI IN KAZAKHSTAN



TOTAL VOLUME OF FDI **\$417 bn**

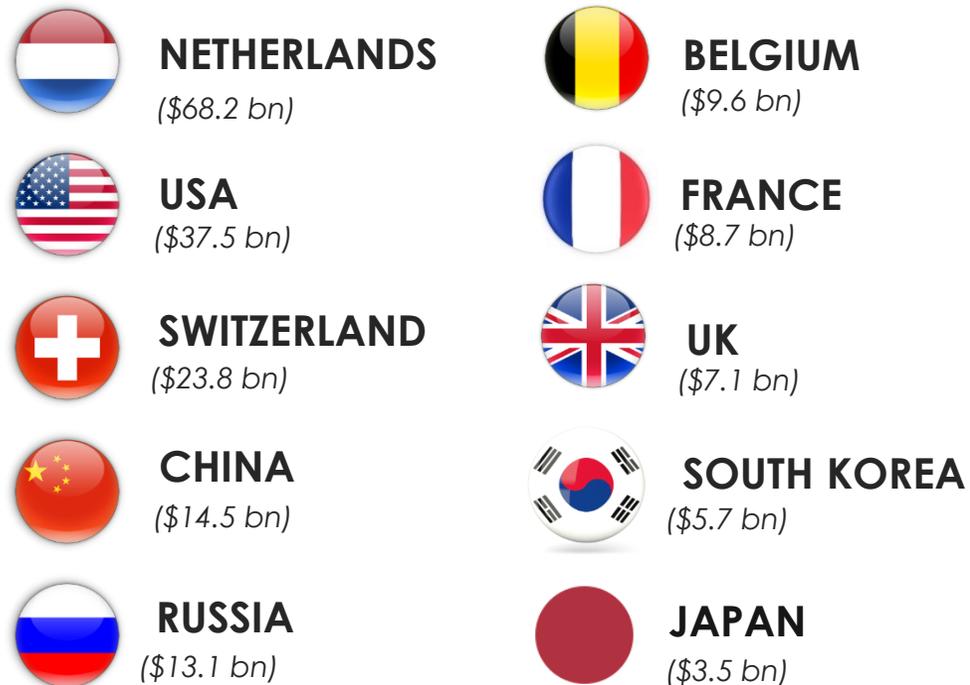
(SINCE 1991)

LARGEST FDI RECIPIENT IN CENTRAL ASIA
HIGHEST FDI PER CAPITA IN THE CIS



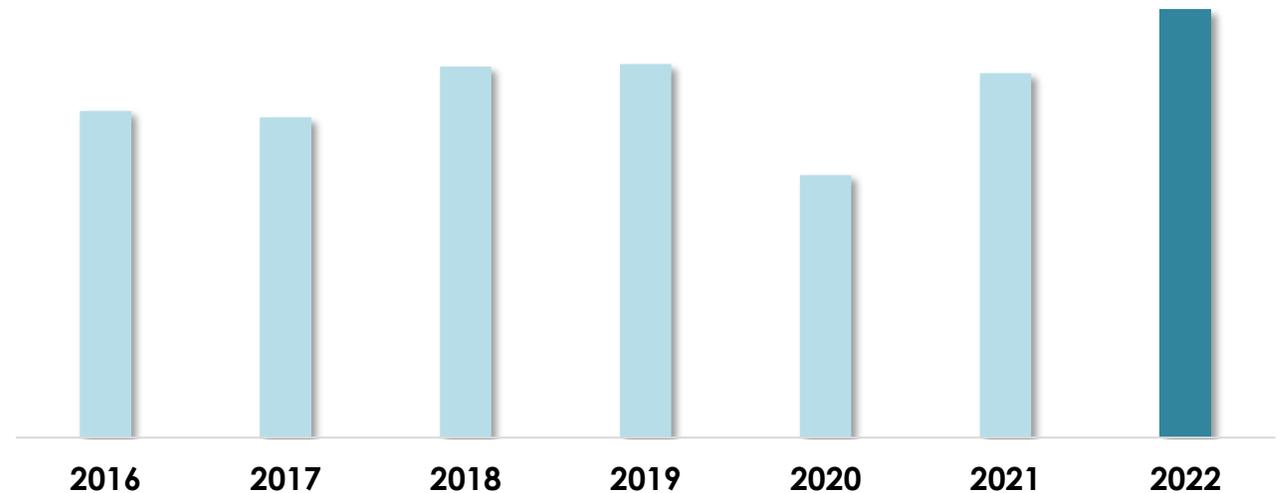
TOP10 INVESTOR COUNTRIES

(Over the last decade)



GLOBAL FDI INFLOW TO KAZAKHSTAN

USD bn



TRADE TURNOVER

\$134.4 bn (2022)

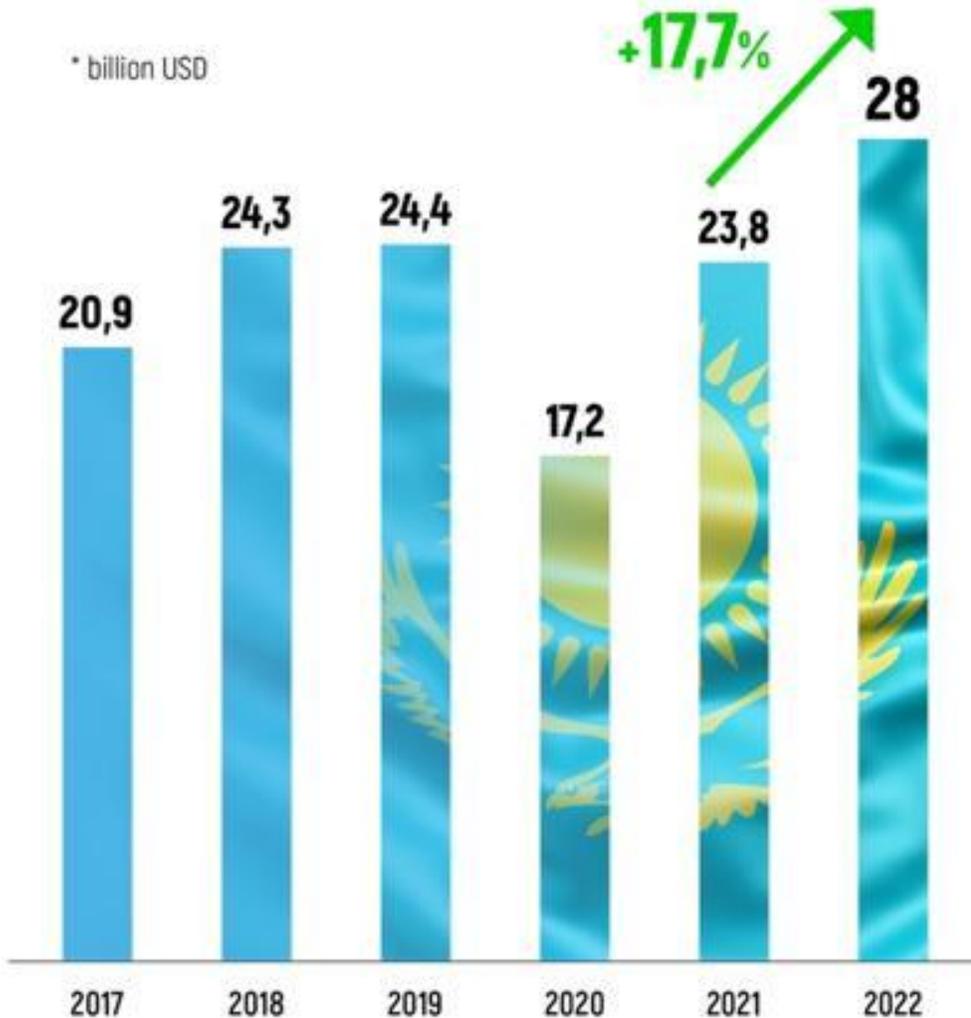
GROSS FDI IN KAZAKHSTAN



* billion USD

+17,7%

28



TOP10 investor countries in 2022

1. NETHERLANDS

\$ 8,3 billion

2. USA

\$ 5,1 billion

3. SWITZERLAND

\$ 2,8 billion

4. BELGIUM

\$ 1,6 billion

5. RUSSIA

\$ 1,5 billion

10. GERMANY

\$ 469,5 million

9. UK

\$ 661 million

8. FRANCE

\$ 770 million

7. CHINA

\$ 1,4 billion

6. SOUTH KOREA

\$ 1,5 billion



MAIN REASONS TO INVEST IN KAZAKHSTAN



**GATEWAY TO THE WORLD'S
LARGEST MARKETS**



**ABUNDANT NATURAL
RESOURCE BASE**



**BUSINESS-FRIENDLY
ENVIRONMENT**



**QUALIFIED AND EDUCATED
WORKFORCE**



**COMPREHENSIVE
STATE SUPPORT**



**VAST OPPORTUNITIES
ACROSS VARIOUS INDUSTRIES**

REASON 1: STRATEGIC ACCESS TO MAJOR MARKETS

11 TRANSIT CORRIDORS



China-Europe

St. Petersburg: 10 days
Hamburg: 16 days



The Middle Corridor

Linking EU and China through the Caspian sea



North-South Corridor

Linking India and Northern Europe along the Caspian sea



Western Europe-Western China

by Auto Expressway: 10 days



Sea ports: Aktau and Kuryk

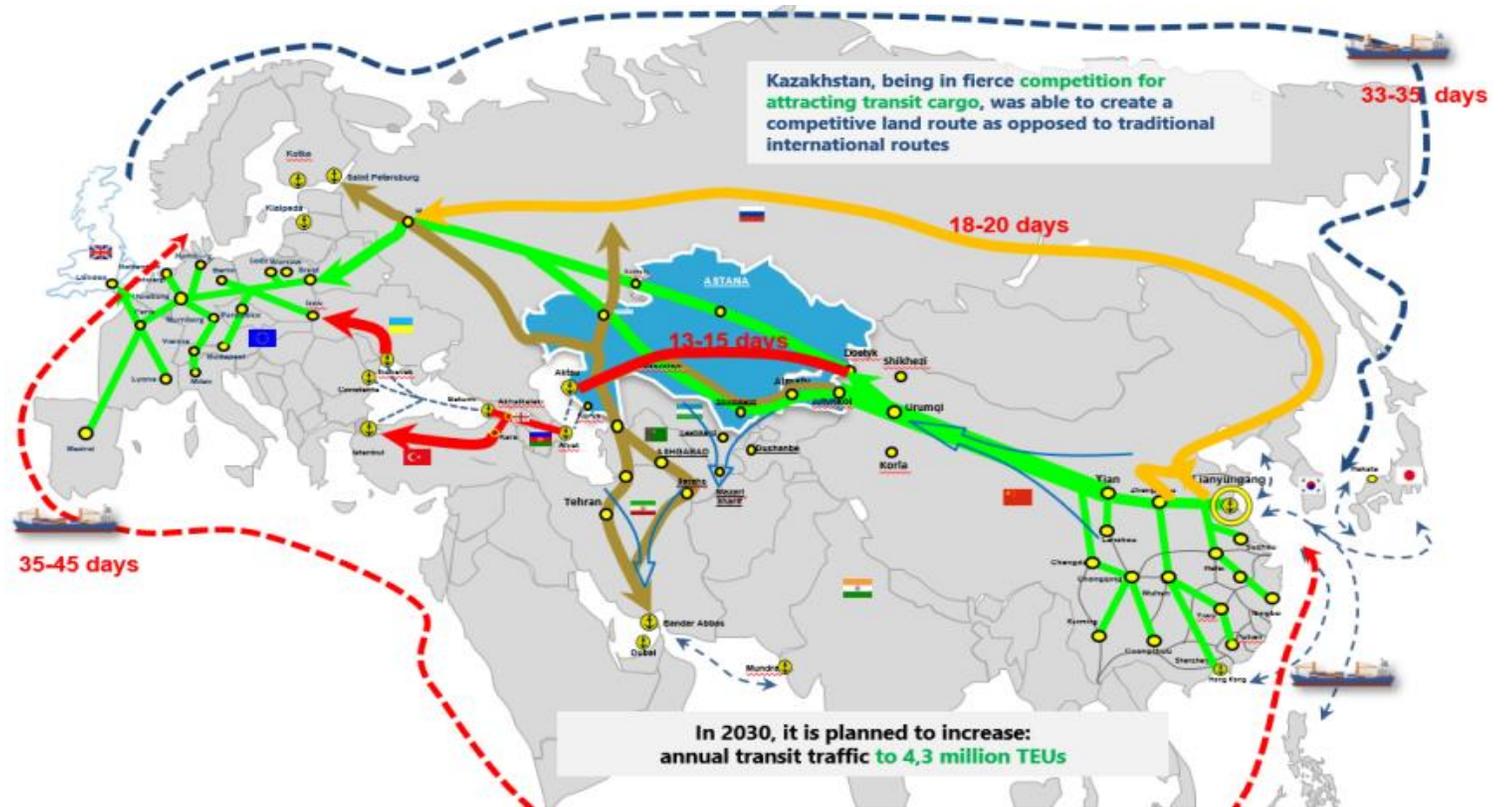
Carrying capacity 27 mln tons

\$30 BN

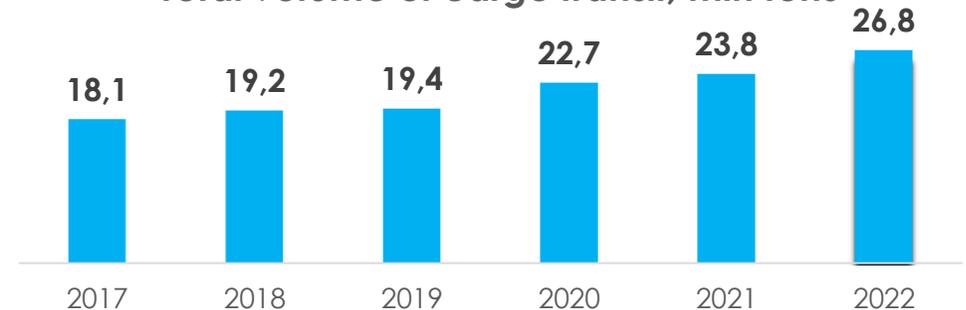
invested in the transport industry over the last 10 years

96 000 km of automobile roads

17 000 km of railways



Total volume of cargo transit, mln tons



REASON 2: ABUNDANT NATURAL RESOURCES

MINERAL RESOURCES

CONCEPTUAL INNOVATIONS

KAZAKHSTAN'S GLOBAL RANKS

Member of the
CRIRSCO

- THE «FIRST COME, FIRST SERVED» PRINCIPLE
- OPEN ACCESS TO GEOLOGICAL INFORMATION
- REDUCTION OF ADMINISTRATIVE BARRIERS
- PROVIDING STABILITY GUARANTEES
- ENSURING THE FUNCTIONING OF THE JUNIOR COMPANY MARKET AND OPPORTUNITIES TO RAISE CAPITAL
- THE NEW CODE IS FULLY CONSISTENT WITH GLOBAL BEST PRACTICE

On Subsoil and
Subsoil Use Code

EITI standard

Reserves 		Production 
1	Chrome	2
2	Uranium	1
8	Manganese	14
7	Lead	12
6	Zinc	8
13	Gold	6
11	Iron ore	15
15	Copper	10

RENEWABLE ENERGY: WIND AND SOLAR

WIND CORRIDORS (5 M/S) IN THE WESTERN REGIONS – THE POTENTIAL IS 1.82 bn kWh PER YEAR

2500 - 3000 **SUNNY HOURS** PER YEAR IN THE SOUTHERN REGIONS

REASON 2: ABUNDANT NATURAL RESOURCES

AGRICULTURAL LAND

220 million hectares, including **180** million hectares of pastures
#6 in the world for agricultural land area (FAO)

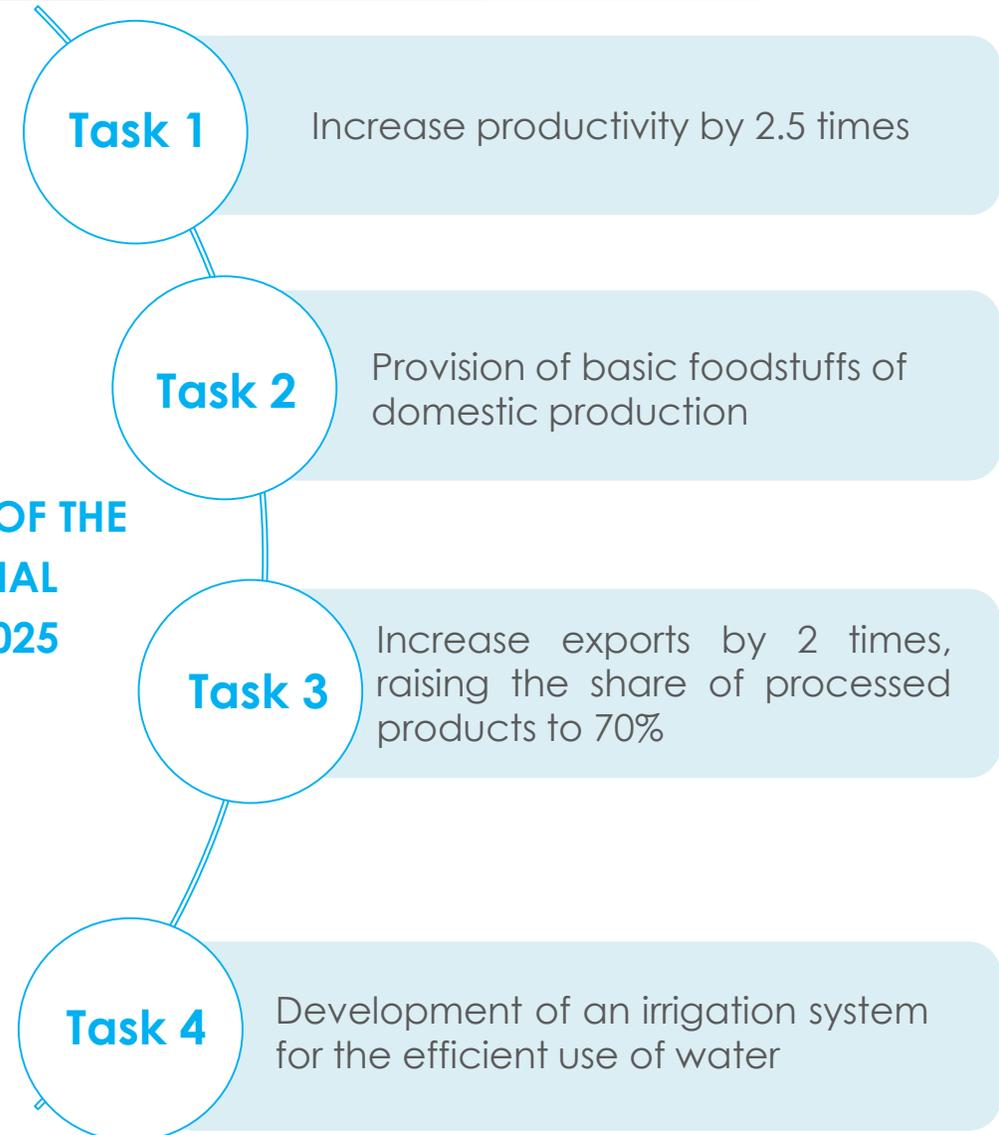
COMPETITIVE ADVANTAGES

- ❖ **Access to major global markets:** China, CIS, Middle East and Southeast Asia
- ❖ **Full support from the government:** incentives, favorable business environment, protection of investor rights
- ❖ **Skilled labor:** 20% of the country's population is employed in agriculture and food production

INVESTMENT INCENTIVES

Reimbursement of 15-50% of investment for construction and expansion of production, purchase of machinery and equipment for the implementation of projects in the agro-industrial complex

DEVELOPMENT OF THE AGRO-INDUSTRIAL COMPLEX TO 2025



REASON 3: BUSINESS-FRIENDLY ENVIRONMENT



**#43 in the World
Competitiveness Index**
#1 among CIS



**#28 in Global E-Government
Development Index**
#1 among CIS



**#1 in FDI growth among transition
economies and landlocked
countries (UNCTAD, WIR 2021)**



**a comprehensive legal regime
for protecting investments based
on the English Common Law**

STATE SUPPORT FOR INVESTORS



Foreign Investors' Council
chaired by the **President**
on strategic issues



Investment Council chaired by
the **Prime Minister**
on current issues



Investment Ombudsman represented
by the **Prime Minister**
*protection of the rights and interests
of investors*



Council on Improvement Investment
climate chaired by the **Prime Minister**
on systematic issues

REASON 3: BUSINESS-FRIENDLY ENVIRONMENT: ASTANA INTERNATIONAL FINANCIAL CENTRE

LOCATED IN ASTANA



INDEPENDENT JUDICIAL SYSTEM
based on the English Common Law



WORLD CLASS REGULATION STANDARDS
ease of setting up business



TAX EXEMPTION UNTIL 2066
on the regulated activities



SPECIAL LABOUR AND VISA REGIMES
no restriction on employment



ASTANA INTERNATIONAL EXCHANGE (AIX)
operates in AIFC regulatory environment



- ❖ Judicial system based on the English Common Law
- ❖ Independent court and judges
- ❖ Online dispute resolution via e-Justice system
- ❖ No administration fees



- ❖ Choice of language, arbitrator, mediator and arbitral rules (IAC Procedural Rules, UNCITRAL, ad hoc rules)
- ❖ Final award within 6 months
- ❖ Mediation services
- ❖ No administration fees

REASON 4: QUALIFIED AND EDUCATED WORKFORCE



100%

Literacy rate – top 10 globally and highest in the region



#35

UN Education Index 2020



100 000+

Graduates of top universities

Including over 14 000 alumni of BOLASHAK International Scholarship



120

Higher education institutions



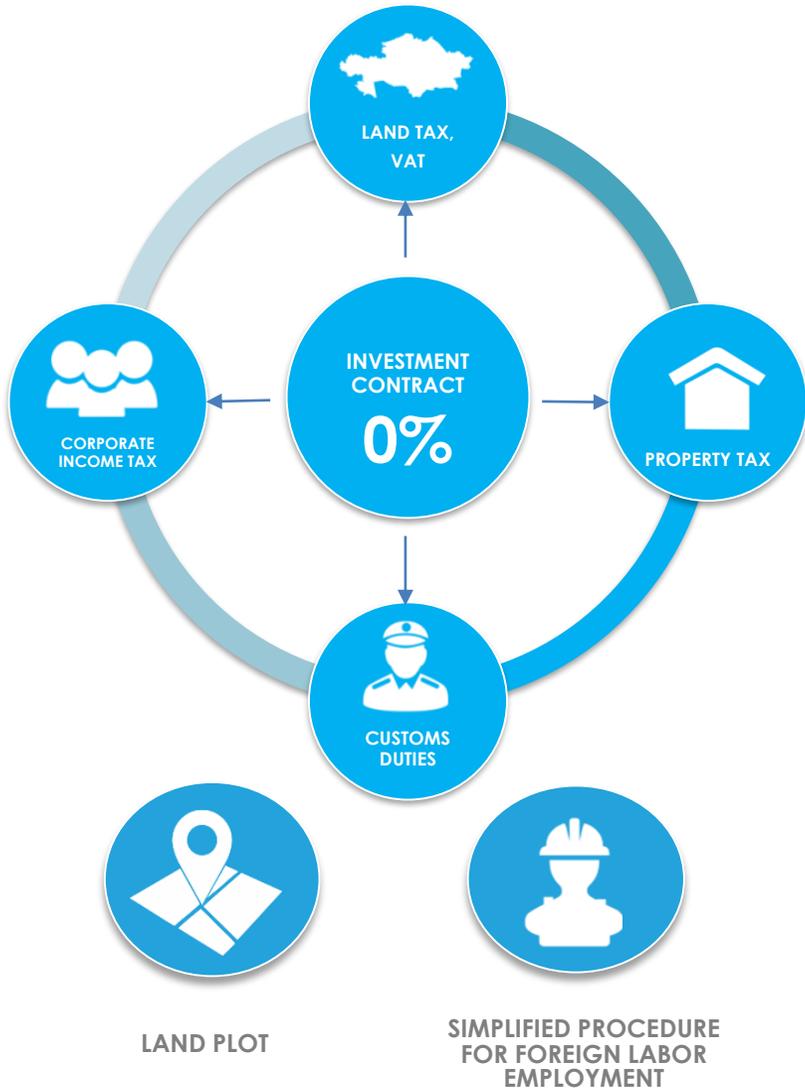
Multilingual workforce



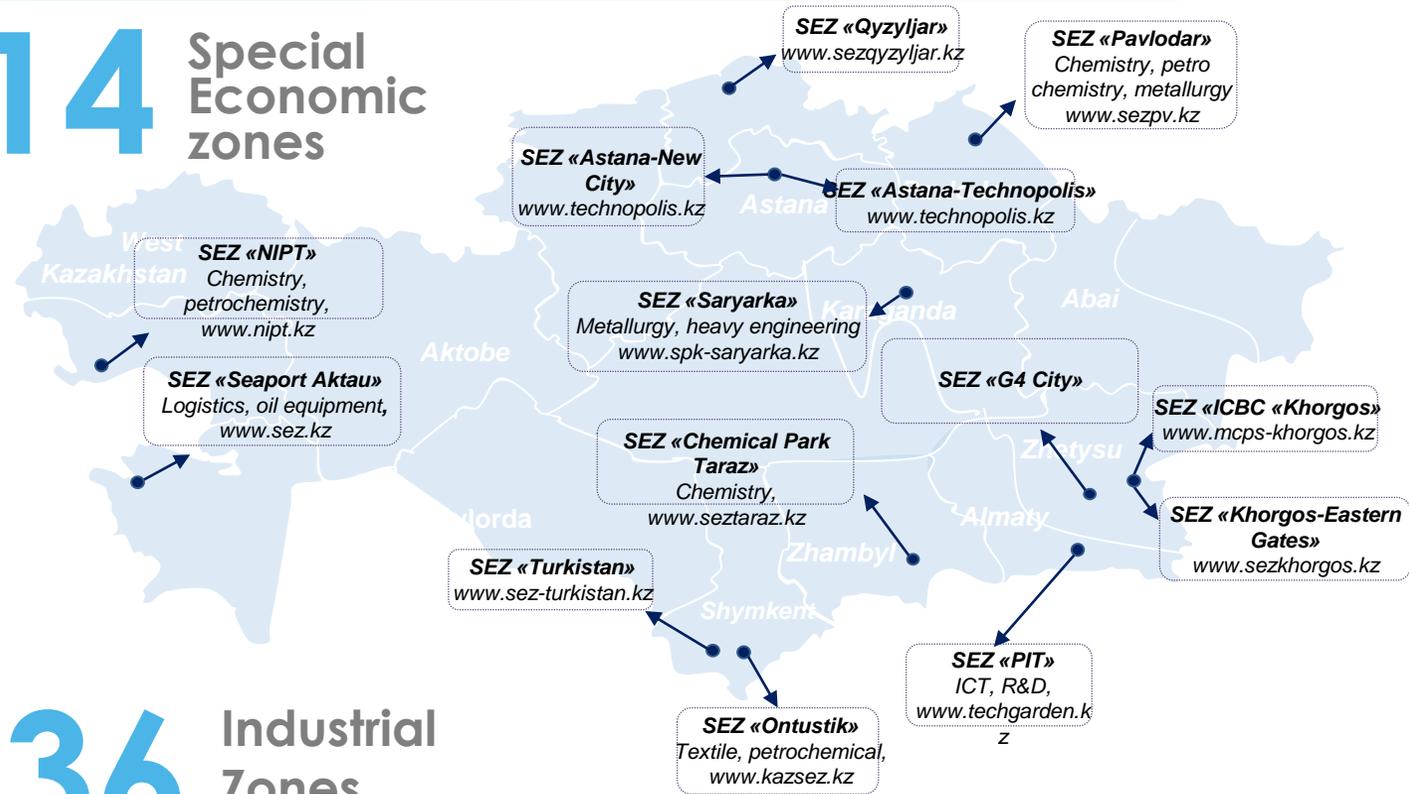
400

R&D organizations

REASON 5: COMPREHENSIVE STATE SUPPORT



14 Special Economic zones



36 Industrial Zones



NEW TOOL: CUSTOM-MADE AGREEMENT DIRECTLY WITH THE GOVERNMENT
ensuring stability of legislation for 25 years for the major strategic projects

5 COMPREHENSIVE STATE SUPPORT



PROJECT	CONCEPT
INVESTMENT PROJECT	A set of activities providing for investments in the creation of new, expansion and (or) renewal of existing production facilities, including production facilities created, expanded and (or) updated during the implementation of a public-private partnership project, including a concession project.
INVESTMENT PRIORITY PROJECT	<ol style="list-style-type: none"><li data-bbox="580 546 2479 646">1) Greenfield investments - set-up new production plants provided that investments amount is at least 2 million fold of MCI (nearly. \$ US 14 million);<li data-bbox="580 646 2479 796">2) Brownfield investments - expansion and (or) renewal of existing production plants (renovation, reconstruction and modernization) subject to the investments amounts at least 5 million fold MCI (nearly. \$ US 35 million);<li data-bbox="580 796 2479 896">3) Set-up food and light industry plants subject to the investments amount 1 million fold MCI (nearly \$US 7 mln.);<li data-bbox="580 896 2479 1003">4) Set-up touristic facilities in the prioritized touristic zones subject to the investments amount 200,000 fold MCI (nearly \$US 1,4 mln.)
SPECIAL INVESTMENT PROJECT	An investment project implemented (being implemented) by a legal entity of the Republic of Kazakhstan registered as a special economic zone participant or owner of a free warehouse, in accordance with the customs laws of the Republic of Kazakhstan, and (or) acquired from a participant in a special economic zone or implemented by a legal entity of the Republic of Kazakhstan, that signed an agreement on the industrial assembly of motor vehicles.

5 COMPREHENSIVE STATE SUPPORT



INVESTMENT CONTRACT AND SPECIAL INVESTMENT CONTRACT			INVESTMENT AGREEMENT	INVESTMENTS OBLIGATIONS AGREEMENT
INVESTMENT PROJECT	INVESTMENT PRIORITY PROJECT	SPECIAL INVESTMENT PROJECT	INVESTMENT PROJECT	Financing of capital expenditures and/or expenditures for purchase, manufacture, construction of new fixed assets, and other expenditures that increase fixed assets costs
<ol style="list-style-type: none"> 1) Customs duty free and VAT free import; 2) State in-kind grant; 3) Force period – duration of investment incentives 	<ol style="list-style-type: none"> 1) Customs duty free; 2) State in-kind grant; 3) Tax preferences (holidays) - Corporate income tax, property tax and land tax <p>Force – period – duration of investment incentives, max.10 years</p>	<p>Exemption from:</p> <ol style="list-style-type: none"> 1) Custom duties; 2) VAT; <p>Force period – as agreed by the parties</p>	<ol style="list-style-type: none"> 1) TAX HOLIDAYS for corporate income tax, land tax, property tax, exemption from VAT, the latter is for special economic zones (SEZ) members and reduction of tax liabilities; 2) CASHBACK of costs for construction and installation work and purchase of equipment in the amount of up to 20% exclusive of VAT and excise tax; 3) OTHER incentives stipulated by the Kazakhstani laws and as agreed by the parties. 4) FORCE PERIOD – 25 years 	<p>10 YEARS TAX STABILITY</p> <p>A taxpayer (tax agent) that signed an investment obligations agreement shall calculate the tax amounts pursuant to the tax regulations in force at the time of conclusion of the said agreement within ten years starting from January 1 of the year, when such an agreement was concluded (tax stability guarantee) for the following taxes.</p> <ol style="list-style-type: none"> 1) VAT and Excise; 2) Payment for the environment emission; 3) Individual Income Tax; 4) Withholding tax

5 COMPREHENSIVE STATE SUPPORT

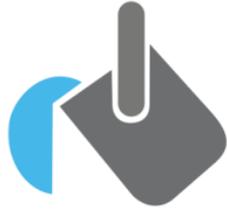


PROJECT CATEGORY	TAX PREFERENCES/ DURATION				EXEMPTION FROM CUSTOM DUTIES ON IMPORT/DURATION	STATE IN-KIND GRANT
	VAT free import	Corporate income tax (100% reduction)	Land tax (0% rate)	Property tax (0% rate)		
Investment	+ / 5	—	—	—	+ / 5	+
Investment Priority Project						
Set-up of production plants	—	+ / 10	+ / 10	+ / 8	+ / 5	+
Expansion and renewal of existing production plants	—	+ / 3	—	—	+ / 5	+
Special Investment Project	+ (for special entities)	—	—	—	+ / 15	—

REASON 6: VAST OPPORTUNITIES ACROSS VARIOUS INDUSTRIES



Agribusiness
67 projects



Mining and Metallurgy
48 projects



**Chemical and
Petrochemical Industry**
24 projects



**Healthcare and
Pharmaceuticals**
14 projects



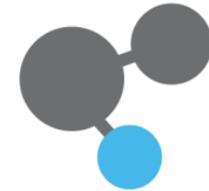
**Machinery
manufacturing**
13 projects



Construction materials
9 projects



Tourism
9 projects



Others
23 projects

Over 200 investment proposals by KAZAKH INVEST

ULTIMATE INVESTMENT GUIDE IN KAZAKHSTAN



ONE - STOP SHOP

FOR INVESTORS IN KAZAKHSTAN



**COMPREHENSIVE SUPPORT
AT ALL STAGES OF PROJECT
IMPLEMENTATION**



**PREPARATION OF INVESTMENT
PROPOSALS, BUSINESS
MATCH-MAKING**

**BUSINESS PLAN, FINANCIAL
MODEL**



**PROMINENT EXPERTS
WITH LOCAL KNOWLEDGE
AND INDUSTRY EXPERTISE**



**NETWORK OF REPRESENTATIVES
ABROAD AND IN ALL REGIONS
OF KAZAKHSTAN**



KAZAKH INVEST

NATIONAL COMPANY

GROW YOUR BUSINESS
INVEST IN KAZAKHSTAN



Saken Olzhabayev, MSc
Official Representative
KAZAKH INVEST National Company
Tel: +49 15207688016
E-mail: s.olzhabayev@invest.gov.kz
www.invest.gov.kz