



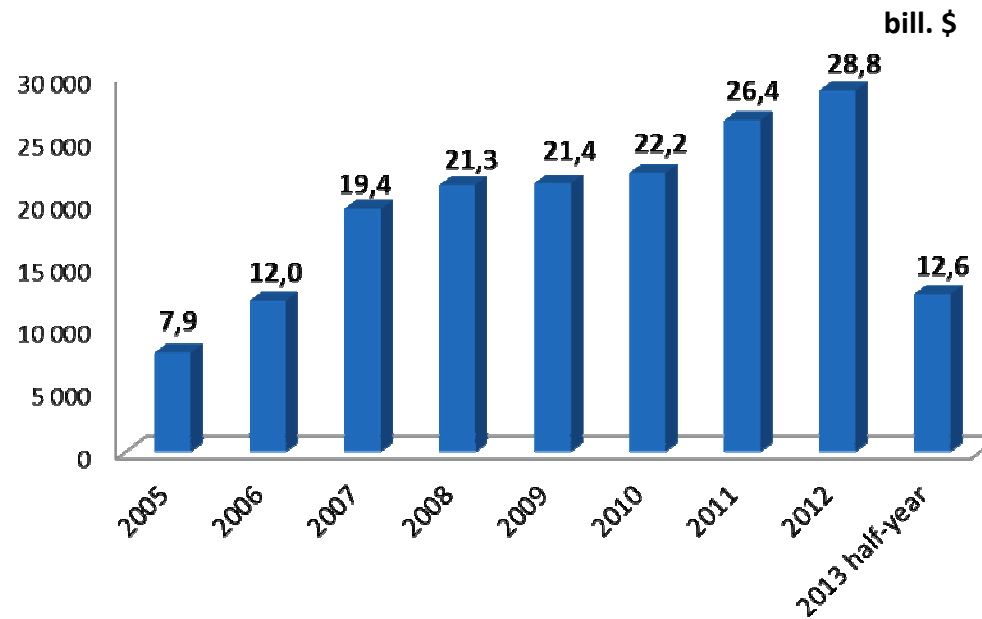
INVESTMENT OPPORTUNITIES OF KAZAKHSTAN

Ministry of Industry and New Technologies of Republic of Kazakhstan

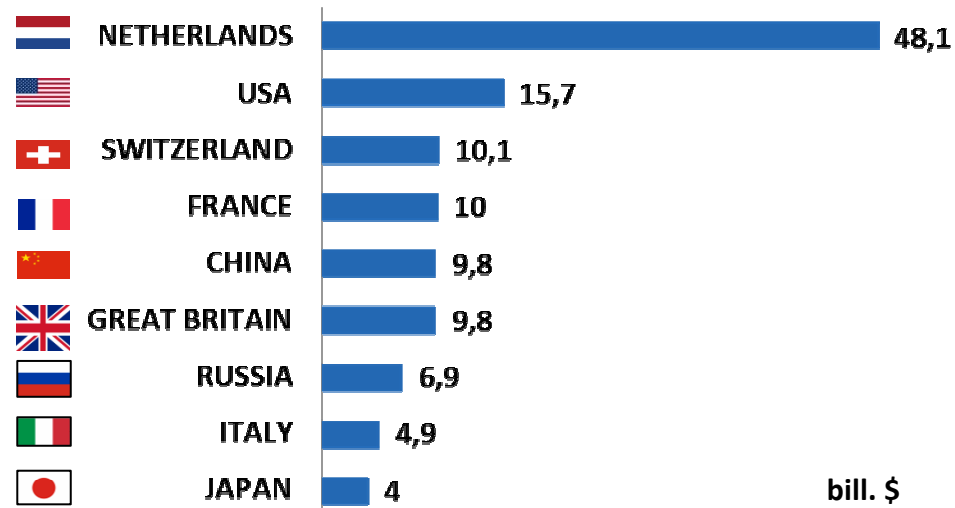
THE VOLUME AND STRUCTURE OF FDI IN KAZAKHSTAN

VOLUME of FDI
2005-2013 half-year

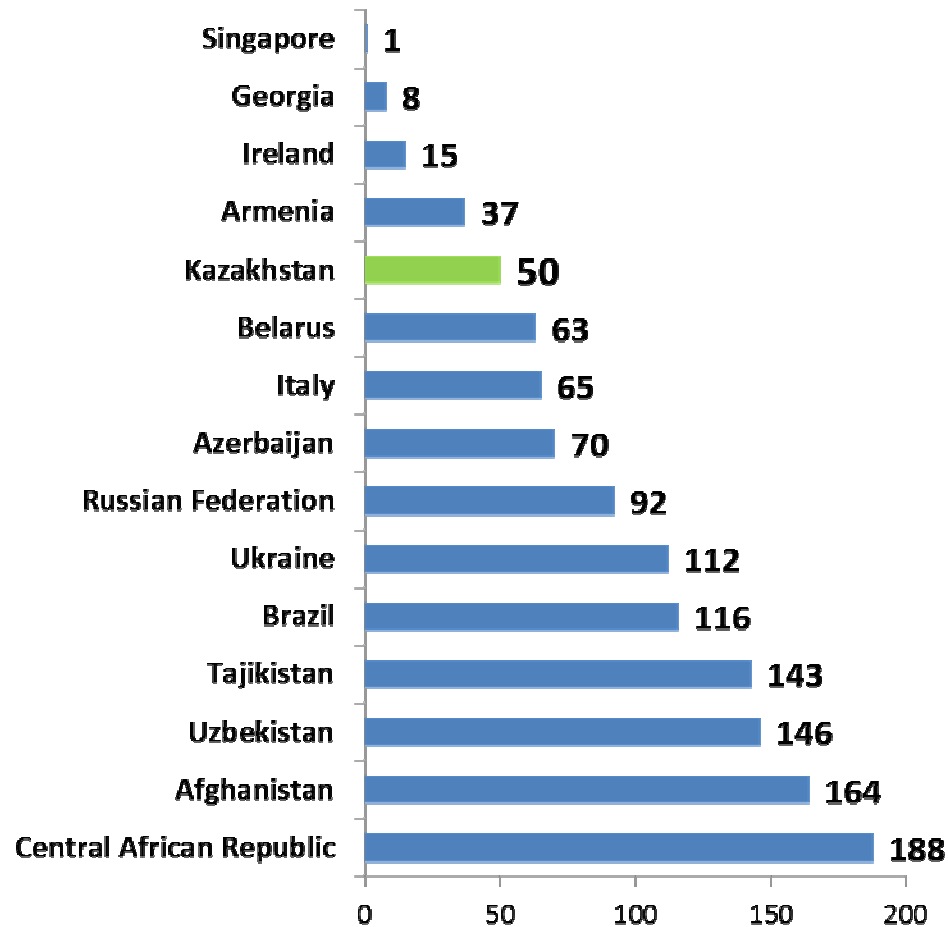
172,3 bill. \$



BY COUNTRY
2005-2013 half-year



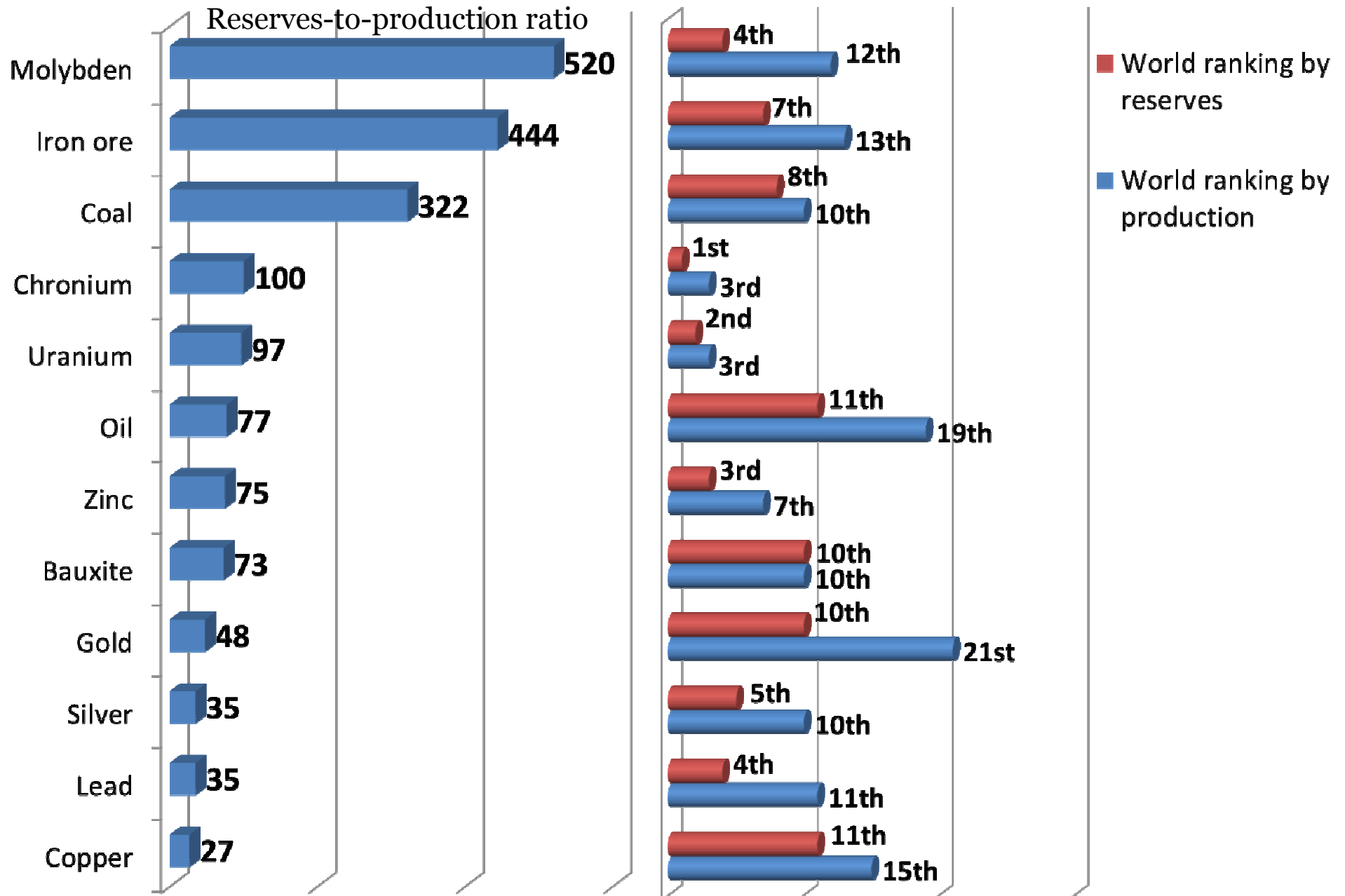
DOING BUSINESS IN KAZAKHSTAN IS MUCH EASIER THAN IN MOST EMERGING MARKETS (2013)



COMPARISON OF THE SEVERITY OF THE TAX BURDEN ACCORDING TO THE DOING BUSINESS RATING (2013)

COUNTRY	Rank	Profit tax (%)	Labor tax and contributions (%)	Other taxes (%)	Total tax rate (% profit)
UAE	1	0.0	14,1	0,8	14,9
Canada	8	6,6	12,9	4,9	24,3
Kazakhstan	18	15,9	11,2	1,6	28,6
Georgia	29	14,3	0	2,2	16,4
Russian Federation	57	8	36,7	6,1	50,7
Czech Republic	122	7,7	38,4	2	48,1
Belarus	133	13,4	39	1,5	54
Ukraine	164	11,2	43,1	0,7	54,9

VAST NATURAL RESOURCES

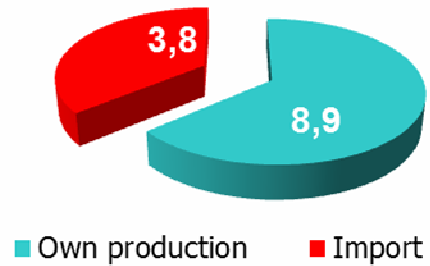


**PRIORITY SECTORS ACCORDING TO
STATE PROGRAM FOR ACCELERATED INDUSTRIAL-INNOVATIVE DEVELOPMENT
OF THE REPUBLIC OF KAZAKHSTAN**

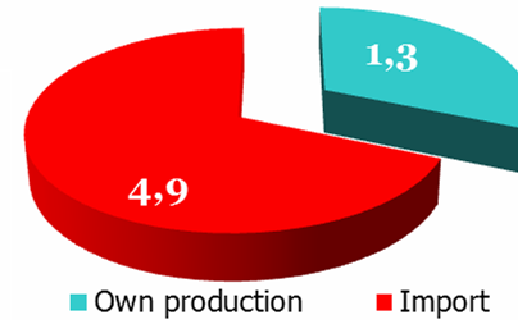
- **MINING AND METALLURGICAL COMPLEX**
- **CHEMICAL INDUSTRY**
- **PETROCHEMICALS**
- **MACHINERY**
- **CONSTRUCTION INDUSTRY**
- **PHARMACEUTICALS**
- **AGRO-INDUSTRIAL COMPLEX**
- **LIGHT INDUSTRY**
- **TOURISM**
- **INFORMATION AND COMMUNICATION TECHNOLOGY**
- **BIOTECHNOLOGY AND SPACE TECHNOLOGY**
- **ALTERNATIVE ENERGY**

INDUSTRY NISHES

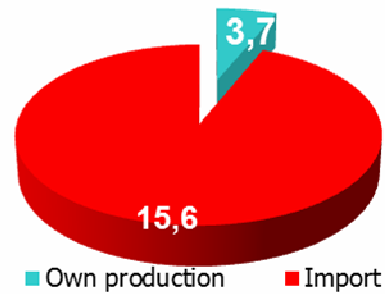
MSC market - \$ 12,7 bill



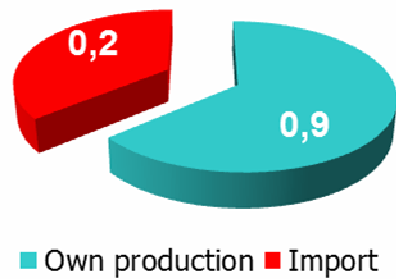
Chemical industry market - \$ 6,3 bill.



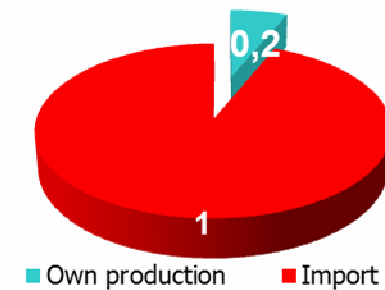
Machinery industry market - \$ 19,3 bill.



Light industry - \$ 1,1 bill



Pharmaceutical industry market – \$ 1,2 bill.



INVESTMENT PREFERENCES

LAW OF THE RK DATED AS 21.07.11 № 469 “ON INVESTMENTS»

Preferences for projects in priority sectors

Exemption from customs duties on equipment, components, raw materials and spare parts imported for a project

In-kind state grants

Tax allowances as per Tax code of the RK (deductions of the value of the preference objects, and (or) further costs to modernization up to 3 years)

CRITERIA for investment projects:

✓ Corresponds to the List of priority activities

Preferences for strategic investment projects

Land , property tax **0% for up to 7 years**

Guaranteed state order

Industrial subsidies for areas with low socio-economic development

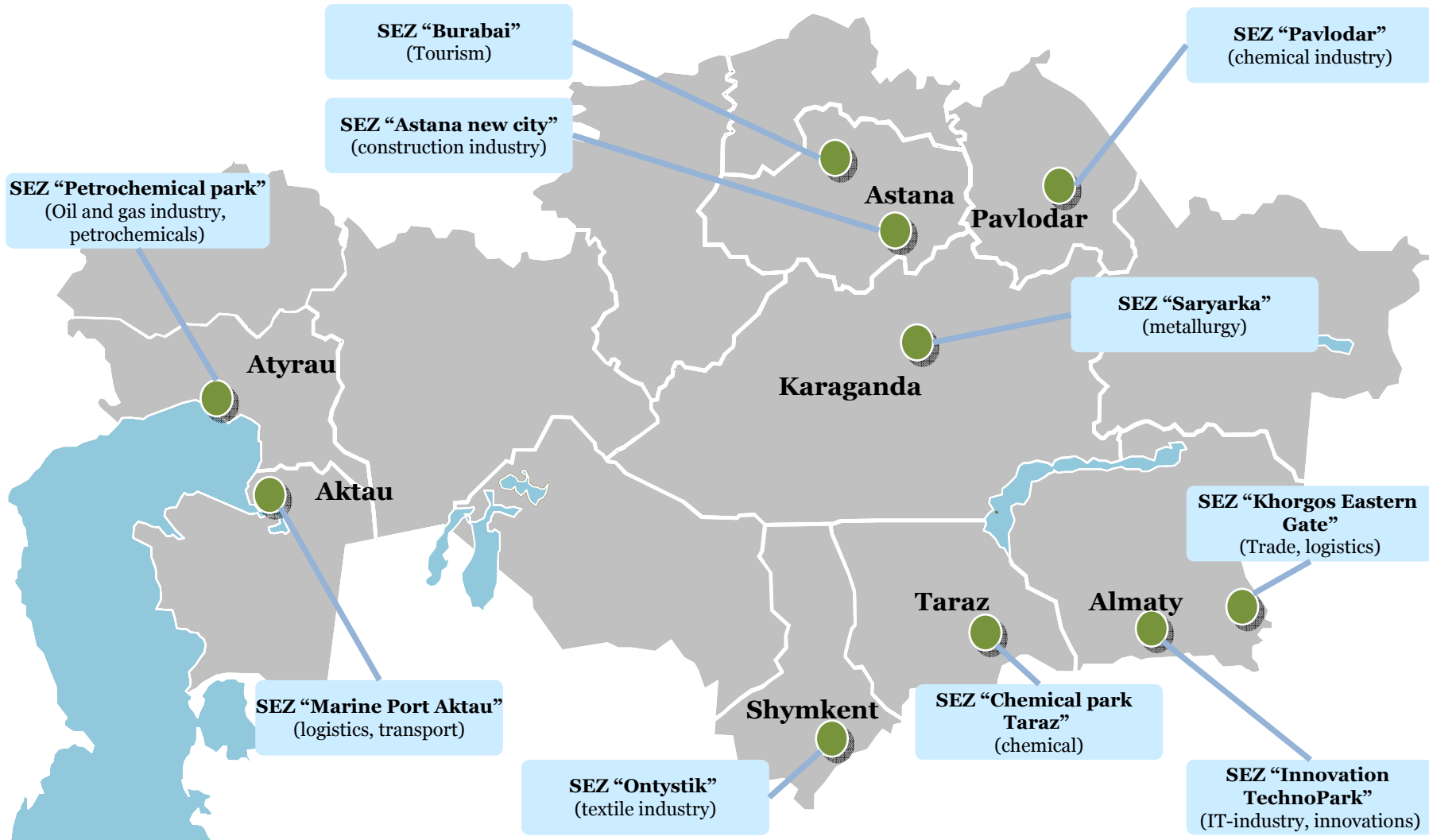
Corresponds to the List of priority activities

The volume of investment exceeds **57 million USD**

OR

Corresponds to the List of high-technology products

Sector-specific incentives in 10 dedicated SEZs across country



INVESTMENT INCENTIVES IN SEZS

FISCAL INCENTIVES

- 0% Corporate Income Tax until 2020-2036 with possibility for extension
- 0% for land and property tax until 2020-2036 with possibility for extension
- VAT– 0% (for products consumed in SEZ) until 2020-2036 with possibility for extension
- Increase of marginal rate of depreciation for tax on the production of software to 40%
- For SEZ “IT Park” – social tax is 0% for 5 years, under certain conditions
- For SEZ“IT Park”– 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

Access to New Markets: Access to New Markets: Kazakhstan, Russia and Belarus Customs Union from January 1, 2010

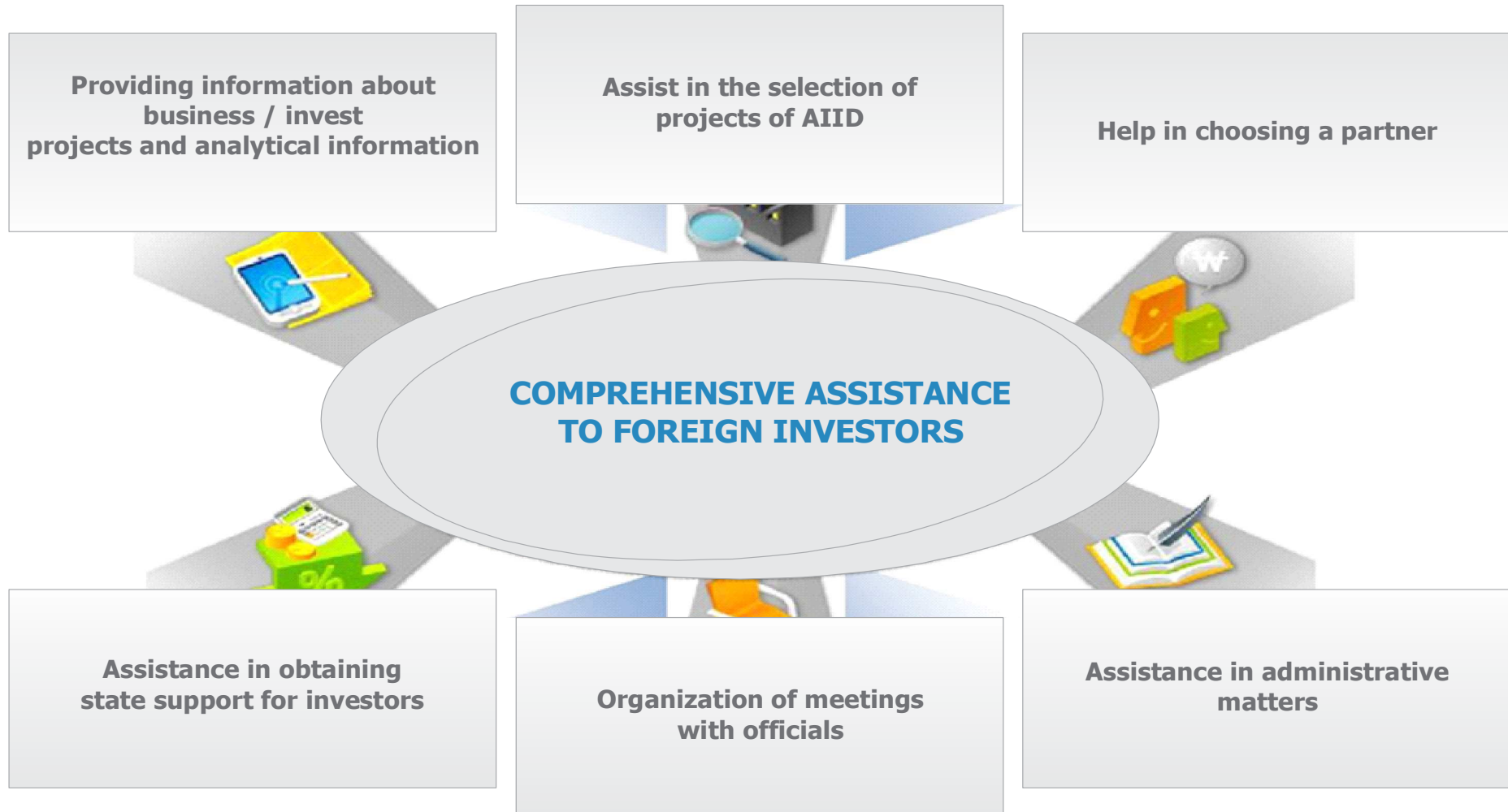
Advantages for potential investors:

SIMILAR TRADE RULES

1. Single custom's territory;
2. Single trade policy;
3. Harmonized custom's legislation;
4. Simplified procedures for exporting goods to the territory of other member countries of the CU.



KAZNEX INVEST: YOUR ONE-STOP-SHOP FOR INVESTING



WHY IS KAZAKHSTAN ATTRACTIVE FOR FOREIGN INVESTORS?

1

Political stability and good investment climate



- A high level of trust in political institutions and the effective allocation of funds (WEF 2012) in comparison with the countries of the CIS.
- Ease of Doing Business (49 on the list of World Bank Doing Business 2013: 10 place in the investor protection and 17 place in the payment of taxes).

2

Regionally attractive fiscal and non-fiscal regime and protection of foreign investment



- Attractive corporate tax rate (20%) and low VAT (12%)
- Fiscal and non-fiscal incentives for investors, including in SEZs
- 48 bilateral agreements on mutual protection of investments (US also)
- Main international arbitration instruments ratified

3

Stable macroeconomic indicators and high growth



- GDP growth: 5.5% (IMF 2012)
- Low debt / GDP ratio in the world: 15.8% (IMF 2012)
- Budget deficit: 2.5% (IMF 2012)
- Inflation rate: 6.0% (IMF 2012)

4

Springboard to circa 3 billion potential customers



- 3 of the 4 BRIC countries are in 4 hours flight
- Customs Union with a population of 170 million and a total GDP of 2 trillion.
- Open economy (trade 70% of GDP)
- Anticipated entry into the WTO in 2013

Thank you for your attention!

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