

# KAZAKHSTAN THE LAND OF GREAT OPPORTUNITIES



EMBASSY OF  
KAZAKHSTAN

KUALA LUMPUR

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INVEST KAZAKHSTAN  
THE LAND OF GREAT OPPORTUNITIES

[www.invest.gov.kz](http://www.invest.gov.kz)

# WHY KAZAKHSTAN?

**KAZAKHSTAN IS A COUNTRY WITH RICH RESOURCES**

**ALMOST ALL ELEMENTS OF MENDELEEV'S PERIODIC TABLE CAN BE MET IN KAZAKHSTAN**

**THE COUNTRY IS A WORLD LEADER**

**1<sup>ST</sup> PLACE**

URANIUM, ZINC, WOLFRAM AND BARITE RESERVES

**2<sup>ND</sup> PLACE**

SILVER, LEAD AND CHROMITE RESERVES

**3<sup>RD</sup> PLACE**

COPPER AND FLUORITE RESERVES

**4<sup>TH</sup> PLACE**

MOLYBDENUM RESERVES

**6<sup>TH</sup> PLACE**

GOLD RESERVES

## KEY FACTS (2019)

Population	18.8 million
Area	2.8 million sq. km
GDP	\$ 180 billion
Foreign trade turnover	\$ 96,1 billion
Gross FDI inflow	\$ 24.1 billion
Credit rating Fitch (BBB), Standard & Poor (BBB-), Moody's (Baa3)	<b>Stable</b>

## FAVORABLE TAX REGIME

TOTAL TAX AND SOCIAL SECURITY RATE  
(DOING BUSINESS 2020 IN CATEGORY - PAYING TAXES)

**KAZAKHSTAN**



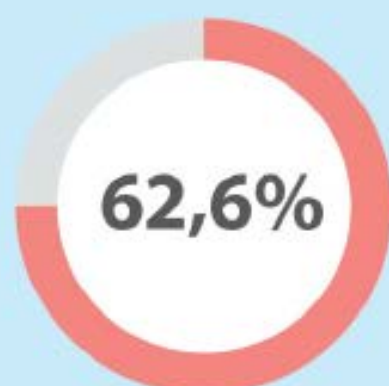
**RUSSIA**



**UZBEKISTAN**



**CHINA**



**\$ 320 billion of direct investments since independence**

**29th place in the world on human capital development index**

**Cheap and reasonable**

Qualified staff

Monthly salary

\$416 Kazakhstan \$548 Russia \$701 China

**Simplified**

**employment procedure**

Non-visa regime for citizens from more than 65 countries

includes all OECD member-countries

# KAZAKHSTAN'S STRATEGIC LOCATION

Located at the Crossroads of Europe and Asia, Kazakhstan provides an access to a regional marketplace of **more than 500 million consumers** and plays an important role in the **Belt and Road Initiative**.



## Market access and time-efficient cargo transportation



Preferential access to a common market of the Eurasian Economic Union with more than **180 million consumers**

- Central Asian markets (50 million)
- Western China (300 million)
- Caspian Sea Countries (150 million)



**China-Europe-China**  
St. Petersburg: 10 days  
Hamburg: 16 days  
London: 18 days



**Western Europe-Western China**  
**Transcontinental Auto Expressway** will allow products to be shipped between China and Europe in just 10 days.



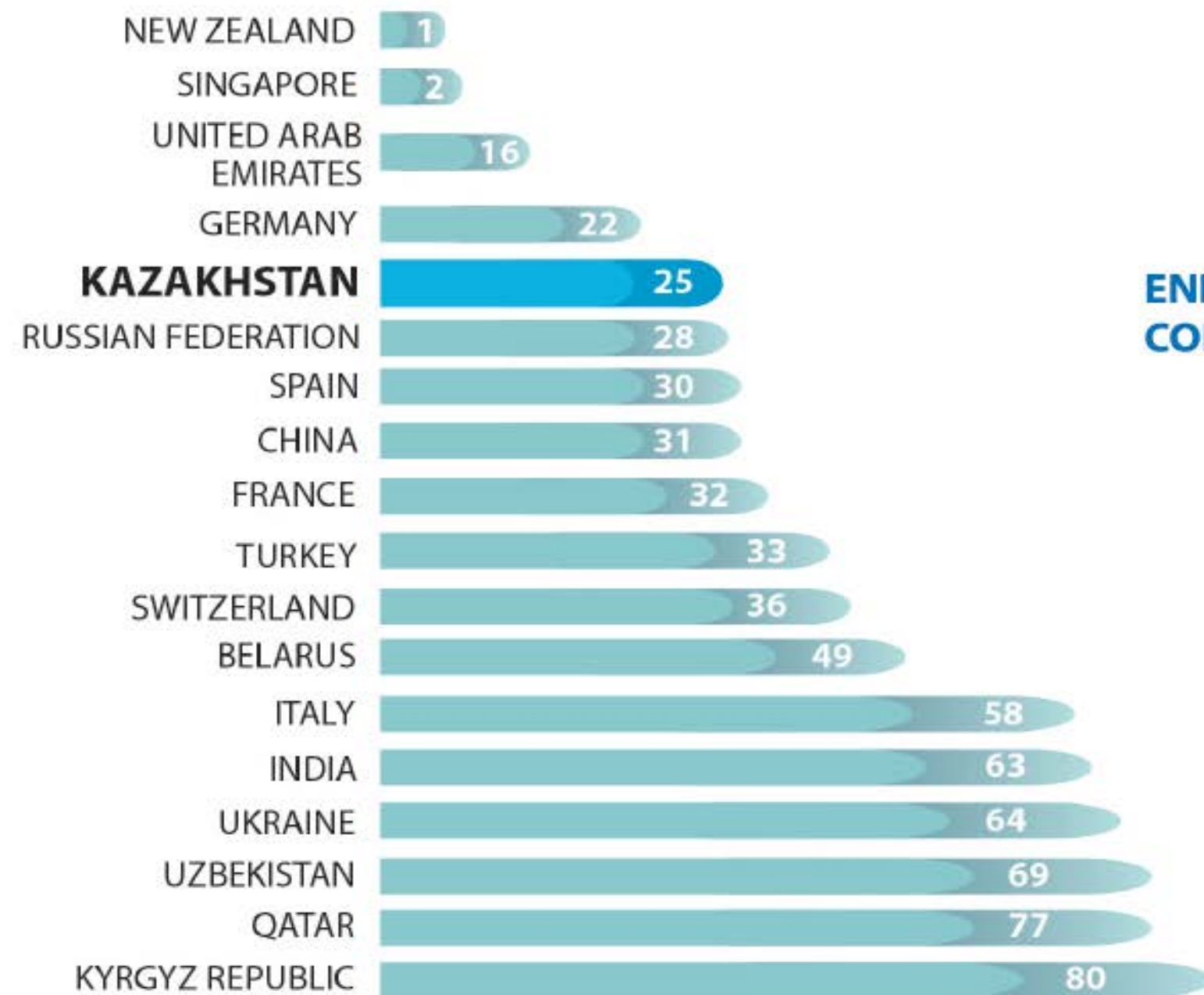
### Sea Ports Aktau and Kuryk

Developed Sea Port infrastructure in other countries include **Batumi** (Georgia) and logistics terminal in the Pacific port of **Lianyungang** (China)

# INVESTMENT CLIMATE

## 1 FAVORABLE INVESTMENT CLIMATE

**KAZAKHSTAN TAKES THE 25<sup>TH</sup> PLACE IN FLAGSHIP RATING OF WORLD BANK IN DOING BUSINESS (OUT OF 190) AND RANKS AMONG COUNTRIES WITH DEVELOPED ECONOMY**



Source: World Bank, Doing Business – 2020



## THE MOST FAVOURABLE TAX REGIME IN THE REGION\*

Kazakhstan - 29.4 %

Russia - 46.3 %

Uzbekistan - 48.17 %

China - 64.9 %

\*total tax and contribution rate (% of profit)

# ATTRACTIVE INVESTMENT INCENTIVES

## 12 Special Economic Zones

### FISCAL INCENTIVES

-  Corporate income tax
-  Land tax
-  Property tax
-  Customs duties

### NON-FISCAL INCENTIVES

-  Free plot of land
-  Simplified procedure for employment of foreign labor
-  Ready infrastructure on "plug-and-play" basis

0%



\*SEZ have sectoral focus

## 22 Industrial Zones

- ◆ Access to established infrastructure and digital networks
- ◆ Options for long-term leases and repayment schedules based on cadastral land value
- ◆ No sectoral restrictions
- ◆ Opportunity to conclude an investment contract with the Government

## Investment Contract

### NON-FISCAL INCENTIVES

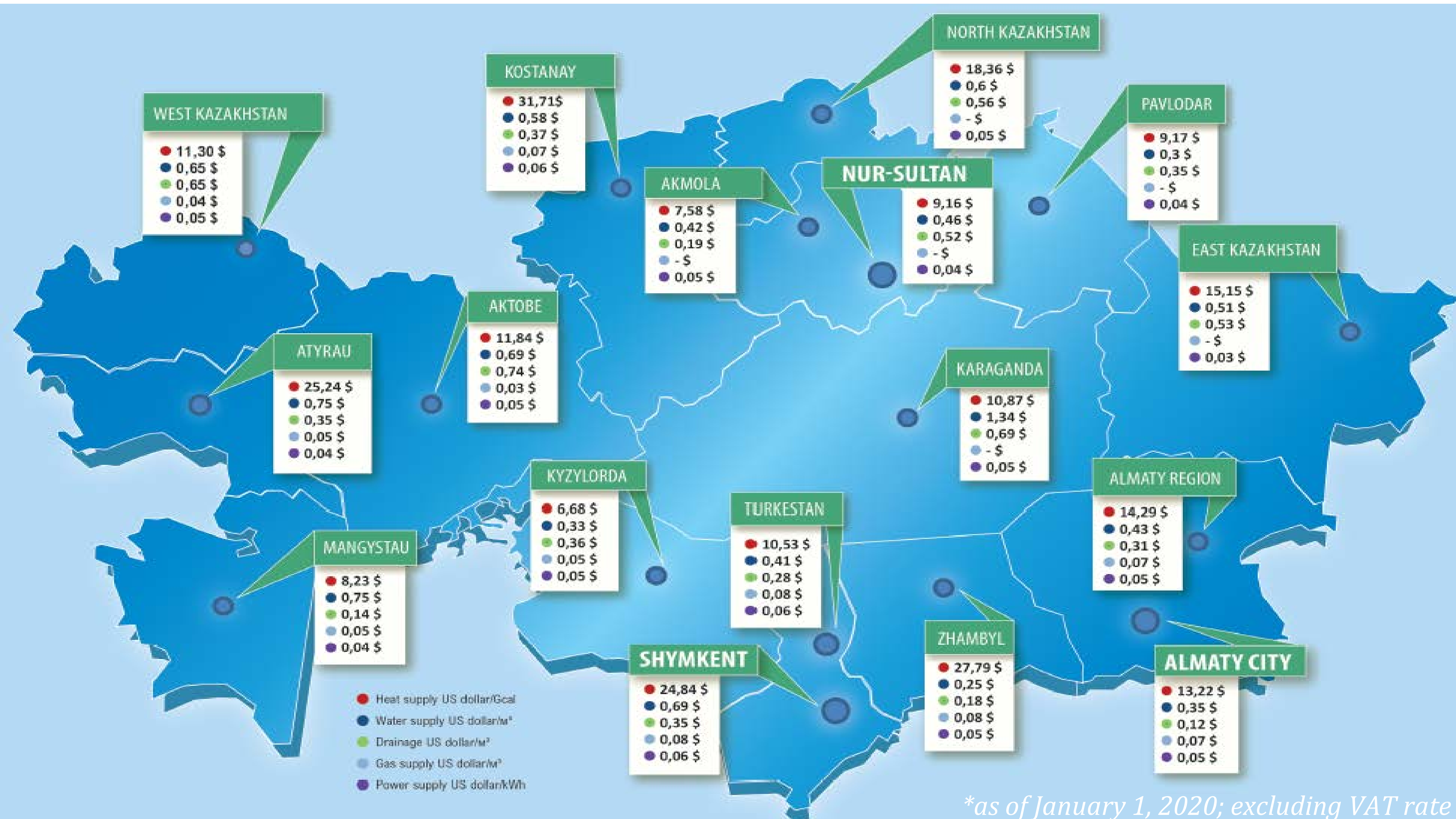
-  In-kind state grants (land plots, buildings, equipment, etc.)
-  Simplified procedure for employment of foreign labour
-  Investment subsidies (30% rebate on construction expenses)

### FISCAL INCENTIVES

-  Corporate income tax
-  Land tax
-  Property tax
-  Customs duties

0%

# COST OF UTILITIES IN THE REGIONS OF KAZAKHSTAN



\*as of January 1, 2020; excluding VAT rate



**Kazakhstan is № 1 in the Central Asia in connection to Internet** (Global Digital Report for 2018)  
**Over 14 million population of Kazakhstan citizens regularly use Internet, coverage area is 77%**



**Housing construction**  
 By 2020 it will reach 10 694 ths sq.m.



**Kazakhstan has 24 airports, Nur-Sultan airport has communication with 21 states in 39 routes.** From the capital of Kazakhstan there are flights to such international financial centers as Frankfurt, London, Dubai, Paris, Beijing, Moscow, Tokyo, Seoul



**The length of railways in Kazakhstan is 16 thousand kilometers,** which connect Kazakhstan railway system with neighboring states



In 2018 total volume of transportation of Kazakhstan port infrastructure in the Caspian Sea exceeded 5,2 mln tons



**The length of roads is 96 ths km**

## SKILLED LABOUR FORCE

● **31st in the Human Capital Development Index**

Kazakhstan has the highest literacy rate in the region, most citizens are bilingual with good knowledge of English

● **128 higher education institutions**

8 of them are listed in the world's best universities ranking 2018/19

● **BOLASHAK International Scholarship**

Over 10 thousand specialists have been trained in the world's top 100 universities

**Kazakh Invest** is a national agency, which supports investors from the start of their activities in Kazakhstan all the way until the implementation of project and further. In collaboration with international consulting firms Kazakh Invest developed more than 100 investment proposals in various priority sectors.



**KAZAKH INVEST**

NATIONAL COMPANY

[www.invest.gov.kz](http://www.invest.gov.kz)

- ❖ **“One-stop shop”** for investors in Kazakhstan
- ❖ **Trusted experts** with local knowledge and deep industry expertise
- ❖ **Wide network of representatives** abroad and in all regions of Kazakhstan
- ❖ **Single negotiator** on behalf of the Government





# INVESTOR'S RIGHTS PROTECTION

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**Foreign Investors' Council** chaired by the President of the Republic of Kazakhstan



**Coordination Council** chaired by the Prime Minister of the Republic of Kazakhstan



**Council on Improvement of Investment Climate** under the Government



**The Court of the Astana International Financial Centre** and **International Arbitration Center** – the Common Law court system



The specialized judicial board of **the Supreme Court** and **the Court of Nur-Sultan city** for investment dispute resolution



**Investment Ombudsman** – the Prime Minister of the Republic of Kazakhstan



# AIFC Astana International Financial Centre

## ADVANTAGES OF ESTABLISHING A COMPANY IN THE ORGANISATIONAL-LEGAL FORM OF A PRIVATE COMPANY IN THE AIFC

- ★ WORLD'S SUCCESSFUL BUSINESS MODEL FOR MANY YEARS
- ★ EASE OF ESTABLISHMENT AND LOW COSTS
- ★ PRIVATE COMPANY IS ONE OF THE MOST PREFERABLE ORGANISATIONAL LEGAL FORMS FOR A COMPANY REGISTRATION IN THE AIFC
- ★ LIMITED LIABILITY OF SHAREHOLDERS
- ★ FLEXIBLE CORPORATE GOVERNANCE STRUCTURE
- ★ ASSET PROTECTION
- ★ MINIMISED REGULATORY BURDEN

# PROJECT FINANCE OPPORTUNITIES

More than 20 financial institutions with government participation for financing of the priority sectors in Kazakhstan, including:



**Kazakhstan Investment Development Fund**  
*(equity financing for investment projects with foreign participation)*



**Development Bank of Kazakhstan**  
*(debt financing for investment projects, project financing, lending for export operations, leasing financing)*



**Samruk-Kazyna Invest**  
*(investment in fixed assets)*



**Kazyna Capital Management**  
*(private equity development)*



**QazTechVentures**  
*(venture financing, export support)*

There are multiple opportunities for obtaining finance from international financial institutions working with Kazakhstan, including:



**THE WORLD BANK**



**European Bank**  
for Reconstruction and Development



**U.S. International Development Finance Corporation**

*(equity financing and debt financing, political risk insurance, technical development)*





**THANK YOU!**

**EMBASSY  
OF THE REPUBLIC OF KAZAKHSTAN  
IN MALAYSIA**

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