



GUIDE TO INVESTMENT ASTANA

INVESTINASTANA.KZ
2017







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URBAN ENVIRONMENT

AN ADDRESS FROM THE MAYOR OF ASTANA



**ASSET
ISSEKESHEV**

Over the past two decades, Kazakhstan has made significant progress in the transformation of its economy, which increases the investment attractiveness of the country.

Astana became the capital of the new dynamic centre in the heart of Eurasia. It regularly hosts international and regional summits where world leaders participate.

Today's Astana is the centre of economic activity, the concentration of capital, resources, advanced technology and services, the point of attraction for migration flows.

This city was born thanks to the strong-willed decision of the President and now it demonstrates impressive growth rates. During the formative years of Astana, the population has tripled, and the capital joined the ranks of megacities.

The city annually builds more than 1 million sq. m of housing. The new administrative centre with developed infrastructure and unique architecture was built from scratch.

Astana has become a venue for international summits, congresses, and forums such as OSCE, SCO, OIC and others.

EXPO-2017 international exhibition, the most massive event by world standards, will be held this year in the capital.

We can safely say that Astana has become a national brand, symbolizing the international standing of our country. The city is located in the heart of Eurasia; therefore, Astana has favourable conditions for the development of transport and logistics infrastructure. At the initiative of the President, since 2015 Kazakhstan is implementing Nuryly Zhol, the State Programme for infrastructure development. As part of the programme, Astana was determined as a hub city of international level, the centre of the northern macro-region. A nation-wide arterial thoroughfare that will connect Astana with the regions of the country is under construction based on radial structure principle. This will significantly reduce the physical and economic distances, help to develop trade, logistics, greatly facilitate the migration movements. A large-scale work on development of transport and logistics infrastructure is in progress in Astana. Four world-class major transport and logistics centres were built in Astana within the past 2 years. A new airport terminal is under construction in Astana, which will increase the capacity to 6.5 million passengers per year and will serve for the further development of the city and preparation for EXPO-2017 international exhibition. Also, a new railway station is under construction, with a planned capacity of 12 million passengers per year. We see Astana's great potential as an international hub in air transport. With the implementation of Astana International Financial Centre, the city will serve as a financial hub for Central Asia, the Caucasus, EAEU, the Middle East, the West China, Mongolia and Europe. Therefore, we consider applying "open skies" regime as part of AIFC introduction. This will liberalize air space – it is a global trend. The use of "open skies" regime will contribute to the development of transit potential of Astana in the Eurasian space. In addition, these measures will improve the accessibility of Astana for the international tourists. Through newly established world-class sports and cultural facilities, medical cluster, Astana will become an international centre for event, business and medical tourism. We plan to establish Astana International Financial Centre, with a special set of conditions for global investors, such as an independent legal system based on the principles of English law, tax benefits for 50 years, a simplified visa and labor regime, modern infrastructure of the EXPO-2017 international exhibition and direct flights that will connect Astana with major global financial centres.

We have specified 10 sectors that define the stable economy of the city. All these sectors are common for any metropolis: development, tourism, financial centre, advanced manufacturing, health care, education and others.

We are implementing SmartAstana programme where we focus on the needs of residents. First, it is smart technology in education, health, public transport, etc. We hope that smart solutions will provide comfort for people and create a link between citizens and the Akimat.

We are open to new projects and welcome the investors, owners of high-tech solutions and services, and those wishing to contribute to the development of the capital of Kazakhstan.

We are ready to provide investors with the most favourable conditions, namely land plots, access to utility services, tax breaks and a minimum of administrative procedures.

We invite you to become co-authors of our success!

Yours sincerely,
Asset Issekeshev





ASTANA TODAY

SOCIOECONOMIC
SITUATION

**ASTANA IS THE CENTRE OF ECONOMIC ACTIVITY,
THE CONCENTRATION OF CAPITAL, RESOURCES,
TECHNOLOGY, AND SERVICES, THE POINT
OF ATTRACTION FOR MIGRATION FLOWS.**

Astana is leading in socioeconomic development dynamics over the past 18 years among Kazakhstan's regions.

Astana is the second largest contributor to the national GDP with the index of 11.8%.

Astana is among the youngest capitals of the world. In 18 years the city's population increased by more than three times. The gross regional product increased by more than 12.5 times (23.3 bn US dollars). GDP per capita has increased by 8 times (27.7 thous. US dollars).

- Fast-growing sector of finance and business services
- Expanding high-tech and knowledge-intensive industries
- Availability of infrastructure for the introduction of the Smart city technologies
- Emerging clusters of medical, scientific and educational areas
- Favourable tax and investment environment in comparison with the EAEU countries

DIVERSIFIED POST-INDUSTRIAL GRP STRUCTURE

Nº	TITLE	2009	2010	2011	2012	2013	2014	2015
1	VOLUME OF GRP	1 373 186,9	1 774 185,2	2 145 877,8	2 646 374,7	3 483 325,1	4 019 602,8	4 809 636,5
2	GRP STRUCTURE IN %	8,07	8,1	7,6	8,5	9,7	10,1	11,8

GRP BY SECTORS, 2015	IN %	BN TENGE
TRADE	21%	1005,90
REAL ESTATE	11%	545,16
CONSTRUCTION	9%	437,69
TRANSPORT AND WAREHOUSING	9%	411,15
PROFESSIONAL SERVICES	9%	433,20
OTHER SERVICES	8%	366,56
INFORMATION AND COMMUNICATIONS	5%	263,90
ADMINISTRATIVE ACTIVITY	4%	206,72
FINANCE AND INSURANCE	4%	205,33
MANUFACTURING	4%	177,74
PUBLIC ADMINISTRATION	3%	143,71
EDUCATION	2%	110,19
HEALTH CARE AND SOCIAL SERVICES	2%	103,95
ACCOMMODATION AND CATERING SERVICES	1%	69,51
ARTS AND ENTERTAINMENT	1%	66,97
POWER SUPPLY	0,6%	28,68
AGRICULTURE	0,12%	5,65
WATER SUPPLY	0,08%	4,08

STABLE GROWTH IN INVESTMENTS

■ TOTAL RETAIL TRADE VOLUME FROM
2000 TO 2015 – **4,027 TN TENGE**

■ STABLE GROWTH IN PERSONAL INCOMES –
AVERAGE OF 15 % IN 1998-2015

■ FIXED CAPITAL INVESTMENTS IN 18 YEARS —
42 BN US DOLLARS

■ **782.3 BN TENGE** —
FIXED CAPITAL INVESTMENTS IN 2015

■ **1ST PLACE** IN KAZAKHSTAN IN FIXED CAPITAL
INVESTMENTS (INCREASED 6 TIMES)

GROWTH IN FIXED CAPITAL INVESTMENTS IN 6 YEARS:

■ INCREASED BY **170%** AS COMPARED TO 2008

■ **11%** SHARE IN THE TOTAL AMOUNT OF INVEST-
MENTS IN KAZAKHSTAN

■ **20M SQ. M** OF HOUSING BUILT IN **18 YEARS**

■ **2M SQ. M** IN 2016

■ OUTWARD INVESTMENTS IN 2016 AMOUNTED
TO **28.9 BN TENGE**

■ JOB CREATION – **1ST PLACE** IN TERMS
OF EMPLOYMENT RATE AMONG
KAZAKHSTAN CITIES

INTERNATIONAL BUSINESS, TRADE AND INVESTMENT CENTRE

FAST-GROWING SECTOR OF FINANCE
AND BUSINESS SERVICES

EXPANDING HIGH-TECH
AND KNOWLEDGE-INTENSIVE
INDUSTRIES

AVAILABILITY OF INFRASTRUCTURE FOR THE
INTRODUCTION OF THE SMART CITY TECHNOLOGIES

EMERGING CLUSTERS OF MEDICAL,
SCIENTIFIC AND EDUCATIONAL AREAS

FAVOURABLE TAX AND INVESTMENT ENVIRON-
MENT IN COMPARISON WITH THE EAEU COUNTRIES.

THE ASTANA – THE NEW CITY SEZ

THE TOTAL AREA OF THE SEZ TODAY IS **7,634.71 HA** AND INCLUDES NEWLY CONSTRUCTED ADMINISTRATIVE AND BUSINESS CENTRE OF THE CAPITAL (HEREINAFTER – CONSTRUCTION SUBZONE) WITH TOTAL AREA OF **6,531.1 HA** AND NEW INDUSTRIAL ZONES IN ASTANA, INDUSTRIAL PARK NO. 1 WITH TOTAL AREA OF **598.1 HA**, INDUSTRIAL PARK NO. 2 WITH TOTAL AREA OF **433.1 HA** AND URBAN LIGHT-RAIL TRANSIT SYSTEM COVERING **72.41 HA**.

THE ASTANA – THE NEW CITY SEZ WAS ESTABLISHED IN 2001. MAIN GOALS OF THE ASTANA – THE NEW CITY SEZ INCLUDE THE FOLLOWING:

- **ACCELERATED CONSTRUCTION OF A NEW ADMINISTRATIVE AND BUSINESS CENTRE OF THE CAPITAL;**
- **OPENING OF NEW PRODUCTION FACILITIES IN THE INDUSTRIAL PARK.**

Key advantages for investors:

- state support for direct investments in construction of facilities and the opening of new production units in the SEZ;
- fiscal and customs privileges;
- possibility to introduce advanced technologies and the use of modern scientific and technological achievements in urban planning;
- provision of land for construction of facilities in the areas with equipped engineering infrastructure.

SEZ will operate until 2027

Currently, the SEZ occupies an area of 7,634.71 ha, including:

- 6,603.51 ha – Administrative and business centre;
- 598.1 ha – Industrial Park No. 1;
- 433.1 ha – Industrial Park No. 2.

Conditions for obtaining tax benefits:

- registration as a taxpayer in the area of the SEZ;
- registration as a participant of the SEZ;
- no business units outside the SEZ;
- revenues from sales of goods produced in the SEZ priority areas should be not less than 90 per cent of the gross annual income

Customs privileges:

- The goods being IMPORTED into the SEZ are exempt from customs duties.

When EXPORTING from the SEZ:

- The CU goods being exported from the SEZ to the rest of the customs territory of the CU shall not be subject to payment of customs duties.
- The CU goods being exported from the SEZ outside the customs territory of the CU shall be subject to the payment of export customs duties.
- Foreign goods being exported from the SEZ to the rest of the customs territory of the CU without the CU goods status (simple assembly) are subject to payment of customs duties.
- Foreign goods that were not used and processed in the SEZ area are exempt from re-export customs duties upon exporting (to third countries).
- Foreign goods that were processed in the SEZ territory are subject to the payment of export customs duties according to the decision of the Government No. 520 of June 7, 2010.

Visa support and hiring of labour:

The simplified procedure for the recruitment of foreign labour. Local executive bodies will issue permits for attraction of foreign labour in accordance with the legislation of the Republic of Kazakhstan, but in a simplified manner without seeking candidates within the domestic labour market.

Other benefits:

Free land plots for up to 10 years for the implementation of the project.

THE ASTANA – THE NEW CITY SEZ PRIORITY ACTIVITY

AN INVESTMENT PROJECT PLANNED FOR IMPLEMENTATION IN THE ASTANA – THE NEW CITY SEZ SHOULD MEET THE FOLLOWING PRIORITY ACTIVITIES:

- 1) manufacture of other non-metal mineral products;
- 2) manufacture of machinery and equipment;
- 3) manufacture of household appliances;
- 4) manufacture of rubber and plastic products;
- 5) production of chemical products;
- 6) metallurgy industry;
- 7) manufacture of electrical equipment, including electric lighting equipment;
- 8) manufacture of glass components for lighting devices;
- 9) food production;
- 10) manufacture of pulp, cellulose, paper and cardboard;
- 11) manufacture of furniture;
- 12) manufacture of motor vehicles, trailers and semi-trailers;
- 13) manufacture of railway locomotives and rolling stock;
- 14) manufacture of air and space crafts;
- 15) manufacture of basic pharmaceutical products and chemicals;
- 16) manufacture of electronic components;
- 17) warehousing and additional transportation activities.

INDUSTRIAL PARK NO 1

Total area: **598.1 ha**, including **26.2 ha** of free space.
The total cost of the infrastructure is **28.5 bn tenge**.
95% of the IP 1 is occupied.

That is 63 projects at the territory of IP 1 totalling 201.1 bn tenge, including:

- 34 projects commissioned;
- 18 projects under construction;
- 11 projects in design works.

This includes projects, commissioned in 2016:

- 1) GLB LLP, a house-building factory for the production of large panel structures. Project cost: **28.6 bn tenge**;
- 2) LED Solution LLP, a LED production and assembly plant. Project cost: **340 M tenge**;

Projects scheduled to launch by the end of 2016:

- 1) KazBrand LLP Kazakhstan Food Company, a fast food production facility. Project cost: **825.4 M tenge**.

INDUSTRIAL PARK NO 2

Total area: **433.1 ha**.

Project master plan was designed and presented to Akim (Mayor) of Astana in January 2016. Currently, a feasibility study and design estimate documentation are underway in IP2 for the project on construction of infrastructure in the Industrial Park 2, in compliance with the developed master plan (by a Singapore-based company).



ASTANA INTERNATIONAL FINANCIAL CENTRE

AIFC IS A FINANCIAL HUB FOR CENTRAL ASIA, THE CAUCASUS, EAEU, THE MIDDLE EAST, WEST CHINA, MONGOLIA AND EUROPE.

THE CENTRE WILL BE SITUATED WITHIN EXPO-2017 AND SUPPORTED BY MODERN INFRASTRUCTURE AND THE LATEST TECHNOLOGY. AIFC'S MAIN ACTIVITIES INCLUDE CAPITAL MARKETS DEVELOPMENT, ASSET MANAGEMENT, PRIVATE BANKING FOR HIGH NET-WORTH INDIVIDUALS, ISLAMIC FINANCE, NEW FINANCIAL SOLUTIONS.

Creation and development of the AIFC in a long run. Joint Action Plan of the Government and the National Bank of Kazakhstan on the creation and development of the Astana International Financial Centre for the long-term perspective (hereinafter - Action Plan), approved by the Government Resolution No. 393 of 30 May 2015 (with amendments and additions No. 530 of 8 September 2016).

DIRECTIONS FOR THE AIFC DEVELOPMENT, IMPLEMENTATION OF THE ACTION PLAN

1. STRATEGIC DIRECTION: CAPITAL MARKETS DEVELOPMENT
2. STRATEGIC DIRECTION: MARKET DEVELOPMENT AND ASSET MANAGEMENT EXPERTISE
3. ADDITIONAL DIRECTION: PRIVATE BANKING, DEVELOPING THE MARKET OF WEALTH MANAGEMENT FOR INDIVIDUALS
4. ADDITIONAL DIRECTION: ISLAMIC FINANCE MARKET DEVELOPMENT
5. SUPPORTING DIRECTION: FAVOURABLE BUSINESS ENVIRONMENT CREATION

Kazakhstan possesses the necessary internal and external competitive advantages to create Astana International Financial Centre (hereinafter — The Centre or AIFC):

- favourable geographic location,
- stable economic and political situation,
- favourable taxation climate,
- significant amounts of public funds available for external management,
- EAEU resolution on the formation of a single financial regulator in Kazakhstan.

Main vector of the AIFC development is to move from local to international scale:

- Astana must first become a full-fledged local financial centre (examples: Istanbul, Abu Dhabi, Sao Paulo).
- After that, the local centre should grow into an international (examples: Dubai, Singapore, Hong Kong).

The target audience for the functioning and development of the AIFC is Central Asia, the Caucasus, EAEU, the Middle East and Europe.

AIFC EFFECTS

Economic effect:

Direct effect of up to 1% in The direct effect is planned to be an annual 1% increase in non-hydrocarbon GDP until 2025, or about 13.4 bn US dollars of cumulative absolute increase in GDP for the period from 2015 to 2025.

An additional AIFC effect will be achieved through acceleration of GDP growth by an average of 1% per year due to:

- foreign direct investment in the Kazakh capital markets,
- implementation of new cost-effective projects,
- labour productivity growth.

Total cumulative effect could be amounted to around 40 bn US dollars for the period from 2015 to 2025.

By 2025, the contribution of the AIFC in Kazakhstan's GDP will be around 40 bn US dollars.

Including the 12.1 bn US dollars of direct contribution to the national GDP from the AIFC.

About 8 bn US dollars are expected to be contributed to GDP as customer service fees from Central Asia, the Caucasus, the EAEU, the Middle East and Europe.

Additional indirect impact on Kazakhstan's GDP will be formed by an accelerated the growth rate of the real sector

of the national economy, which will gain access to capital.

A conservative estimate serves as a basis for calculations of the Action Plan: economic growth in Kazakhstan will increase by about 1%, amounting to about 19 bn US dollars for 2015-2025.

Social benefits:

Additionally, 2,300 highly skilled jobs of international level will be created within the AIFC framework in Astana.

AIFC MISSION:

1) ESTABLISHING a major financial centre for Central Asia, the Caucasus, EAEU, the Middle East and Europe (it is necessary to use the favourable internal and external conditions in order to attract domestic, regional and international investments in the national economy, as well as the economy of neighbouring countries with liquid capital markets, based in the AIFC area);

2) FORMATION of financial and deep regional expertise in the field of asset management (including private banking) and Islamic finance;

3) ATTRACTION of highly qualified specialists in the field of finance as well as support services personnel for permanent employment and residence in Astana.

4) CREATION of favourable business environment is one of the key AIFC development directions that will ensure successful implementation of the above mentioned areas, and includes the following:

a) special status of a financial centre: the following preferences will be provided as part of the AIFC:

- members of the Centre will be exempt from payment of corporate income tax for 10 years for income received within the Centre, and the individual income tax, taxable at source of payment of income received in the form of dividends, as well as the income of staff members of the Centre;
- refund of value added tax when purchasing goods in the territory of the Centre for employees that are non-residents of Kazakhstan, members of the Centre;
- the possibility for participants of the Centre to hire foreign labour without the quotas and permits;
- simplified registration regime on the 'single window' principle upon issuance of visas, work permits and other requests in the AIFC territory;
- the possibility of granting other privileges and preferences for members of the Centre.

b) legal regulation: the protection of the legitimate interests of the AIFC residents aimed at ensuring the establishment and functioning of the Centre in compliance with English law and principles and the standards of the world's leading financial centres with the use of the English language in all AIFC procedures, including legal proceedings;

c) market and information and telecommunications (hereinafter - IT) infrastructure: providing market participants with stable communication channels, technologically advanced financial infrastructure, and online access to trading systems for individuals;

d) human capital: the creation of organisational and legal framework for the free movement of highly skilled staff in order to attract the best international experts in the field of finance as well as development and implementation of specialized educational programs and standards for the formation of local expertise in the field of finance;

e) internal and external logistics: improving transport accessibility of the AIFC for major financial centres and regions;

f) municipal and social infrastructure: the construction of social infrastructure, in compliance with the international standards and modern living conditions for highly skilled (including foreign) specialists and their families (kindergartens, schools, hospitals and so on), as well as modernisation of urban recreation and tourism infrastructure zones (recreation centres, sports and entertainment facilities, shopping centres, and so on).



EXPO-2017

**ASTANA PLANS TO HOST EXPO-2017,
AN INTERNATIONAL SPECIALIZED EXHIBITION,
WHICH IS SCHEDULED TO BE HELD IN THE NATION'S
CAPITAL IN 2017. THE EXHIBITION WILL BE DEDI-
CATED TO FUTURE ENERGY.**

ENERGY IS A CENTRAL ELEMENT OF THE MODERN
WORLD ECONOMY. IT DETERMINES THE POSITIVE AND
NEGATIVE TRENDS IN IT, ON THE PACE OF DEVELOP-
MENT OF ENTIRE NATIONS AND NOT ONLY CERTAIN
TERRITORIES DEPEND ON ITS AVAILABILITY.

The most promising area in the world today is the "green energy", the energy production technologies from renewable energy sources (RES).

Their development and improvement are necessary to fill the energy deficit, serve as a solution of environmental problems and a new stage of technological development of the world economy. The range and scale of renewable energy is very wide: from the local wind installations to the global projects on receiving energy from the space.

Green energy is a set of advanced methods of energy production, transfer and utilization, which are not as widespread as traditional. However, the prospect of their usage is undeniable.

"Green energy" is closely linked with the environment. Unlike traditional sources such as hydrocarbons, the use of renewable energy does not result in damage to the ecosystem of the planet and cause climate change. The modern post-industrial world requires a change of emphasis in the economy to meet human needs, with consideration of interaction with the environment. The development of "green energy" should become a prerequisite for sustainable development and is the basis of preservation of natural systems and maintaining the environment in an appropriate condition. Astana EXPO-2017 aims to collect the best developments in these areas, to demonstrate what should and will the future energy be like, and highlight the problems of developing countries associated with the need for it, in its local premises within 93 days. The world's leading experts will gather in Astana to discuss what should be done to turn "green energy", its accessibility, ecology and economy into a main development trend for the upcoming decades.

PAVILIONS

The Kazakhstan pavilion

Kazakhstan's pavilion is located on the 1st floor of the Spheric Building, with a total area of **5000 sq. m.**

Kazakhstan's Pavilion is an embodiment of Kazakhstan's soul. The National Pavilion will turn into a metaphorical journey that reveals the vision:

The Future energy is a human being; thus the mission of the National Pavilion is to fulfil the potential of Kazakhstan's people and the country itself.

Thematic pavilions

Thematic pavilions are the key objects demonstrating the theme of the exhibition, where each of the four pavilions reveals its own theme:

The World of Energy pavilion represents energy as a separate phenomenon and reveals possible solutions for a more sustainable energy development in the future with the help of physics, science experiments, etc.

The Energy for the Future pavilion displays the concept of energy saving and energy efficiency. A separate exposition is dedicated to the practical aspects of smart cities, presenting the project Smart Astana etc.

The Energy for All pavilion presents the mechanisms of access to energy for the planet's inhabitants, research of energy market globalization etc.

The My Future Energy pavilion focuses on personal responsibility for efficient and economical use of energy.

Public areas

Their functional purpose is to cover the Exhibition theme outside the pavilions.

The Public Areas are devoted to the Future Energy concepts and represented as a series of interludes in the form of exhibitions, workshops, installations and small architectural shapes located outdoors.

Best Practices Area

Its functional purpose is to demonstrate successfully implemented energy methods, projects and technologies.

The Best Practices Area is the symbolic centre of the Exhibition, which will showcase the best technologies, projects and strategies in different areas of sustainable energy: generation, conservation and use of electricity, combating climate change or provision of access to electricity in developing countries.

The Best Practices Area will help to present the technological and intellectual breakthrough in overcoming energy issues of the 21st century defined by the Future Energy Forum.

Future Energy Forum

The Future Energy Forum is one of the central events of the EXPO-2017 to be held during the whole period of the Exhibition.

The Exhibition and the Forum are expected to provide a unique platform for global debates on the Future Energy topic.

The debates and conferences of the Forum will be held in the Congress Hall located next to the VIP entrance to the Exhibition.

The Forum will promote the involvement of the public.

The Future Energy will be actively discussed during the Forum, which will give rise to new forms of cooperation and participation. The Forum will be attended by international organisations, scientific community and other stakeholders such as NGOs and the private sector.

It is planned that the Forum will become a platform for research projects on the theme and sub-themes of the EXPO-2017 at a high scientific level. Future Energy will also boost cooperation and joint efforts of the international community in the field of energy. Representatives of governments, international organisations, academia, research institutes and other organisations will be able to exchange their views with the representatives of various industries, government bodies and NGOs in order to contribute to addressing the main challenges that EXPO-2017 is facing.

The Forum will be held in a wide format in the form of panel sessions, conferences, symposiums, discussions, thematic round tables and seminars that will help to offer a varied and extensive agenda.

The agenda of the Forum will be dedicated to high priority prospects and modern technologies of the Future Energy,

including strategic areas such as reduction of greenhouse gas emissions, implementation of energy efficient technologies and ensuring universal access to sustainable energy.

The spirit of the Forum based on the principles of cooperation will contribute to its dynamic and constructive atmosphere.

EXPO-2017 EXPECTS TO:

WELCOME MORE THAN **2 MILLION TOURISTS**,
ACCEPT PARTICIPANTS FROM **100 COUNTRIES**
OF THE WORLD AND 10 INTERNATIONAL
ORGANISATIONS,

HOST MORE THAN **3,000 CULTURAL EVENTS**
PLANNED FOR **3 MONTHS.**



BY 2017 CAPACITIES OF:

- ASTANA AIRPORT WILL INCREASE UP TO **6.5M PASSENGERS PER YEAR.**
- ASTANA RAILWAY STATION WILL INCREASE UP TO **12M PASSENGERS PER YEAR.**

FAVOURABLE GEOGRAPHIC LOCATION:

- OVER **96%** OF THE TOTAL CARGO TRAFFIC PASSING THROUGH ASTANA ARE TRANSIT CARGOS.
- MAJOR TRANSPORT HUB LINKING THE MAIN TRANSPORT ARTERIES, NATIONAL MOTORWAYS, RAILWAYS AND AIRLINES.

LONDON -5 HOURS
MOSCOW -3 HOURS
NEW DELHI -0.5 HOURS
BEIJING +2 HOURS
TOKYO +3 HOURS

KAZAKHSTAN IN WORLD BANK'S GLOBAL RANKINGS:

- EASE OF DOING BUSINESS 2017: **35 OUT OF 189**
- STRENGTH OF MINORITY INVESTOR PROTECTION INDEX: **3**
- DEALING WITH CONSTRUCTION PERMITS: **22**
- ENFORCING CONTRACTS: **9**
- REGISTERING PROPERTY: **18**
- BILATERAL TAX AGREEMENTS WITH **49** COUNTRIES
- VISA-FREE REGIME UP TO **15** DAYS





WHY ASTANA?

COMPETITIVE
ADVANTAGES
FOR DOING BUSINESS

QUALITY OF LABOUR FORCE

**488.8 THOUSAND PEOPLE —
ECONOMICALLY ACTIVE POPULATION IN ASTANA
AT THE END OF 2015**

**13,625 PEOPLE — GRADUATING PROFESSIONALS
WITH DIPLOMA OF HIGHER EDUCATION IN 2015**

**66.9 % OF THE EMPLOYED POPULATION
HAVE A HIGHER EDUCATION**

**AVERAGE MONTHLY INCOME IS
201,103 KZT ON SEPTEMBER 2016**

HIGH POTENTIAL FOR SCIENCE

**14 PUBLIC AND PRIVATE HIGHER
EDUCATION INSTITUTIONS**
(UNIVERSITIES, INSTITUTES, ACADEMIES,
ETC.) IN 2015

51,235 — HEI STUDENTS IN 2015

PATENTS FOR UTILITY MODELS AND INVENTIONS (IN %)

DEVELOP REAL ESTATE MARKET IN ASTANA

Average price for commercial property rent at the end of the period, in KZT per sq. m (in 2015)

5,365 KZT — CLASS A

2,306 KZT — CLASS B

2,292 KZT — CLASS C

1,881 KZT — CLASS D

SPARE CAPACITY OF PUBLIC UTILITY INFRASTRUCTURE

2.3 billion kW — electricity power capacity at the end of 2015

The length of the urban water supply networks

is 1,212 km

UTILITY COSTS FOR BUSINESSES (IN 2016)

- Electricity — **16.16 KZT per kWh** (excluding VAT)
- Heat — **3,066.71 KZT per Gcal** (excluding VAT)
- Water supply — **194.47 KZT** (excluding VAT)

ADVANCED INFORMATION AND COMMUNICATION TECHNOLOGIES

90% — 3G and 4G coverage in %

ADVANCED TRANSPORT INFRASTRUCTURE

3.4 M PASSENGERS IN 2015 —
PASSENGER TURNOVER OF THE ASTANA AIR HUB

659 KM — TOTAL PAVED ROAD NETWORK LENGTH

PETROL PRICE — **133 KZT PER LITRE**

PRICE COMPETITIVENESS

Low utility services tariffs.

- Water (per cubic metre) including wastewater) **\$0.67**
- Electricity (kWh) **\$0.04**
- Heat (Gcal) **\$8.4**
- 92 RON petrol price - **\$0.40** per litre

SUPPORT FROM THE ASTANA AKIMAT

The Akimat of Astana, represented by the Office for Investments and Development of Astana, as well as National Company Socio - Entrepreneurial Corporation Astana JSC and the Investor service centre (ISC) under the Astana Innovations JSC are attracting investments and provide support for investment projects on the territory of Astana.

The ISC uses the one-stop-shop principle for investors. Its main activities include search for investors, service and support for investors, information and analytical support for investors, the integration of state support instruments, legal support for investors, assisting in the protection of foreign investments.

Also, the ISC provides assistance for registration of legal entities for foreign nationals, for obtaining investor visas, obtaining investment incentives, grants for investors and entrepreneurs, the benefits in the territory of the city of Astana, a complete set of documents for registration as a member of the Astana - the new city SEZ, conducts search for partners for Kazakhstan and foreign parties, helps solving problems of investors at the regional level, protects the interests of investors.

AMPLE FINANCIAL CAPACITY

All political power is concentrated in Astana. 32 embassies are located in Astana.

Since 1 January 2017, Kazakhstan becomes visa-free to 45 countries for 30 days.

CITY BUDGET

1.3 BN US DOLLARS IN 2016.







WHERE TO INVEST?

PROMISING
AREAS
FOR INVESTMENT

ASTANA IS INTERESTED IN ATTRACTING INVESTMENTS IN INDUSTRIAL AND LOGISTICS SECTORS

- MECHANICAL ENGINEERING AND METALWORK
- CONSTRUCTION
- TRANSIT SYSTEM
- MEDICINE AND PHARMACEUTICALS
- TOURISM AND SPORTS
- IT AND TELECOMMUNICATIONS
- INNOVATIONS

FOR INDUSTRIAL INVESTORS

THE ASTANA – THE NEW CITY SPECIAL ECONOMIC ZONE COMPRISES INDUSTRIAL PARKS 1 AND 2, AN ADMINISTRATIVE AND BUSINESS CENTRE. SEZ BENEFITS ARE ACTIVE UNTIL 2027.

TOTAL AREA, ASTANA CITY

CITY TOTAL AREA	71,000 HA
TOTAL SEZ AREA	7,634.71 HA

ADMINISTRATIVE AND BUSINESS CENTRE

TOTAL AREA	6,603.51 HA
NUMBER OF PROJECTS	360
INVESTMENT VOLUME	13.2 BN US DOLLARS
MANUFACTURED GOODS (VALUE)	360 M US DOLLARS

INDUSTRIAL PARK 1

TOTAL CONSTRUCTION COST OF THE INDUSTRIAL PARK 1	131.3 M US DOLLARS
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- ELECTRIC SUBSTATION
WITH 7 DISTRIBUTING POINTS 10 KW EACH;
- MAIN HEAT PIPELINE -3.4 KM;
- RAILWAY;
- MOTORWAYS 18.7 KM;

- WATER PIPELINE 23 KM;
- SANITARY SEWER SYSTEM 22.4 KM;
- STORM DRAINAGE 33.5 KM;
- CABLE DUCT 7.5 KM;
- SEWER PUMPING STATIONS

IP1 AREA	598.1 HA
NUMBER OF PROJECTS	62
INVESTMENT VOLUME	1.124 BN US DOLLARS
MANUFACTURED GOODS (VALUE)	2.7 BN US DOLLARS

INDUSTRIAL PARK 2 — START OF CONSTRUCTION SCHEDULED FOR 2017

IP2 AREA	433.1 HA
CONCEPT DEVELOPER	«JURONG CONSULTANTS» (SINGAPORE)
IMPLEMENTATION PERIOD	2017-2026
NEW JOBS TO BE CREATED	18,000
NUMBER OF PLANNED ENTERPRISES	130 PRODUCTION FACILITIES
SECTORS	MECHANICAL ENGINEERING, CHEMISTRY, PHARMACEUTICALS, METALLURGY, ELECTRONICS, FOOD, CONSTRUCTION SUPPLIES AND LOGISTICS
CURRENT STATUS	COMPLETED MASTER PLAN, FS DESIGN IN PROGRESS
LAND PLOT AREA	433 HA
PUBLIC INVESTMENT	50 BN. TENGE
PRIVATE INVESTMENT	210 BN. TENGE

INCENTIVES IN THE ASTANA — THE NEW CITY SEZ. INDUSTRIAL PARK'S PREFERENTIAL CONDITIONS.**PRIORITY ACTIVITIES**

MANUFACTURE OF OTHER NON-METAL MINERAL PRODUCTS	FOOD PRODUCTION
MANUFACTURE OF MACHINERY AND EQUIPMENT	MANUFACTURE OF PULP, CELLULOSE, PAPER AND CARDBOARD
MANUFACTURE OF HOUSEHOLD APPLIANCES	MANUFACTURE OF FURNITURE
MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS	MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS
PRODUCTION OF CHEMICAL PRODUCTS	MANUFACTURE OF RAILWAY LOCOMOTIVES AND ROLLING STOCK
METALLURGY INDUSTRY	MANUFACTURE OF AIR AND SPACE CRAFTS
MANUFACTURE OF ELECTRICAL EQUIPMENT, INCLUDING ELECTRIC LIGHTING EQUIPMENT	MANUFACTURE OF BASIC PHARMACEUTICAL PRODUCTS AND CHEMICALS
MANUFACTURE OF GLASS COMPONENTS FOR LIGHTING DEVICES	MANUFACTURE OF ELECTRONIC COMPONENTS
	WAREHOUSING AND ADDITIONAL TRANSPORTATION ACTIVITIES

INCENTIVES IN THE ASTANA – THE NEW CITY SEZ

TAXATION OF BUSINESSES, CUSTOMS CLEARANCE AND CONTROL IN THE SEZ TERRITORY RUNS IN ACCORDANCE WITH TAX AND CUSTOMS LEGISLATION OF KAZAKHSTAN.

PREFERENCES	NATIONWIDE TAX RATE IN KAZAKHSTAN	SEZ TAX RATE
CORPORATE TAX	20%	0
PROPERTY TAX	1,5%	0
LAND TAX	FROM \$ 0.06 PER SQ.M	0
LAND USE FEE	FROM \$ 0.08 PER SQ.M	0
VAT RETURN FOR SUPPLIERS OF GOODS	12%	0
CUSTOMS DUTY AND VAT	5-20%	0

SUCCESSFULLY OPERATING PROJECTS AND GLOBAL INVESTORS IN ASTANA

COMPANIES	COMPANY PROFILE	INVESTMENT	WORK PLACES
ALSTOM (FRANCE)	ELECTRIC LOCOMOTIVES	\$53.1 M	410
TALGO (SPAIN)	PASSENGER CARS	\$57.8 M	278
GENERAL ELECTRIC (USA)	DIESEL LOCOMOTIVES	\$92.8 M	646
EUROCOPTER KAZAKHSTAN ENGINEERING (KAZAKHSTAN-FRANCE-GERMANY)	HELICOPTERS	\$12.7 M	52

THE ASTANA – THE NEW CITY SEZ IN 2015

FOREIGN DIRECT INVESTMENT INTELLIGENCE (FDI) RANKING:

- WINNER CENTRAL ASIA OVERALL
- HONOURABLE MENTION ASIA OVERALL
- COMMEDED FOR NEW INVESTMENT







WHOM TO CONTACT?

INFORMATION
RESOURCES,
RESPONSIBLE
AUTHORITIES

INVESTOR SERVICE CENTRE
WWW.INVESTINASTANA.KZ

ADDRESS: "EMERALD TOWERS"
ADMINISTRATIVE BUILDING,
8, KUNAYEV STREET, BLOCK "B"
TEL.: +7 7172 57-89-87

SERVICES:

- Assistance in registration of legal entities for foreign nationals;
- Assistance in obtaining investor visas;
- Providing information and assistance in obtaining investment incentives, grants for investors and entrepreneurs, the benefits active in the territory of the Astana - the New city SEZ;
- Assistance with submission of documents for registration as a member of the SEZ;
- Search for partners for Kazakhstan and foreign parties;
- Providing help in solving problems of investors at the regional level, to protect the interests of investors;
- Advisory support of investment projects and projects of public-private partnership (one-stop-shop principle);
- Promotion and implementation of state support instruments to investors and concessionaires;
- Other services





**COMFORTABLE
AND TOURIST-
FRIENDLY
CITY**

URBAN
ENVIRONMENT

CONVENIENT TRANSPORT INFRASTRUCTURE

The new Astana LRT transport system

- Total length: **22.4 km**
- Stations: **18**
- Rolling-stock: **19 units**
- Passenger turnover: **46 thousand people**
- Maximum/average technical speed **80/41 km/h**

ADVANCED RETAIL AND CATERING INFRASTRUCTURE

Number of cafes and restaurants

- **256** restaurants
- **174** cafes
- **132** canteens and fast-foods
- **104** bars and lounge bars

ASTANA HAS 164 HOTELS WITH OVERALL 12,482 PLACES AND 25 HOSTELS WITH 664 PLACES

Information:

- 5-star — **5 hotels**
- 4-star — **21 hotels**
- 3-star — **17 hotels**

EDUCATIONAL CAPITAL OF KAZAKHSTAN

- Number of HEI students **51,235** in 2015
- Number of HEIs in Astana – **14**

CULTURE

In 2015:

- **6** theatres
- **7** museums
- **6** cinemas
- **1102** - total amount of urban and international cultural

INTERNATIONAL AIRPORT

- **27** direct international flights
- **14** domestic flights
- **3.2 m** passengers per year
- or **270 thousand** passengers per month

Direct international flights connect Astana with Moscow, St. Petersburg, Kazan, Novosibirsk, Bishkek, Omsk, Yekaterinburg, Tashkent, Kiev, Minsk, Baku, Tbilisi, Frankfurt, Vienna, Abu Dhabi, Dubai, Sharjah, Istanbul, Antalya, Beijing, Urumqi, Ulaanbaatar, Bangkok, London, Paris, Amsterdam, Seoul.

RAILWAY STATION

- **2.6 m** passengers per year

By 2017 (after commissioning the new station) capacity will increase to **12.5 m** passengers per year or **1,050 thousand** passengers per month.

SOCIAL INFRASTRUCTURE DEVELOPMENT

NUMBER OF HEALTHCARE FACILITIES

City's public healthcare organisations network is represented by **37 objects**:

14 hospitals;

16 PHC organisations, including **12 urban health centres** and **4 family health centres;**

7 other facilities (ambulance station, AIDS Centre, the base for special medical supplies, Infant home, College of Medicine, medical examiner bureau, and a dentistry).

There are **9 subjects of private ownership** that provide services within the guaranteed volume of free medical care in Astana.

PERSONNEL

9,703 people are working in subordinate healthcare organisations under the Public healthcare department, including **3,288 doctors** and **6,415 nursing staff members**.

IMPROVED QUALITY OF PARKING SPACES

NUMBER OF PARKS:

Implementation of the project for parking space management in Astana was scheduled for 2017. It will provide up to 9,000 additional parking spaces.

Astana Parking space management system will include:

- Interaction with traffic management systems (ITS)
- Monitoring of occupancy of parking spaces
- Inform drivers about free parking spots
- Monitoring and automatically document traffic violations (the use of paid parking)
- Equipment for the collection of parking fees, as well as mobile applications and services.

Launching the project will enable to:

- Increase the turnover of vehicles at the parking spaces by **30-40%**
- Increase the demand for public transport by **15-20%**
- Reduce the motorway network load by **20-30%**
- Reduce traffic violations by **70-80%**
- Reduce the parking space load by **40-50%**









ASTANA

DESTINATION FOR INVESTMENTS



www.astana.gov.kz
www.investastana.kz

Astana Invest



MAYOR'S OFFICE OF ASTANA CITY

Department for investments
and development of Astana city



«Astana Invest»
City development center for investments, LLP

Investors' service center

Search for
overseas
partners

Service
support

Analytical
support

Government
support tools

Legal
support

Investors' service center is an authorized body of the Mayor's Office
of Astana city for providing investors with services

Services of «One stop shop» for investors

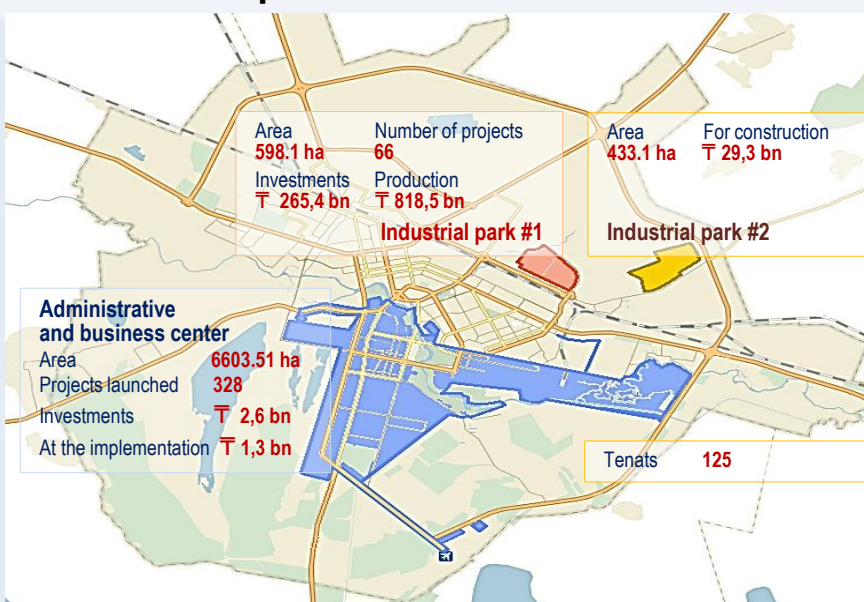
- Searching partners
- Consultancy support for investment projects
- Support in obtaining investors' visa
- Consultancy in documents preparation for SEZ "Astana-new city"
- Participation in investors' problem solving
- Implementation of State support for investors



www.astana.gov.kz
www.investastana.kz

Republic of Kazakhstan
010000, Astana city, Kunayev Str. 8, Block B
Tel.: + 7 (7172) 57 89 86 (87/80)

Astana – New City special economic zone



Taxes and customs duties

	Corporate income tax	Property tax	Land tax	Land utilization fee	Refund of excess VAT on goods	Customs duties and VAT on import
Kazakhstan rates	20 %	1,5 %	from \$ 0.06 per sq.m.	from \$ 0.08 per sq.m.	12 %	5-20 %
SEZ rates	0					

Land plot allocation procedures

1 st step	2 nd step	3 rd step	4 th step	5 th step
Inquiry Letter to the Mayor	Dep't for investments and development request handling	Coordination Board decision-making	Investors' service center preparation of documentation within 52 days	Land plot allocation

Priority activities for SEZ Astana – New City

- chemical industry
- metallurgic industry
- production of**
 - machinery and equipment
 - household electric appliances
 - rubber and plastic products
 - electric equipment, including electric lighting equipment
 - glass components for lighting equipment
 - vehicles, trailers and semitrailers
 - railroad locomotives and rolling stock
 - air- and spacecraft
 - basic pharmaceutical products and equipment
 - electronic parts
 - other nonmetallic mineral products
 - food
 - furniture
 - wood mass and cellulose, paper and carton



Why Astana?

Astana within two decades achieved tremendous success in the development of the economy and the social sphere

Population growth

from the time Astana has received the status of the capital, Astana exposed the unprecedented dynamic of population's growth and become a million populated city.

Accelerated growth of the economy

Astana is one of the leaders among the Kazakhstani regions in GRP per capita, outperformed Almaty city in this indicator and took the 2nd place in the contribution into GDP of Kazakhstan (from 3.5% to 11.8%).

Astana is a megacity of Kazakhstan

Astana became key-city of Kazakhstan in the global political and economical systems where big international events take place.

Moving the capital to Astana caused the economic growth of the city, which sequenced a powerful impetus to a further development. Its investment attractiveness is determined by a favorable geographical position, a powerful industrial and scientific potential, and by the availability of highly qualified personnel in various fields. The bases of the city's economy are trade, transport, communications and the construction.



I have read and heard a lot about Astana. They say Astana is a beautiful city and now I can confirm it. I have never seen the beat of it - neither in Brazil nor in Washington. None of the world capital cities can be compared with Astana. What you are doing here cannot be found anywhere. And I am interested in how you achieved such results? Over the past several years Kazakhstan and its main city Astana have changed greatly.

Jim Rogers

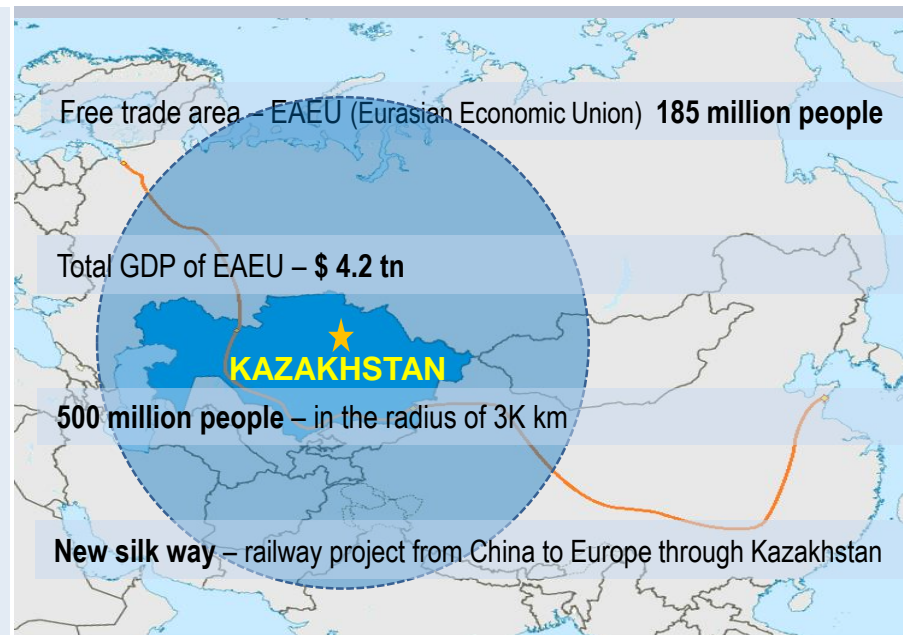
Chairman of Rogers Holdings and Beeland Interests, Inc.
Co-founder of the Quantum Fund
Creator of the Rogers International Commodities Index (RICI)

Astana, the Capital, has emerged as a dynamic new center at the heart of Eurasia, hosting regularly global and regional summits attended by world leaders. This is a major accomplishment by any measure for an emerging city like Astana, proud to lead in the economic, social and cultural development of Eurasia. Kazakhstan and the city of Astana are well positioned to lead this dynamic region and ready to contribute to the global efforts in this regard.

Alper Akdeniz

Chairman of PwC Kazakhstan and Eurasia

Astana – the heart of Eurasia



General indicators of the city

ASTANA 2017 in DIGITS

INVESTMENTS **\$ 2.5 billion** / private 60%
GRP **\$ 16 billion** / SME 50%
SME's contribution into employment **60%**
Number of SME **100K**

FROM 1997

2017

GRP **187 times**
In per capita **64 times**
VOLUME of INVESTMENTS **40 times**
NUMER of SMEs **21 times**

Population

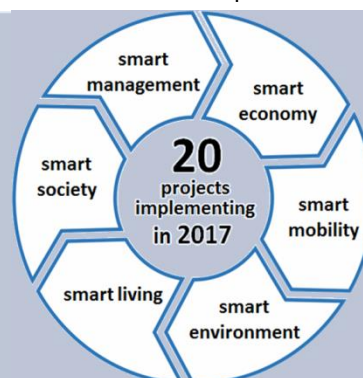


Investments



Smart Astana

Smart Astana project based on a development model of European smart cities



A synergy of all that operative qualities provides the Concept for **Smart city**. **Smart city** is the effective control tool as related to energy saving, service charges for public utilities and reduction of accidents risks.

10 sectors of economy providing stability of the city



Tourism



Construction



International
Financial
Center



Modern
industries



Services for
Government
and Int'l
organisations



Professional
education



Healthcare



Trade and
distribution



Creative
sectors



Culture and
sports

INVESTORS' SUPPORT

THE FOREIGN INVESTORS' COUNCIL
CHAIRD BY THE PRESIDENT OF THE
REPUBLIC OF KAZAKHSTAN



REGIONAL COUNCIL FOR THE
IMPROVEMENT OF INVESTMENT CLIMATE
CHARIED BY THE MAYOR OF ASTANA
CITY

International Financial Canter «Astana»

1

Special Tax Regime

50 year waiver for property tax, land tax, and corporate and income tax. Special treatment provides transparency and is compliant with best regulatory practices.

2

Legal Framework

AIFC Legal framework is based on the common law. Only the AIFC court with the involvement of international judges is responsible for the jurisdiction on AIFC territory.

3

Visa Regime

AIFC provides visa waiver up to 30 days for visitors from OECD countries. AIFC participants and their family members will enjoy special visa regime with extension up to 5 years.

4

Registration

AIFC implements single-window system, a simplified regime for visa issuance, registration, work permits, and other AIFC-related procedures.