KAZAKHSTAN

OVERVIEW OF INDUSTRIAL NICHES

Investment

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Ministry of Industry and New Technologies of the Republic of Kazakhstan

KAZNEX INVEST

National Export and Investment Agency «KAZNEX INVEST»

«No one country can and will be competitive in all or even most branches of the economy. In the end, countries succeed in some branches of the economy because of formed environment within them which is more oriented to the future, more dynamic and challenging»

Professor Porter

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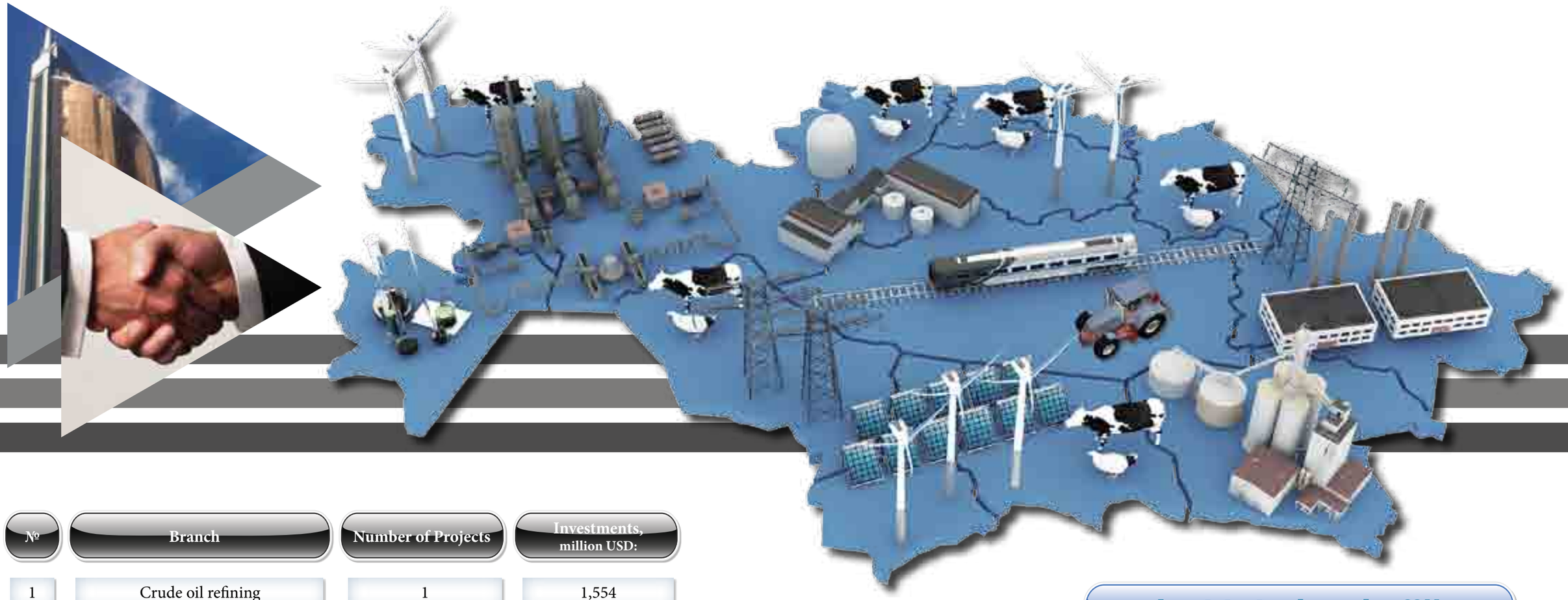
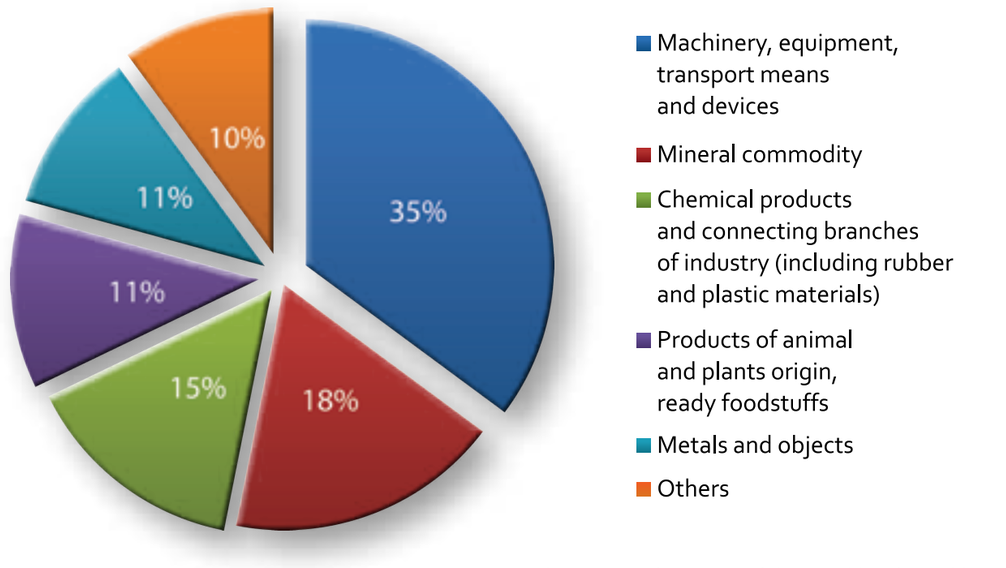


№	Branch	Number of Projects	Investments, million USD:
1	Crude oil refining	1	1,554
2	Chemicals	10	7,500.7
3	Machine industry	3	26
4	Electric-power industry	23	7,632.2
5	Construction industry	13	1,748.3
6	Pharmacy	8	224.8
7	Consumer goods industry	8	1,112.4
8	Agro-industrial complex	10	248
9	Mining and smelting enterprise	23	3,790.7
10	Mineral commodities-based industry	1	50
11	Tourism	5	29,912.4
12	Transport and logistics infrastructure	1	14,000
TOTAL		**106**	**67,799.5**

Import structure, january-june 2011



Source: The Agency of Statistics of the Republic of Kazakhstan

crude oil refining and development of infrastructure of oil and gas section

Crude oil refining and development of infrastructure of oil and gas section

Increasing the conversion rate is the most important priority not only for crude oil refining development but for the entire oil & gas complex of Kazakhstan. Realization of this area of focus must be relevant to the top-priority instructure of oil and gas complex development, as it is the most efficient way to increase the effective usage of oil stock, which provides the quickest and the most economic way of increasing the engine fuel production.

1. Building of Advanced oil processing center in the Atyrau oil processing plant

Aim:	Capital investment project is destined for refining of the residual heavy-oil products into high quality engine fuel, and also will allow to rework the vacuum distillate and heave coker gasoil, also take over into there fining the straight-run fuel oil. The main market products are the motor gasoline component corresponding to Euro-4,5 standard, Euro-4,5 hydrotreated diesel oil and liquid gas. Also "KazMunayGas" – refining and marketing" JSC serves the needs of oil products retail chains.
Minimal power:	2,4 million tons of raw materials per year. Operational stability range of the complex is 50-110%.
Suggested region siting:	Atyrau city, Atyrau region Base of "Atyrau Oil Refinery" Ltd. There are evaporating fields for water disposal 1 km apart from the plant.
Approximate investment value:	1,554 million USD
Labour capacity of the project:	633 thousand USD (approximately)
Applicants:	"Atyrau refinery" Ltd (AR)
Notice:	"AR" Ltd is a subsidiary of "KazMunayGas – refining and marketing" JSC

chemical industry

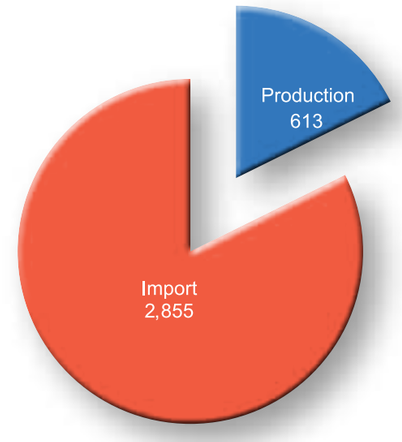
List of «niche» projects

№	Name	Investments, million USD
1	Potash fertilizer production	408
2	Organization of caustic ash production	326,5
3	Construction of ammoniac-carbamide complex	745
4	Organization and start of production of biofertilizers containing high mineral ameliorant for greenhouses	20
5	Organization of production plant for processing of phosphogypsum	16
6	Butadiene and chemical rubber production	1,200
7	Syanide of sodium production	102
8	Organization of carbamide production	276
9	Production of divynil ether and polymer from off-grade calcium carbide	7.2
10	Integrated natural gas chemical complex construction	4,400
TOTAL		**7,500.7**

Chemical industry market amounted to 3,5 billion USD in january-july 2011.

Performance review of chemical industry

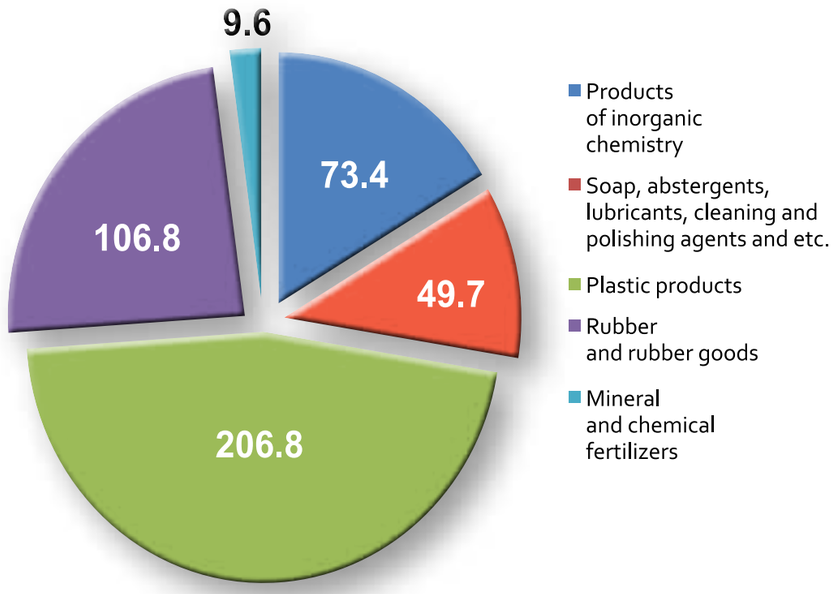
Major objectives of chemical industry of Kazakstan: Development of priority competitive chemicals enterprises aimed at production of high-tech, export-oriented and innovative products with high value added.



Source: The Agency of Statistics of the Republic of Kazakhstan

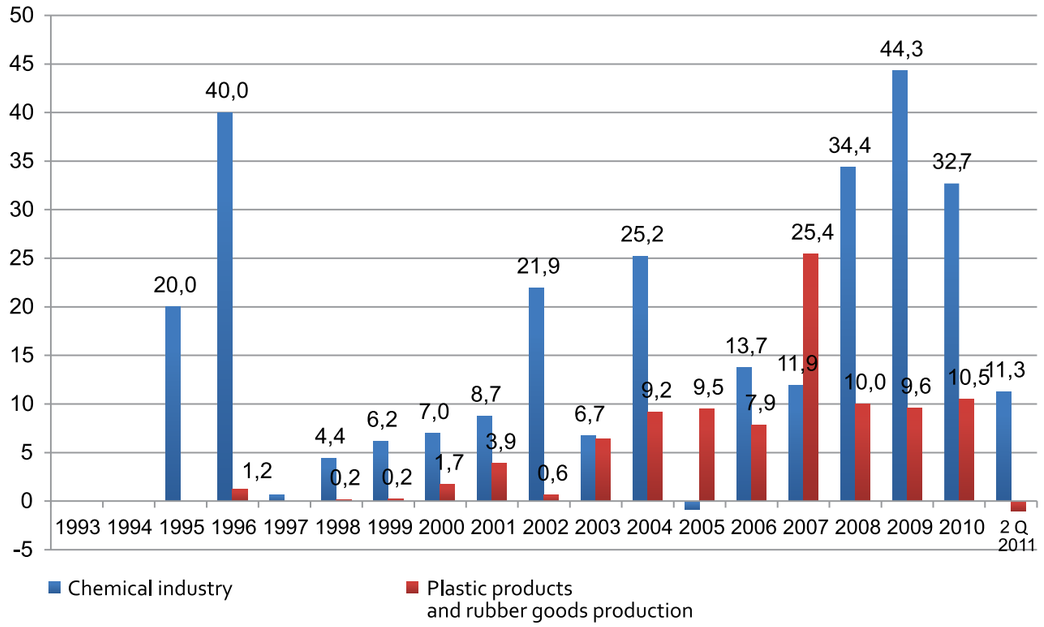
Resource:
Development program of chemical sector in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1001 dated September 30, 2011)

Import structure of chemical products in 1 Q of 2011, million USD



Source: The Agency of Statistics of the Republic of Kazakhstan

Foreign direct investments into chemical industry, million USD



Source: The Agency of Statistics of the Republic of Kazakhstan

Value-added chain creation in chemical industry

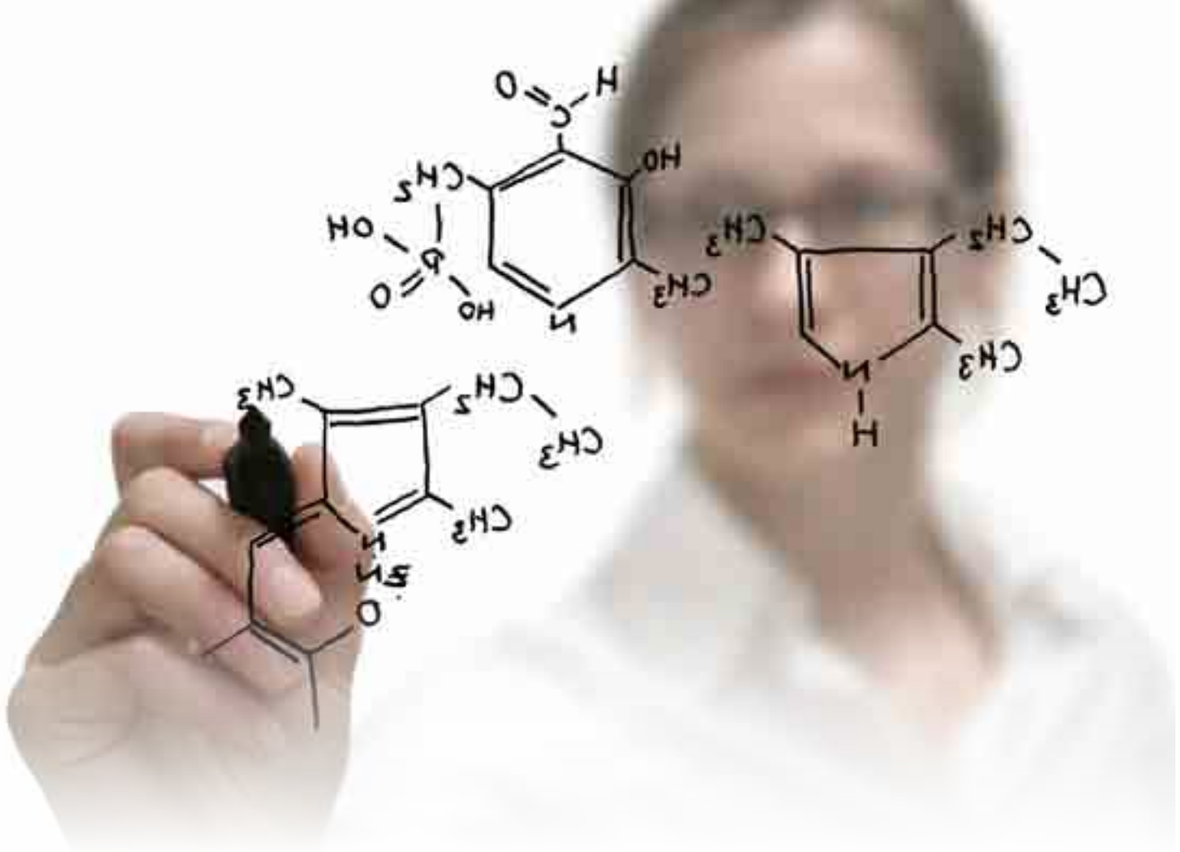
Raw material	Fertilizers and gas-chemical products	Next processing	Finished product
Phosphate, kalium, borates, sodium salt, sulfur, gas and coal	Sulphurious/phosphorus acid, nitrogen-phosphate fertilizers, caustic soda, methyl hydroxide, ammonia, potassium carbonate	Formol, MTBE, hydrogen nitrate, carbamide, monoammonium phosphate, diammonium phosphate, caustic ash	Industrial chemicals and products, glass, mineral fertilizers, abstergents, acetic acid, lakers and paints, etc.

Projects in service

Location	Organization	Name	Projected capacity
Pavlodar region, Pavlodar city	«Caustic» JSC	Chlorine and caustic soda production	30 000 tons of caustic soda, 26 000 tons chlorine per year
Zhambyl region	«Kazphosphate» Ltd	Phosphorous fertilizer production	100-120 thousand tons per year
Mangystau region	«Kaz Azote» Ltd	Ammonia, ammonia nitrate and hydrogen nitrate production	Ammonia- about 120 thousand tons; Ammonia nitrate – 220 thousand tons; Hydrogen nitrate – 200 thousand tons per year
Aktyubinsk region	«Aktyubinsk plant of chromic compounds» JSC	Chromic compounds production	103,27 thousand tons per year

Planned projects

Location	Organization	Name	Projected capacity
Zhambyl region	«EuroChemical Fertilizers» Ltd	Mineral fertilizer production	Not less 200 thousand tons per year



Priority orientations in 2010-2014 (high value added)

Base organic chemistry including polymer

- Methyl hydroxide, sunned oils
- Low-tonnage organic chemicals of high level processing
- Resin-based I initial form
- Polymers (polymethylene and polypropylene)

Base inorganic chemistry including fertilizers

- Fertilizers (phoshorated, potassic, nitric and complex
- Chemical elements and their compounds (chlorine, phosphorus, sodium hypochlorite)
- Nitrogen compounds (ammonia, hydrogen nitrate)
- Inorganic acid (sulphurous, phosphorus, chlorhydric)
- Alcali (caustic soda, caustic ash)

Special and consumer chemicals

- Industrial chemicals and components (pesticides, high explosives, synthetic fibers, paints, rubber technical goods and etc.)
- Detergents

1. Potash fertilizer production

Sub-branch:	Inorganic chemistry products
Aim:	Potash salt production
Minimal power:	250 thousand tons per year
Suggested region siting:	Aktobe region, Zhilyansk field *Arguments for region siting:* Approved stock of Zhilyansk field is 426 million ton (A, B, C1 categories) and 247 million ton (C2 category)
Approximate investment value:	408 million USD
Notice:	Used for food crops and greenhouse with entering through the irrigation system. In addition to increasing productivity, potash fertilizers increase the qualitative characteristics of farmed products: this is to increase the resistance of plants to diseases, increased fruit firmness during storage and transportation, as well as improve their taste and aesthetic qualities.

Domestic demand to potash fertilizers in 1 Q 2011, million USD

2. Organization of caustic ash production

Sub-branch:	Inorganic chemistry products
Aim:	Construction of caustic ash production plant
Minimal power:	400 thousand tons per year
Suggested region siting:	Ekibastuz city, Pavlodar region *Arguments for region siting:* Manufacturing plant of caustic soda is in Pavlodar region.
Approximate investment value:	326,5 million USD
Applicant:	«KazSoda» Ltd
Notice:	Caustic ash is produced on one of the stages of caustic soda production. Starting crude is sodium sulphate, the stock of which is 12 million ton. Glass production is the biggest sector of final consumption of the caustic ash. Required design and construction of an accessible railway station from Kalkaman to plant in a rural area.

Domestic demand to the product

Nowadays Kazakhstan imports caustic ash about 350 thousand tons per year, about half for aluminum production in Pavlodar, and considerable quantity for chromic compounds production in Aktobe. Plant with the capacity 400 thousand tons per year might provide all current demands and create slight overstock for export or production development.

According to the information from Nexant, Kazakhstan imports caustic soda for purification of alumina.

Prices for the products

The price is $150-300 for ton, regional price differences are significant, although the markets are local, but the transportation price is very high.

3. Construction of ammoniac-carbamide complex

Sub-branch:	Inorganic chemistry products
Aim:	Project of ammonia and carbamide production
Minimal power:	ammonia – 2,0 thousand tons per day; carbamide – 2,5 thousand tons per day
Suggested region siting:	Aktau city, Mangistau region Area of SEZ «Morport Aktau»
Approximate investment value:	745 million USD
Applicant:	«Caspian Azot» Ltd
Notice:	Carbamide is used as nitrogen fertilizer. Starting crude is ammonia.

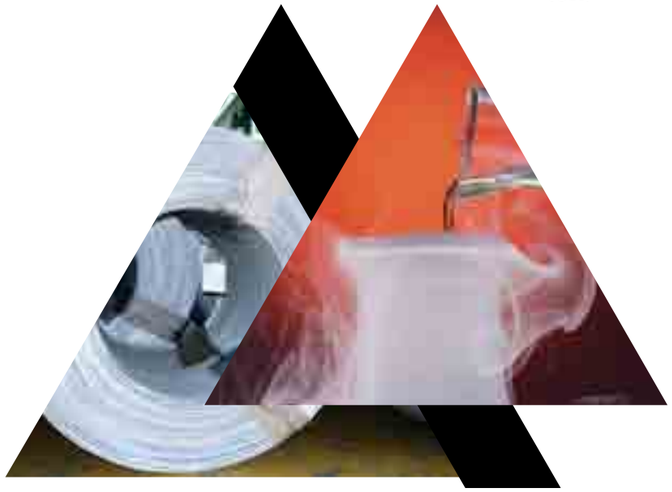
Domestic demand to the product

Over a period of the 1st quarter 2011 Kazakhstan imported carbamide to the amount of 4,7 million USD and ammonia to the amount of 2,6 million USD.

Prices for the products

The price of ammonia is very unstable and was from 300 till 500 dollars per ton, more over it was differentiated according to the region.

Price of carbamide is USD 190-310 per ton.



4. Organization and start of production of biofertilizers containing high mineral ameliorant for greenhouses

Branch:	Chemical industry
Sub-branch:	Inorganic chemistry products
Aim:	Production of bio fertilizers containing high mineral ameliorant for green houses of RK
Minimal power:	Biofertilizers with mineral supplements
Suggested region siting:	South Kazakhstan region, Saryagash district, Kaplanbek village
Approximate investment value:	20 million USD
Applicant:	RSBSE «South Kazakhstan State University named after M. Auyezov» Ministry of Education and Science

5. Organisation of phosphogypsum manufacture

Branch:	Chemical industry
Sub-branch:	Inorganic chemistry products
Aim:	Organization of complex was the treatment of the wet-process phosphoric acid manufacturing
Minimal power:	Calcium acetylide, silicocalcium, ferrosilicon, sulphuric acid with additives. Manufacturing capacity per year - 20 thousand tons of calcium acetylide, 9 thousand tons of ferrosilicon, 22 thousand tons of sulphuric acid.
Suggested region siting:	South Kazakhstan region, Saryagash district, Kaplanbek village
Approximate investment value:	16 million USD
Applicant:	RSBSE «South Kazakhstan State University named after M. Auyezov» Ministry of Education and Science

6. Butadiene and chemical rubber production

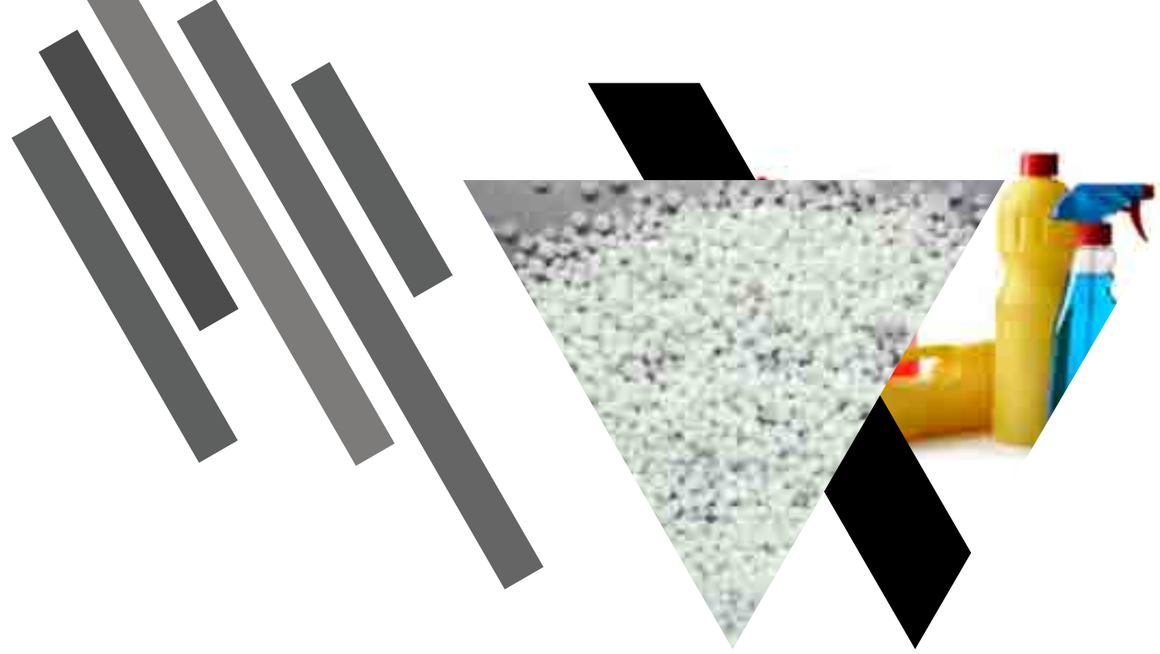
Branch:	Chemical industry
Sub-branch:	Petroleum chemistry
Production area	2 and 3
Aim:	Organization of export-oriented manufacture in Kazakhstan, creation of opportunities for development of native manufacture of general mechanical rubber goods and automobile tires.
Minimal power:	Butadiene – 186 056 tons per year, Polybutadiene rubber – 101 563 tons per year
Suggested region siting:	SEZ «National industrial petrochemical technopark», Atyrau region.
Approximate investment value:	1,200 million USD
Applicant:	«United chemical corporation» Ltd

7. Production of sodium cyanide

Branch:	Chemical industry
Sub-branch:	Special chemicals
Production area	3
Aim:	Organization of new import-substituting manufacture in Kazakhstan and providing gold mining companies in Kazakhstan with basic chemical reagent.
Minimal power:	25,000 tons per year
Suggested region siting:	Zhambyl region
Approximate investment value:	102 million USD
Applicant:	«United chemical corporation» Ltd

8. Organization of carbamide production

Branch:	Chemical industry
Sub-branch:	Agrochemistry
Production area	1, 2 and 3
Aim:	Fertilizer production – carbamide is for need satisfaction of agriculture and increase in productivity
Minimal power:	233,000 tons per year
Suggested region siting:	«National industrial petrochemical technopark» FEA, Atyrau region.
Approximate investment value:	276 million USD
Applicant:	«United chemical corporation» Ltd

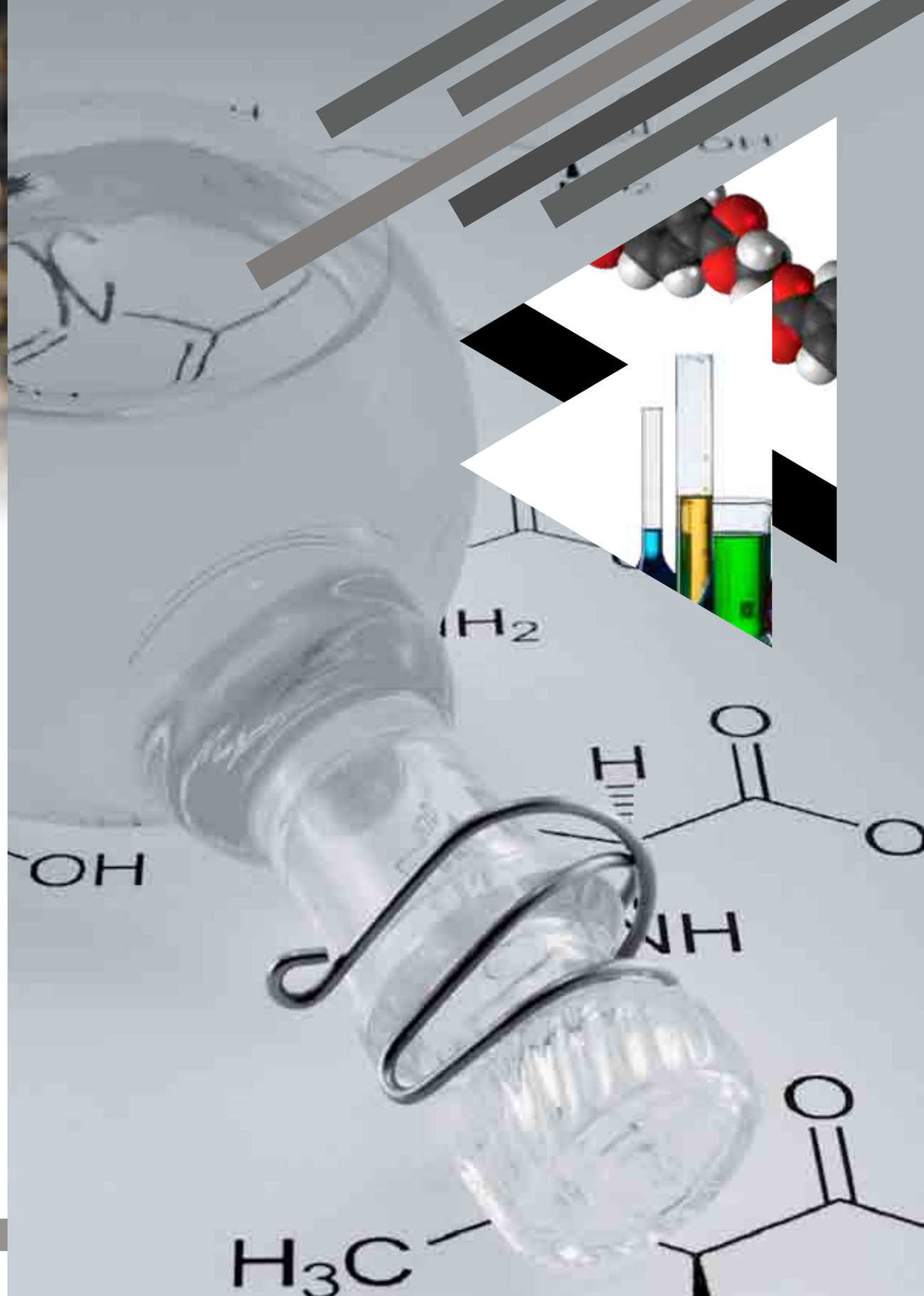


9. Production of dyvinil ether and polymers from off-grade calcium carbide

Branch:	Chemical industry
Aim:	Reopening of production of dyvinil ethers and polymers at advanced reactors with high efficiency and selective ability in comparison with foreign analogues as well as creation of competitive export-oriented production
Minimal power:	Production of vinyl butyl ether – 1,500 tons per year Production of vinylin - 100 tons per year; Production of household chemicals – 1,500 tons per year; Production of additives for VB-1 - 200 tons per year, VB-2 - 300 tons per year.
Suggested region siting:	Karaganda region, Temirtau
Approximate investment value:	7.2 millions of USD
Applicant:	«Chemistry and construction materials» research and development centre» Ltd

10. Construction of intergrated petrochemical complex in Atyrau Region - II phase (polyethylene)

Branch:	Chemical industry
Sub-branch:	Petroleum chemistry
Production area	3
Aim:	Polyethylene production
Minimal power:	800 thousand tons per year
Suggested region siting:	Atyrau region
Approximate investment value:	4,400 millions
Applicant:	«United chemical corporation» Ltd



achine industry

Resource:
Development program of machine industry in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1002 dated September 30, 2011)
Master- plan of machine industry as of 2010-2014.

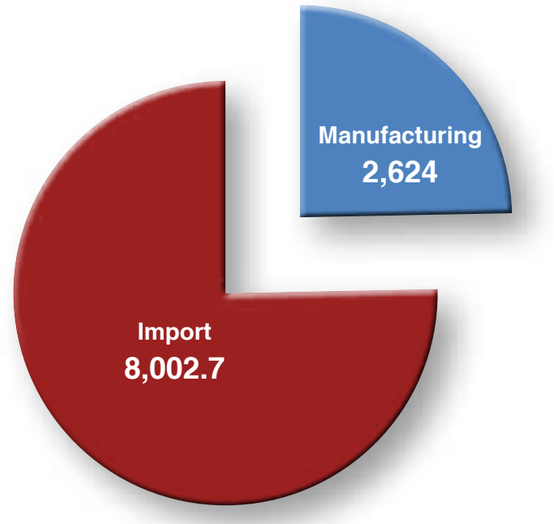
List of «niche» projects

№	Name	Investments, million USD
	Farm machine industry	
1	Heavy component assembly of tractors and farm machinery	1
	Railway machinery manufacturing	
2	Production of chain-track trackors and railway products	3
3	Manufacturing of heavy castings for freights	22
	ИТОГО	**26**

Market capacity of machine industry branch amounted to 10,6 billion USD in january-july 2011

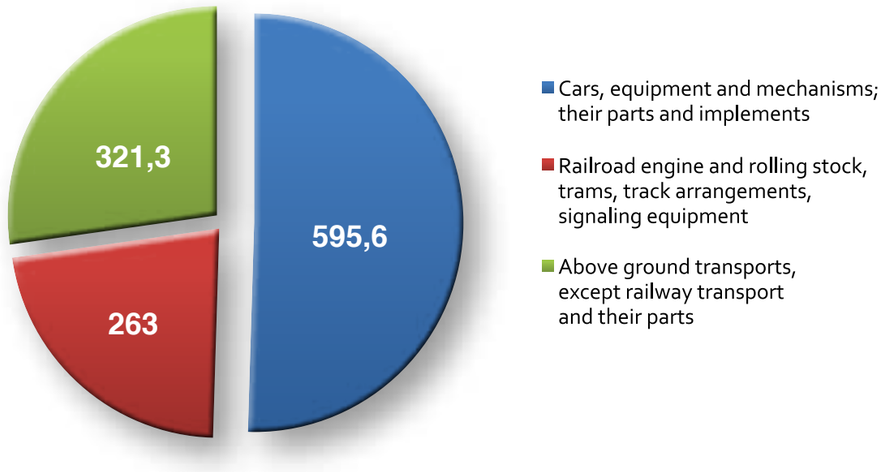
Analysis of machine industry branch

Major objectives of machine industry branch of Kazakstan: meeting the needs of the domestic market and export expansion by increasing the production of high value-added



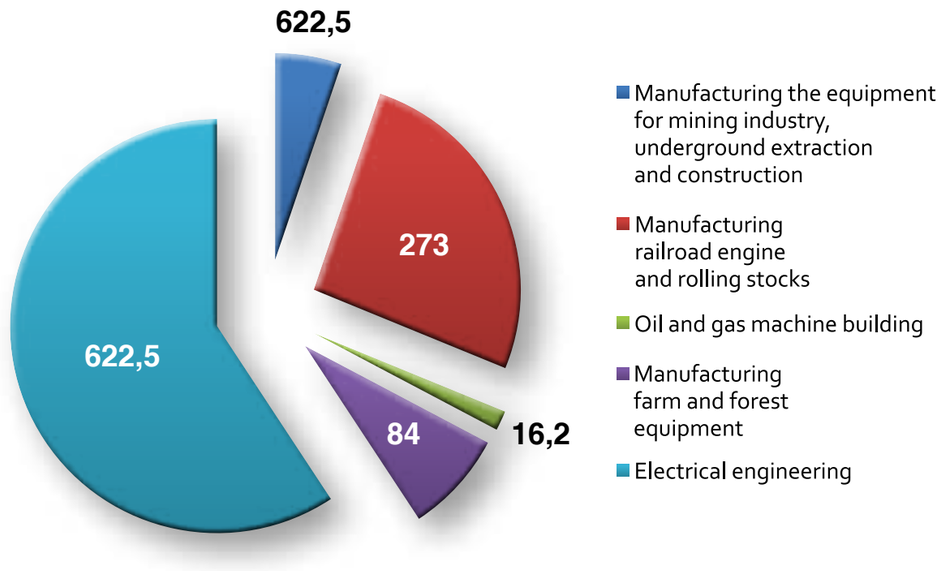
Source: The Agency of Statistics of the Republic of Kazakhstan

Import structure in machine industry january–july 2011, million USD



Source: The Agency of Statistics of the Republic of Kazakhstan

Manufacturing structure of machine industry complex, january-august 2011, million USD



Source: The Agency of Statistics of the Republic of Kazakhstan

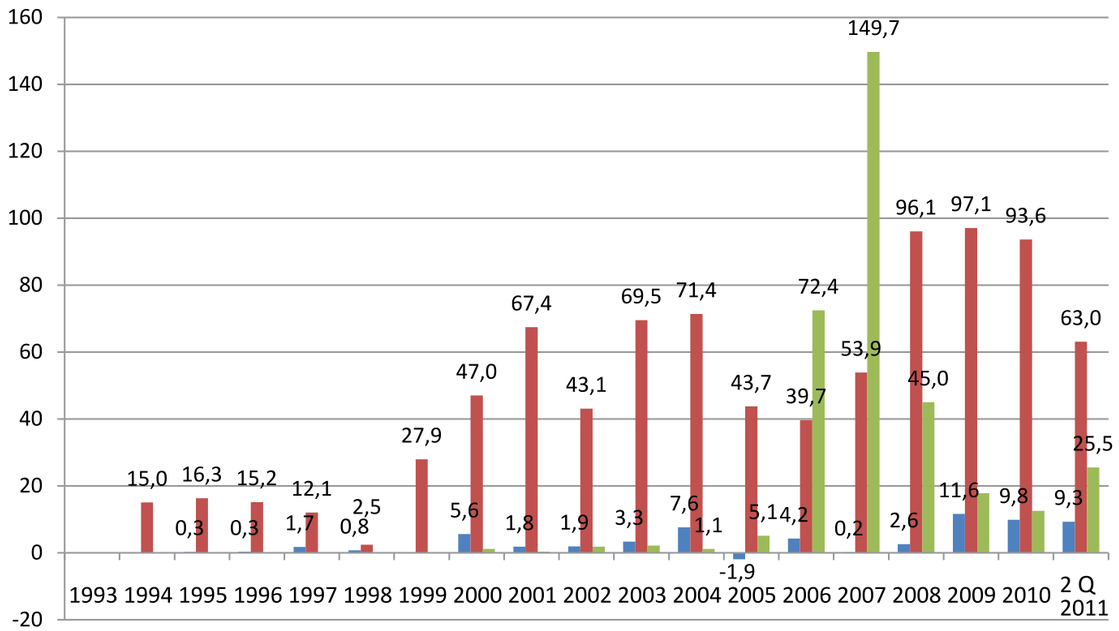
Projects in service

Location	Organization	Name	Projected capacity
North Kazakhstan region, Petropavlovsk city	«ZIKSTO» JSC	Wagon production (three piece, die weld-fabricated) of weight carriages of gauge 1520	5000 wagon units per year for internal market
Pavlodar region, Pavlodar city	«KSP-Steel» Ltd	Organization of rail and structural steel production	100 thousand tons of rails per year

Planned projects

Location	Organization	Name	Projected capacity
East Kazakhstan region, Ust-Kamenogorsk city	«Vostokmachzavod» JSC	Steel car casting production	14 000 tons per year
Karaganda region	«Karaganda machine building plant named after Parkhomenlko» Ltd	Heavy casting production for weight rail carriages.	60 thousand tons per year
Pavlodar region, Kokshetau city. Also there is planned in Kostanay, Akmolinsk, North Kazakhstan regions.	«Agromachholding» JSC	Widen and modernization of trade-service centers which serve farm equipment	Annual sales is about 36 million dollars USA

FDI into machine industry, 1993-2Q 2011, billion USD



Machines and equipment production

Electro technical and electronic device production

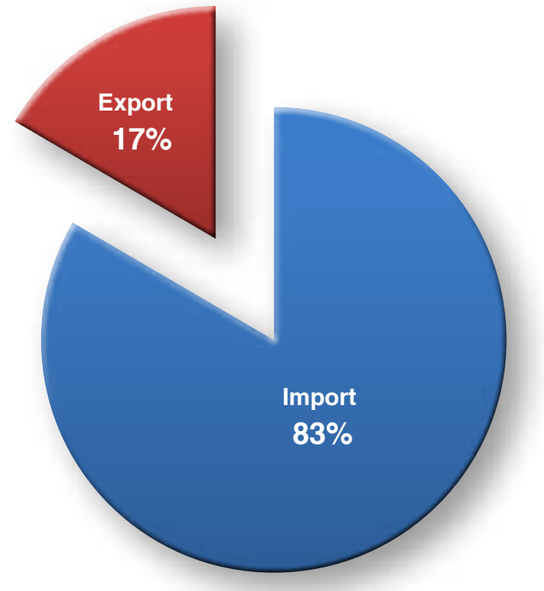
Transport device production

Source: National Bank of the Republic of Kaxakhstan

1. Heavy component assembly of tractors and farm machinery.

Branch:	Machine industry
Sub-branch:	Farm machine industry
Applicant:	«Karatal AgroTech» Ltd
Approximate investment value:	0,68 million USD

Export and import of tractors as of january-july 2011

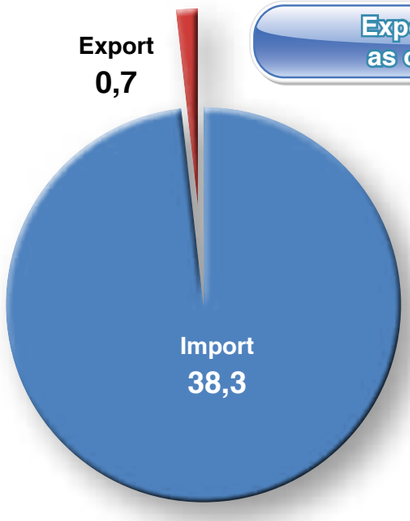


Source: The Agency of Statistics of the Republic of Kazakhstan

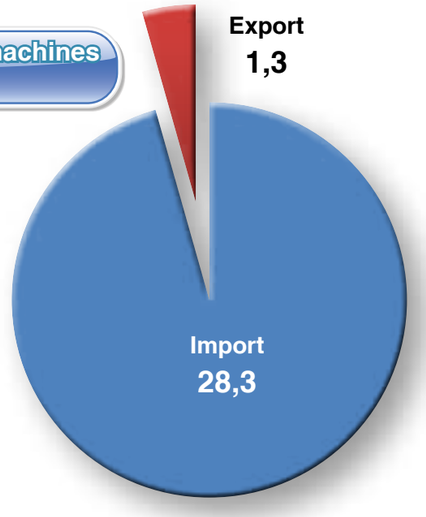
Projects in service

Location	Organization	Name	Projected capacity
Almaty region	In cooperation with Chinese company «YTO Group»	Assembly of tractors «Arlan»	700 units per year
Pavlodar region	In cooperation with Belarusian Minsk tractor plant	Tractor assembly MTZ-82	–
East Kazakhstan region	«SemAz» Ltd	Tractor assembly «Belarussian»	50 units per year

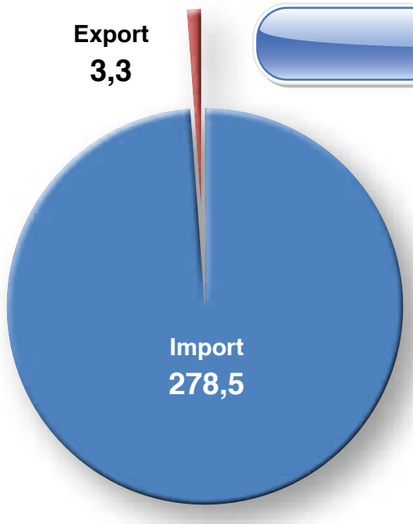
Export and import of harvester-thresher as of january-august 2011, million USD



Export and import of drill-machine, planting machines as of 2011, million USD



Export and import of cars as of 1 Q 2011, million USD



2. Production of chain-track trackors and railway products

Branch:	Machine industry
Sub-branch:	Engine building
Aim:	Improving of manufacturing, production capacity expansion of door hinged crosswise of high-sides wagon.
Suggested region siting:	East Kazakhstan region, Semipalatinsk city
Applicant:	«Semipalatinsk machine building plant» JSC
Approximate investment value:	3 million USD
Minimal power:	2000-3000 units per month
Labor capacity of the project:	52 thousand USD
Work creation:	280

Planned projects

Location	Organization	Name	Projected capacity
Astana city	“Remlocomotiv” JSC	«Talgo» carriages manufacturing	150 tons per year

3. Manufacturing of heavy castings for freights

Branch:	Machine industry
Sub-branch:	Engine building
Suggested region siting:	Karaganda region
Applicant:	«Karaganda machine building plant named after Parkhomenlko» Ltd
Approximate investment value:	22 million USD
Minimal power:	60 thousand ton
Work creation:	During the construction: 200 During the maintenance: 400

electric-power industry

Resource:
Development program of electric-power industry in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1129 dated October 29, 2010)

List of «niche» projects

№	Name	Investments, million USD
	Hydro power plants (HPP)	
1	Bulak HPP construction upon the Irtysh river	380
2	Small HPP construction upon the Sairamsu river	16.8
3	Small HPP construction upon the Keles river	7.5
4	Construction of Ekibastuz-Shulba HPP	288.8
5	Construction of Shulba HPP - Aktogay - Taldykorgan - Alma 500kw	408.2
	Wind-electric plant (WEP)*	
6	Wind-electric plant construction in Karabatan	111.7
7	Wind-electric plant construction in Arkalyk	68
8	Wind-electric plant construction in Karkaralinsk	20.4
9	Wind-electric plant construction in Ereimentau	68
10	Power plant network construction using solar, wind and geothermal energy	370
	Combined heat and power plant (CHP)	
11	CHP construction based on deposit of Turgay lignite basin	3,800
12	Turgay CHP power distribution	87.1
13	Balhash CHP power distribution	25.5
14	Organization of the production of electrical technical complex at utilized coke gas	7
15	Reinforcement of coupling of Pavlodar power centre with Kazakhstan UES	27.2
16	Recovery of HV line 220-500 kw	576.7
17	Modernization of Kazakhstan NEN and construction of HV line 220kw	42
18	Construction of Kemin-Almaty intergovernmental HV line 500 kw	153.1
19	Construction of Aktau-Beineu-Kulsary-Atyrau HV line 500kw	484.6
20	Construction of second HV line 220kw at Uralsk-Atyrau and Kulsary-Tengiz Sections	145
21	Construction of substation 500kw Astana with HV line 500 kw Nura-Astana	161
22	Construction of Nura-Zhezkasgan HV line 500 kw	183.3
23	Construction of Atyrau-Ulken HV line 500 kw	200.3
	TOTAL	**7,632.2**

* Kazakhstan is a participant of the UNO framework convention on climate changes and in accordance with it a renewable energy source is considered as one of the priority directions of greenhouse gases reduction.

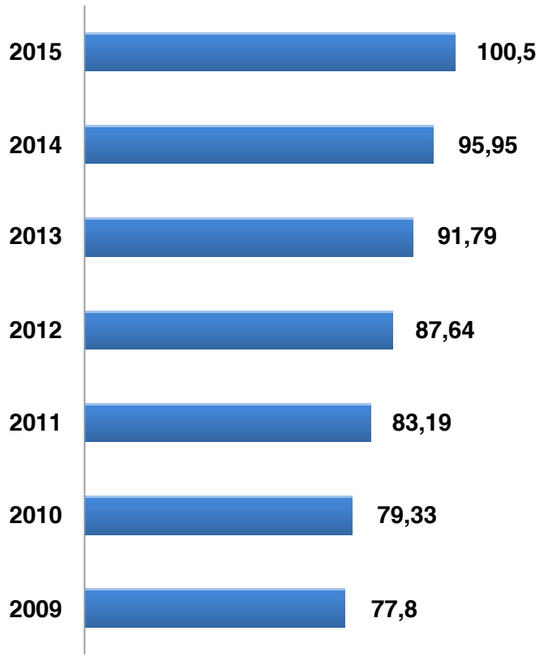
Infrastructure project

№	Name	Investments, million USD
1	Construction and operation of central heating and power plant	591,8

Analysis of electric power industry

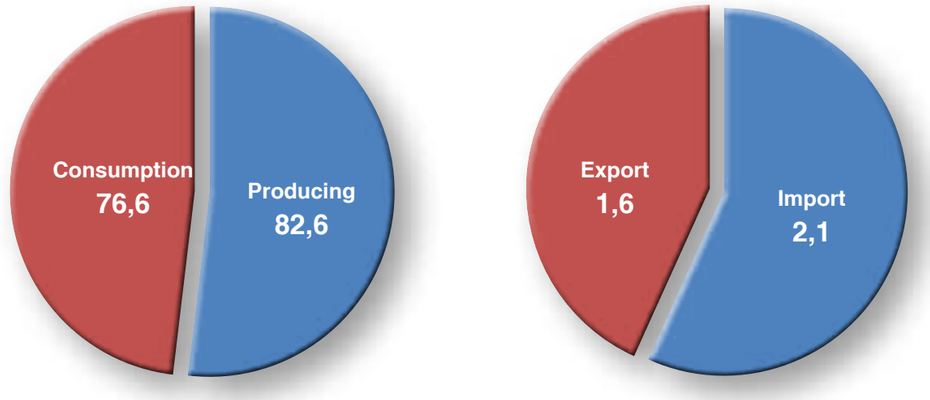
Electric-power industry is one of the key branches and plays an important role in economical, social sphere in any country. Therefore, the power industry is defined as one of the priority sectors of the economy of the Republic of Kazakhstan and is regarded as a dynamically balanced system: electric power- economics – nature – society in the sustainable development of electricity on the basis of new high technology and a continuous reduction in the energy intensity on the gross domestic product of the country.

Projected balance of energy consumption in Kazakhstan till 2015 (billion kWH)



Source: «KEGOC» JSC

Electrical energy consumption balance in 2010, billion kWh



Source: The Agency of Statistics of the Republic of Kazakhstan

1. Bulak HPP construction upon the Irtysh river

Branch:	Electric power industry
Sub-branch:	HPP
Type of output product:	Electric power
Minimal power:	Electrical 68 mW
Suggested region siting:	East Kazakhstan region, 47 km from Semey city
Approximate investment value:	380 million USD
Realization period:	7 years
Notice:	Bulak HPP with daily storage will allow to remove restrictions from Shulbinsk HPP, transfer it in mode of load-factoring and increasing power of Shulbinsk HPP till 700 mW.

2. Small HPP construction upon the Sairamsu river

Branch:	Electric power industry
Sub-branch:	HPP
Type of output product:	Electric power
Minimal power:	Electrical 3,5mW
Suggested region siting:	South Kazakhstan region, Tolebiy region
Approximate investment value:	16,8 million USD
Realization period:	1st in 2011, 2nd in 2013, 3rd in 2015

3. Small HPP construction upon the Keles river

Branch:	Electric power industry
Sub-branch:	HPP
Type of output product:	Electric power
Minimal power:	Electrical 8,6 mW
Suggested region siting:	South Kazakhstan region, Saryagash district
Approximate investment value:	7,5 million USD
Realization period:	4 years

4. Construction of Ekibastus-Shulba HPP

Branch:	Electric power industry
Sub-branch:	WEP
Type of output product:	Electric power
Aim	Reinforcement of liasion of the east region with Kazakhstan UES, deliver of gross power of Shulba HPP with entering of Bulak HPP
Suggested region siting:	Pavlodar and East Kazakhstan regions
Approximate investment value:	288,8 million USD
Realization period:	6 years

5. Construction of Shulba HPP-Aktogay-Taldykorgan-Alma (East-South) HV line 500 kw

Branch:	Electric power industry
Sub-branch:	WEP
Type of output product:	Electric power
Aim	Additional reinforcement of coupling of the East zone with Kazakhstan UES, increase of electric power supply of the East zone, Almaty region and reinforcement of North-South tranzit
Suggested region siting:	East Kazakhstan and Almaty regions
Approximate investment value:	408,2 million USD
Applicant:	«KEGOC» JSC

6. Wind-electric plant construction in Karabatan

Branch:	Electric power industry
Sub-branch:	WEP
Type of output product:	Electric power
Minimal power:	Electrical 40mW
Suggested region siting:	Atyrau region, Makatansk district, Karabatan station
Approximate investment value:	111,7 million USD
Realization period:	1 year

7. Wind-electric plant construction in Arkalyk

Branch:	Electric power industry
Sub-branch:	WEP
Type of output product:	Electric power
Minimal power:	Electrical 41mW
Suggested region siting:	Kostanay region, near Arkalyk city, Angarskoe
Approximate investment value:	68 million USD
Realization period:	2 years

8. Wind-electric plant construction in Karkaralinsk

Branch:	Electric power industry
Sub-branch:	WEP
Type of output product:	Electric power 15 mWt
Minimal power:	34,3 mln kw/hour per year
Suggested region siting:	Karaganda region, Karkalinsk city
Approximate investment value:	20,4 million USD
Realization period:	2 years
Notice:	Project aim is the providing with electrical power to outer rural settlements and live farming of Karkalinsk region. Project will be realized within framework of the memorandum between Akimat of Karaganda region and the representative of UNDP on wind-power introduction and development.
Applicant	Board of power industry and communal services of Karaganda region

9. Wind-electric plant construction in Ereimentau

Branch:	Electric power industry
Sub-branch:	WEP
Type of output product:	Electric power
Minimal power:	Electrical 41mW
Suggested region siting:	Akmolinsk region, Ereimentau district
Approximate investment value:	68 million USD
Realization period:	1 year
Notice:	Construction of this wind-electric plant will allow to produce additionally till 135 million kWh per year.

10. Power plant network construction using solar, wind and geothermal energy

Branch:	Electric power industry
Aim:	Liquidation of energy emergency in South Kazakhstan region by means of introduction of unusually ways of getting the electrical power into electric system (solar, wind and geothermal energy). Electrical power cheapening and import substitution.
Type of output product:	Electric power
Suggested region siting:	South Kazakhstan region
Approximate investment value:	370 million USD
Realization period:	1 year
Application:	SPGE South Kazakhstan State University named after M. Auyezov Ministry of Education and Science of RK

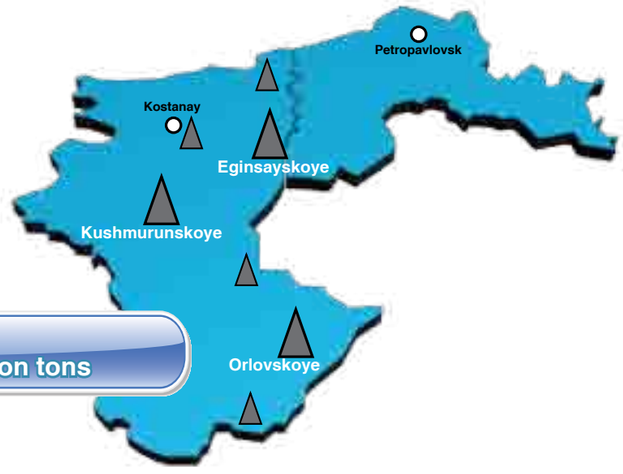
11. CHP construction based on deposit of Turgay lignite basin

Branch:	Electric power industry
Sub-branch:	HPP
Minimal power:	2 000 mW
Suggested region siting:	Kostanay region
Approximate investment value:	3 800 million USD
Realization period:	I stage 2015-2017 II stage 2018-2020
Productivity:	In accordance with preliminary data of the project it is possible to define the following indicators: annual fuel consumption – 8,0 million ton; annual production of electrical power – 13,0 billion kW; annual supply of electrical power – 11,8 billion kW; number of hours of use of capacity – 6500 hours; specific reference fuel consumer – 318 g/kWh.
Work creation:	1 500
Notice:	Project realization will allow to solve the problems of energy emergency and securityof supply to the region, will create the work, increase export potential of the region and that will give positive multiplier effect on the economy of the region.

Energy emergency anticipation of Noth Kazakhstan:

By 2020 - 1800 mW
By 2030 –more than 2 000 mW

Coal stock of Turgay basin – 5,6 billion tons



12. Turgay CHP power distribution

Branch:	Electric power industry
Aim:	Power distribution of Torgay HPP with electrical potential 500 kw
Suggested region siting:	Kostanay region
Approximate investment value:	87,1 million USD
Applicant	KEGOC JSC
Notice:	Implementation period - 2021-2025

13. Balkhash CHP power distribution

Branch:	Electric power industry
Aim:	Provision of power distribution of Balhash HPP planned to be constructed on the south western coast of Balhash lake with a view to cover the demand of electric power industry in the southern region of the country
Production:	Electric power supply
Minimal capacity:	2 640 MWt
Suggested region siting:	Almaty region
Approximate investment value:	87,1 million USD
Applicant:	KEGOC JSC

14. Organization of production of electric technological complex at utilized coke gas

Branch:	Electric power industry
Aim:	Reduction of electric power supply shortage
Production:	Electric power supply
Minimal power:	5,5 MWt 46,2 mln KWt/hour of electric power supply per year
Suggested region siting:	Karaganda region, Nura district, Shubarkul village
Approximate investment value:	7 million USD
Applicant:	Shubarkul komir JSC

15. Reinforcement of coupling of Pavlodar power centre with Kazakhstan UES

Branch:	Electric power industry
Aim:	Reliability control of electric power supply of Pavlodar City and power distribution of city electric stations in Kazakhstan UES
Suggested region siting:	Pavlodar region
Approximate investment value:	27,2 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2012-2017

16. Rehabilitation of HV lines 220-500 kW

Branch:	Electric power industry
Aim:	Reliability control of Kazakhstan NEN by reconstruction and the substitution of powerlines whose service life exceeds the accepted period.
Approximate investment value:	576,7 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2015-2020

17. Modernization of National electric network and construction of HV line 220 kW

Branch:	Electric power industry
Aim:	IIncrease of technical level of substations' equipment, provision of energy efficiency and appropriate work of Kazakhstan NET
Approximate investment value:	42 mln. USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2014-2016

18. Construction of Kemin - Almaty intergovernmental HV line, 500 kW

Branch:	Electric power industry
Aim:	Development of new energy ring 500kW that provides possible capacity powerflow in the Central Asia region, additional export and tranzit possibilities for Kazakhstan, deliveries to the south of the country additional amounts of controlling capacity from Kyrgyzstan energy system, new opportunities to solve water and energy supply issues.
Suggested region siting:	Almaty region
Approximate investment value:	153,1 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2016-2018

19. Construction of Aktau-Beineu-Kulsary-Atyrau HV line 500 kW

Branch:	Electric power industry
Aim:	Increase of power supply of the Western zone of Kazakhstan NEN by reinforcement of electric coupling between West regions of Kazakhstan under 500kW and capacity delivery of Aktau AES.
Suggested region siting:	Mangystau and Atyrau regions
Approximate investment value:	484,6 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2016-2020

20. Construction of II HV-line 220 at Uralsk-Atyrau and Kulsary-Tengiz sections

Branch:	Electric power industry
Aim:	Reliability control of Western zone electric power supply by reinforcement of coupling 220 kW between regions of the Western zone.
Suggested region siting:	Mangystau and Atyrau regions
Approximate investment value:	145 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2017-2020

21. Construction of substation 500kW Astana with HV line 500 kW Nura-Astana

Branch:	Electric power industry
Aim:	Reliability control of power supply in Astana city and Akmola region.
Suggested region siting:	Akmola and Karaganda regions
Approximate investment value:	161 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2017-2020

22. Construction of Nura-Zhezkazgan HV line 500 kW

Branch:	Electric power industry
Aim:	Reliability control of Zhezkazgan power centre
Suggested region siting:	Karaganda region
Approximate investment value:	183,3 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2017-2020

23. Construction of HV line 500 kW Atyrau-Ulke

Branch:	Electric power industry
Aim:	Reliability control of the Western zone by integration of the Western zone with Kazakhstan UES throughout the country
Suggested region siting:	Atyrau and Aktobe regions
Approximate investment value:	200,3 million USD
Applicant:	KEGOC JSC
Notice:	Implementation period - 2021-2025

Infrastructure project

Name	Construction and operation of central heating and power plant
Aim:	Providing with security, qualitative and efficient power supply and reducing the heat and energyemergency in the city to the industryand people.
Project capacity:	Electrical- 240 MW; Hot-wire - 670 Gcal/h.
Place of realization:	Karaganda region, Zhezkazgan city
Approximate investment value:	591,8 million USD
Notice:	**The project is realized under the terms and conditions of licence to operate*.** Period of licence to operate: - period for objects constructions: 2013-2020 Time period: not less 20 years

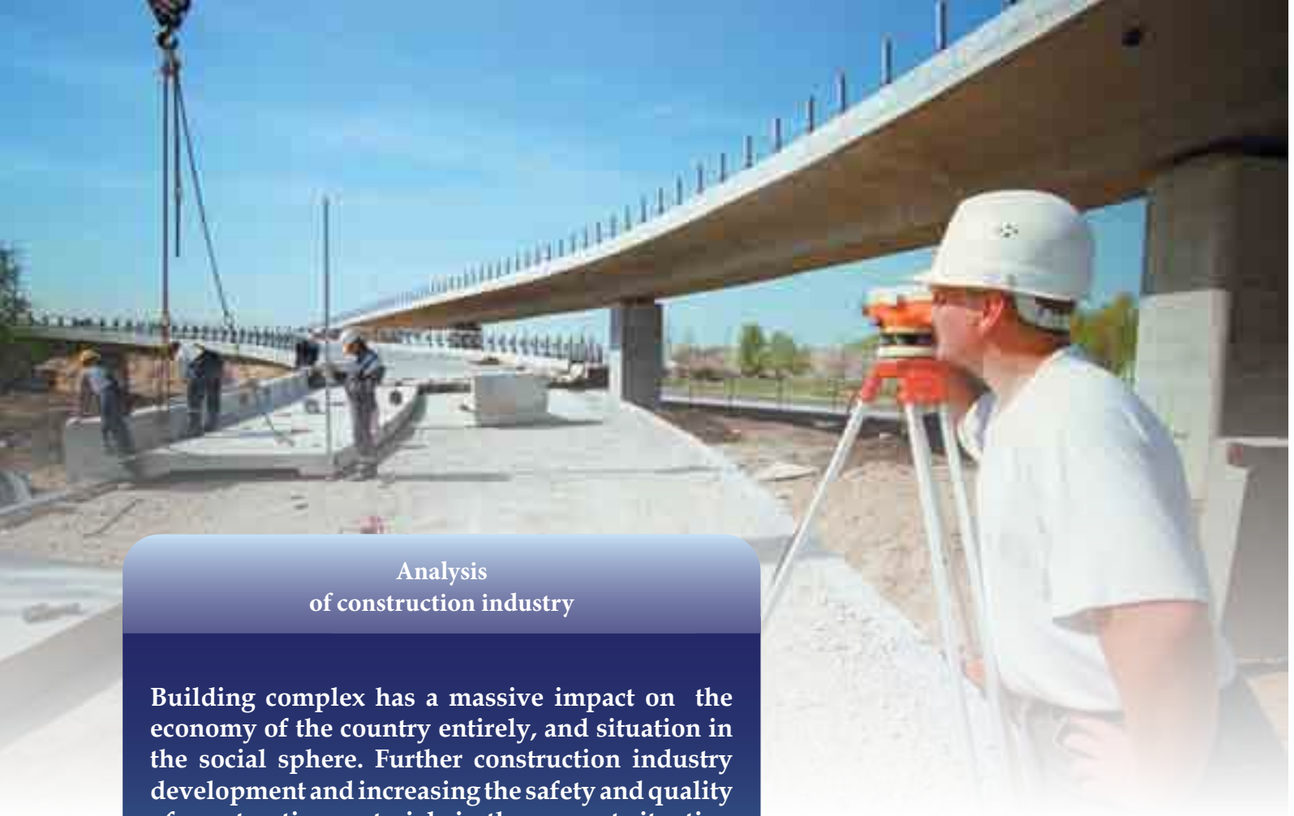
** The government passes the object to the private business for a period which is defined by licence to operate agreement, moreover the private business bear sarisknot only of its operation and content but upon the expiration of the agreement, the object is passed to the government.*

construction industry and constructional materials production

Resource:
Development program of construction industry and construction materials construction in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1004 dated September 30, 2010)

List of «niche» projects

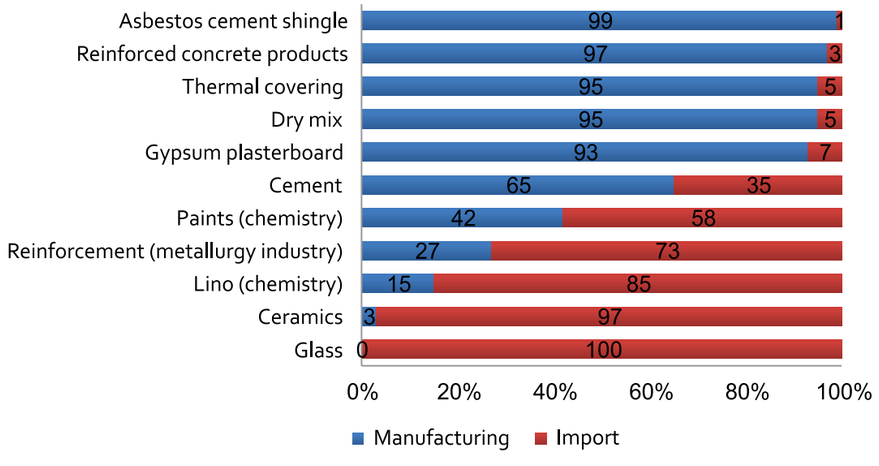
№	Name	Investments, million USD
	Glass work	
1	Organization of plate glass production	51
2	Construction and operation of the glass industrial processing plants and energy saving and safe insulating glass unit producing plants.	51
	Ceramics production	
3	Faced tile branch	56.3
4	Construction of concentrating plant for ore mined processing	918.5
5	Ceramicgranite producing plant	3.5
6	Branch of china sanitary ware	51
7	Operation of loam processing plant	15.3
	Basalt fiber production	
8	Plant construction of basalt thermal insulating materials	–
	Prefabricated construction	
9	Prefabricated construction combine	204
	Cement production	
10	Brick cement terminals	152
11	Cement plant construction	134.5
12	Construction of cement production plant	110
	Production of concrete goods	
13	Plant construction of concrete goods	1.2
	TOTAL	**1,748.3**



Analysis of construction industry

Building complex has a massive impact on the economy of the country entirely, and situation in the social sphere. Further construction industry development and increasing the safety and quality of construction materials in the present situation are key economical and political objectives of the country.

Construction materials consumption, 2010, %



Projects in service

Organization	Regional siting	Project capacity
Ceramics production		
«Asia Ceramics» Ltd	South Kazakhstan region	2,5 million. m2/year
«Ceramics» JCS	Aktyubinsk region	0,85 million. m2/year
«Granito Plus» Ltd	Almaty region	2 million. m2/year
Cement production		
«Central Asia Cement» JSC	Karaganda region	1,86 million tons per year
«Vostok-Cement» JCS	East Kazakhstan region	1,5 million tons per year
«Semey Cement» JSC	East Kazakhstan region	1,2 million tons per year
«Tas-Tobe Cement» JSC	South Kazakhstan region	0,45 million tons per year
«Shymkentcement» JCS	South Kazakhstan region	1 million tons per year
«Khantau Cement plant» Ltd	Zhambyl region	0,5 million tons per year

Planned projects

Organization	Regional siting	Project capacity
Производство цемента		
«BI Cement» Ltd	Akmola region	0,552 million tons per year
«Koksche-Cement» Ltd	Akmola region	2 million tons per year
«Kazakhcement» Ltd	East Kazakhstan region, Shar city	1 million tons per year
«Standard Cement» Ltd	South Kazakhstan region	1 million tons per year

1. Organization of float glass production

Branch:	Construction industry
Sub-branch:	Glass wok
Aim:	Float glass production
Minimal capacity:	140 thousand tons per year
Suggested region siting:	Kyzylorda region Aktyubinsk region Kostanay region
Approximate investment value:	51 million USD

2. Construction and operation of the glass industrial processing plants and energy saving and safe insulating glass unit producing plants.

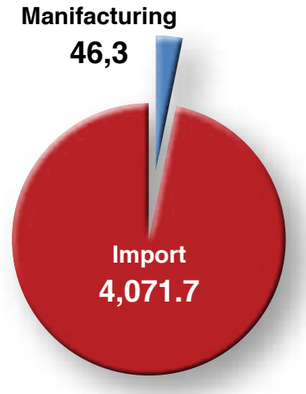
Branch:	Construction industry
Sub-branch:	Glass wok
Aim:	Glass industrial processing and energy saving and safe insulating glass unit producing
Minimal capacity:	225 thousand tons per year
Suggested region siting:	Astana city Almaty city Aktyubinsk region Southern Kazakhstan region
Approximate investment value:	51 million USD
Applicant:	«KazStroySteklo» Ltd

3. Facing tile branch

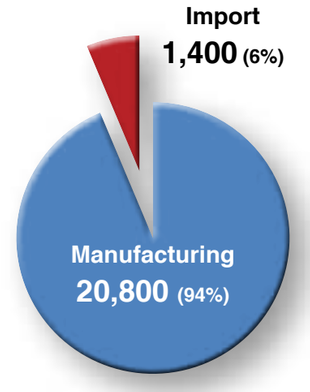
Branch:	Construction industry
Sub-branch:	Ceramics production
Aim:	Tiles productions in RK
Minimal capacity:	13 million m2 per year
Suggested region siting:	Aktyubinsk region
Approximate investment value:	56,3 million USD
Labour productivity:	Labour productivity in the tile production sphere is about 54000 US dollars for 1 worker
Notice:	China sanitary ware and ceramic tile production is suggested to organize on the “Ceramics” JSCbase, Khrontaucity, which was planned for further plant widening. The plant has 2 approach lines, all communications were made with theample of power in case of widening.

Ceramic tiles

Structure of internal consumption january-july 2011 (thousand units)



Forecast 2014 (thousand m2)



4. Construction of concentrating plant for ore mined processing

Branch:	Construction industry
Aim:	Construction of concentrating plant for ore mined processing and feldspathic, quartziferous, kaolinic and other market products.
Minimal capacity:	Faced production - 26 million m2, glass - 20 million m2, paste board and plaster boards -700 thousand tons, aluminum – 500 thousand tons, cement- 2600 thousand tons, bricks - 50 million units and other types of products.
Suggested region siting:	Kostanay region, Denisov district
Approximate investment value:	918,5 million USD
Applicant:	«NEGS Geosphere» Ltd
Work creation:	Till 2,5 thousand
Infrastructure:	The distance to the railway station is 25 km, there are asphalt roads nearby, power transmission line 200 and 500 goes through the plot, “Bukhara-Ural” gas pipe line is 3 km apart from the deposit, the nearness to the settlements with developed plant of mining and producing of mineral raw materials (Zhitikara, Rudniy, Lisakovsk cities).

5. Ceramic granite producing plant

Branch:	Construction industry
Sub-branch:	Ceramics production
Aim:	Tiles production in RK
Minimal capacity:	2,0 million m2 per year
Suggested region siting:	Almaty region, Taldykorgan city
Approximate investment value:	3,5 million USD
Applicant:	«Granito-Plus» Ltd

6. The line of sanitary ceramics

Branch:	Construction industry
Sub-branch:	Ceramics production
Aim:	Sanitary ceramics production in RK
Minimal capacity:	1million units per year
Suggested region siting:	Aktyubinsk region
Approximate investment value:	51 million USD
Labour productivity:	Labour productivity in China sanitary ware production sphere is about 54000 USD for one worker.
Notice:	China sanitary ware and ceramic tile production is suggested to be organized at the “Ceramics” JSC base, Khrontau city, which was planned for further plant widening. The plant has 2 approach lines, all communications were made with the ample of power in case of widening.

7. Operation of clay processing plant

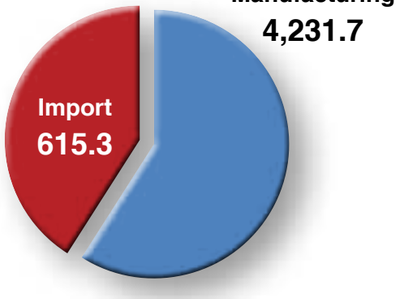
Branch:	Construction industry
Sub-branch:	Ceramics production
Aim:	Supply with clay to construction companies
Minimal capacity:	200 thousand tons per year
Suggested region siting:	Aktyubinsk region, Khromtau city
Approximate investment value:	15,3 million USD

8. Plant construction of basalt thermal insulating materials

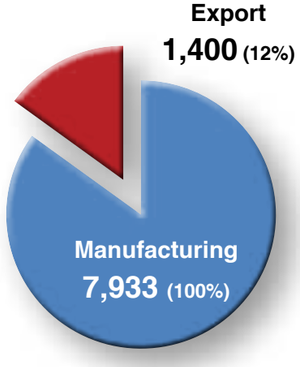
Branch:	Construction industry
Sub-branch:	Basalt fiber production
Minimal capacity:	Almaty city - 900 thousand m3; Shymkent city – 700 thousand m3.
Suggested region siting:	Almaty and Shymkent cities

Cement

Structure of internal consumption january-july 2011 (thousand ton)



Forecast in 2014



9. Industrial construction combine

Branch:	Construction industry
Sub-branch:	Industrial construction
Aim:	To create industrial construction combine based on concrete works in service (supply with equitability of production capacity to the regions)
Minimal capacity:	Almaty – 300 thousand m3 Astana - 300 thousand m3 Aktobe - 150 thousand m3 Shymkent - 150 thousand m3 TOTAL – 900 thousand m3
Suggested region siting:	Almaty Astana Aktobe Shymkent
Approximate investment value:	Almaty – 68 million USD Astana - 68 million USD Aktobe – 34 million USD Shymkent – 34 million USD TOTAL – 204 million USD
Labour productivity	Labour productivity is 65 145,6 USD for 1 person per year

10. Brick cement terminals

Branch:	Construction industry
Sub-branch:	Cement production
Production area:	Brick cement production
Aim:	Organization 5 cement producing (supply with equitability of production capacity to the regions)
Minimal capacity:	Almaty – 600 thousand tons Atyrau - 600 thousand tons Aktobe - 300 thousand tons Aktau - 300 thousand tons Pavlodar - 300 thousand tons TOTAL – 2,1 million tons
Suggested region siting:	Almaty Atyrau Aktobe Aktau Pavlodar
Approximate investment value:	Almaty– 43 million USD Atyrau - 43 million USD Aktobe–22 million USD Aktau –22 million USD Pavlodar– 22 million USD TOTAL–152 million USD
Labour productivity:	5675,6 tons for one person per year 472 966 USD for one person per year

11. Cement plant construction

Branch:	Construction industry
Sub-branch:	Cement production
Aim:	PPorland cement production of brandM-500, M-400, clear, Portland M-400 with additives, cement for motorways, bridges, hydraulic structure constructions and high sulphate resistance cement
Minimal capacity:	552 000 tons per year
Suggested region siting:	Akmolinskaya region, Celenogradsky district, Sofievka village
Approximate investment value:	134,5 million USD
Applicant:	«BI Group» JSC

12. Construction of cement production plant

Branch:	Construction industry
Sub-branch:	Cement production
Aim:	Construction of environmentally safe plant on cement production in accordance with european standards
Minimal capacity:	800 000 tons per year
Suggested region siting:	Karaganda region, Saran city
Approximate investment value:	110 million USD
Applicant:	«Sary-Arka Cement» Ltd

13. Construction plant for production of concrete goods

Branch:	Construction industry
Sub-branch:	Concrete goods production
Production:	Ceilng panels, foundation blocks, concrete goods
Aim:	Supply of the Satpayev town population with goods
Suggested region siting:	Karaganda region, Satpayev town
Approximate investment value:	1,2 million USD
Applicant:	«Avtomobilist-2005» Ltd
Notice:	Land plot and building is available

pharmacy services

Resource:
Development program of pharmaceutic and medical in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 791 dated August 4, 2010)

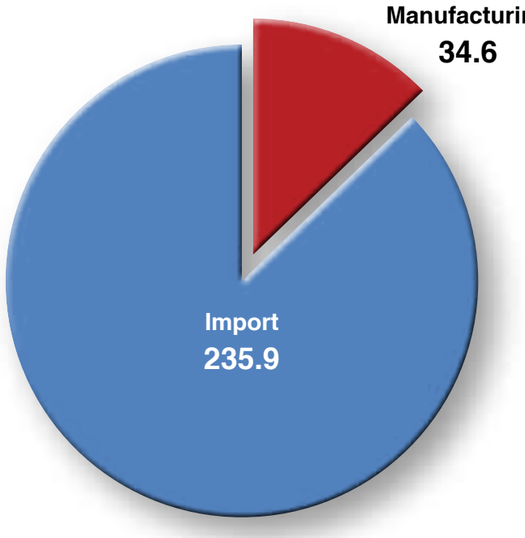
List of «niche» projects

№	Name	Investments, million USD
	Medical products	
1	Plant construction of disposable medical device from polymer materials production	7.1
	Medicinal product	
2	Plant construction of infusion, tablets, caps, syrups production	20
3	Reconstruction of the pharma drugs plant	31
4	Reconstruction of Pavlodar Medical plant	16.5
5	Pharmaceutic plant construction of medicinal products	25.2
6	Pharmaceutic complex construction of the third queue	2.5
7	Construction of the plant of pharmaceutical drugs production	20.5
8	Plant construction of ophthalmic solution and eardrops production	102
TOTAL		**224.8**

Analysis of pharmaceutical branch

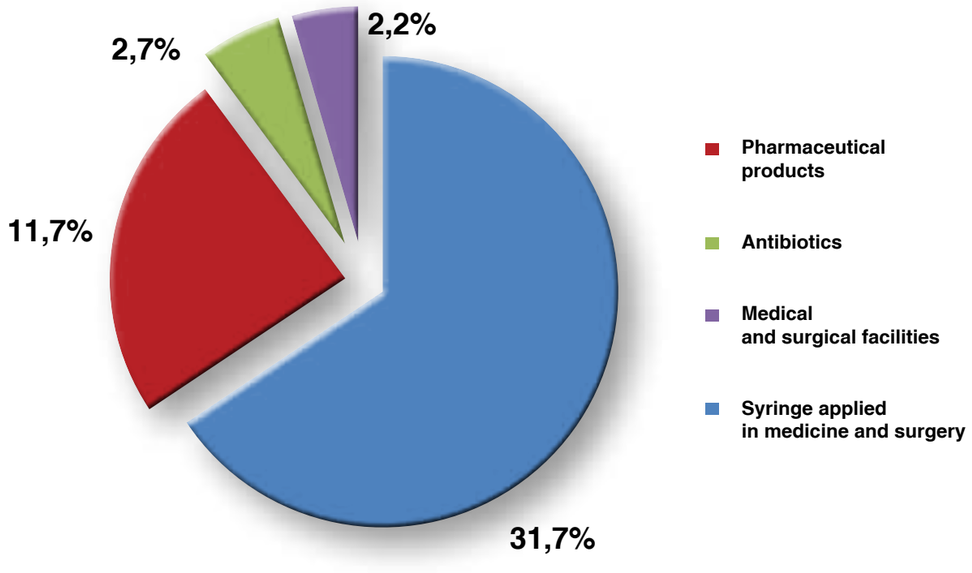
Major objectives of pharmaceutical branch: Creation of conditions for import substitution of pharmaceutical medical products based on the modern technologies according to international standards GMP.

Market capacity of pharmaceutical industry for 1 Q 2011 is 270,5 million USD



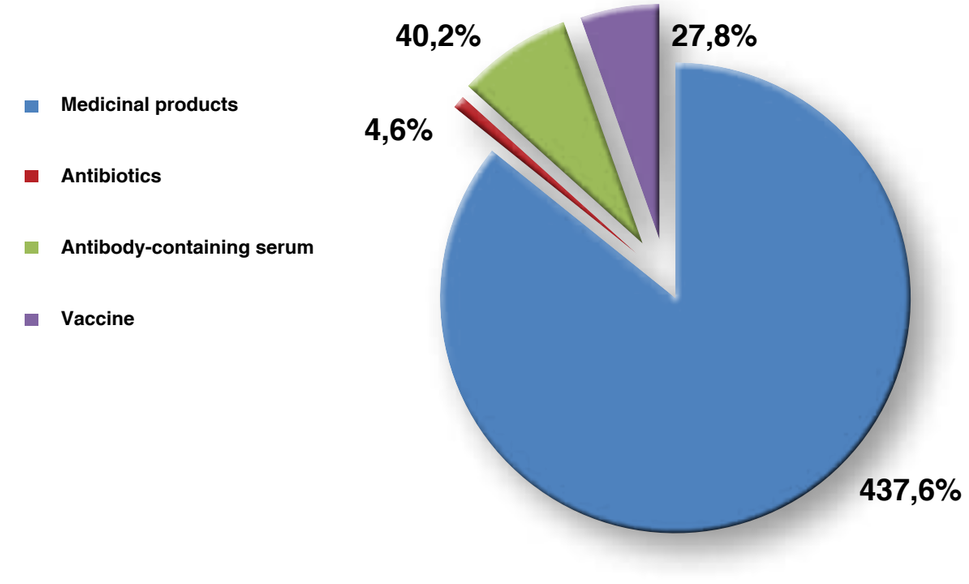
Source: The Agency of Statistics of the Republic of Kazakhstan

Structure of the pharmaceutical branch for 1 Q 2011



Source: The Agency of Statistics of the Republic of Kazakhstan

Import structure in pharmaceutical branch for 1 Q 2011



Source: The Agency of Statistics of the Republic of Kazakhstan

Projects in service

Organization	Regional siting	Name	Project power
«Chempharm» JSC	Astana city	Pharmaceutical plant of solid dosage form and powder antibiotics production.	Project power: tablets, caps, pills --1000 million tablets per year, antibiotics – 30 million vials per year in accordance with standards GMP
	Shymkent city	Infusion solution production	Infusion solutions – 4 million units per year, ampullas --300 million units per year in accordance with standards GMP
«Global Pharm» Ltd JV	Almaty city	Total cycle pharmaceutical plant of solid dosage form production and packing of ampule medication of foreign manufacture.	
Holding company «Romat»	Semey city	Medicinal products plant	Infusion solutions – 12 million vials, peptone – 12 tons, hematogen – 9 million sheets, , nasal solutions – 1,2 million vials, non-aqueous solutions – 600 thousand vials, powders – 2,4 million vials, extracts – 6 million vials, water-alcohol solution – 10 million vials, ampules – 35 million vials in accordance with standards GMP
Company «Nobel Almaty pharmaceutical plant»	Almaty city	Solid and liquid (non-injection) dosage forms in accordance with standards GMP	
«Nur-May Pharm» Ltd	Almaty region	IInfusion solutions production of lower price group	

Projects in service

Organization	Regional siting	Name	Project power
«Karagandy pharmaceutical complex» Ltd	Karaganda city	Original drugs from medicinal plant raw materials	Sterile solutions and capsules production in frame of GOBMP: – 3 million units per year
«Aktyubrentgen» JSC	Aktobe city	Medicinal facilities production	Medicinal facility- 350 units in accordance with standards ISO 13485

Planned progects

Organization	Regional siting	Name
«Global New Life» Ltd	Almaty region	Total cycle pharmaceutical plant of tablets and capsin accordance with standards GMP
«Nobel AFF» JSC	Almaty city	Injection drugs production

1. Plant construction of disposable medical device from polymer materials production

Branch:	Pharmacy services
Sub-branch:	Medical products
Aim:	Disposable medical device from polymer materials production
Suggested region siting:	Almaty city
Approximate investment value:	7,1 million USD

2. Plant construction of infusion, tablets, caps, syrups production

Branch:	Pharmacy services
Sub-branch:	Medicinal product
Production area:	Production of prepared medicinal products in primary container from import (or local) active pharmaceutical ingredient
Aim:	Infusion, tablets, caps, syrups production
Suggested region siting:	Almaty region
Approximate investment value:	20 million USD

3. Reconstruction of the pharma drugs plant

Branch:	Pharmacy services
Aim:	Creation of the lead plant in CIS, which is correspond with international standards GMP and ISO, modernization of current manufacture and construction of new infusion solutions and liophile powder production, implementation of advanced techniques and equipping with modern equipment to reduce the product cost and increase the labour productivity, expansion of the range of out put product, new drugs learning which are oriented to import and export.
Productive capacity:	69 million USD
Suggested region siting:	East Kazakhstan region, Semipalatinsk city
Approximate investment value:	31 million USD
Labour productivity:	23 million tenge per one person per year
Applicant:	«Pharmaceutical Company “Romat”» Ltd
Notice:	-**Plant of medicinal products** in Semey city is specialized on producing of infusion solutions, galenic, nasal, emzymatic, medical-nutritional drugs (hemetogen) and ointment. Generally PMP produces more than 100 names of end products. Also the plant produces such unique biologic drugs as Peptone for bacteriologic examinations, enzymic agent VNEEMS which is used in cheese industry.

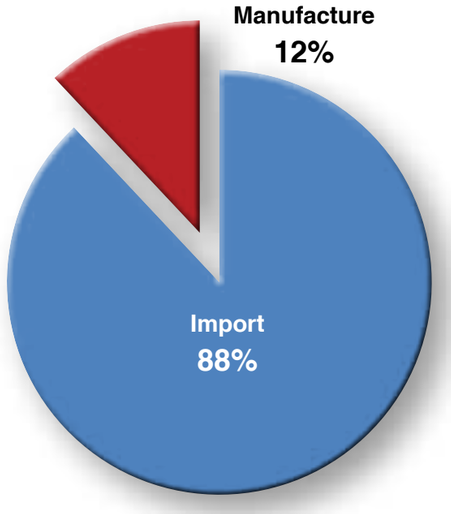
4. Reconstruction of Pavlodar Medical plant

Branch:	Pharmacy services
Aim:	Creation of lead plant of medical products in CIS which is correspond with international standards ISO 13485; equipping with modern equipment and techniques for process automation to reduce of production cost and increase or the labour productivity; expansion of the range of out put product, including importation and exports into CIS.
Productive capacity:	75,5 million USD
Suggested region siting:	Pavlodar region
Approximate investment value:	16,5 million USD
Labour productivity:	53 million tenge per one person per year
Applicant:	«Pharmaceutical Company “Romat”» Ltd
Notice:	**Pavlodar Medical plant** produces tablets and caps, also full file of antituberculous drugs. Plant has several industrial units: engine module construction for tablet production; capsular and three independent packing lines which allow to produce a drug unit for tablets and capsules into bottles, push-trough packs and strips.

5. Pharmaceutic plant construction of medicinal products

Branch:	Pharmacy services
Sub-branch:	Medicinal product production
Aim:	Creation of import and export-oriented manufacture of quality, efficient and safe medicinal products in accordance with standards GMP. Pharmaceutical group: antibiotics of new generation of cephalosporin series, gastroenterological drugs, antituberculous drugs, blood glucose lowering drugs, analgesics and other. Types of drugs–original and generic drugs.
Minimal power:	1,5 billion units per year. Product description – tablets, capsules, bottles.
Suggested region siting:	Almaty region, Ily region, suburb of Almaty city 7 km from the city boundary
Approximate investment value:	25,2 million USD
Applicant:	“Global New Life” Ltd
Notice:	The project is included into the State Program of Forced, Industrial, Innovative development of RK (SFIID), Map of Industrialization, State Program of pharmaceutical industry development 2010-2014. In frame of project realization the long-term agreement of medicinal products delivery is signed between SK-Pharmaceutics Ltd. The projects is running with a participation of continuing pharmaceutical company SP Global Pharm Ltd, one of the lead companies of Kazakhstan pharmaceutics production.

Internal market of medicinal product consumption



Product pricing

Average purchasing price of Kazakhstan drugs on the pharmaceutic market is relatively stable and it is about 0,4 USD per one package, that it is a reason of increasing the demands. Average trade price of imported drugs per one package is range from 1,7 to 1,8 USD.
Consequence increase of economy crisis, following the customers will prefer cheaper drugs, can help the Kazakhstan manufacture to increase its sales. Nowadays the trade price of 93% of drugs bought by residents of RK in drugstores, does not exceed 1 USD. In this case the Kazakhstan manufacturers have broad development prospects.

6. Karaganda pharmaceutic complex construction of the third queue

Branch:	Pharmacy services
Sub-branch:	Medicinal product
Aim:	Organization of original herbal medicinal products production
Minimal capacity:	8 mln vials, 150 mln tablets, capsules and 2 mln of pharmaceutical forms per year
Suggested region siting:	Karaganda region, Karaganda city
Approximate investment value:	2,5 million USD
Applicant:	«Karaganda pharmaceutic complex» Ltd

7. Construction of the plant of pharmaceutical drugs production

Branch:	Pharmacy services
Sub-branch:	Medicinal product
Aim:	Organizing of pharmaceutical drugs production (in tablets, powder forms, in bottles, vials)
Minimal capacity:	15 million packages per year
Suggested region siting:	Almaty city
Approximate investment value:	20,5 million USD
Applicant:	«Bilnex» Ltd

8. Plant construction of ophthalmic solution and eardrops production

Branch:	Pharmacy services
Sub-branch:	Medicinal product
Production area:	Production of prepared medicinal products in primary container from import (or local) active pharmaceutical ingredient
Aim:	Ophthalmic solution and eardrops production
Minimal capacity:	1500 packages
Suggested region siting:	Almaty city
Approximate investment value:	102 million USD

consumer goods industry

Resource:
Development program of consumer goods industry
in the Republic of Kazakhstan as of 2010-2014
(proved by the Decree of the Government of the Republic
of Kazakhstan # 1003 dated September 30, 2010)

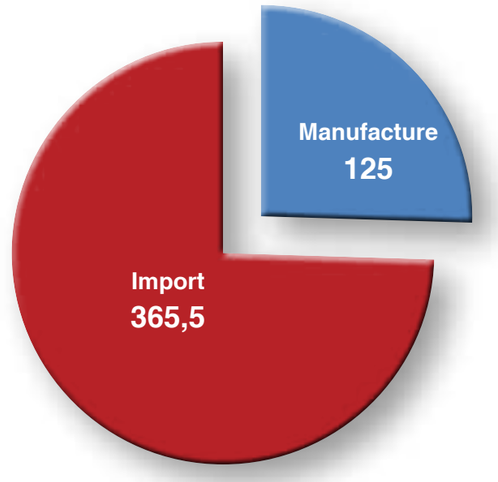
List of «niche» projects

№	Name	Investments, million USD
	Leather and footwear	
1	Reconstruction and modernization of production	17.7
2	Organization of fur processing and leather products production in Alginsk tannage	1,017.7
	Textile	
3	Textile fabric construction for building constructions strengthening	3
4	Plant of semi-combed yarn production	11
5	Plant of carpet and carpet products production of high density	15
6	Plant of clothing production	16
7	Plant of worsted weaving yarn and knit-wear production	17
8	Start-up of slack yarn doubling mill	15
	TOTAL	**1,112.4**

Market capacity of consumer goods industry for 1 Q 2011 is 490.5 millions

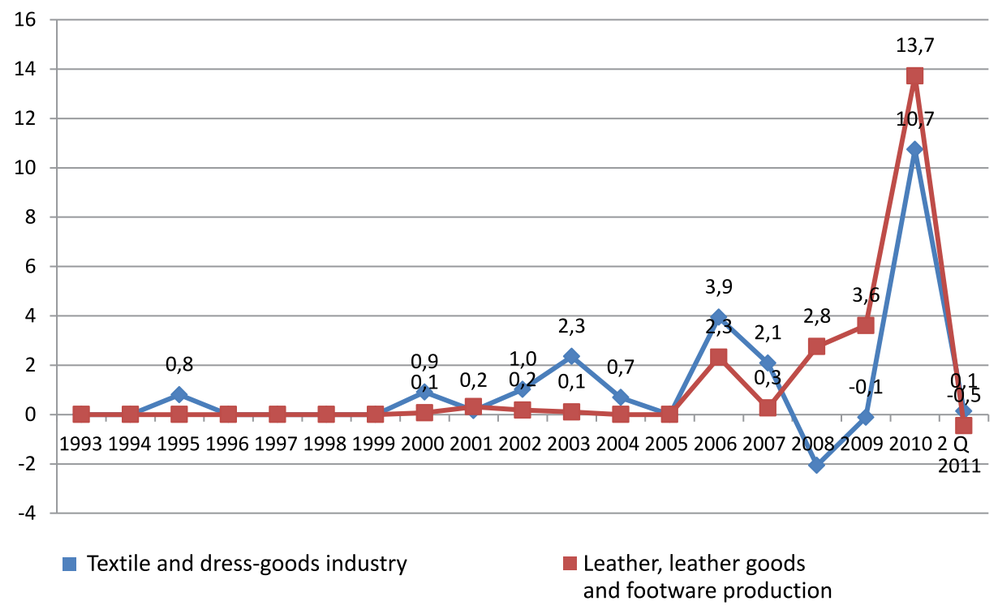
Analysis of consumer goods industry

Major objectives of consumer goods industry in Kazakhstan: Satisfaction of needs of the internal market of consumer-goods due to raw materials processing, high value added goods production and perspectives of access to foreign markets



Source: The Agency of Statistics of the Republic of Kazakhstan

FDI into consumer goods industry, 1993 – 2nd Q 2011, million USD



Source: National Bank of the Republic of Kaxakhstan

Projects in service

Organization	Regional siting	Name	Project capacity
Textile industry			
«Khlopkoprom-Cellulose» Ltd	South Kazakhstan region	Organizing of absorbent cotton batting production, cotton cellulose and technological carboxymethyl cellulose from raw materials with cotton	1) absorbent cotton batting -2500 tons per year, 2) cotton cellulose - 2500 tons per year, 3) technological carboxymethyl cellulose -6250 tons per year, 4) clear carboxymethyl cellulose-1000 tons per year
Leather and leather goods production			
«Semey leather furry combine» Ltd	East Kazakhstan region, Semey city	Leather production	125 million dm2 of tradable leather per year
«Tynys-V» Ltd	East Kazakhstan region	Foot-wear factory	200 thousand pairs of footwears per year
«Ruddensk leather factory» Ltd	Kostanay region	Leather production	
«Petropavlovsk leather factory»Ltd	North Kazakhstan region	Leather half-finished product of “wet-blue” brand production	

1. Reconstruction and modernization of production

Branch:	Consumer goods industry
Sub-branch:	Leather and footwear
Aim:	Development of native industry of RK by using of eco-friendly raw materials (furs) and using of modern manufacture technology.
Minimal capacity:	Realization of half-finished product “wet-blue” – 30 000 м2, Finished leather goods – 1 000 000 dm2, Working and special purpose footwear – 12 500 pairs
Suggested region siting:	Zhambyl region, Taras city
Approximate investment value:	17,7 million USD
Applicant:	«Taraz Leather Footwear» Ltd

2. Organization of fur processing and leather products production in Alginsk tannage

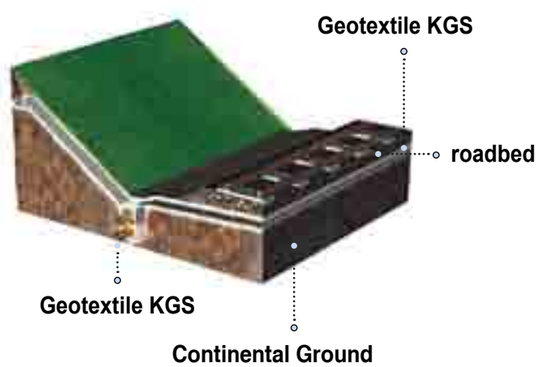
Branch:	Consumer goods industry
Sub-branch:	Leather and footwear
Minimal capacity:	Half-finished product wet blue – 3 thousand tons per year Finished (footwear) leather – 360 thousand m2 per year
Suggested region siting:	Aktyubinsk region, Alga city *Reasons for regional siting:* There is Aktyubinsk plant of chromian compounds (APCC)
Потребность проекта в шкурах:	Cattle – 150 thousand units Small cattle – 440 thousand units per year
Approximate investment value:	1 017,7 million USD
Applicant:	«Kazakh leather company» Ltd
Notice:	**Main chemical raw material for leather** is chomian compounds, sodium salt and other chemicals There is a manufacturing complex with the square 6027 m2 with connecting engineering lines around the territory of 17 466 m2.

3. Textile fabric construction for building constructions strengthening

Branch:	Consumer goods industry
Sub-branch:	Textile
Aim:	Using of textile fabric in motorways, railways, pipe lines constructions and others.
Minimal capacity:	15 million m2
Suggested region siting:	Almaty region, Talgar district, Kairat village
Approximate investment value:	3 million USD
Applicant:	«KazGeoSynthetics» Ltd
Notice:	**The main advantages of textile fabric usage:** -increasing the durability, service ability and working life of building constructions and significant economic effect due to reduce of material intensity and their following operating cost -increasing of the quality of building and repairing works, technology simplification of the building and repairing work simplementation, universality, the high level of plant readiness of the textile fabric layers; -high level of effectiveness in extreme conditions (swamp areas, rubbish, salt marsh, sand, eternal frost, constrained conditions of construction); - high level of approbation of structural scheme (textile fabric is used in the world construction practice more than 30 years

Railway construction

- *For strengthening of earthworks foundations on low efficiency of subgrade soil*
- *For formation earthworks, above printed colons/head piles and so on*
- *For formation sustainer walls and scarps;*
- *For separation of ground coat from bearing stratums;*
- *For strengthening of railway building on lots of earth flow*



4. Plant of semi-combed yarn production

Branch:	Consumer goods industry
Sub-branch:	Textile
Aim:	Cluster creation of felting
Minimal capacity:	1300 ton semi-combed yarn per year
Suggested region siting:	Almaty region, Raimbek district, Tekes village
Продукция:	- pure-wool semi-combed yarn №15 – for capet production 600 tons; - pure-wool semi-combed yarn№9-№12 – woolen production (including the woolen piled blankets with the pictures which are prepared in Jacquard method) - pure-wool or half-woolyarn №24 – for knit-wear (outerwear) production
Approximate investment value:	11 million USD
Applicant:	«KuatFactory» Ltd
Notice:	**Main raw material** is non-washed semi thin and semi thick sheep wool (after scouring) till 2,8 thousand ton per year. For project realization there is a prepared industrial area.

5. The production of carpets and carpet products

Branch:	Consumer goods industry
Sub-branch:	Textile
Aim:	Cluster creation of felting
Minimal capacity:	320 thousand m2 per year
Suggested region siting:	Almaty city, Tususay village
Output:	- carpet of high density, 8 colours, national drawing
Approximate investment value:	15 million USD
Applicant:	«Eurotextile» Ltd and «Kuat Factory» Ltd
Notice:	**Main raw material** is pure-wool yarn №15, cotton yarn №20, fill yarn №5 the total quantity is 700 ton per year (including pure-wool yarn 500 ton)

6. Plant of clothing production

Branch:	Consumer goods industry
Sub-branch:	Textile
Aim:	Cluster creation of felting
Minimal capacity:	3 million m2 per year
Suggested region siting:	Almaty region, Fabrichny village
Output:	- clothing for outerwear production (coat, jacket, drapecloth) self-coloured with periodic drawings, Jacquard design; - drape textiles; - woolen and piled blankets and; - and other clothings.
Approximate investment value:	16 million USD
Applicant:	Karaganda clothing combine
Notice:	**Main raw material** is pure-wool yarn №9-№24

7. Plant of worsted weaving yarn and knit-wear production

Branch:	Consumer goods industry
Sub-branch:	Textile
Aim:	Cluster creation of felting
Minimal capacity:	1000 ton of worsted weaving yarn per year
Suggested region siting:	Kostanay region, Kostanay city
Output:	- pure woolen worsted yarn №32 – outer wear production; - knit-wear of outerwear 1,0 million USD
Approximate investment value:	17 million USD
Applicant:	«Kostanay yarn-knitting factory»Ltd and «KuatFactory»Ltd
Notice:	**Main raw material** is washed thin sheep wool till 1,0 thousand ton per year. Project is realized on the base of existing manufacture, there are all infrastructures and industrial building spaces. Spinning machinery is needed to be modernized, knitting machinery is fit, but perhaps the expansion will be required, it is necessary to create a design center.

8. Start-up of slack yarn doubling mill

Branch:	Consumer goods industry
Sub-branch:	Textile
Aim:	Start-up of slack complex automatic yarn doubling million the territory of “Ontustuk”free economic area
Output:	Cotton, ring carded and ring worsted wool
Suggested region siting:	South Kazakhstan region
Approximate investment value:	15 million USD
Applicant:	«Oxy Textile» Ltd

agro-industrial complex

Resource:
Development program of agro-industrial complex in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1053 dated October 12, 2010)

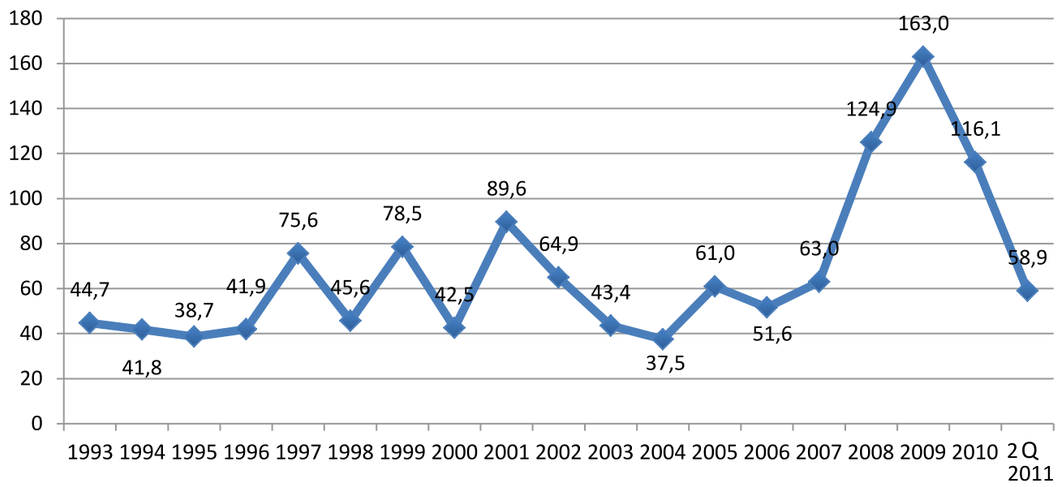
List of «niche» projects

№	Name	Investments, million USD
1	Cluster of animal products processing starting with sagination and ending with finished goods of the standard “Khalal”	18,1
2	Meat-processing combine construction	0,3
3	Stock-breeding complex for beef production	1,5
4	Organization of feeding yard	3,5
5	Creation of enterprises (clusters) complex of poultry goods production according to waste-free closed technology	76
6	Expansion of current poultry plant and construction of broiler building	8
7	Organization and start-up broiler building in Ordabasinsk region	23,7
8	Construction of poultry plant for production of broiler meat	13,6
9	Production of caviar from fish of valuable species	0,3
10	Building and equipping the plant of advanced processing of grain	103
TOTAL		**248**

Analysis of agro-industrial complex

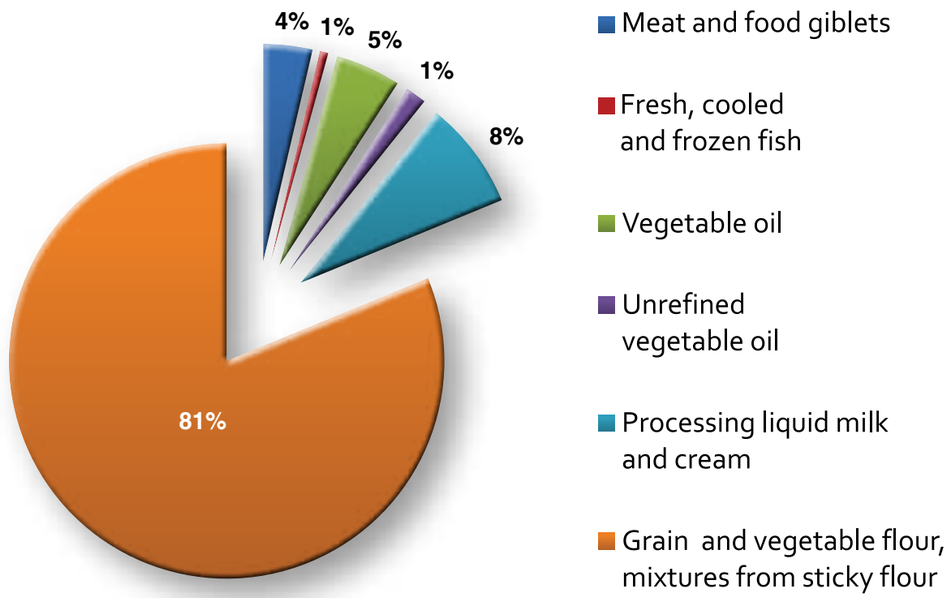
Major objective of agro-industrial complex: increasing the labour productivity, food supply security of the country and increasing export opportunities in agro-industrial complex(AIC). During last three years (2008-2010) mid-year grain production was 16,2 million tons.

FDI into crop processing, million USD



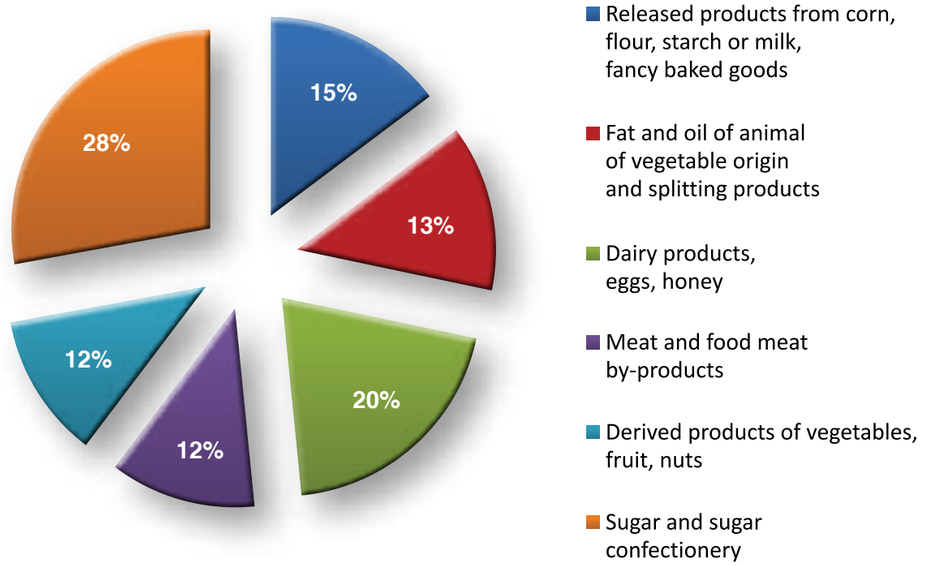
Source: National Bank of the Republic of Kaxakhstan

Manufacture structure of agro-industrial complex, january-august 2011



Source: The Agency of Statistics of the Republic of Kazakhstan

Import structure of agro-industrial complex, january-august 2011



Source: The Agency of Statistics of the Republic of Kazakhstan

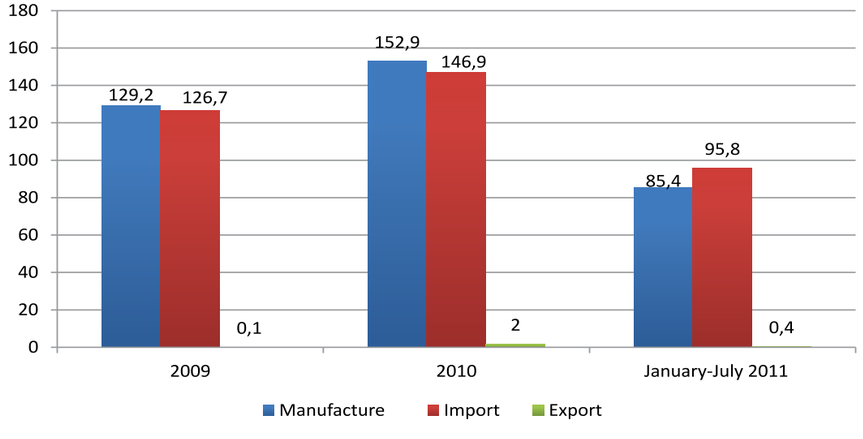
Projects in service

Organization	Regional siting	Name	Project capacity
«Basko» Ltd	Northern Kazakhstan region, Taiynshinsk region	Meat-processing plant with close-cycle manufacture which is designed for cattle and pigs further processing and slaughter	10 000 tons of meat products per year
«Tsesna astyk» Ltd	Astana city	Grain processing	132 000 tons per year
«Novo-Aljansk flour mill» Ltd	Aktobe region, Aktobe city	Grain processing, flour production	137 500 tons per year

Planned projects

Organization	Region siting	Name	Project capacity
«SC Food» Ltd	Akmola region, Akkol city	Full range mixed-use complex of brood breeding, sagination and meat processing of cattle and horse	3000-3600 tons of meat per year (plant capacity is 500 tons per year)
«Astana Agroproduct» Ltd	Akmola region, Korgalzhynsk region, Sabyndy village	Meat-processing plant of block meat and corrugations production	5,4 thousand tons of meat products
«Karaman-K» Ltd	Kostanay region, Karasu village	Feed yard for 3500 heads	600-625 tons per year
KX «Zhaksylyk»	Zhambyl region, village named after Mynbayev	Feed yard for 4500 heads	600 tons per year
Ltd «KazBeef Ltd»	Akmola region, Enbeksheldy region	Creation of t-wobred livestock farms – multiplication farm and feed yard for 5000 heads	1800 tons per year

Consumption balance of meat and meat products in Kazakhstan, thousand tons



Source: The Agency of Statistics of the Republic of Kazakhstan, january-july 2011

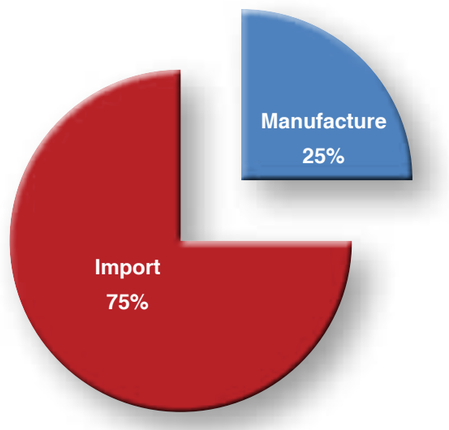
1. Cluster of animal products processing starting with sagination and ending with finished goods of the standard "Khalal"

Branch:	Agro-industrial complex
Aim:	Provide with full, integrated animal products manufacture of "Khalal" standard (starting with sagination and ending with meat products and sausage products which are ready for sale)
Minimal capacity:	Meat-processing plant – 8 tons per day, feed yard - 2000 heads
Suggested region siting:	Meat-processing plant - Aktobe city, feed yard - lot with square of 2 ha 50 kms apart Aktobe city
Approximate investment value:	18,1 million USD
Applicant:	«TandemW» Ltd
Notice:	The 1 stage is realized. Meat-processing plant is put into service in June 2008. The products of meat-processing plant have the certificate of quality "Khalal". **Financial backing is needed to the 2nd stage: organizing of feed yard "Khalal".**

2. Meat-processing combine construction

Branch:	Agro-industrial complex
Sub-branch:	Meat-processing
Aim:	Provide with full, integrated animal products manufacture of “Khalal” standard
Minimal capacity:	11 400 tons per shift
Suggested region siting:	Western Kazakhstan region, Akzaiyk district, Chapayev village
Approximate investment value:	335 thousand USD
Applicant:	Peasant agriculture «Karash»
Labour productivity:	30 heads of cattle, 300 heads of small cattle per shift
Notice:	Profitable location and developed infrastructure of motorways will provide 100% of domestic demand on the product in three regions of West Kazakhstan (Atyrau, Mangystau and West Kazakhstan). Atyrau, Mangystau regions need meat and meat products every day, minimal daily consumption is 30 tons.

Makert of poultry meat consumption, january-august 2011



3. Stock-breeding complex for beef production

Branch:	Agro-industrial complex
Aim:	Breeding and realization of Aulueata kind of cows
Minimal capacity:	210 thousand of goods per year
Suggested region siting:	Karaganda region, Stpayev town, Vesovoy village
Approximate investment value:	1,4 million USD
Applicant:	«Avtomobilist 2006» Ltd

4. Organization of feeding yard

Branch:	Agro-industrial complex
Aim:	Application of modern technologies in selective process of same-sex insemination.
Minimal capacity:	500 tons per shift
Suggested region siting:	Karaganda region, Osakarovka district, Dalnee village
Approximate investment value:	3,5 million USD
Applicant:	«Eurasia Invest» Ltd.

5. Creation of enterprises (clusters) complex of poultry goods production according to waste-free closed technology

Branch:	Agro-industrial complex
Aim:	Creation of agricultural park of agriproducts production and processing according to waste-free technology
Minimal capacity:	115 thousand heads of parent flock; Broiler plant - 8 thousand tons per year; egg factory 480 thousand heads; grain mill: animal feed mill - 20 tons per hour, grainery- 100 thousand tons, mill complex - 150 tons per day; poultry factory: slaughter plant - 3 thousand per hour, meat processing plant; advanced processing plant of eggs with productivity 1 million eggs per shift; complex of biogas generation.
Suggested region siting:	Kostanay region, Taranovsky district, Yubileynoe village
Approximate investment value:	76 million USD
Applicant:	Brood poultry plant «Kostanaysky»Ltd

6. Expansion of current poultry plant and construction of broiler building

Branch:	Agro-industrial complex
Aim:	Creation of agricultural park of agriproducts production and processing according to waste-free technology
Output:	Chicken eggs and poultry meat
Suggested region siting:	Akmola region, Burabay district, Zelenybor village
Approximate investment value:	8 million USD
Applicant:	«TD Kemer» Ltd

7. Organization and start-up broiler building in Ordabasinsk region

Branch:	Agro-industrial complex
Aim:	Poultry plant construction for 600000 head so flaying hens and 300000 head sof meat direction, providing with chicken eggs and chicken meat to Ordabasinsk region.
Output:	Poultry meat and eggs
Suggested region siting:	South Kazakhstan region, Ordabasinsk district, Kainar village
Approximate investment value:	23,7 million USD
Applicant:	«Ak Kus» LTD
Notice:	From own funds the construction of necessary objects were made. The funds are needed for buying equipment.

8. Construction of poultry plant for production of broiler meat

Branch:	Agro-industrial complex
Aim:	Market supply of qualitative poultry products.
Minimal capacity:	4000 tons
Suggested region siting:	Karaganda region, Osakarovka district, Nikolayevka village
Approximate investment value:	13,6 million USD
Applicant:	«Agro Kus Invest» LTD

9. Production of analogue caviar from fish of valuable species

Branch:	Agro-industrial complex
Aim:	Organization of new high technology production, stabilization and reduction of prices for fish prodcuts.
Minimal capacity:	8 thousand per year
Suggested region siting:	Karaganda region, Buhar Zhyrau district, Novouzenka village
Approximate investment value:	0,3 million USD
Applicant:	«Sea Empire» Ltd

10. Building and equipping the plant of advanced processing of grain

Branch:	Agro-industrial complex
Aim:	Make good the deficit for elevator energy of grain and wheat storage in the northern regions of the country.
Output:	During of advanced processing of wheat there is planned to get the following types of products: • Wheaten starch • Protein (drygluten) or white (gluten) • Glucose-fructose syrup • Maltose syrup • Fructose, crystalline dextrose
Minimal power:	- processing capacity is till 100 thousand tons of wheat per year, - elevator 50 thousand tons one-time storage; - mill 300 tons per day of wheat processing; - plant of starch separation with productivity 12 tons per hour of wheat flour; - plant of glucose, maltose syrup production with productivity 175 tons per day, till 60 000 tons per year.
Suggested region siting:	Northern Kazakhstan region, district named after Musrepov, Novoishymskoe village
Approximate investment value:	103 million USD
Operator:	National company «Food contractual corporation» JSC
Sale market:	Products of GPP are new for consumers, business struggle of similar products is absent. The consumers of HFSS -55 will be the manufacturers of juice and fizzy drinks («Raimbek bottlers» Ltd, «RG Brands Kazakhstan» JSC, «Coca-Cola Almaty Bottlers» Ltd JV, «RAUAN» Ltd, «Sandas Kazakhstan" Ltd, «Rakhat» JSC, «Karaganda sweets» JSC). Gluten will be exported into the world market. Supplementary feed will be sold in internal market of RK.

Product price

Supplementary feed ((granulated off-corn) Price is - 7,4 tenge per kilogram *(market average on off-corn is - 8,5 tenge per kilogram).*
In future if the glutenand syrup manufacture will start, the off-corn will be rich with starch B and pentosans, the delivery price for off-corn will increase

Dry wheaten gluten (gluten). Price will be about 1350 USD per ton *(market average for gluten reaches 1600 USD per ton)*

Glucose-fructose syrup (syrup). Price will be about 800 USD per ton *(market average for gluten reaches 1000 USD per ton).*

Mining and smelting enterprise

Resource:
Development program of mining and smelting branch in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1144 dated October 30, 2010)

List of «niche» projects

№	Name	Investments, million USD
	Iron and steel industry	
1	Modern arc-furnace melting plant construction	153.1
2	Construction of steel-melting and flat rolled products shops of sheet special steel production	–
3	Organizing of electro metallurgical steelworks	459.2
4	Increasing the productivity capacity of chrome alloy with start-up of carbon ferrochrome melting plant	184
5	Organization of ferromanganese production	5.1
6	Construction of plant for production of ferrosilicon manganese	5
7	Organization of ferro-silico-aluminium production	24
8	Plant for production of ferrosilicon FS-75, FS-90	16
9	Creation of ferroalloy smelting shop	2
10	Construction of two plant of low-ash coke production	5.1
11	Organization of three plants of refractory production	36.7
12	Utilization and enrichment of wastes of metallurgy production	0.6
13	Production of LSAW, round and shaped pipes	0.5
14	Production of electrowhelded LSAW pipes	127.3
15	Production of goods based on electro erosion technology	30
	Non-ferrous metallurgy	
16	Plant organization of primary aluminium processing	508.2
17	Construction of drilling metal production from aluminuim metal	47.6
18	Plant construction of metal products production from refined zinc	238.1
19	Construction of cleaning plant and expansion of Shalkiya mine	230
20	Plant construction of metal products manufacture from refined copper	544.2
21	Production of copper pipes	111
22	Complex of nickel-cobalto resprocessing	63
	Rare metals	
23	Mining, processing and realization of rare metals	1,000
	TOTAL	**3,790.7**

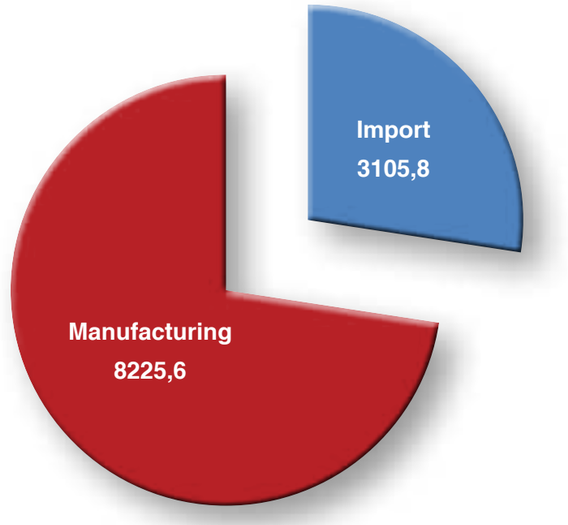
Analysis of mining and smelting enterprise

Mining and smelting complex is represented as a strategic branch of the economy of the country, its role is to provide the raw materials to a high-technology final product (machine industry, building industry, airplane, aerospace and defence industries)

Major tasks of mining and smelting branch of Kazakhstan:

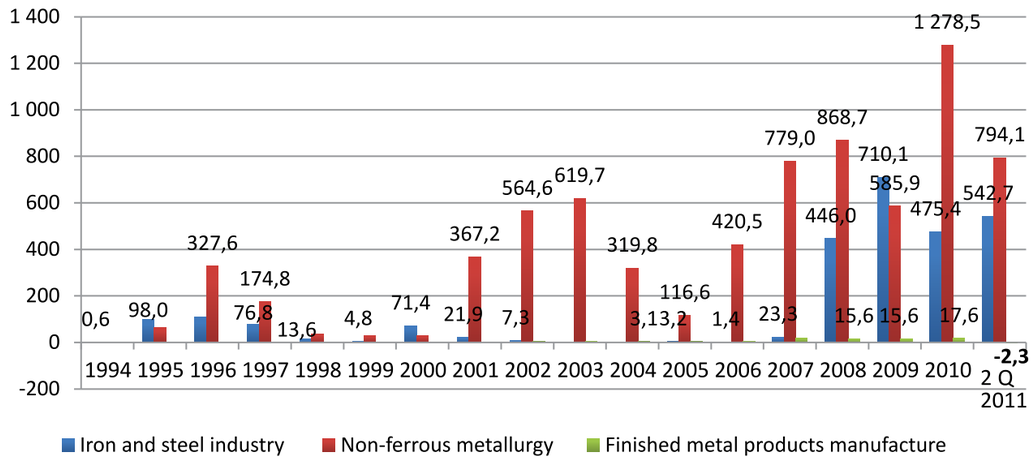
Creation of competitive plants, expansion of range and increasing the shares of high value added advanced processing products with involvement of small and medium business.

Market capacity of MSC, january-july 2011 is 11,3 billion USD



Source: The Agency of Statistics of the Republic of Kazakhstan

FDI into MSE, millon USD



Source: National Bank of the Republic of Kaxakhstan

Import stucture of mining and smelting enterprise, january-july 2011

№	Sub-branches of MSE	Import, thousand USD
1	Refined copper	6,284
2	Untreated zinc	998.5
3	Untreated plumb	533.4
4	Gold (untreated)	16,204.5
5	Ore and ferro concentrates	6,703.3
6	Ferroalloy	39,773.3
7	Flat-rolled products	314,761.3
8	Untreated aliminuim	1,541.6

Source: The Agency of Statistics of the Republic of Kazakhstan

Works structure of mining and smelting enterprise, january-july 2011

№	Sub-branches of MSE	Production (ton)
1	Cast iron	1 930 936
2	Ferroalloy	983 333
3	Unrefined steel	2 926 325
4	Flat-rolled products	1 893 408
5	Untreated aliminium; aliminium oxyde.	1 102 370
6	Untreated plumb	68 452
7	Untreated zinc	185 319
8	Refined copper	195 153

Source: The Agency of Statistics of the Republic of Kazakhstan

Kazakhstan shares in the world reserve in some metals

Chromite ore	30%
Tephroite	25%
Campanil	10%
Copper	10%
Plumb and zinc	13%

Specific density of reserves of Kazakhstan among the countries of CIS

Chrome ironstone	90%
Tungsten	60%
Copper, plumb	по 50%
Bauxite	30%
Campanil	15%

Nowadays Kazakhstan holds the 3rd place in titanium production, the 7th place in zinc production, the 8th place in lead production, the 13th place in chromite ore, the 15th place in copper production and the 35th place in steel production in the world.

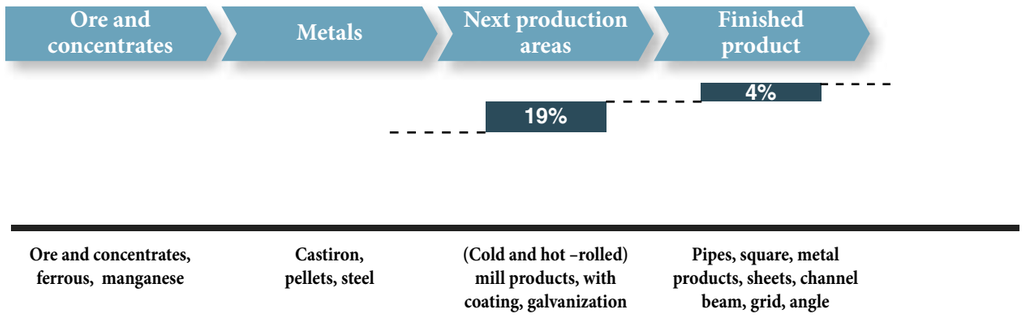
Projects in service

Organizations	Regional siting	Name	Project capacity
«Vasilkovsky mining and concentrating company» JSC	Akmola region, Kokshetau city	Gold-processing plant construction	8 million tons of ore and 15 tons of golden
«Kazzinc» JSC	East Kazakhstan region, Ust-Kamenogorsk city	Copper and electroless plants	70 000 tons of copper per year
«Ust-Kamenogorsk titanium and magnesium combine»JSC	East Kazakhstan region, Ust-Kamenogorsk city	Plant of titanic ingots and alloys production	16 000 tons of titanium per year
«SSGPO» JSC	Kostanay region, Rudniy city	Construction of metalworks	75 thousand tons per year
«Kazakhstan electoless plant» JSC (sub-branch of the group of ENRC)	Pavlodar region	Electroless plant construction of primary aliminium production	125 thousand tons of primary aliminium
«Multinational corporation «Kazchrome» JSC (sub-branch of the group of ENRC)	Aktyubinsk region	Production of high-carbone ferrochrome with the use of innovative technologies	440 thousand tons of ferrochrome per year

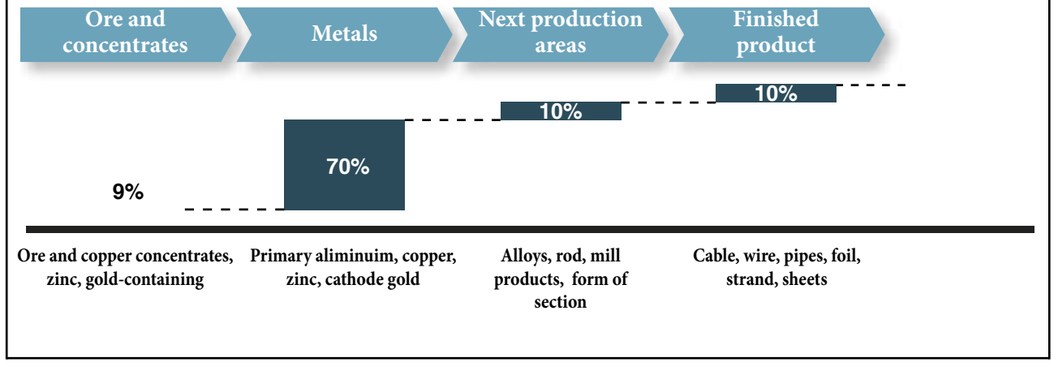
Planned projects

Organization	Regional siting	Name	Project capacity
«Kazakhmys Corporation» Ltd	East Kazakhstan region, Ayagoz region	Construction of Aktogaisk mining and concentraiting company	500 thousand tons of concentrate, 25 thousand tons of cathode copper
	Pavlodar region, Ekibastuz city	Construction of Bezshakolsk mining and concentraiting company	100 thousand tons of copper
«Arcelor Mittal Temirtau» JSC	Karaganda region, Temirtau city	Start-up of billet for providing of the section rolling mill	0,4 million tons of long product per year

Iron and steel industry



Non-ferrous metallurgy



1. Modern arc-furnace melting plant construction

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Steel-melting
Aim:	Production of quality, corrosion-resistant, ball and roller, metalware, grain-oriented and other brands of steel for machine industry, powerplant industry and defense purposes.
Minimal capacity:	0,350 million tons per year
Suggested region siting:	Taraz city, on base of infrastructure of ex-plant “Chemprom” (now “ TMP”) *Reasons for regional siting:* There is a power transmission line support – South and gas state district power station, five main step-down sub station with a unit capacity of more than 200 MVA each, the natural gas is supplied. There are reserves (2-3 million tons) of non-corrosive broken pieces including the equipment and demolishing of the plant.
Approximate investment value:	153,1 million USD:
Notice:	The necessary infrastructure is: - Water 48000 thousand m3, territory – 33 hectares, electrical power – 140 MW (the presence of power transmission line support, substations), heatpower – 13 Gcal/h, natural gas – 29 million m3 per year (gas pipe line or alternative), transport, staff, carbonic and alloyed broken pieces – 333,4 thousand tons per year and 50,0 thousand tons per year, repair works.

2. Construction of steel-melting and flat rolled products shops of sheet special steel production

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Steel-melting
Aim:	Production of special steel sheet - chromium, marine, constructional marine and oil-and-gas destination, using granulated iron infusion mixture.
Minimal capacity:	Till 0,5 million tons per year
Suggested region siting:	Aktobe region, Aktobe city
Notice:	1. For production of granulated iron aItmk-3furnace Itmk-3will be used. 2. Infrastructure support of the project: - natural gas supply in bulk which are prescribed in feasibility study of granulated iron project; - evolved amount of energy power is approximately 0,4 kWh per year
Labour productivity:	4-5 people/t

3. Organizing of electrometallurgical steel works

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Steel-melting
Aim:	Production of chemical and medical purposes of special steel
Minimal capacity:	0,35- 0,45 million tons per year
Suggested region siting:	Zhambyl region
Approximate investment value:	459,2 million USD:
Labour productivity:	4-5 people/t

4. Increasing the productivity capacity of chrome alloy with start-up of carbon ferrochrome melting plant

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of carbonic ferro chome brands FKhX800, FKh900
Minimal capacity:	0,3 million tons per year
Suggested region siting:	Aktyubinsk region
Approximate investment value:	184 million USD:
Notice:	1. Getting chromite concentrate (approximately 50% Cr203) in amount of 570 thousand tons per year on the organized mining and concentrating company (mine" Voskhod") . 2. Provision of customs preferences for the purchase of 132 thousand tons of coke. 3. The opportunities of negotiations with KRC about the provision of the cargo transportation of 700 thousand tons by car fleet, including quartzite – 5 850 tons and anode paste – 11 682 tons per year. 4. Evolusion of electrical energy (possibility of purchase in RF) 1,2 GW per hour

5. Organization of ferromanganese production

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of ferromanganese of PSK78 brand
Minimal capacity:	25 thousand tons per year
Suggested region siting:	Karaganda region, Saran city
Approximate investment value:	5,1 million USD:
Notice:	1. Using of ore thermal furnace with power no tless than 9MVA. 2. Infrastructure support is –construction of hydro-sand-blast perforation-16 and wire of power transmission line support - 2 km

6. Construction of plant for production ferrosilicon manganese

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of ferrosilicon maraganese.
Minimal capacity:	20 000 tons per year
Suggested region siting:	Karaganda region, Zhezkasgan city
Approximate investment value:	5 million USD:
Applicant:	«Samga» Ltd

7. Organization of ferro-silico-aluminium production based on Saryadyrsk coal deposit

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of export oriented market products of ferro-aluminium brand according to clear technology.
Minimal capacity:	44 000 tons per year
Suggested region siting:	Akmola region, Ereymentau district, Ereymentau city
Approximate investment value:	24 million USD:
Applicant:	«On-Olzha» Ltd
Infrastructure:	There is: - The site for the plant construction; - The source of electricity and water - Rail-way dead end, roads; - Buildings for fur and electrical shop
Notice:	Raw materal: ferro-silico-aluminium is melted from high-ash coal. The coal reserves of Saryadyrsk deposit is 273, 0 million tons.

8. Construction of plant for ferrosilicon production

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of ferrosilicon FS - 75, FS - 90
Minimal capacity:	I stage - 7700 tons per year II stage - 15 400 tons per year
Suggested region siting:	Karaganda region, Zhezkasgan city
Approximate investment value:	16 million USD: II stage - 12 mln USD II stage - 4 mln USD
Applicant:	«SovInTeh» Ltd

9. Creation of ferroalloy smelting shop

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of high-carbone ferromanganese of PSK – 78 Abrand, also ferro-silico-aluminium FSMn – 78 Abrand
Minimal capacity:	5 200 tons per year
Suggested region siting:	Akmola region, Ereymentau city
Approximate investment value:	2 million USD:
Applicant:	«FSMN-product» Ltd

10. Construction of two plant of low-ash coke production

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Auxiliary unit
Aim:	Low in mineral coke production
Minimal capacity:	20 and 30 thousand tons per year
Suggested region siting:	Karaganda region, Karaganda city
Approximate investment value:	5,1 million USD:
Notice:	Low in mineral coke is required to replace the charcoal in the project, «Silisium-Kazakhstan» Ltd, as well as to reduce imports of low-phosphorous coke by ferroalloy plants.

11. Organization of three plants of refractory production

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Auxiliary unit
Aim:	Refractory production
Minimal capacity:	20 thousand tons per year
Suggested region siting:	Karaganda region, Temirtau city East Kazakhstan region, Ust-Kamenogorsk city South Kazakhstan region, Shymkent city
Approximate investment value:	36,7 million USD:
Notice:	Refractories for furnace of metallurgical complex and cement production are not produced

12. Utilization and enrichment of wastes of metallurgy production

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Organization of complex for utilization of wastes of metallurgical complex to produce black iron oxide containing not less 99,5 per cent of main substance for further usage of it in production of ferrit, magnets, primers, etc.
Minimal capacity:	150 tons per month
Suggested region siting:	Karaganda region, Temiratu city
Approximate investment value:	0,6 million USD:
Applicant:	«Ferrit-Temirtau» Ltd
Notice:	Production complex (0,45 ha), railroad dead-end is available. Contract for delivery of raw material is signed with Arselor Mittal Steel Temirtau

13. Production of straight-line-seam, round and shaped pipes

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Development of Kazakhstan market in iron and steel production
Minimal capacity:	3000 tons per year
Suggested region siting:	Karaganda region, Shahtinsk town, Shakhan village
Approximate investment value:	0,5 million USD:
Applicant:	«Ak Tobek K.T.» Ltd

14. Production of electrowelded straight-line-seam pipes

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of electricwelded LSAW pipes with diameter 102-530 mm in accordance with API-5L
Minimal capacity:	150-200 tons per year
Suggested region siting:	Karaganda region, Karaganda city
Approximate investment value:	127,3 million USD:
Applicant:	«Temir men Mys» Ltd

15. Production of goods based on electro-erosion technology

Branch:	Mining and smelting enterprise
Sub-branch:	Iron and steel industry
Production area:	Ferroalloys
Aim:	Production of tools, stamps and press-tools, etc. with using electro-erosion and nanotechnologies.
Minimal capacity:	14 items till 900 units per year
Suggested region siting:	Karaganda region, Temirtau city
Approximate investment value:	30 million USD:
Applicant:	«Praktika -T» JSC

16. Plant organization of primary aluminium processing

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Production area:	3-4 production areas
Aim:	Primary aliminuim processing
Minimal capacity:	Till 120 thousand tons per year
Suggested region siting:	Pavlodar region
Approximate investment value:	508,2 million USD:

17. Construction of drilling metal production from aluminuim metal

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Production area:	3-4 production areas
Aim:	Production of rolled metal and metalware from metallic aluminium
Minimal capacity:	15 thousand tons of aluminium wire, 20 thousand tons of mill products, 10 thousand tons of form of section and 50 thousand tons of alloys
Suggested region siting:	Pavlodar region
Approximate investment value:	47,6 million USD:

18. Plant construction of metal products production from refined zinc

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Production area:	3-4 production areas
Aim:	Metal products production from high-grad ezinc (sheets, plates, powder and others)
Minimal capacity:	20 thousand tons per year
Suggested region siting:	East Kazakhstan region
Approximate investment value:	238,1 million USD:

19. Construction of clening plant and expansion of Shalkiya mine

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Aim:	IIncrease the economic efficiency of industrial development of Shalkiya deposit , increase the capacity of the underground mine, the construction of high-tech processing
Minimal capacity:	Zinc concentrate - 200 thousand tons per year Plumb concentrate 55 thousand tons per year
Suggested region siting:	Kysylorda region, Zhanakorgansk district, Shalkiya village
Approximate investment value:	230 million USD:
Applicant:	«ShalkiyZinc» Ltd
Work creation:	During construction: 5 000 people. During operation: 1 500 people.
Notice:	**Raw material is** - polymetallic plumb-zinc ore deposits mined in underground deposit Shalkiya. Construction is planned on the basis of the existing underground deposit Shalkiya.

20. Plant construction of metal products manufacture from refined copper with high value added

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Production area:	3-4 production areas
Aim:	Production of refined copper metal products (pipe, tubing, etc.)
Minimal capacity:	20 thousand tons per year
Suggested region siting:	Karaganda region
Approximate investment value:	544,2 million USD:

21. Production of copper pipes

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Production area:	3-4 production areas
Aim:	Production of copper pipes with diameter 6-46 mm in accordance with ASTM standards
Minimal capacity:	13 thousand tons per year
Suggested region siting:	Karaganda region
Approximate investment value:	111 million USD:
Applicant:	«Temir men Mys» Ltd

22. Complex of nickel-cobalt ores processing

Branch:	Mining and smelting enterprise
Sub-branch:	Non-ferrous metallurgy
Aim:	Construction of the first processing of nickel-cobalt ore complex in the RK, the transition from raw materials (mining) to the processing direction
Minimal capacity:	Concentrate of nickel oxide - 3054 thousand tons per year Concentrate of cobaltous oxide - 123 thousand tons per year
Suggested region siting:	Aktyubinsk region, Kargalinskiy district
Approximate investment value:	63 million USD:
Applicant:	«Zhetykazyna» Ltd
Work c reation:	715 people
Notice:	Raw material: there are signed contracts of subsurface use (North-Rozhdestvenskoe and South-Shirpakainskoy deposits)

Product price

Planned sales revenue from: nickel oxide concentrate is 48 864 thousand USD per year.

Concentrate cobalt oxide is 2020 USD per year.

23. Mining, processing and realization of rare metals

Branch:	Mining and smelting enterprise
Sub-branch:	Rare metals
Production area:	3-4 production areas
Aim:	Production of refined copper metal products (pipe, tubing, etc.)
Minimal capacity:	TMO - 12 400 tons, Rhenium - 1,5 tons, sulphuric acid - 25 000 tons
Suggested region siting:	Karaganda region, Shet district
Approximate investment value:	1 billion USD
Applicant:	«Dala Mining» Ltd
Work creation:	2000 during construction, 700 during operation
Notice:	The deposit of molybdenum ore is available

Mineral commodities- based industry

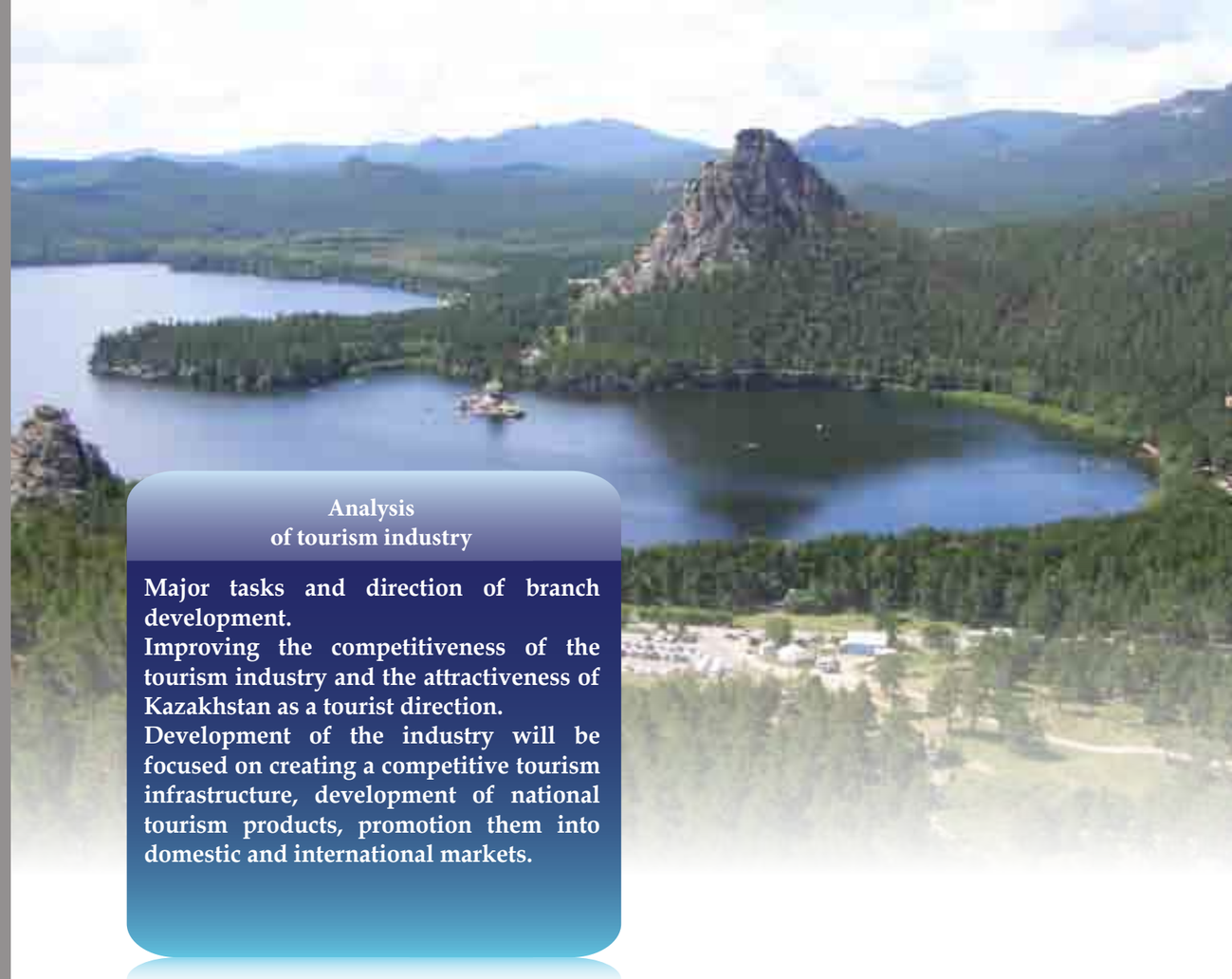
Resource:
Committee of geology and subsurface use of the Ministry of industry and new technologies of RK

Complex of storage and analytical treatment of indentation and sample

Branch:	Mineral commodities-based industry
Sub-branch:	Geological survey
Aim:	Long-term storage of stone materials and other samples, a qualitative study of samples in the interests of the RK
Suggested region siting:	6 storages in Atyrau, Ust-Kamenogorsk, Almaty, Kostanay and Karaganda cities including two laboratory analysis complexes in Atyrau and Karaganda.
Approximate investment value:	50 million USD

Resource:
Development program of prosperous directions of the tourism industry in the Republic of Kazakhstan as of 2010-2014 (proved by the Decree of the Government of the Republic of Kazakhstan # 1048 dated October 11, 2011)

Tourism industry



Analysis of tourism industry

Major tasks and direction of branch development.

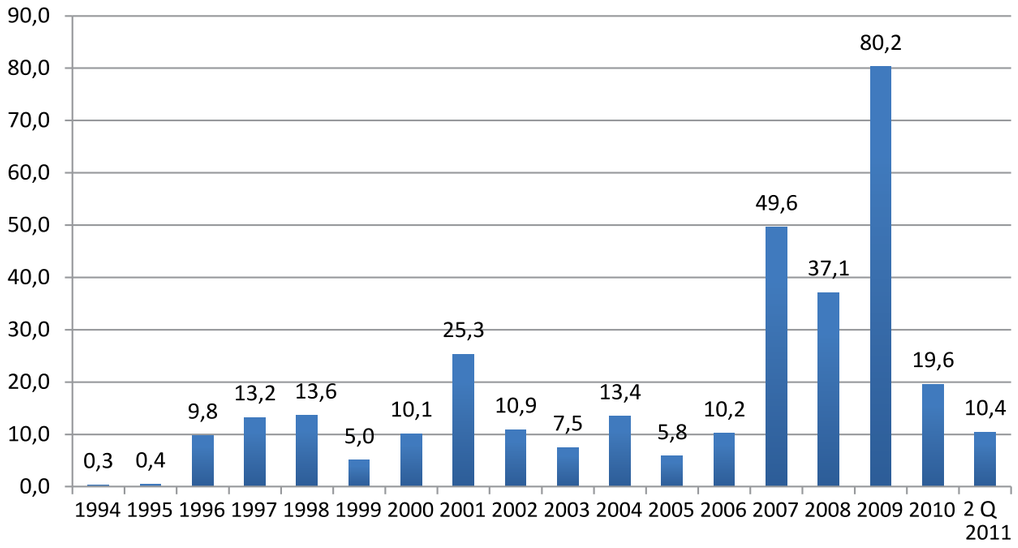
Improving the competitiveness of the tourism industry and the attractiveness of Kazakhstan as a tourist direction.

Development of the industry will be focused on creating a competitive tourism infrastructure, development of national tourism products, promotion them into domestic and international markets.

List of «niche» projects

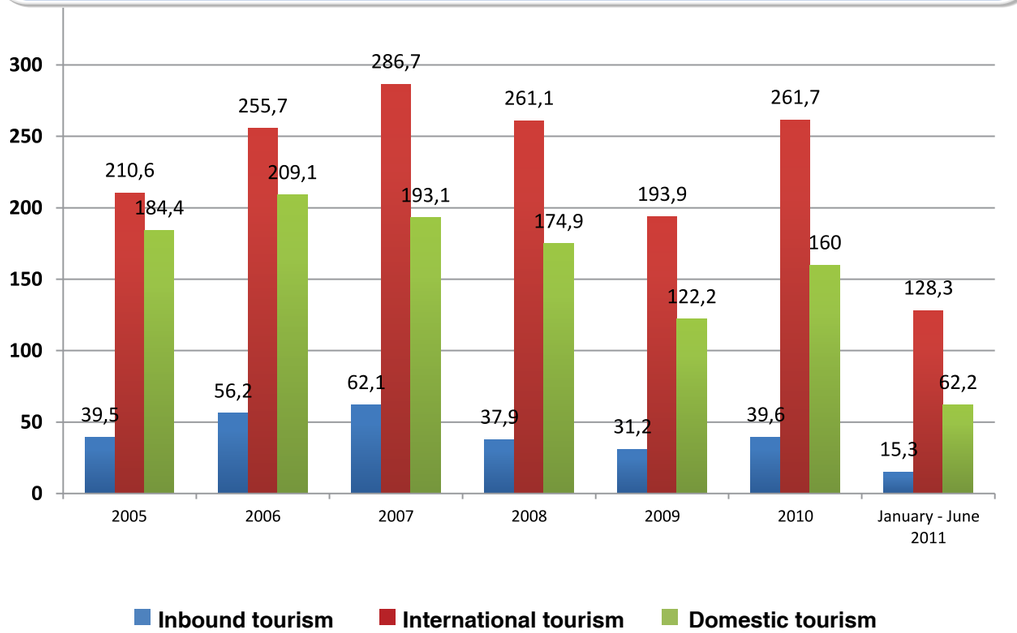
№	Name	Investments, million USD
1	Construction of tourist – entertainment complex “Burabay”	3,061
2	Construction of an international tourist center «Zhana Ile»	20,400
3	Resort development “Kenderly”	2,350
4	Mountain ski complex «Kokzhailyau»	4,081
5	Mountain ski resort «Velley - 3»	20.4
TOTAL		**29,912.4**

FDI into tourism industry, million USD

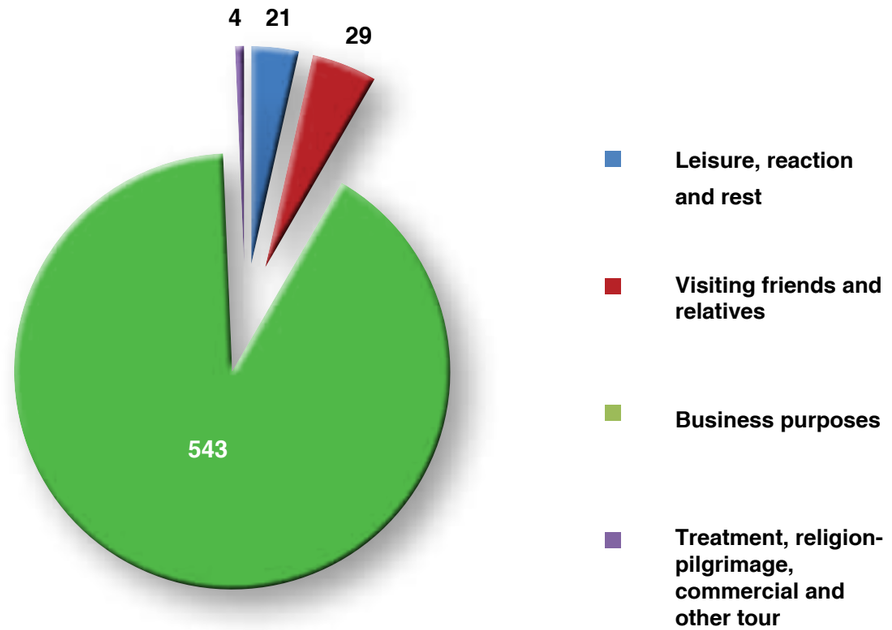


Source: National Bank of the Republic of Kaxakhstan

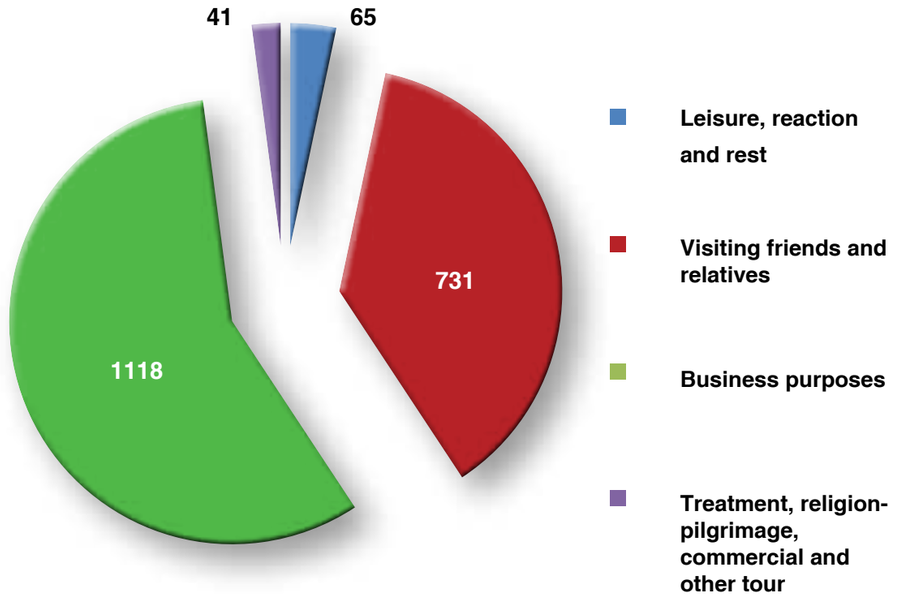
The number of served visitors, thousand people

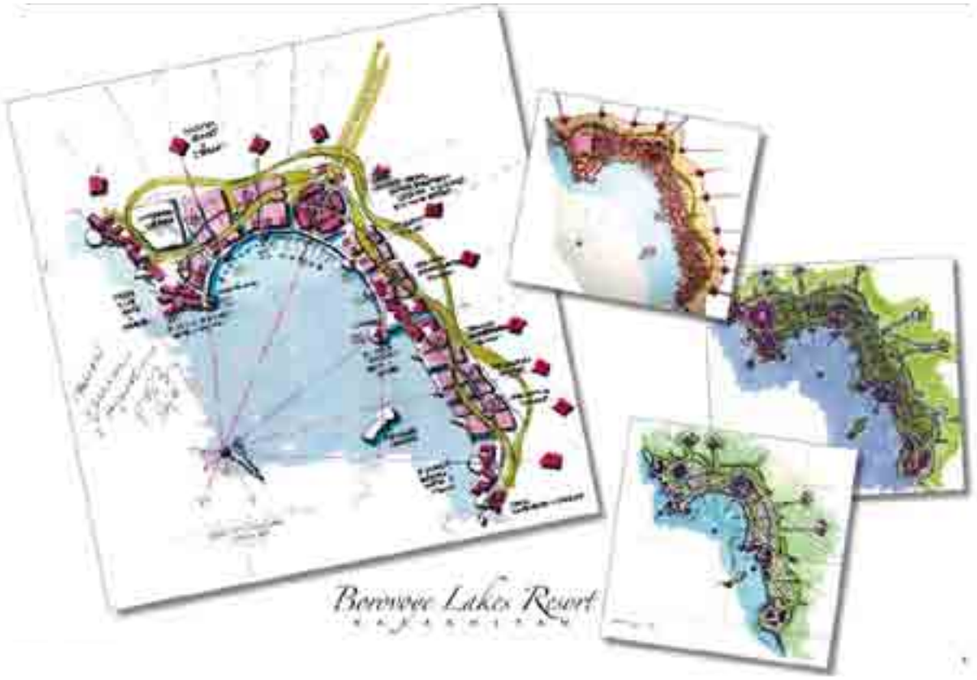


Non-residents



Residents





1. Construction of touring – entertaining complex “Burabay”

Branch:	Tourism industry
Aim:	Integrated development of modern tourism infrastructure and investment involment in construction, ensuring the growth of innovation in Shchuchinsk-Borovskoe resort
Minimal capacity:	220 000 holiday-makers per year
Suggested region siting:	Akmola region, Burabaiskiy district, Shchuchinsk city
Approximate investment value:	3 061 million USD
Infrastructure:	The first stage of the electric network of Shchuchinsk-Borovskoe resort made by the Akimat.
Project status:	A spesial economic zone is created, there was started the 1st stage of tourist center construction («Burabay Lakes Resort Hotel»), which involves the construction of the hotel for 402 places, spa and fitness centers. The area is 3 hectares, the preliminary budget for the project is 88.5 million USD.

2. Construction of an international tourist center «Zhana Ile» on the coast of Kapchagay water storage

Branch:	Tourism industry
Aim:	Provision of sustainable development of tourism, development of services, creation of a competitive tourism industry
Suggested region siting:	Almaty region, coast of Kapchagay water storage is near Kapchagay city
Approximate investment value:	20,400 million USD
Infrastructure:	Design estimate documentation of the external engineering networks construction is developed by contractor organization «SEF» LLP. Funding is from the national budget. Plan of a detailed project design is developed by the Project Company «Intering-Almaty» Ltd. Funding is from the national budget.
Project status:	The masterplan of the tourist center approved by Decree of the Government of the Republic of Kazakhstan № 1340 dated December 10, 2010; - project estimate documentation is developed of external engineering networks construction and plan a detailed design

3. Resort development "Kenderly"

Branch:	Tourism industry
Aim:	Provision of sustainable development of tourism, development of services, creation of a competitive tourism industry
Suggested region siting:	Mangystau region, Karakiyanskiy district
Approximate investment value:	2 350 million USD
Infrastructure:	An agreement was signed with the company «GWSD», state examination of feasibility of external physical infrastructure projects, including airport due to be concluded.
Work creation:	During construction – about 3 000; During operation– about 20 000

4. Mountain ski complex «Kokzhailyau»

Branch:	Tourism industry
Aim:	Creation of international ski complex in the superbs of Almaty with all infrastructure with a tourist influx of 2 000 000 people per year
Suggested region siting:	Almaty region, Kokzhailyau district in Zailiysk mountain groups
Approximate investment value:	4 081 million USD
Notice:	Funding for feasibility study and the infrastructure of the complex construction is planned by the national budget. Construction of off-site infrastructure will be at the expense of local budget.

5. Mountain ski resort «Velley - 3»

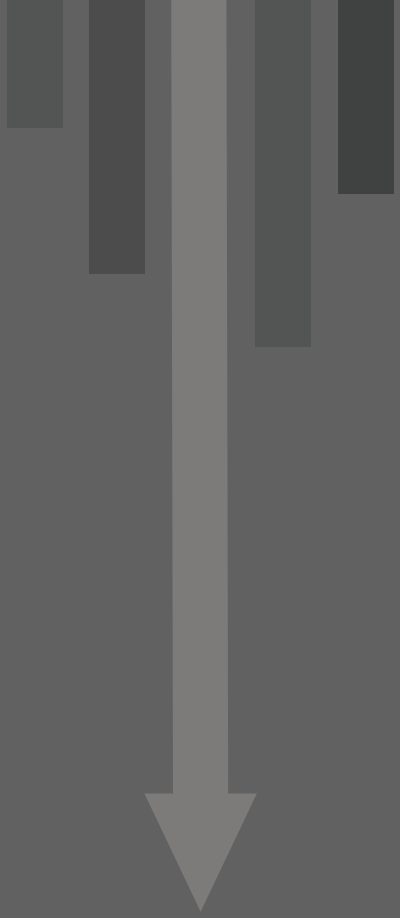
Branch:	Tourism industry
Aim:	Creation of a ski resort with a capacity of 91 thousand tourists
Suggested region siting:	Almaty region, Oykaragaysk Upland, Turgen valley
Approximate investment value:	20,4 million USD
Infrastructure:	The geographical position of the object «Valley-3», can take advantage of available opportunities of access: - Almaty and International Airport are located at a distance of 90 km (in the case of improving the existing infrastructure of roads, the distance will take 30-40 minutes). - Mr. Turgenev is located 20 km. - The area available to accommodate the ski slopes and urbanization, is about 7,000 hectares (70km2)
Work creation:	500 people

Transport and logistics infrastructure

Kazakhstan is located in the center of the communication flow between Europe and Asia and has a huge transport potential, which is able to implement a national transit resources. We must use this unique geopolitical position.

1. The Caspian Energy Hub

Branch:	Logistics
Aim:	Construction of an integrated energy hub that provides with the necessary commercial, technical and human resources to oil and gas industry of Kazakhstan and the Caspian region.
Outputs:	Intelligent services to oil and gas sector, the sale and leasing of buildings and structures
Suggested region siting:	Mangystau region, Aktau city
Approximate investment value:	14 000 million USD
Infrastructure:	Necessary means for construction of external infrastructure
Applicant:	«Caspian development center» Ltd
Project status:	Land was allocated, the feasibility study and DED of external infrastructure were completed, state examination of feasibility study was received, state examination of DED is expected to be accepted.



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