



Regional teaser for Kyzylorda  
Oblast

December 2021



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Kyzylorda Oblast consists of seven administrative districts and the city of Kyzylorda. Key economic data for the oblast includes:

- the oblast territory covers 251,971 km<sup>2</sup> or 11.3% of Kazakhstan territory.
- the population as at 1 August 2021 was 823 thousand.
- in 2020, Kyzylorda Oblast GRP was worth 4 billion USD. The oblast accounts for 2.33% of the country's GRP.
- average sales turnover in Kyzylorda Oblast in 2016-2020 exceeded 750 million USD.
- freight traffic grew steadily by 2% per year in the last five years.
- exports and imports in 2020 were worth 145 million and 94 million USD, which is 68% and 48% lower than in 2019. Russian imports in 2020 account for over 47%, while China's share is over 29%. Russia and China accounted for 24% and 42% of exports, respectively.
- in 2020, the key sources of capital financing were corporate equity (approximately 394.4 million USD), the local budget (143.7 million USD) and national budget (104.0 million USD).
- in 2020, investment in fixed assets fell 27% year-on-year to 720.9 million USD.



## Geographic location

Kyzylorda Oblast is situated in the south of the country, to the east of the Aral Sea, downstream of the Syrdariya river. To the north it is bordered by Karaganda Oblast, to the north-west by Aktobe Oblast, to the south-west and south by Uzbekistan, and to the east by Turkestan Oblast. The Central Asian Mainline Railway (CAMR) passes through Kyzylorda Oblast, linking Central Asia with Russia and the EU. The "Western Europe – Western China" transcontinental road corridor, which plays a key role in strengthening trade and economic as well as cultural ties between Europe and Asia, also passes through the oblast.



## Industry

Analysis highlights a number of key sectors for Kyzylorda Oblast, such as mining (crude oil and base metal production), construction, transportation and warehousing. At the same time, Kyzylorda Oblast's current specialisation in oil is not a long-term perspective. Economic development could focus on the development of uranium, non-ferrous metal and rare earth-metal field development; 3K-3E road potential and underground water resource potential. In 2020, industrial production in the oblast fell 13% year-on-year to 1.6 billion USD main due to a decline in oil production.



## State support

The government takes systemic measures to develop and support the various regions across the country; helping to reduce the financial and tax burden on local manufacturers, increasing their competitiveness. The comprehensive plan for the socio-economic development of Kyzylorda Oblast in 2019-2022 envisages the development and financing of the agricultural sector, heavy industry, the manufacturing industry, private enterprise, transportation and logistics, housing, infrastructure and the social sphere. The government has also adopted a number of programmes such as the "2025 Business Road Map" and "SIIDP 2020-2025", which stipulate measures to supply businesses with raw materials, increase Kazakhstan content, stimulate the economy and various system support measures.

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# Regional socio-economic development



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# General overview



Population:  
(as at 1 August 2021)

823 thousand



Area:

251.97 thousand km<sup>2</sup>



Administrative centre:

Kyzylorda



Inflation:  
(September 2021 against December 2020,  
%)

6.1



Gross regional product: (January-June  
2021, %)

99



Average monthly salary:  
(2021 QII, USD)

527.0



Unemployment level:  
(2021 QII, %)

4.9



Birth rate:  
(2020, per 1,000 persons)

26,43



Death rate:  
(2020, per 1,000 persons)

7.33



- Kyzylorda Oblast is in the south of Kazakhstan, to the east of the Aral Sea downstream on the Syrdariya river. To the north it is bordered by Karaganda Oblast, to the north-west by Aktobe Oblast, to the south-west and south by Uzbekistan, and to the east by Turkestan Oblast.
- The oblast covers 251,971 km<sup>2</sup> or 11.3% of the country.
- It consists of seven administrative districts and an oblast capital, Kyzylorda. Baikonur is treated as a city of national importance. The oblast also incorporates an ecological disaster zone at the site of the Aral Sea.
- The energy sector is represented by four thermal power stations — Kyzylorda TPS-6, Kyzylorda GTTPS, Baikonur TPS and Akshabulak GTTPS. The companies Araltuz and Aralbalyk operate in the food industry.

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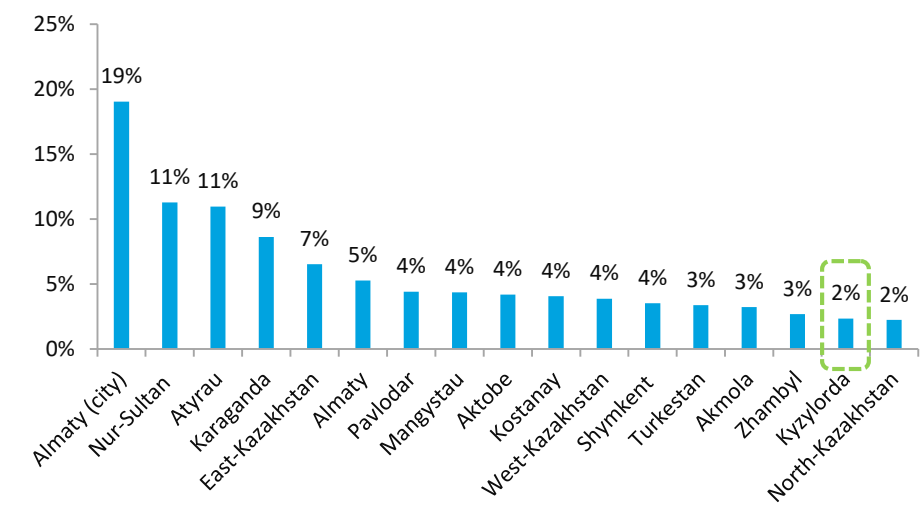
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# Kazakhstan gross regional product



GRP by region in 2020, %



- In 2020, Kyzylorda Oblast GRP exceeded 4 billion USD, which is 2.33% of total GRP for the country in 2020 (170.9 billion USD). Oblast GRP structure differs from the national GRP mainly due to basic regional development trends and its specialisation. Roughly 27% of national GRP is generated by industry. Mineral resource production plays a defining role in the oblast's GRP.
- The mining industry accounted for 22% of GRP in 2020, while the manufacturing industry accounted for 6% (against 13% of the national figure). At the same time, trading accounted for 9% of local GRP compared to 17% on a national level.

Kazakhstan GRP structure in 2020, million USD

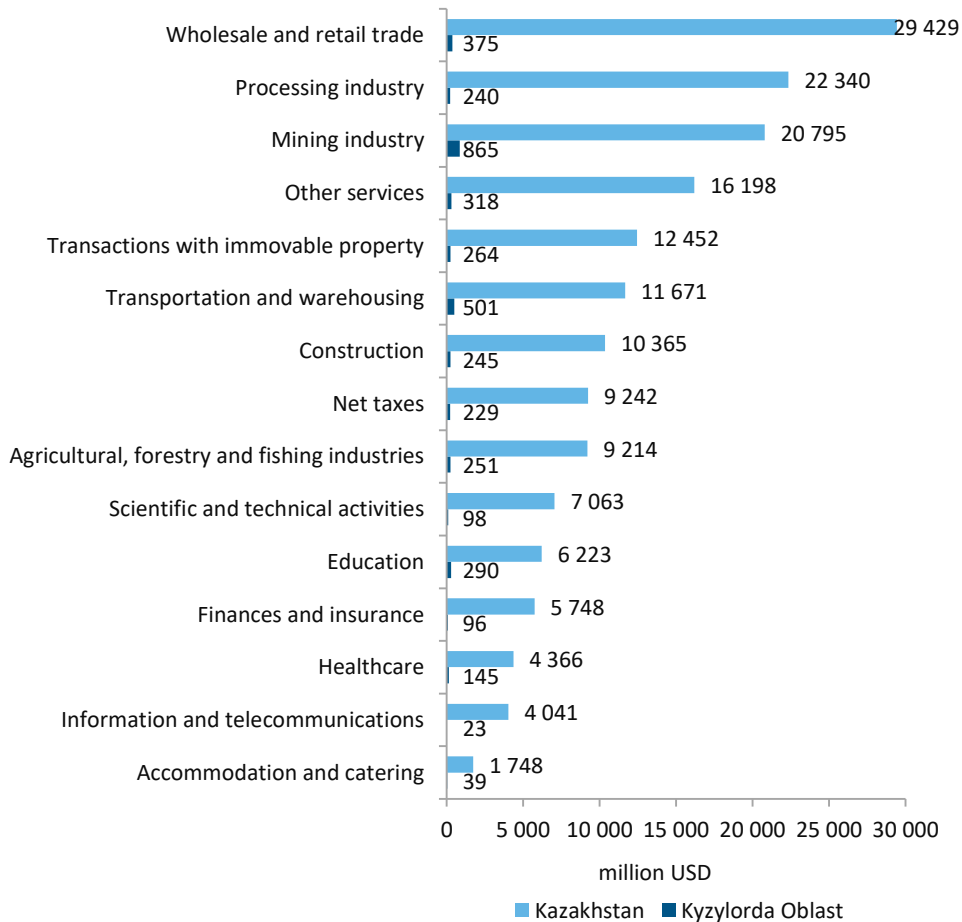


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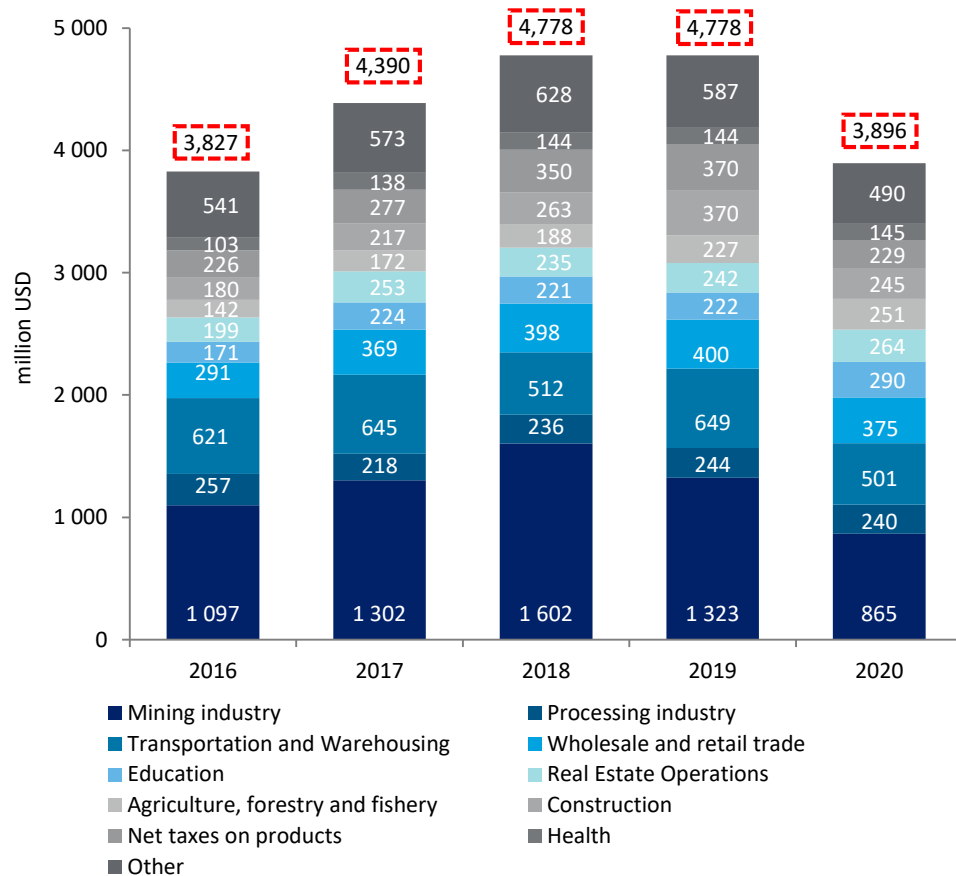
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# Kyzylorda Oblast gross regional product



Changes in Kyzylorda Oblast GRP, million USD



- Kyzylorda Oblast experienced steady GRP growth until 2019, but then a 10% decline in 2020 due to worsening economic performance in key sectors generating roughly half of its GRP, such as a drop in oil production and prices, the introduction of COVID restrictions – by 21%, transportation - 17% and trade - 1%. At the same time, oblast GRP in 2020 for the education, agricultural, forestry and fishing, and healthcare industries grew 41%, 19% and 8%, respectively. Human capital development growth in the sectors in question testifies to improvements in the quality of life.
- Core economic activities for the oblast such as mineral resource production accounted for 22% of oblast GRP in 2020, transportation and warehousing – 13%, and wholesale and retail sales – 9%. Mining industry domination was due to the development of primary industries, the concentration of major oil, gas, uranium, vanadium, zinc and lead reserves.
- In 2020, average national GRP per capita was 9.1 thousand USD, while the figure for Kyzylorda Oblast was 4.9 thousand USD, which places it 14<sup>th</sup>, after North-Kazakhstan Oblast, then Turkestan, Dzhambul and Almaty Oblasts\*.
- According to the annual World Bank, Kyzylorda Oblast ranked 4<sup>th</sup> in terms of the ease of doing business.
- According to forecasts linked to the Kyzylorda comprehensive development plan for 2019-2022, oblast GRP will increase to 4.8 billion USD in nominal terms by 2023. The mining industry retains its major share of oblast GRP, while the manufacturing, agricultural, transportation and telecommunications industries continue to grow.

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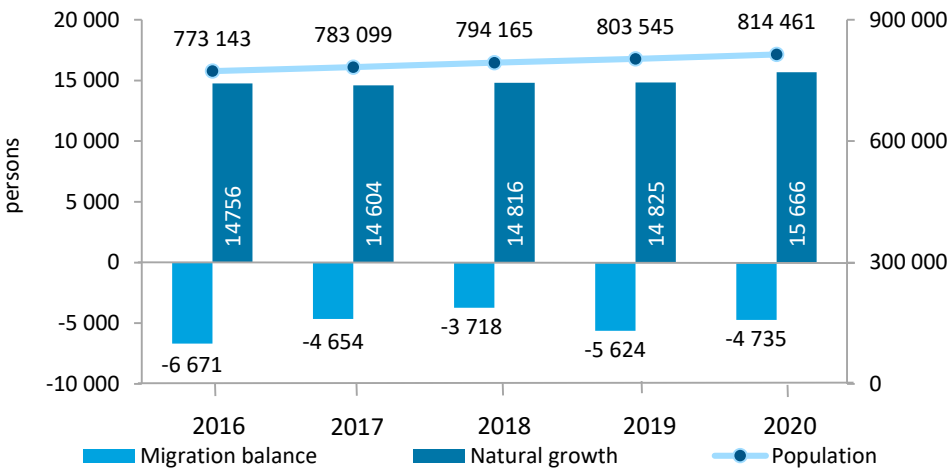
\*there are a total of 14 oblasts and 3 national-level cities in Kazakhstan.



# Socio-demographic development of Kyzylorda Oblast (1/3)



Changes in national population growth against Kyzylorda Oblast, %



Population of Kazakhstan and Kyzylorda Oblast, persons

	2016	2017	2018	2019	2020	2030 F
Kazakhstan	17,918,214	18,157,337	18,395,567	18,631,779	18,877,128	20,821,000
Kyzylorda Oblast	773,143	783,099	794,165	803,545	814,461	925,000

- In 2016-2020, the oblast registered an average annual 1.3% population increase. Population replenishment was mostly caused by natural growth exceeding emigration. Negative migration for over a decade is proof of emigration from the region. At the start of 2021, the adult population between 16 and 62 years of age made up 56% of the total population, while children (0-15) accounted for 36% and senior citizens (62+) - 8%. In 2020, the mortality rate was 7.4 (8.6 for the country), while the birth rate was 26.9 against 22.8 for the country. The average immigration balance between 2016 and 2020 was -5,080 persons.
- The last five years have seen a 4% increase in the rural population since 2016 to 449,583 by 2020.
- According to predictions for the country's territorial and regional development, the expectation is that factors such as natural growth, and migration processes will have had a positive effect on the total population of the country and region as a whole by 2030. The Kyzylorda Oblast population is forecast to reach 925 thousand by 2030.

Urban and rural population in Kyzylorda Oblast

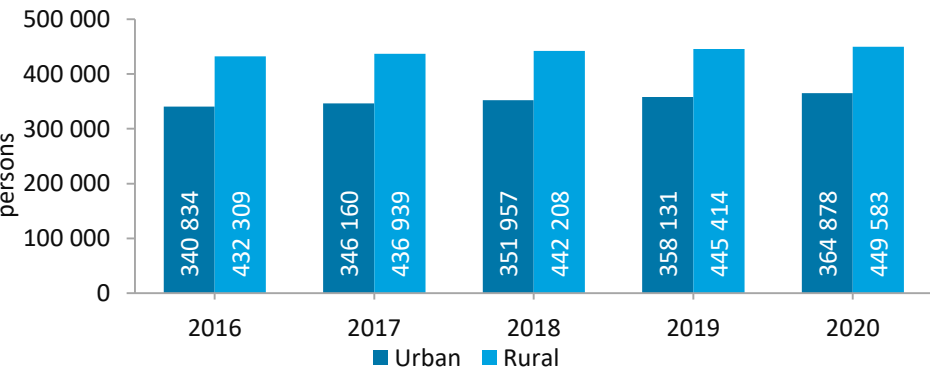


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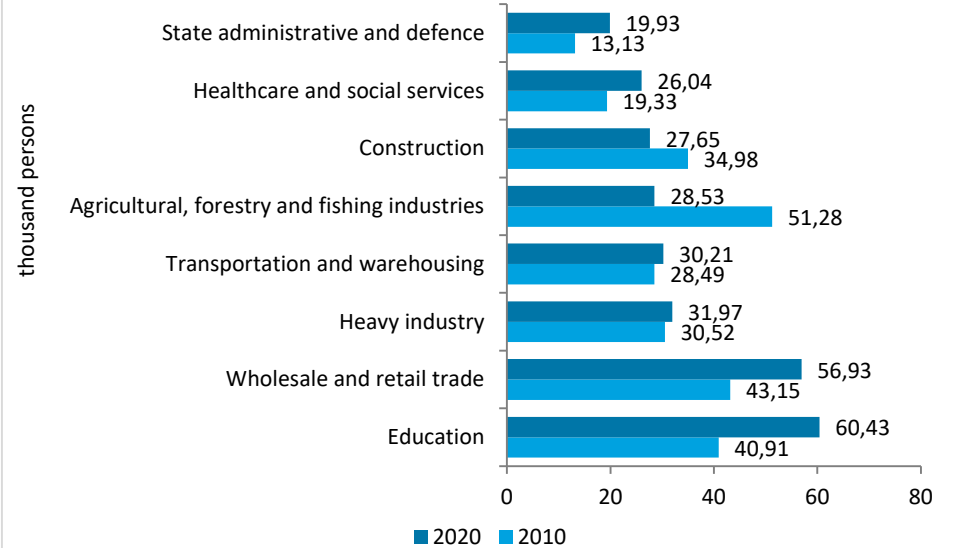
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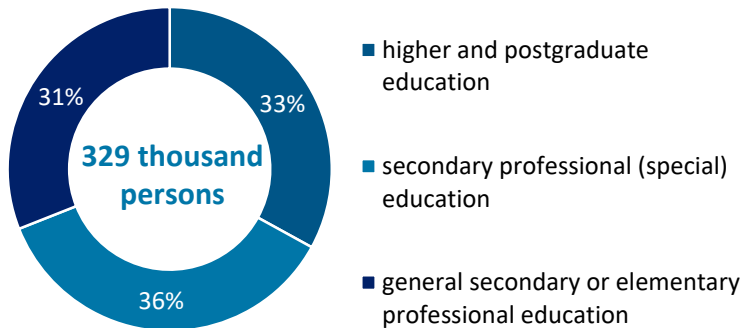
# Socio-demographic development of Kyzylorda Oblast (2/3)



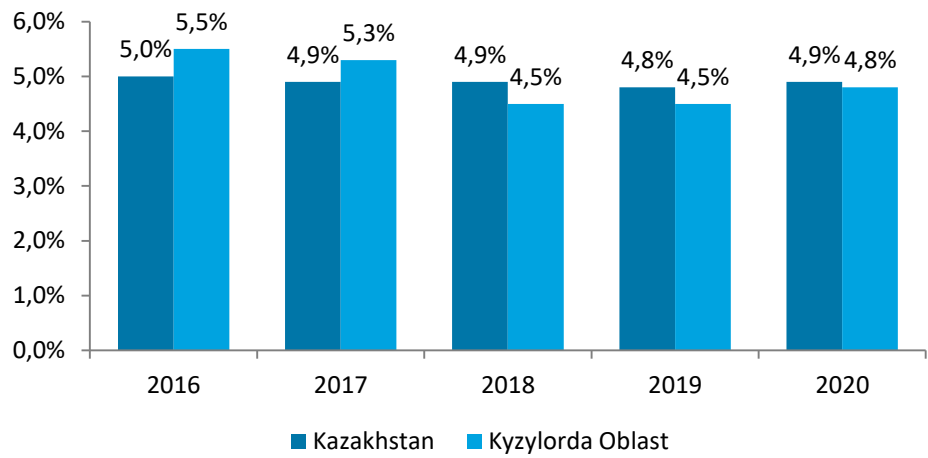
Employment by sector in Kyzylorda Oblast, thousand persons in 2010-2020



Employment levels, by education status in Kyzylorda Oblast, 2020



Changes in employment levels in Kyzylorda Oblast, %



- Total unemployment increased 0.3% in 2020 to 4.8%, mainly due to the introduction of COVID-related movement restrictions. However, it had generally fallen in the last five years mainly due to a state programme to create new jobs, as well as increases in the number of small and medium-sized businesses. At the end of September 2021, a total of 8,516 new jobs had been created.
- 33% or 108 thousand of the working population have higher and post-graduate education, 118 thousand (36%) – secondary professional (specialised) education and 103 thousand (31%) – secondary or initial professional education. 20% of the Kyzylorda Oblast population is self-employed, which is the 9<sup>th</sup> highest level across the country.
- In the last decade, the greatest worker outflow was seen in the agriculture, forestry and fishing industries, which is partially explained by the decline in crop areas and grassland due to the region's ecological situation. The greatest increase in the working population was seen in the education, healthcare, and wholesale and retail trade sectors, which is proof of improvements in the standard of living.

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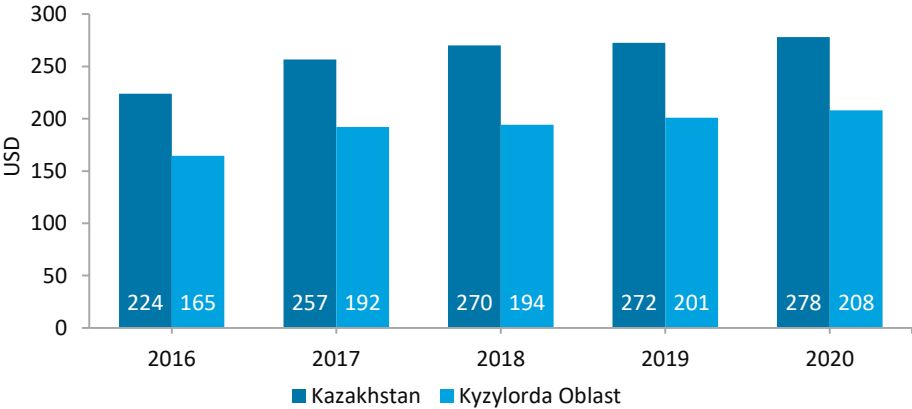
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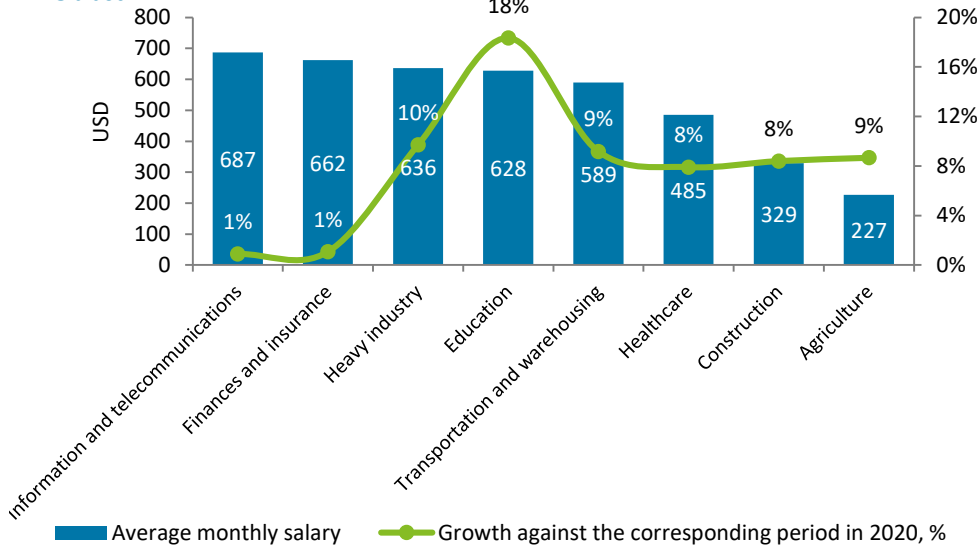
# Socio-demographic development of Kyzylorda Oblast (3/3)



Changes in financial income per capita, USD



Average monthly employee salaries by activity for January-July 2021 in Kyzylorda Oblast



- Despite ecological allowances, the average monthly salary in Kyzylorda Oblast was 454 USD in 2020, which is lower than the national average of 515 USD, but 24% higher year-on-year. The highest paid employees in the region work in information technology and telecommunications, the financial sector and manufacturing industry.
- The greatest salary growth between January and July 2021 was in the education and healthcare sectors (over 25%), while the increase in the information, construction and financial sectors was 15-17%. Education (18%) and the manufacturing industry (10%) account for the greatest share of the working population.
- Average nominal income per capita grew 12% (6<sup>th</sup> highest in the country) in 2020. However, in nominal terms, the oblast remains relatively low, higher than only Dzhambul and Turkestan Oblasts.

Changes in average monthly salaries in Kyzylorda Oblast, USD

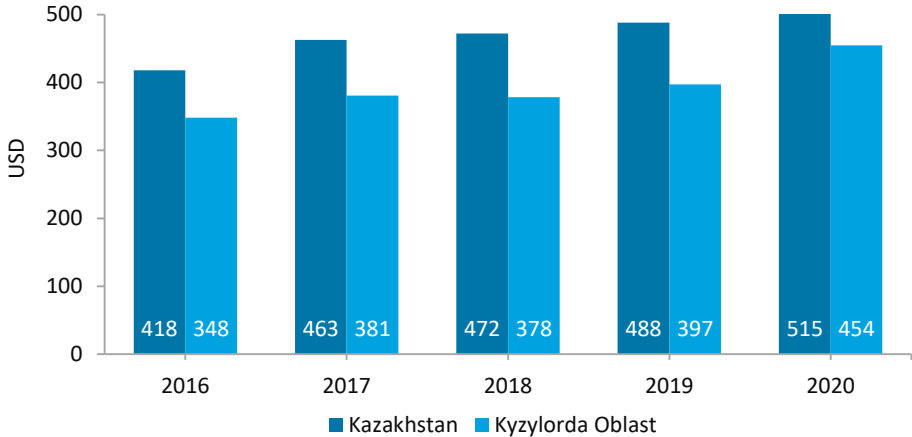


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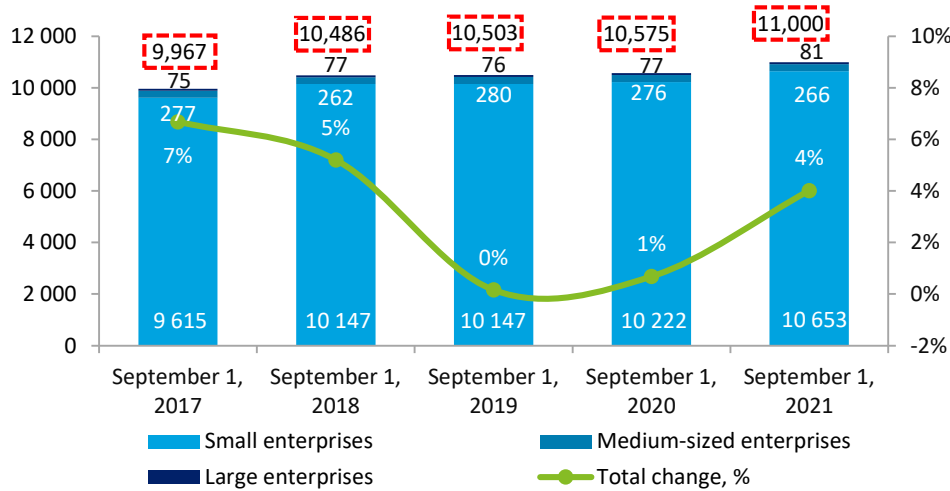
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# Kyzylorda Oblast entities (1/2)



Changes in registered legal entities in Kyzylorda Oblast



- As at 1 September 2021, there were 11,000 organisations registered in Kyzylorda Oblast, of which 96.8% were recognised as small businesses, 2.4% - as medium-sized businesses and 0.7% - as major enterprises. Business activity growth has been helped by state support measures, including programmes to subsidise interest rates and business loan guarantees; state grants to implement new business ideas and the introduction of infrastructure required by business entities.
- 8,405 Kyzylorda Oblast organisations are currently active, and 235 are in the process of closing down. A significant quantity (96%) of active companies are recognised as small businesses. The greatest number of active organisations operate in the construction (1,701), wholesale and retail trade, vehicle and motor cycle repair (1,291) and education (1,197) industries.

Registered and active legal entities in Kyzylorda Oblast, 1 September 2021

	Total	active	of which including			in the process of closure
			still inactive*	active	temporarily inactive	
Kyzylorda	11,000	8,405	967	4,383	3,055	235
Small	10,653	8,058	967	4,036	3,055	235
Medium-sized	266	266	-	266	-	-
Major	81	81	-	81	-	-

Active legal entities by form of ownership in Kyzylorda Oblast, 1 September 2021

	Total	Including by form of ownership				
		public	private	of which		foreign
				with state participation (no foreign participation)	joint ventures (with foreign participation)	
Kyzylorda	11,000	1,286	9,595	17	63	119
Small	10,653	1,039	9,507	13	55	107
Medium-sized	266	205	56	2	-	5
Major	81	42	32	2	8	7

Active legal entities by activity type in Kyzylorda Oblast, 1 September 2021

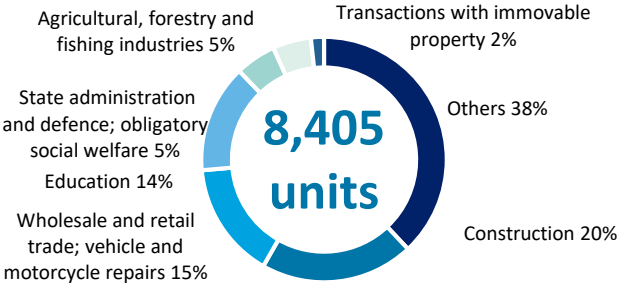


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# Kyzylorda Oblast entities (2/2)

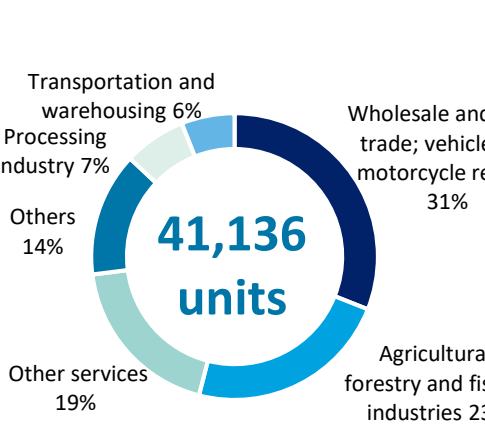


- As at 1 September 2021, there were 48,499 organisations registered in the oblast, of which 93% were recognised as individually owned, 7% (3,606) – joint ventures. The growth in registered businesses has been helped by state support, specifically the active implementation of programmes to subsidise lending interest rates, the “Development of the Incubation of Regional Start-Up Projects” programme and the “Bastau Business” small and medium-sized business programme.
- The greatest number of privately owned businesses operate in wholesale and retail trade, vehicle and motorcycle repairs (12,730) and the agriculture, forestry and fishing industries (9,443). A total of 3,396 active joint ventures operate in the agricultural, forestry and fishing industries.

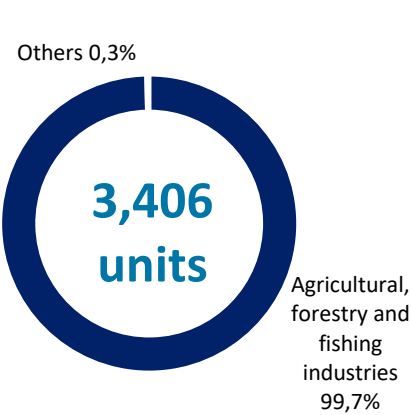
Registered and active individually owned businesses in Kyzylorda Oblast, 1 September 2021

	Total	Of which: Active
Kyzylorda Oblast	48,499	24,150
Individual entrepreneurs	44,893	41,136
Joint ventures	3,606	3,406

Active individual entrepreneurs by activity type in Kyzylorda Oblast, 1 September 2021



Active joint ventures by activity type in Kyzylorda Oblast, 1 September 2021



Changes in registered individual entrepreneurs in Kyzylorda Oblast

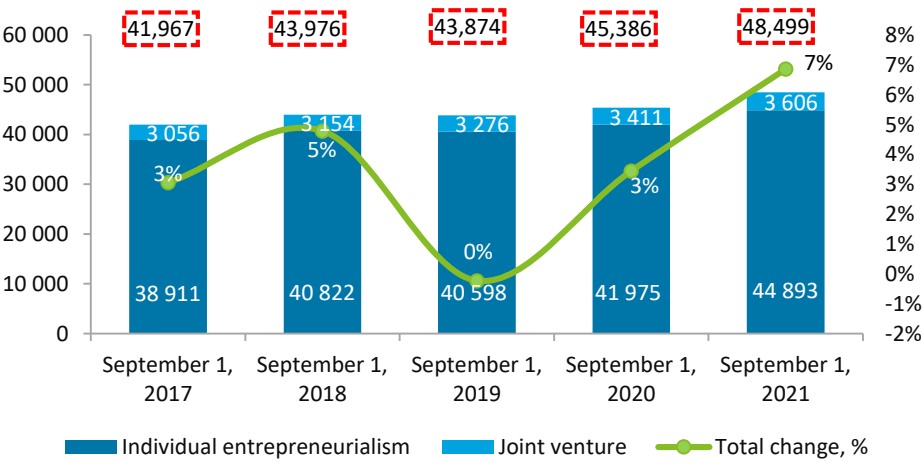


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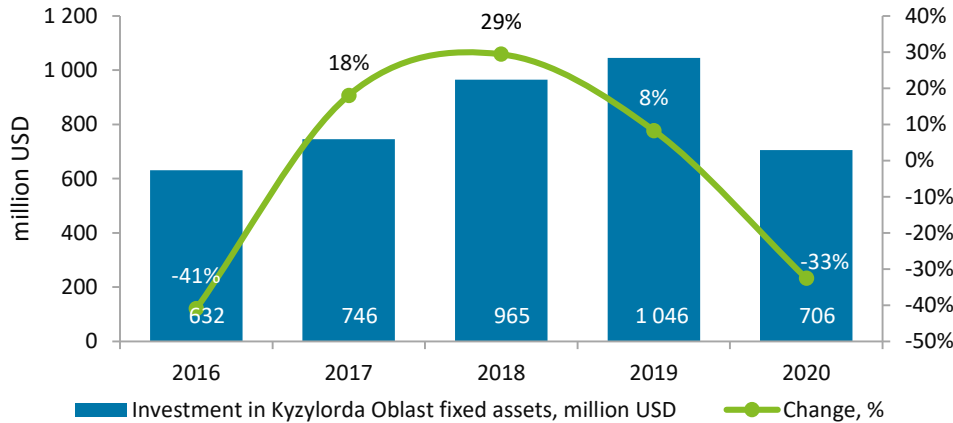
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# Investment in Kyzylorda Oblast (1/2)

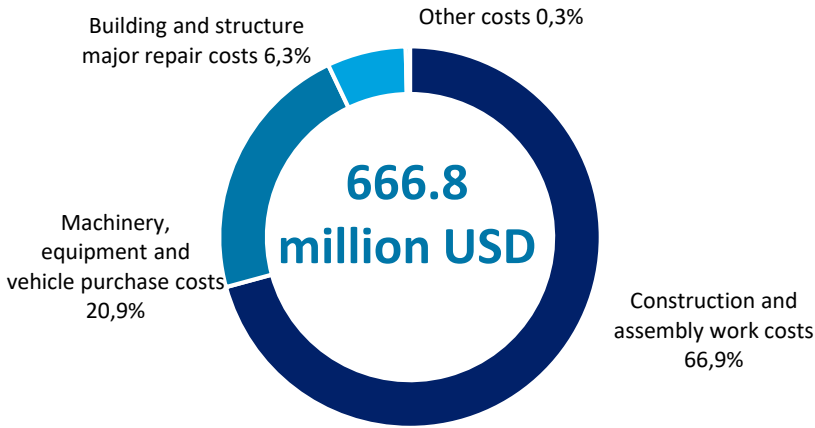


Changes in investment in fixed assets in Kyzylorda Oblast



- The period between 2016 and 2019 saw an increase in fixed asset investment in Kyzylorda Oblast, with CAGR of 13.4%. To ensure forced modernisation and increase attractiveness for potential investors, the Kazakhstan Government has developed a comprehensive socio-economic development plan for Kyzylorda Oblast in 2019-2022. At the same time, investment in Kazakhstan oil production fixed assets declined in 2020. According to the Statistics Committee, the greatest investment losses of 26% were seen in the local mining industry. According to a 2020 comparison of oblasts, the greatest fall was seen in the oil-producing Kyzylorda Oblast (-27%), Atyrau Oblast (-23.1%) and West-Kazakhstan Oblast (-21.6%). In cost terms, construction and assembly work (471.9 million USD or 66.9%), machinery, equipment and vehicles acquisitions – 147.8 million USD or 20.9% made up the greatest share of material fixed assets. In 2020, investment in intangible assets reached 38.8 million USD, of which mineral resource exploration and appraisal costs and other investments accounted for 28.8 million USD and 8.5 million USD respectively.

Cost structure for investment in fixed assets in Kyzylorda Oblast in 2020



Cost structure for investment in intangible assets in Kyzylorda Oblast in 2020

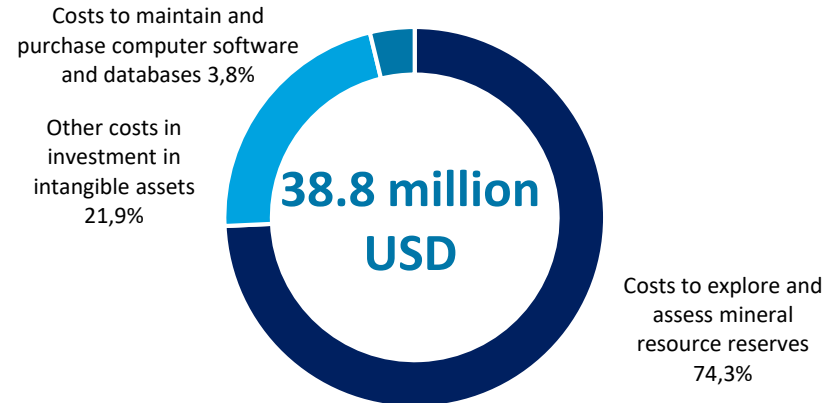


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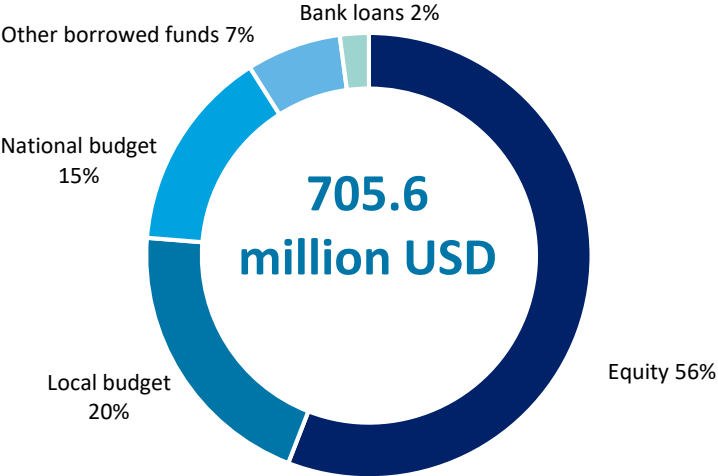
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# Investment in Kyzylorda Oblast (2/2)



Structure of financing sources for investment in fixed assets in Kyzylorda Oblast in 2020 Investment in fixed assets by sector in Kyzylorda Oblast in 2020



No.	Area	Investment amount, million USD
1	Heavy industry	332
2	Real estate transactions	145
3	Transportation and warehousing	69
4	Healthcare and social services	36
5	Agricultural, forestry and fishing industries	33
6	Education	30
7	Others	60
	Total	706

Fixed asset investment in the agricultural and manufacturing industries, and in food production in Kyzylorda Oblast in 2020, million USD

	Total	Including					other borrowed funds
		budget funds		equity	bank loans		
		national budget	local budget		total	overseas banks	
Agricultural industry	32.9	-	-	9.1	1.3	-	22.5
Processing industry	7.9	-	-	5.3	1.3	-	1.3
Food production	3.0	-	-	1.7	-	-	1.3

- In 2020, the key sources of fixed asset financing were equity (approximately 394.4 million USD), the local budget (143.7 million USD) and national budget (104.0 million USD).
- Investment in fixed assets in heavy industry reached 47% of total investment, real estate transactions - 21%, transportation and warehousing - 10%, healthcare and social welfare – 5%.
- National and local budgets were not involved in investing in agricultural, forestry and fishing industries, the manufacturing industry and food production.
- Statistics are not kept on investment sources in other areas.

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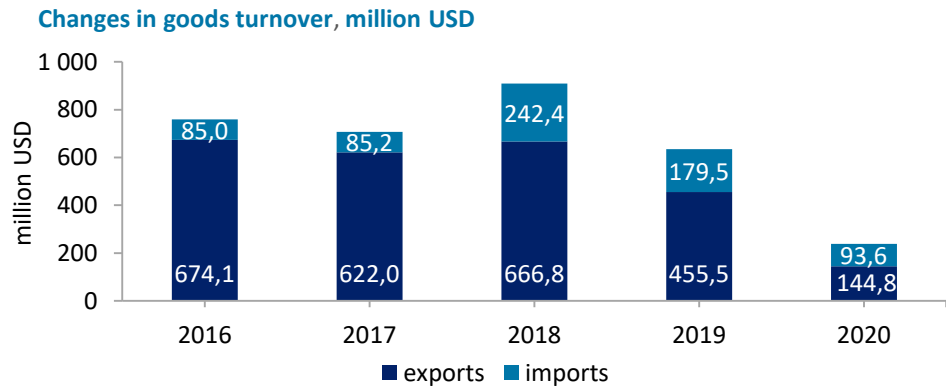
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# Imports and exports to/from Kyzylorda Oblast



- Mineral products, including fuel and energy goods, made up 65% or 93.9 million USD of exports in 2020. The main export destinations are Tajikistan, Uzbekistan, China, Azerbaijan and Canada. Imports in 2020 are made up of machinery, equipment, vehicles, devices and apparatus, products used in the chemical and related sectors (including rubber and plastic), as well as metals and related items. Exporting countries include Russia, Korea, Germany, Lithuania, Turkey, the USA and China.
- According to Kyzylorda Oblast external trade data, 48% of imports or 45 million USD originate from the EAEU, while imports from Russia amount to 44.1 million USD, which is explained by regional proximity and current logistics. Imports from Russia include predominantly animal and vegetable origin products, ready food products, chemical and related sector products. Imports also include industrial goods such as motor vehicles, wagons and related vehicles.
- Imports in 2020 of 48.4 million USD, which included machinery, industrial and laboratory equipment, vehicles, devices and apparatus, agricultural machinery and computer technology, came from Germany, Poland, the USA, France, Sweden and China.

Source: Kazakhstan Statistics Committee, State Revenue Committee  
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Kyzylorda Oblast external trade in 2019-2020, thousand USD

	Exports 2020	Imports 2020	Exports 2019	Imports 2019
Total	144,766	93,586	455,565	179,524
Animal and vegetable products; ready food products	34,939	8,797	32,479	10,111
Mineral products, including:	93,927	594	369,815	2,605
Fuel and energy products	68,475	156	345,786	279
Chemical and related sector products (including rubber and plastic)	11,391	14,838	41,574	19,385
Hides, furs and items made from them	0	1	0	19
Timber, wood and cellulose and paper products	1	2,667	1	2,989
Textiles and textile items	34	1,867	41	7,143
Footwear, headwear and haberdashery goods	0	38	8	47
building materials	99	1,519	43	2,060
Metal and metal items	531	13,246	200	24,851
Machines, equipment, vehicles, devices and apparatus	3,840	46,735	11,233	107,610
Other goods	3	3,285	171	2,703

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# Potential investment areas in Kyzylorda Oblast

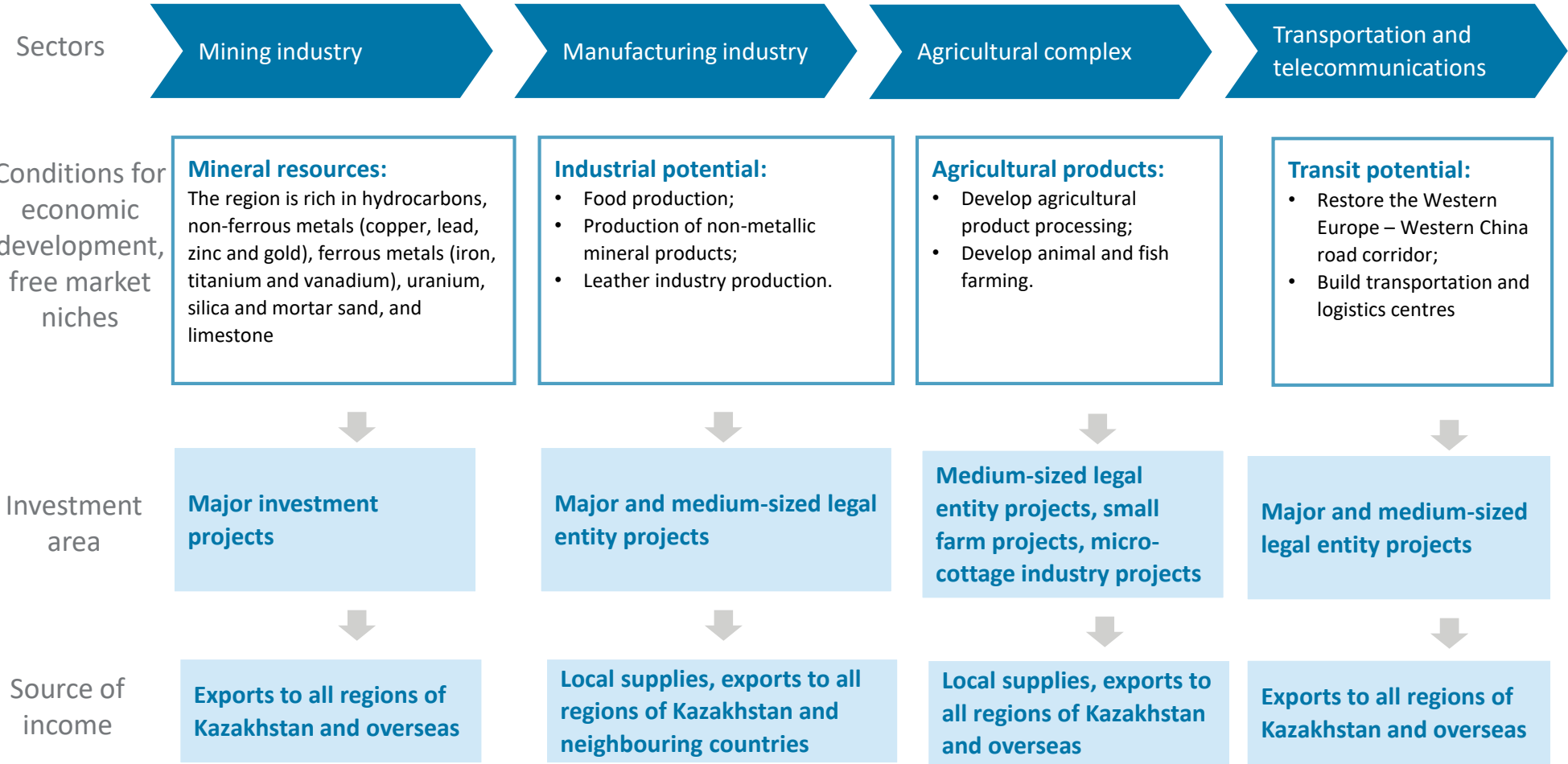


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# Potential product import substitution in Kazakhstan



## Exports and imports by commodity groups in 2019\*, million USD

Index	Exports	Imports	Net position
Fuel and energy goods	37 580,7	819,2	36 761,5
Metals and related items	6 529,3	2 262,8	4 266,5
Agricultural products and food	1 700,7	248,2	1 452,6
Precious metals and jewellery	2 643,8	1 815,2	828,6
Hides and furs	534,1	36,7	497,4
Timber and paper	7	68,6	-61,6
Building materials	55,7	265,6	-209,9
Furniture, interiors and exteriors	26,3	241,6	-215,3
Footwear and haberdashery	4,6	272,8	-268,2
Textiles	133,4	906	-772,6
Chemical products	1 770,9	3,286,6	-1 515,7
Machinery and equipment	661,4	13 009,4	-12 348
Other goods	10,3	826,8	-816,2
<b>Total</b>	<b>51 659,3</b>	<b>24 412,1</b>	<b>27 247,6</b>

\*2020 data available in part

Source: Damu Fund analysis, EAEU analysis, stat.gov, kgd.gov.kz

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- In 2019, Kazakhstan is a net exporter of predominantly mineral, oil and gas products and metals.
- According to the Damu Fund, collective import substitution potential (18.4 billion USD) is broken down as follows:
  - 535.9 million USD of imports with low substitution potential;
  - 2,037.1 million USD with potential for partial substitution;
  - 16,162.5 million USD with high substitution potential.
- Sectors with high import substitution potential include chemical and petrochemical production products, metallurgy products, machinery and equipment, textile and clothing production.
- Sectors with partial substitution potential include footwear, haberdashery, timber, paper and paper items. The sectors with low potential include furniture and building materials.

## Percentage of imports from third countries offered as commodity position replacements, %

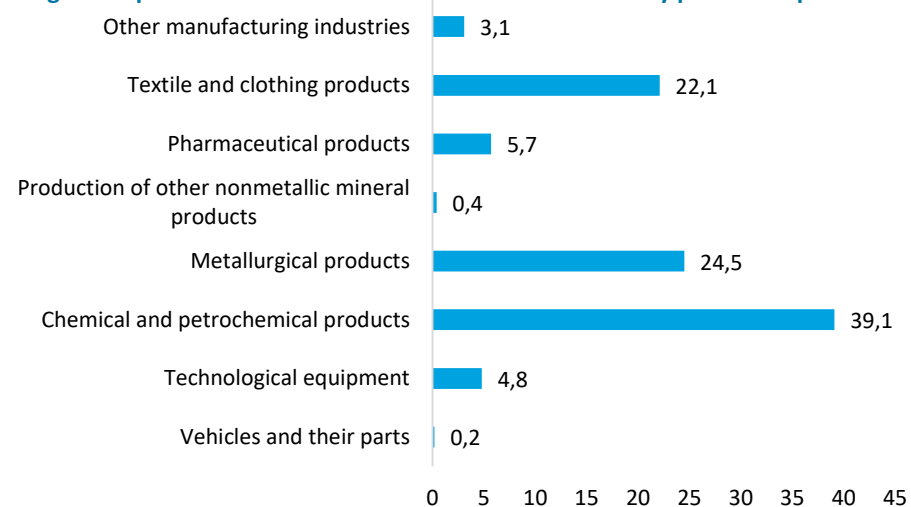


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# Potential consumption growth in Kazakhstan



## Economic growth in Kazakhstan

Index	2020	2021 F	2022 F	2023 F	2024 F	2025 F
GDP	-2.6%	3.7%	4.2%	3.7%	3.8%	4.0%
Personal consumption	-3.8%	4.2%	4.8%	4.4%	4.6%	3.7%
State consumption	0.0%	2.0%	1.5%	2.0%	2.2%	2.2%
Gross investment in fixed assets	-0.3%	3.0%	2.0%	3.5%	4.0%	3.8%
Exports of goods and services	-12.1%	12.2%	7.1%	5.7%	4.7%	4.1%
Imports of goods and services	-10.7%	11.4%	5.0%	6.9%	6.1%	3.5%
Domestic demand	-2.8%	3.1%	3.4%	4.0%	4.1%	3.5%
Agricultural industry	5.6%	2.8%	2.9%	2.6%	2.9%	3.0%

According to EIU forecasts, personal consumption in Kazakhstan will increase 4.2% after a 3.8% decline in 2020. Domestic demand will recover by 3.1% to a level exceeding pre-pandemic levels. Gross investment in fixed assets will grow 3% after a 0.3% decline in the previous year thanks to government efforts to stimulate the economy. In turn, the increase in domestic consumption implies an increase in demand for all products, including in Kyzylorda Oblast.

Likewise, according to EIU forecasts, agricultural sector growth rates will average 2.8% between 2021 and 2025, which will have a positive effect on the regional economy. These are conservative numbers, but lower than in 2020 due to the drought in the country. Nevertheless, weather conditions normalised by the end of summer and no further changes are expected.

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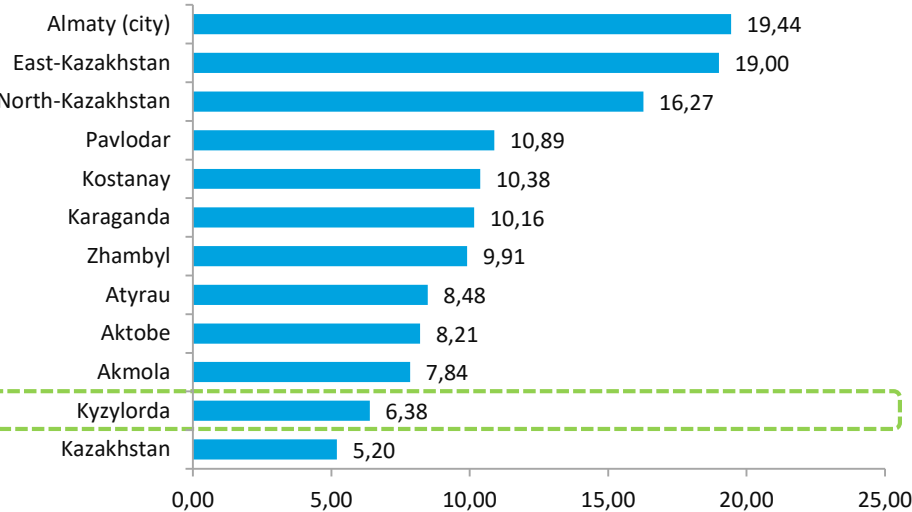
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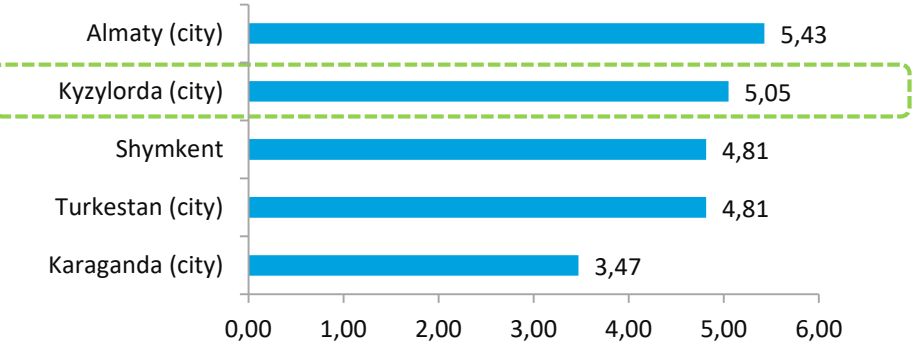
# State regulation of utilities tariffs



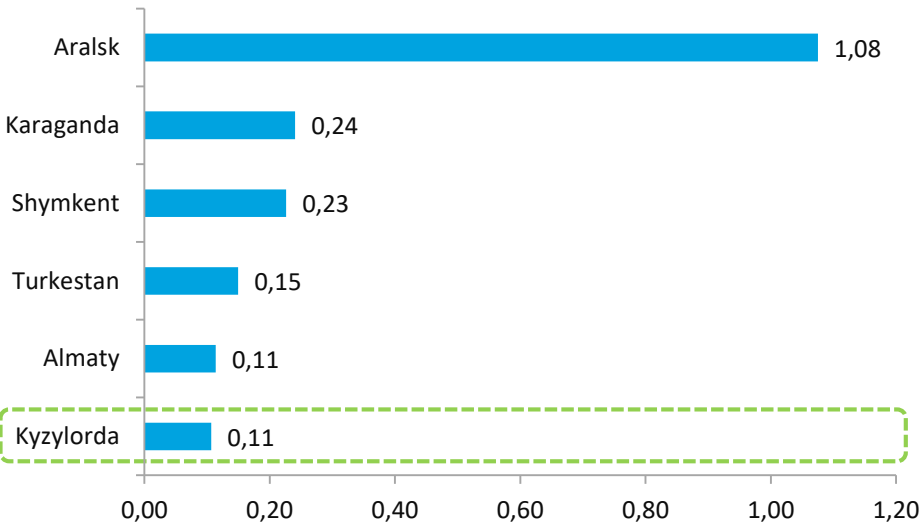
Thermal power prices across Kazakhstan in August 2021, USD per Gcal



Electricity prices across Kazakhstan in August 2021, USD per 100 KWH



Cold water prices across Kazakhstan in August 2021, USD per m³



- Kazakhstan operates a state pricing policy for natural monopolies, and has also introduced the state regulation of prices and monitors pricing and entity obligations. Utilities are recognised as tariff services.
- As at June 2021, the price per Gcal of thermal power in Kyzylorda was 6.38 USD.
- In August 2021, the average price for 100 KWH of electricity in Kyzylorda was 5.05 USD, while the price per m³ of cold water was 0.11 USD.

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# Regional resource potential



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# Industrial production



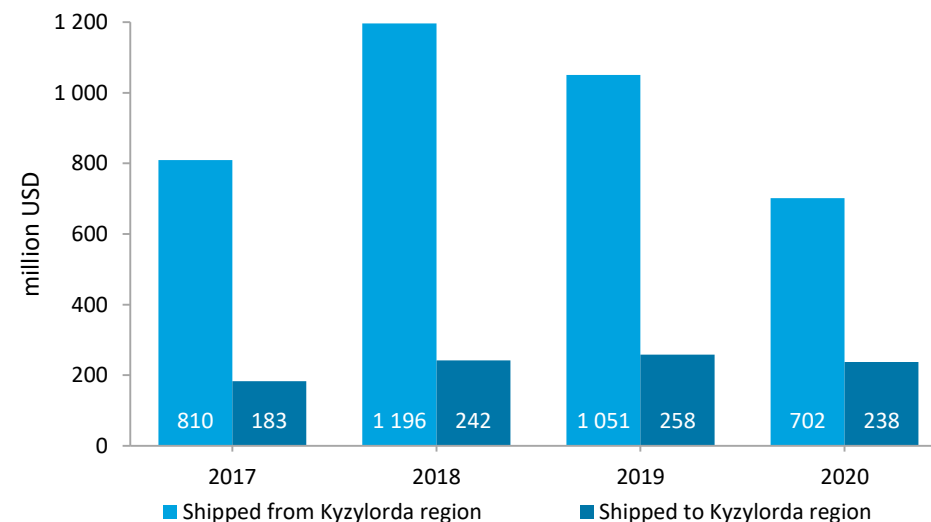
## Industrial production by economic activity in Kyzylorda Oblast, 2020

Industry type	Volume, thousand USD
<b>Total</b>	<b>1,580,227</b>
<b>Mining industry and quarry operation</b>	<b>1,097,121</b>
Crude oil and natural gas production	898,628
Mining industry services	97,878
Metal ore production	93,157
Production of other mineral resources	7,458
<b>Processing industry</b>	<b>367,463</b>
Food production	127,770
Production of various non-metallic mineral resources	55,533
Engineering	33,100
Chemical industry production	25,735
Coke production and oil refining	14,736
Rubber and plastic item production	10,117
Light industry	2,569
Clothing production	1,286
Textile production	1,281
Production of finished metal items, except for machinery and equipment	805
Furniture production	520
Production of basic pharmaceutical products	410
Others	93,601
<b>Electricity, gas, steam, hot water and air conditioning supplies</b>	<b>95,771</b>
Electricity production, transmission and distribution	64,886
Production and distribution of gas fuel by pipeline	23,829
Steam, hot water and air supply	7,056
<b>Water supply; waste collection, processing and removal; pollutant liquidation activities</b>	<b>19,871</b>
Water collection, processing and distribution	14,561
Waste collection, processing and removal; recycling (restoration)	1,825
Waste water collection and processing	1,439

Source: Kazakhstan Statistics Committee

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## Changes in industrial product dispatch to/from Kyzylorda Oblast, 2017-2020



- In 2020, the production industry accounted for 41% of gross output, while the service industry accounted for 53%. Industrial products were dispatched from the oblast in 2020 to Shymkent, Pavlodar and West-Kazakhstan Oblasts, Almaty (city) and Almaty Oblast, along with Akmola and Karaganda Oblasts. Over 90% of industrial product in the oblast was sent to Shymkent, Atyrau, Almaty, Pavlodar, Akmola and West-Kazakhstan Oblasts.
- In 2020, industrial production reached 1.6 billion USD. Historically, mining has been popular in the region, with production amounting to 1.1 billion USD in 2020. At the same time, mining industry figures have been declining year-on-year due to a drop in oil production linked to falling oil prices, and up to 90% water logging (reduced formation pressure), and stock depletion at certain oil fields.

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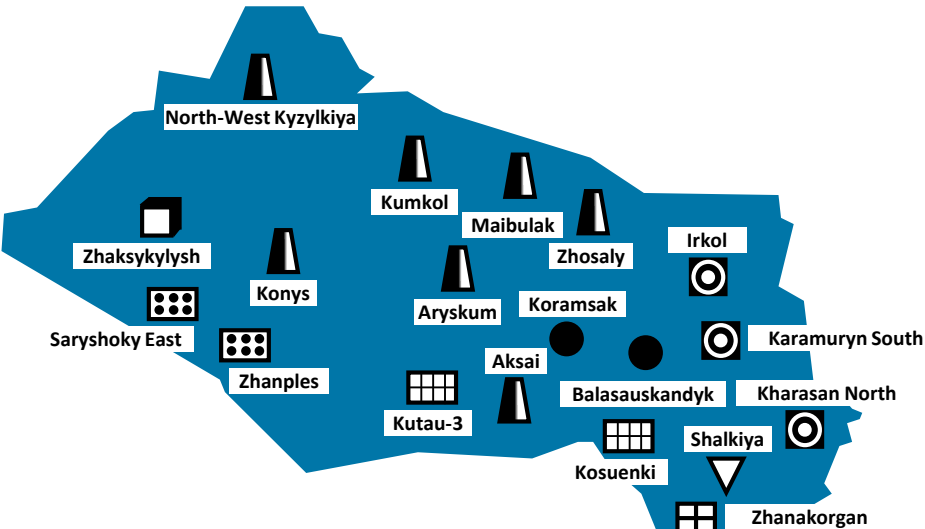
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# Mineral resources base (1/3)



- Oil and gas**
- Kumkol field;
  - Akshabulak field;
  - Central;
  - Konys field;
  - North-West Kyzylkiya field;
  - Aksai field;
  - Aryskum field;
  - Maibulak field

- Salt**
- Zhaksykylysh field

- Silica sand**
- Saryshoky field;
  - Zhanples East field.

- Vanadium**
- Balasauskandyk field
  - Koramsak field

- Zinc**
- Zhanakorgan field

- Dolomite**
- Shalkiya field

- Uranium**
- Kharasan North field;
  - Irkol field;
  - Karamurn South field

- Limestone**
- Kutau-3 field
  - Kosuenki field

## Major fields

Mineral resource	Field	Resources
Oil and gas	Kumkol	Oil - 41 million tonnes; Gas - 15 billion m <sup>3</sup>
	Akshabulak Central	Oil – 22.3 million tonnes; Gas – 2.583 billion m <sup>3</sup>
	Konys	Oil - 18 million tonnes; Gas – 6.2 billion m <sup>3</sup>
	Kyzylkiya North-West	Oil – 14.4 million tonnes; Gas – 1.6 billion m <sup>3</sup>
	Aksai	Oil – 1.5 million tonnes; Gas – 1.626 billion m <sup>3</sup>
	Aryskum	n/a
	Maibulak	n/a
Uranium	Kharasan North	50.5 thousand tonnes
	Irkol	22.9 thousand tonnes
	Karamurn South	11.5 thousand tonnes
Vanadium	Balasauskandyk	109.8 million tonnes per year
	Koramsak	n/a
Zinc	Shalkiya	8.5 million tonnes
Dolomite	Zhanakorgan	9,652 thousand m <sup>3</sup>
Salt	Zhaksykylysh	495.2 thousand tonnes per year
Silica sand	Saryshoky East	8.2 million tonnes
	Zhanples	150-200 million tonnes
Limestone	Kutau-3	120 thousand tonnes per year
	Kosuenki	3,284 thousand tonnes

- Kyzylorda Oblast has significant mineral resource potential, including oil, gas, complex ores, uranium, salt and underground water. Reserves of lead, zinc, cadmium, germanium, gold, silver, selenium, iron, lignite, slate coal, brown iron ore, phosphate rock, molybdenum-vanadium and zirconium-titanium ore have been found.
- Kyzylorda Oblast is also home to many of Kazakhstan’s proven reserves: 66% - vanadium, 16.4% - zinc, 14% - uranium, 11.1% - lead, 7.2% - malm, 3.1% - limestone, 3.4% - underground water, 2.5% - oil, 1.8% - gas, 0.2% - condensate, 0.8% - silver and 0.5% - gold. It is also home to the unique Balasauskandyk and Koramsak vanadium fields. The Karatau vanadium slate range is a multi-functional raw material. In addition to vanadium, rare and rare-earth metal elements, gold and shungite also hold great value. The Akespe field in the North Aral Sea region is the only titanium placer deposit in south Kazakhstan.

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# Mineral resources base (2/3)



### Field overview

- The Shalkiya field was formed as a result of sedimentary formations closely linked to volcanic activity in the region, and secondary hydrothermal processes. The ore field acquired its final form due to movement from the south-west to the north-east, creating an inverted synclinal fold. Irregular volcanic activity, abnormal field zinc and lead content is found in five different blocks, even though only two of them have production value.
- The Shalkiya zinc and lead ore field is located 17 km to the north-east of the oblast's Zhanakorgan district. Traditionally, the field is classed as group II complexity based on mineral component size and distribution. Total Shalkiya field zinc reserves 6.5 million tonnes, according to BrookHunt data, account for over 30% of all Kazakhstan reserves and are the 5<sup>th</sup> largest in the world in terms of proven and probable JORC reserves.



### Field mineral resources

Ore	Resource	Content
Category B+C1+C2 zinc and lead (SRC)	6.5 million tonnes	Zn – 4.27% and Pb – 1.28%
Off-balance sheet ore reserves	3 million tonnes	Zn – 2.71% and Pb – 0.61%

The Shalkiya lead and zinc field was opened in 1963. Field exploration began a year later and has been updated periodically over the next 40 years. Ore was produced at the field from the mid-80's until 2008, but due to serious fluctuations in global metal prices during the entire ore production period, production was irregular and work was suspended a number of times.

Project work on the Shalkiya field is currently being performed to create an external electricity supply; develop a mining work development plan and research into ore preparation; internal infrastructure (buildings and structures) projects; to supply water and others. Excavations at the Vydachnaya mine, which was in an emergency state, have been restarted to allow capital mining work.

JSC Shalkiya Zinc's proximity to fast-growing Asian markets is an advantage. It also holds subsoil use rights under a subsoil use contract to produce complex ore at the Shalkiya field, as well as a contract to produce underground water at Shalkiya field well Nos. 1-8. The company is interested in finding a partner to produce and process complex ore at the Shalkiya field (Zn; Pb).

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# Mineral resources base (3/3)

## Subsoil users and investment-attractive mineral resource sites

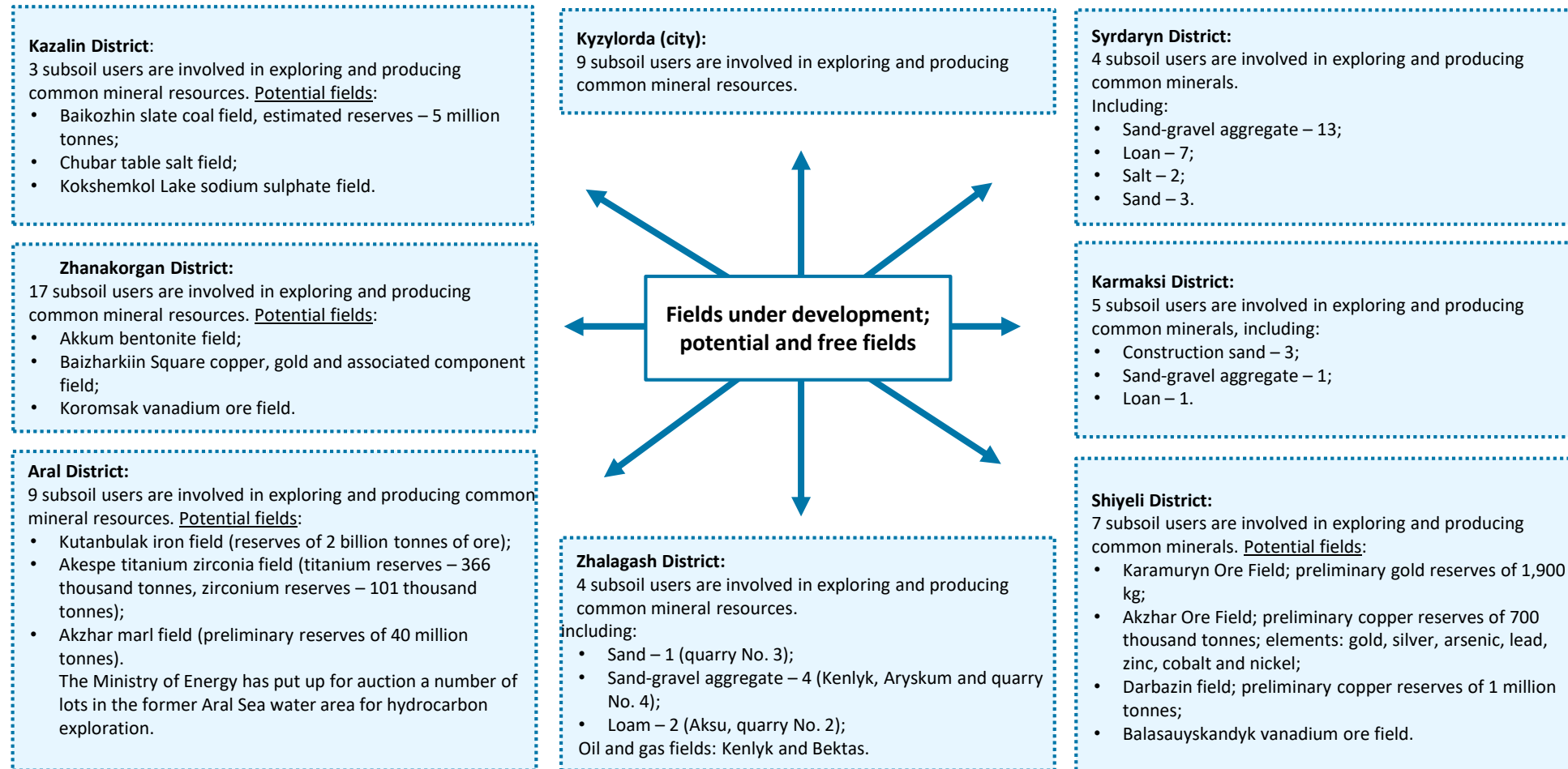


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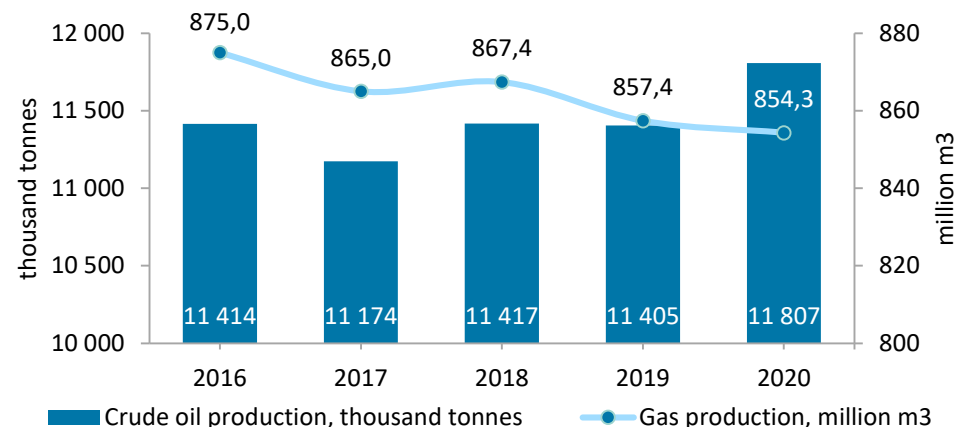
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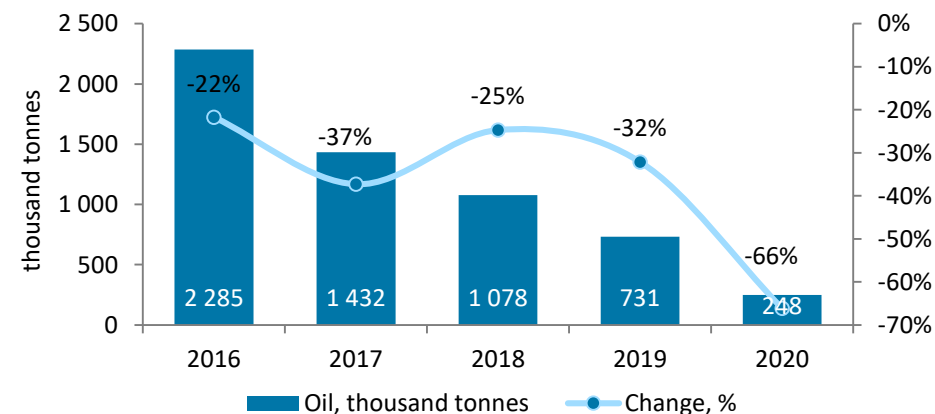
# Crude oil and gas production



Changes in crude oil and gas\* production in Kyzylorda Oblast



Changes in crude oil and petroleum product exports from Kyzylorda Oblast



\*Oil associated gas (except for oil gas acquired during oil distilling)

Source: Ministry of Ecology, Geology and Natural Resources Geology Committee

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- Kyzylorda Oblast fields account for a little over 5% of total proven and recoverable oil reserves in Kazakhstan. Its largest oil fields are Akshabulak, Kumkol, Konys and Kyzylkiya North-West. There are currently 14 oil and gas production companies operating in the oblast, developing 59 oil and gas fields.
- In 2020, a total of 11,807 thousand tonnes of crude oil were produced in the oblast. On average, 32.3 thousand tonnes were produced daily, which is 11.5% of the national figure. Small volumes of associated gas are also produced: in 2020 – 854.3 million m<sup>3</sup>, which is 0.4% lower than in 2019. Average daily gas production in 2020 was 2.3 million m<sup>3</sup> (6.3% of the national total). The largest companies in the oblast, which accounted for over 80% of oil and gas condensate production in 2020, are JV Kazgermunai LLP, JSC PetroKazakhstan Kumkol Resources, Kolzhan LLP, JSC Turgai Petroleum and South-Oil LLP.
- Crude oil and petroleum product exports in the last five years fell from 2,285 thousand tonnes in 2016 to 247 thousand tonnes in 2020 due to well flooding (up to 90% at certain fields).
- In 2020, the main importers of Kazakhstan oil were China (241.6 thousand tonnes or 98%) and Uzbekistan (5.9 thousand tonnes or 2%). 83.5% of the oblast's total oil exports is exported through the Atasu-Alashankou pipeline (Kazakhstan-Chinese Pipeline) to China. Less than 10% of oil exports are transported by train and 6% – using the Caspian Pipeline Consortium system. The largest domestic customer for Kyzylorda oil is the Pavlodar Petrochemical Plant.

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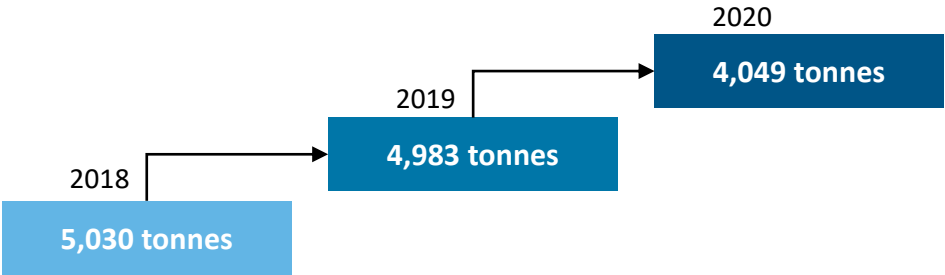
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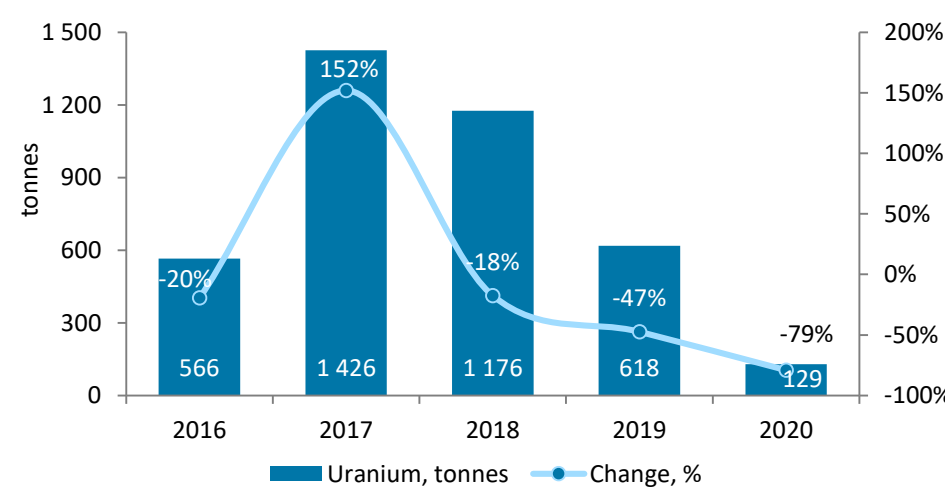
# Uranium production



## Uranium production in Kyzylorda Oblast



## Changes in uranium exports from Kyzylorda Oblast



JSC NAC Kazatomprom is the Kazakhstan national importer and exporter for uranium, rare metals and nuclear fuel for atomic power stations. Kazakhstan has been the global leader in natural uranium production since 2009.

- Kazatomprom, together with its subsidiaries, dependent and joint ventures, is developing 26 sites in Kazakhstan, combined into 14 mining assets, 4 of which are in Kyzylorda Oblast. At the end of 2017, Kazatomprom declared its intention to reduce uranium production in 2018-2020 by 20% from 2017 levels in subsoil use contracts to help global market and uranium prices recover. Production reduction continues into 2021.
- In 2020, uranium production fell 18.7% to 4,049 tonnes. The largest uranium producer in Kyzylorda Oblast is JV Khorasan-U LLP. The period between 2017 and 2020 saw a drop in uranium exports from Kyzylorda Oblast, with a drop in 2020 of 79% to 129 tonnes. The main importers of Kazakhstan uranium are Russia (67.7 tonnes or 52%) and Canada (61.4 tonnes or 48%).

Company	Subsoil use contract periods	Fields	Total resources*
JV Khorasan-U LLP	2005 – 2058	Kharasan North, Kharasan 1 site	38.3 thousand tonnes of uranium
Baiken-U LLP	2006 – 2058	Kharasan North, Kharasan 2 site	18.4 thousand tonnes of uranium
Semizbai-U LLP	2005 – 2030	1. Irkol 2. Semizbai	25.4 thousand tonnes of uranium
RU-6 LLP	1996 - 2022	1. Karamurn North 2. Karamurn South	14.2 thousand tonnes of uranium

\*As at 31 December 2020

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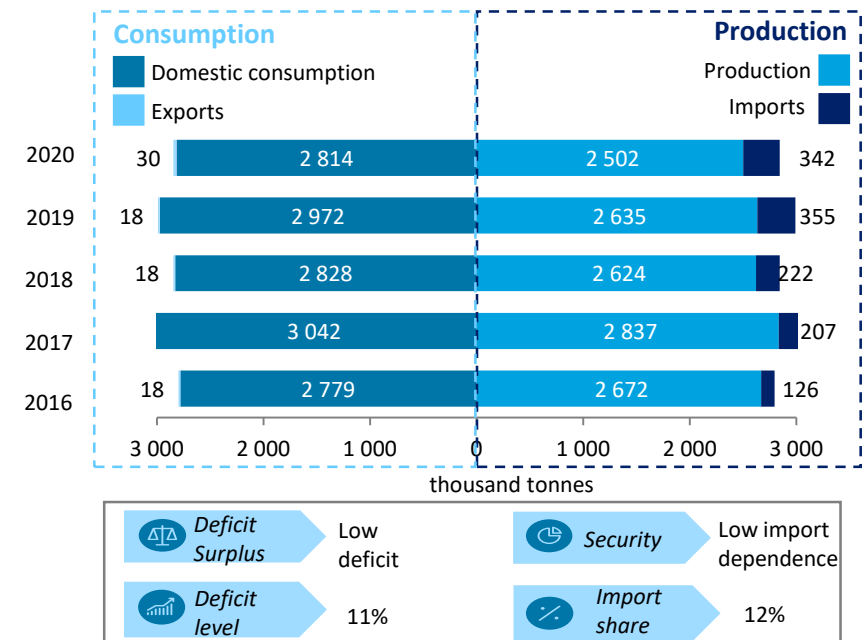
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# Sulphuric acid production\*



## Resources and use



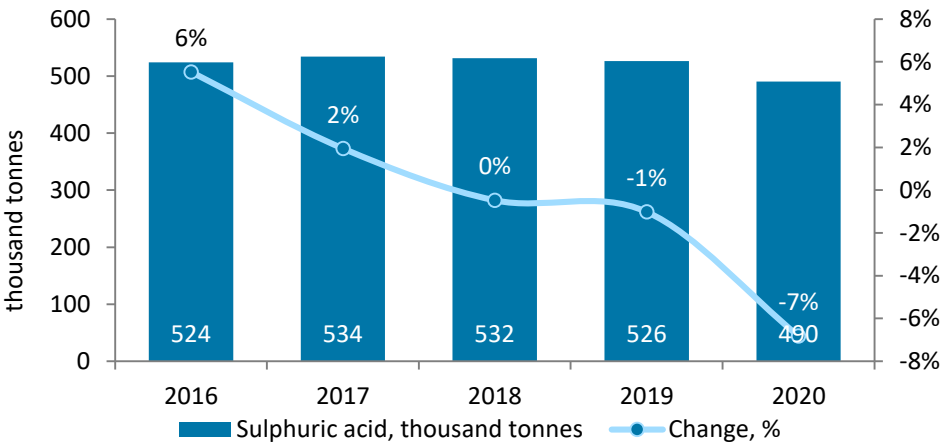
- In 2020, Kazakhstan was practically independent of foreign sulphuric acid supplies, as existing domestic capacity met domestic demand, while imports met 12% of consumption.
- Given the current domestic production specialisation and in the event of the introduction of state policy to rationalise imports and services by stimulating domestic producers of similar products, the potential import substitution volume for sulphuric acid is comparable to imports and is insignificant. The market niche is less attractive for investors.

\*Sulphuric acid in monohydrate form

Source: Ministry of Ecology, Geology and Natural Resources Geology Committee

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## Sulphuric acid production in Kyzylorda Oblast



- According to the Kazakhstan statistics committee, Kyzylorda Oblast produced 490 thousand tonnes of sulphuric acid in 2020.
- Between 2016 and 2020, sulphuric acid production declined by 6.4%, with CAGR at -1.2%.
- In 2020, Karaganda Oblast (827 thousand tonnes), East-Kazakhstan Oblast (787 thousand tonnes) and Kyzylorda Oblast (490 thousand tonnes) produced the greatest volume of sulphuric acid.

## TOO "CK3-U"

The construction of a sulphuric acid plant in Zhanakorgan District is one of Kyzylorda Oblast's innovative and breakthrough projects. Planned plant capacity is 500 thousand tonnes per year or 1,500 tonnes per day. SKZ-U LLP operations are focused on meeting JSC Kazatomprom uranium production enterprise demand for sulphuric acid. There are currently no equivalents to SKZ-U LLP sulphuric acid production technology in Kazakhstan.

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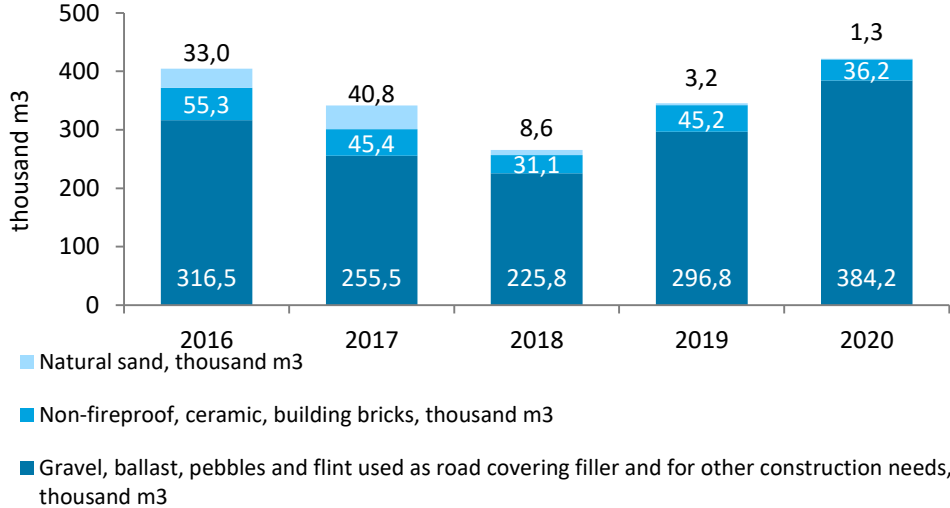
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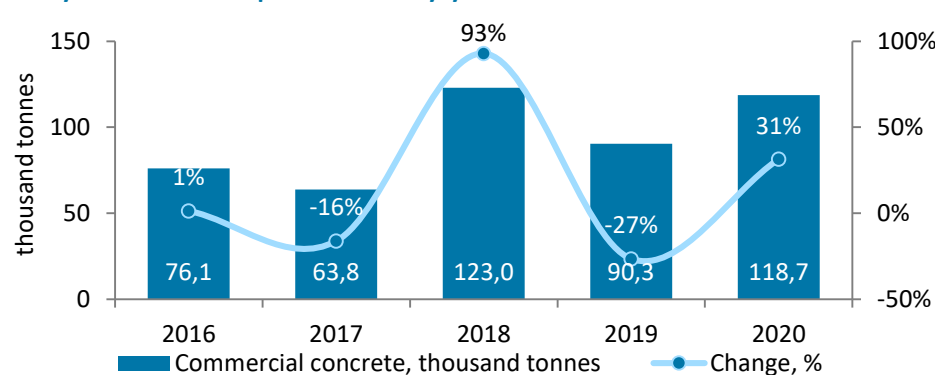
# Building material production\*



Building material production in Kyzylorda Oblast



Ready-mixed concrete production in Kyzylorda Oblast



- Building material production potential in Kyzylorda Oblast is high. The region is home to limestone, building stone (dolomite), scree, granite, sand, silica sand and other mineral resource fields.
- Oblast building material production volume is second highest after food production in the processing industry. In the last five years, the region has seen instability in building material production. In 2020, gravel and scree production amounted to 384.3 thousand m<sup>3</sup>, ceramic bricks – 36.2 thousand m<sup>3</sup>, and natural sand – 1.3 thousand m<sup>3</sup>.
- Ready-mixed concrete production grew 11.8% between 2016 and 2020 to 118.7 thousand tonnes. Nur-Sultan was responsible for the greatest share of commercial concrete production in 2020 with 4,803 thousand tonnes, followed by Almaty (2,152 thousand tonnes), Almaty Oblast (2,105 thousand tonnes) and East-Kazakhstan Oblast (1,1882 thousand tonnes). Kyzylorda Oblast is in last place in terms of ready-mixed concrete production volume.
- Kazakhstan has a rich glass production resource base. The Aral Sea area is rich in silica sand – the major Zhanples field has total glass sand reserves of 150 million tonnes. Silica sand is actively used in a range of industrial sectors, such as mining and metallurgy, sewage treatment plants, oil and gas sector enterprises, and glass production. It is in particular demand in the oil and gas sector, and is reinjected into wells under high pressure in the strata fracturing process. Once construction of the 197 thousand tonne glass plant is completed in 2021, domestic demand will be met.

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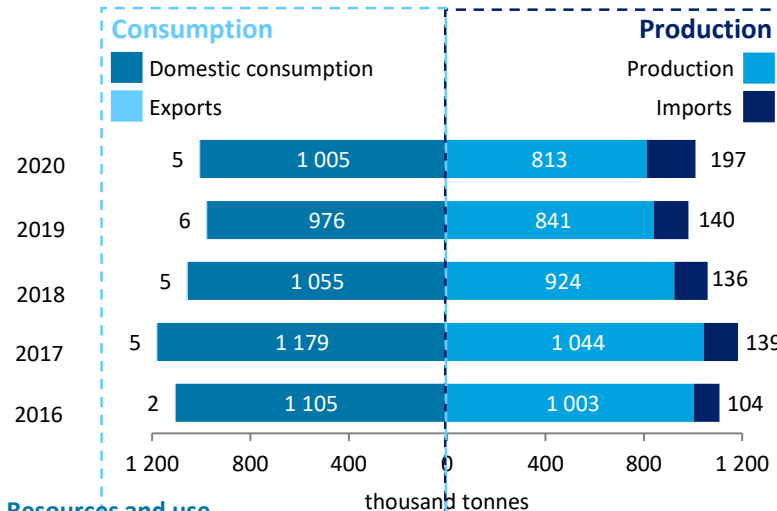
\*Production of non-metallic mineral products  
Source: Ministry of Ecology, Geology and Natural Resources Geology Committee  
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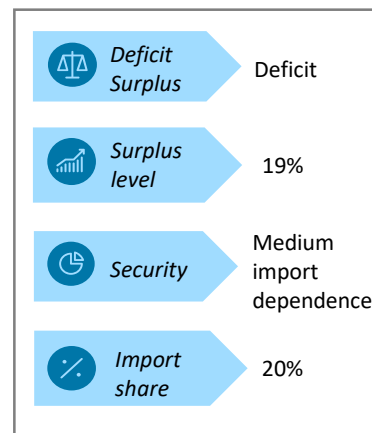
# Slaked, unslaked and hydraulic lime and chalk, raw dolomite



## Resources and use

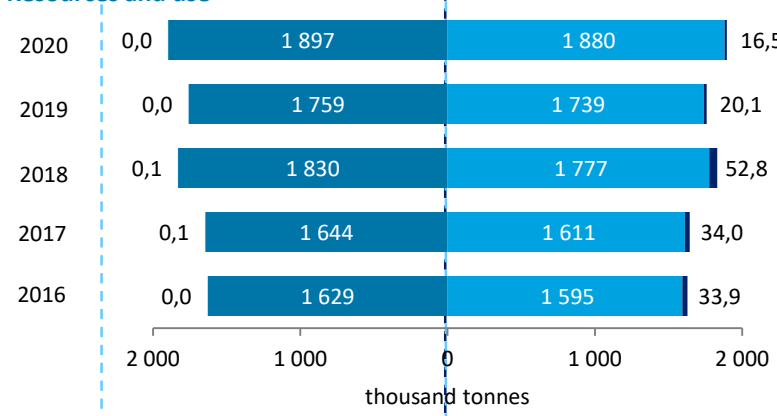


## Slaked, unslaked and hydraulic lime

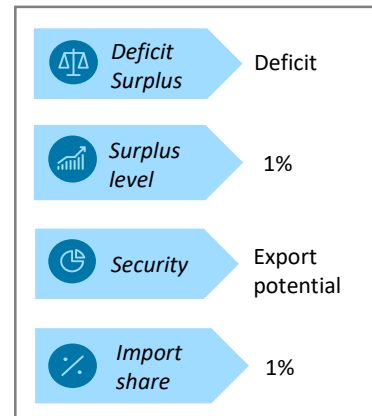


- Kazakhstan slaked, unslaked and hydraulic lime production is in deficit as production only partially covers domestic demand.
- Imports account for 20% of demand with deficit at 19%. Current capacity does not meet domestic demand, which is why the country is import dependent.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, and also creating new businesses in the country, the potential import substitution of slaked, unslaked and hydraulic lime is comparable to imports. It is an attractive niche for investors.

## Resources and use



## Chalk and raw dolomite



- 2016-2020 saw a slight deficit in raw chalk and dolomite production: domestic production almost met domestic demand in full. In 2020, Kazakhstan produced 1,880 thousand tonnes, consuming 1,897 thousand tonnes.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, and also creating new businesses in the country, the potential import substitution of raw chalk and dolomite is comparable to imports and insignificant. It is a less attractive niche for investors.

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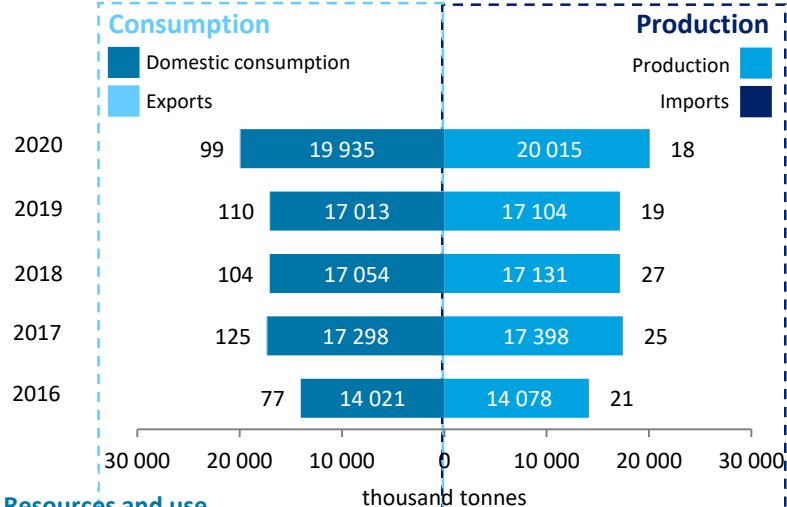
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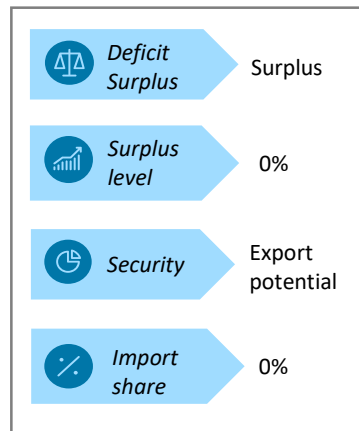
# Natural sand and sheet glass



## Resources and use

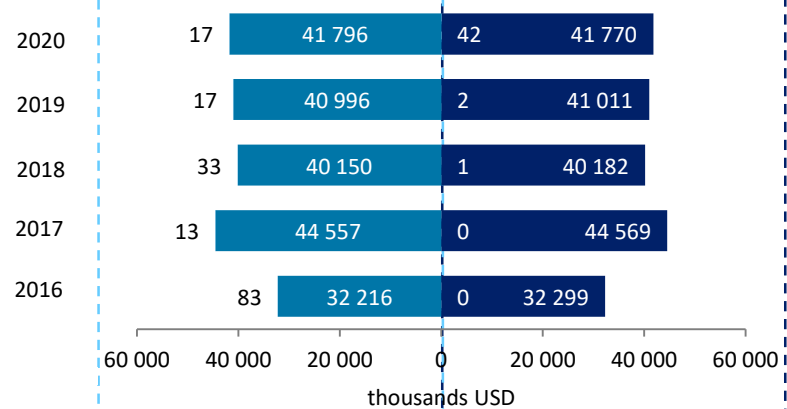


## Natural sand

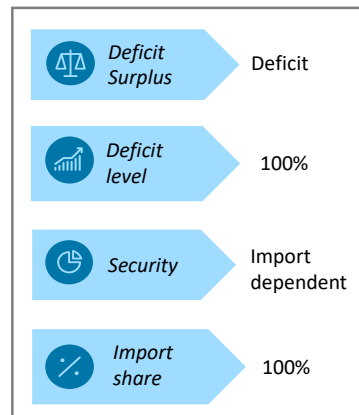


- In 2020, Kazakhstan produced 20,015 thousand tonnes of natural sand, which covers domestic demand.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of natural sand is comparable to imports and insignificant. It is a less attractive niche for investors.
- Kazakhstan has export potential with respect to natural sand sales.

## Resources and use



## Стекло листовое



- Sheet glass production in Kazakhstan is currently in 100% deficit and does not cover domestic demand, which means the country is import dependent.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, and creating new production enterprises, the potential import substitution of sheet glass is significant. It is an attractive niche for investors.

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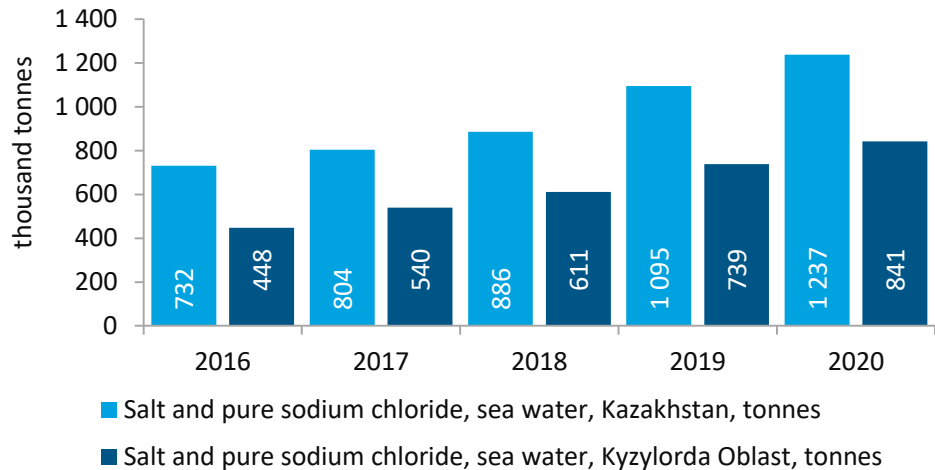
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# Salt production



Changes in salt and pure sodium chloride production in Kyzylorda Oblast, tonnes



- 2018 and 2020 saw an increase in salt and sodium chloride production in Kyzylorda Oblast. In 2020, it produced 13.9% more salt than in 2019. Average salt and pure sodium chloride production reached 636 thousand tonnes (CAGR 17.1%).
- 97% of salt produced in Kazakhstan comes from Kyzylorda Oblast, and is produced by the salt giant JSC Araltuz.
- Major producers:

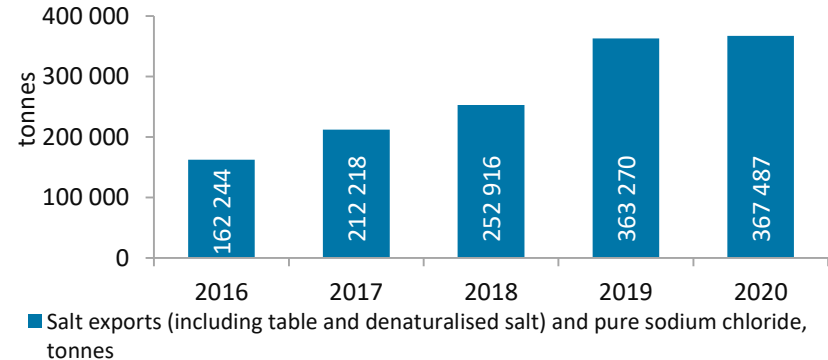


- **JSC Araltuz** – a mining company producing table and technical salt. Production capacity is in the village of Zhaksykylysh. It is the largest salt company in Kazakhstan and one of the largest in the CIS, accounting for up to 70% of the domestic market, producing 550 thousand tonnes of salt annually.

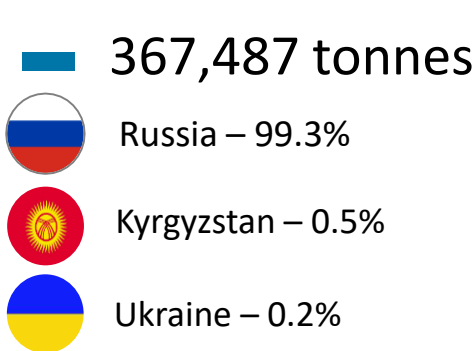


- **Altyn Orda LLP** – a producer of iodised table salt under the Assol and Safiya brands. In 2018, the Assol brand was recognised as the leader in terms of quality for Kyzylorda Oblast.

Changes in salt exports from Kyzylorda Oblast, tonnes\*



Salt exports from Kyzylorda Oblast, 2020



- 2017 and 2020 saw dynamic growth in salt and pure sodium chloride exports from Kyzylorda Oblast. The most significant increase of 594 tonnes occurred in 2019. In 2020, salt and pure sodium chloride exports reached 924 tonnes, which is an 8% increase year-on-year.
- The main recipients of exports are Russia, Kyrgyzstan and Ukraine.

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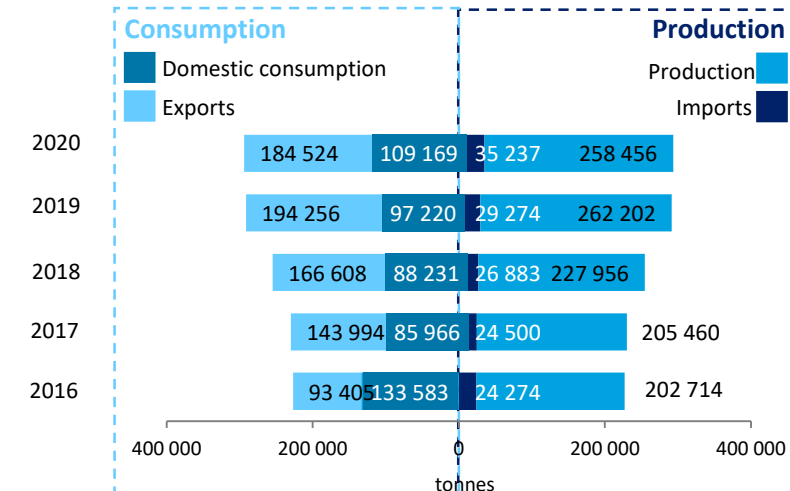
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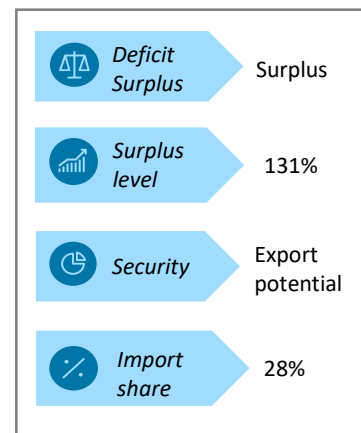
# Industrial and table salt



## Resources and use

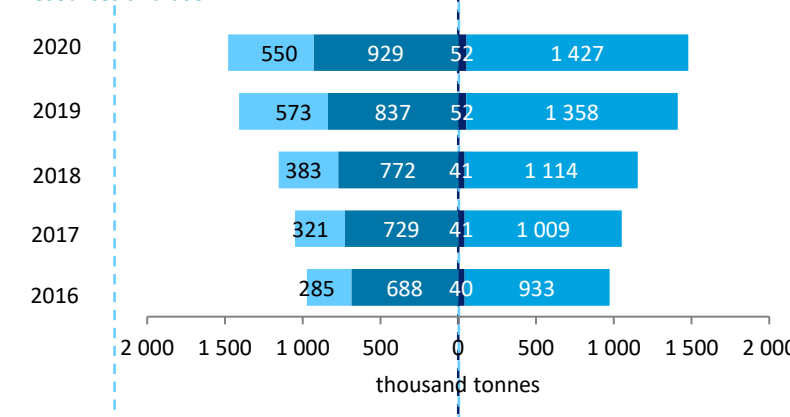


## Table salt

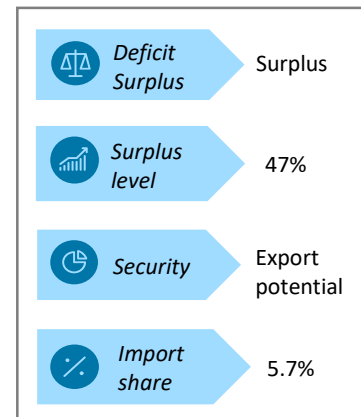


- Table salt production in Kazakhstan increased annually between 2016 and 2019, with CAGR at 9%. In 2020, table salt production and exports fell 1% and 5% on the previous year, respectively. Average consumption was 102,834 tonnes. Domestic demand is met by current capacity.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of table salt is comparable to imports and insignificant. It is a less attractive niche for investors.
- The country has export potential for table salt due to its surplus of 131%.

## Resources and use



## Salt and pure sodium chloride



- Kazakhstan industrial salt production is 47% in surplus as production covers domestic demand.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of industrial salt is comparable to imports and insignificant. It is a less attractive niche for investors.
- Despite significant exports (550 tonnes on average), industrial salt still has unrealised export potential.

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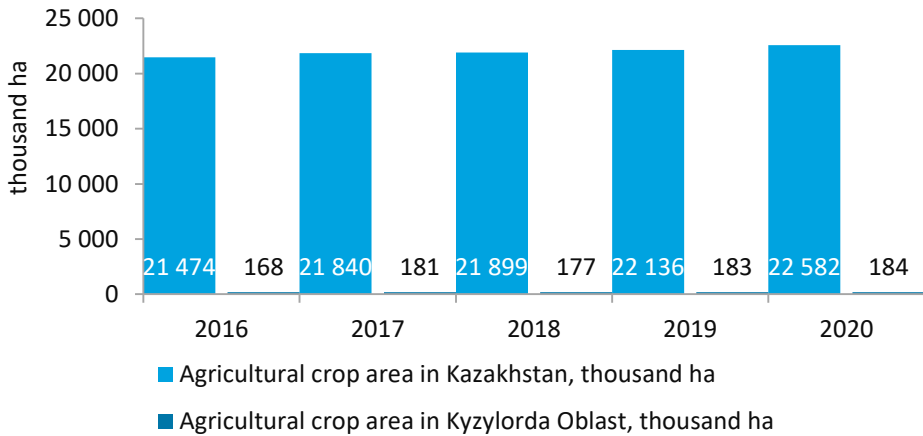
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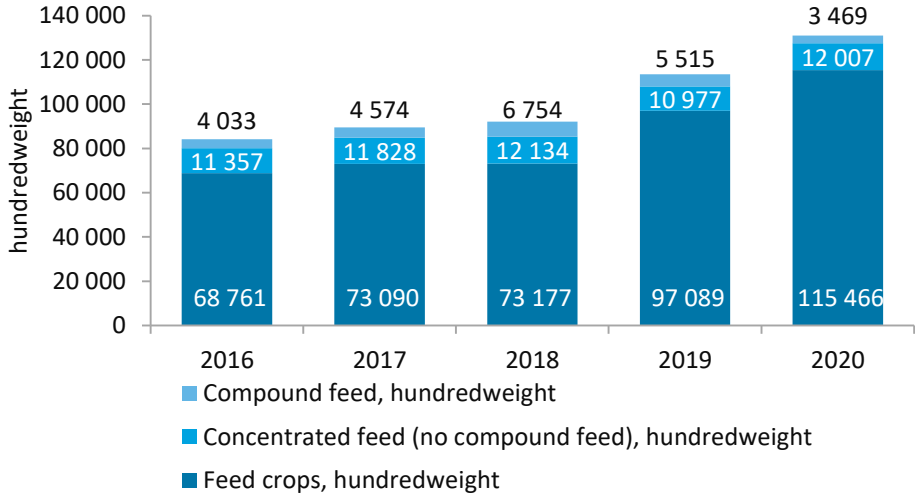
# Crop cultivation



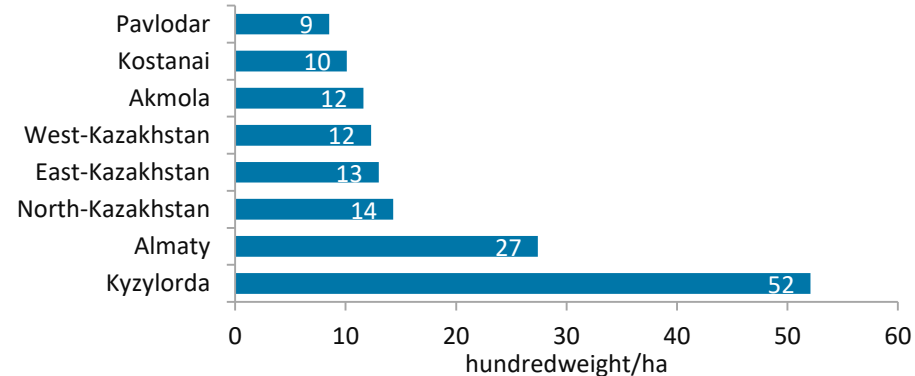
Changes in agricultural crop area in Kazakhstan and Kyzylorda Oblast



Changes in feed consumption in Kyzylorda Oblast agricultural enterprises



Grain crop yield in 2020, hundredweight/ha



- Agricultural crop area in Kazakhstan grew steadily between 2016 and 2020, with CAGR at 1.3%. Kyzylorda Oblast crop area accounts for 1% of national resources. In 2016-2020, agricultural crop area in Kyzylorda Oblast increased with CAGR of 2.4%, reaching 184 thousand ha in 2020.
- Grain crop yield in 2020 amounted to 52 hundredweight/ha, which is 6.6% higher than the average for the previous 5 years (48.9 hundredweight/ha). In 2020, feed consumption in Kyzylorda Oblast agricultural enterprises amounted to 131 thousand hundredweight, which is 15% higher than in 2019. Thanks to irrigated rice fields, in 2020, the Ministry of Agriculture recorded the highest yield for the country in Kyzylorda Oblast at 52 hundredweight/ha.
- On the whole, crop area performance needs to be improved to ensure food security in Kazakhstan.

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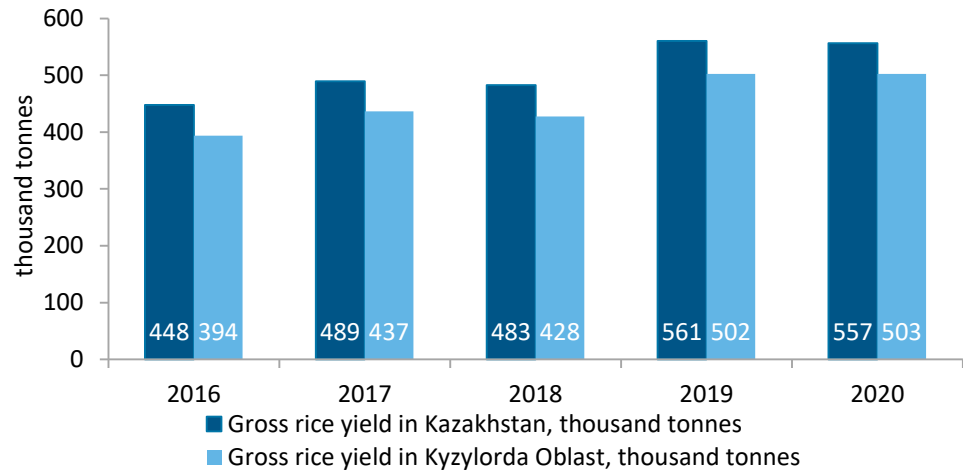
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# Rice production



Gross rice harvest in Kazakhstan and Kyzylorda Oblast in 2016-2020, thousand tonnes



Rice sowing area in Kazakhstan in 2020, ha



Major rice producers in Kyzylorda Oblast



**Magzhan i K** is the largest rice producer in Kazakhstan, with sales in Kazakhstan, Russia, Ukraine, Turkmenistan, Uzbekistan and Tajikistan. Magzhan i K products include Yantar and Leader milled rice; and Kamolino rice grits. The company cultivates rice on a 5.2 thousand ha site.



**Akorda Capital LLP** was created in 1997 and today is one of the largest rice producers in Kazakhstan, with Marzhan, Leader, Yantar and other brands. It owns a rice processing plant capable of handing 120 tonnes of milled rice per day.



**Nai-Mir LLP** is a rice producer with a rice processing plant capable of handing 120 tonnes of milled rice per day. Company products include Kamolino, Leader, Yantar, Titan and others.

- The last five years have seen growth in the Kyzylorda Oblast rice yield to 503 thousand tonnes in 2020, with CAGR of 6%. Average annual gross rice yield was 452 thousand tonnes. However, in 2018 it fell 2% to 428 thousand tonnes. According to a regional programme to develop agriculture in Kyzylorda Oblast, the rice crop area is due to be reduced in favour of other strategically important crops.
- Total rice crop area in 2020 amounted to 104 thousand ha, with the majority focused in the south of the country, such as Kyzylorda Oblast – 86%, Almaty Oblast – 10% and Turkestan Oblast – 4%.
- The rice market is dominated by local companies: demand for shelled or split rice is covered by Kazakhstan production.

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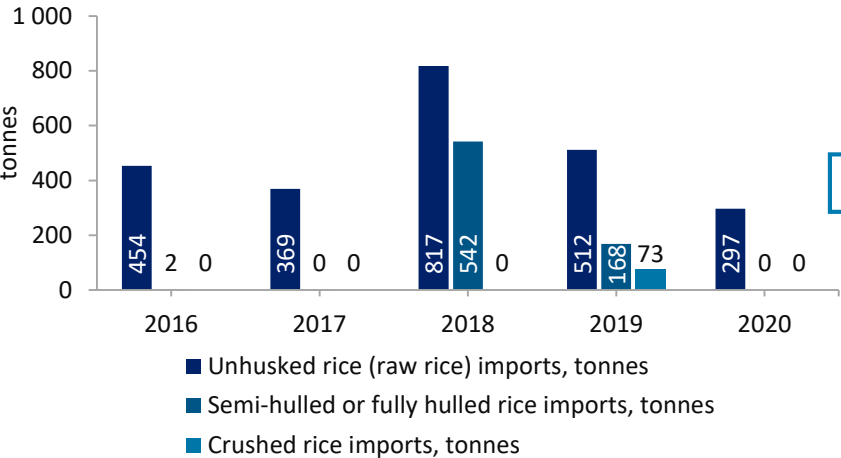
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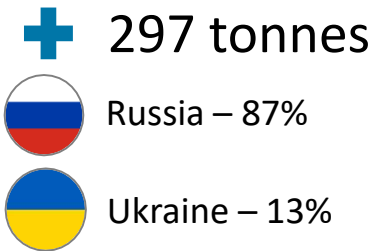
# Rice imports and exports



Changes in rice imports into Kyzylorda Oblast

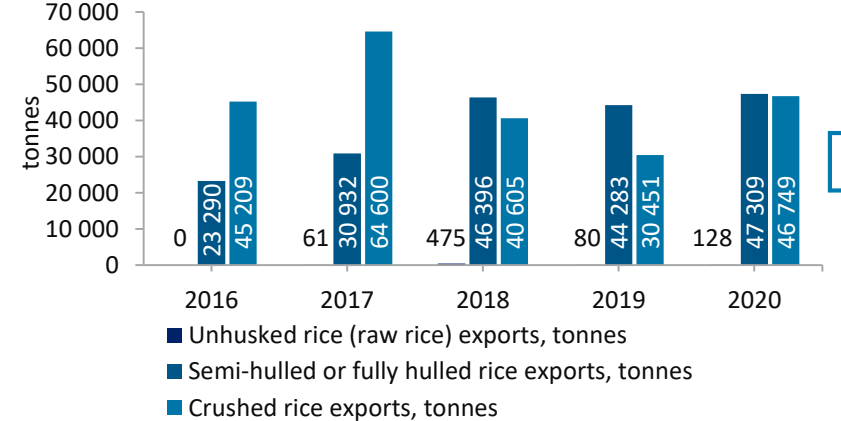


Rice imports into Kyzylorda Oblast, 2020  
Unhusked rice (rough rice)



- Imports of unhusked rice nearly halved in 2020 due to the COVID outbreak and pandemic, which had a significant impact on economic growth.
- In 2016-2020, Kyzylorda Oblast was a net importer of unhusked rice.

Changes in rice exports from Kyzylorda Oblast



Wheat and grain exports, 2020  
Semi-hulled or fully hulled rice



- in the last five years, the quantity of exportable semi-hulled or fully hulled rice increased by an average annual rate of 19%.
- Net exports of semi-hulled or fully hulled rice amounted to 47,309 tonnes, and net exports of ground rice – 46,749 tonnes.

Ground rice



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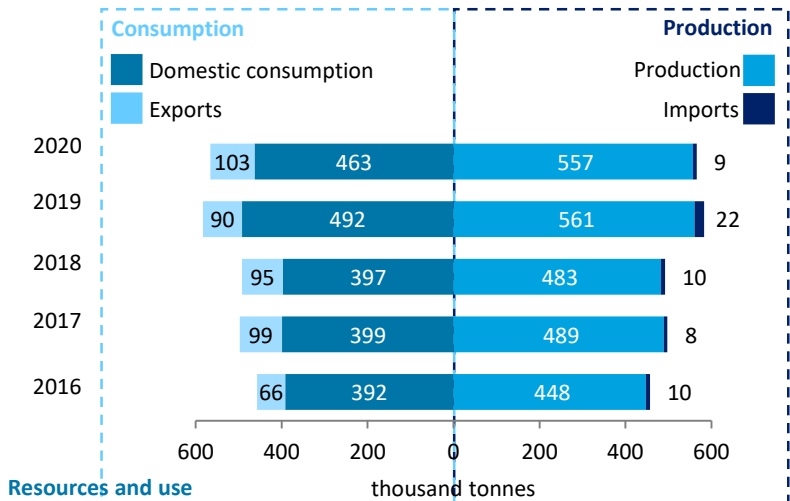
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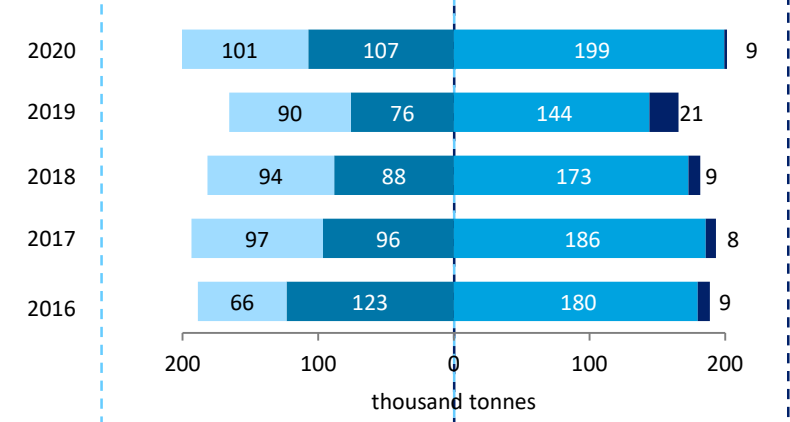




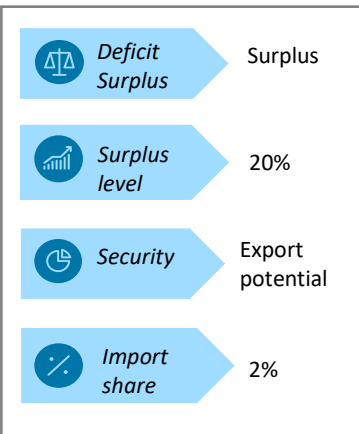
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Resources and use

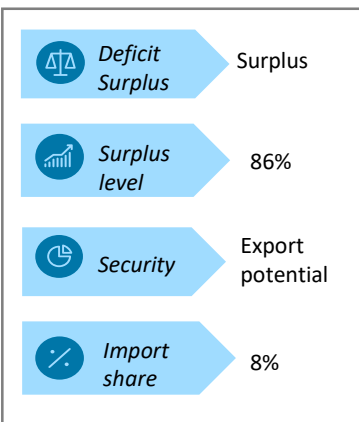


Unhusked rice



- 2016 and 2020 saw a production surplus for unhusked rice: domestic rice production met domestic demand in full. A total of 557 thousand tonnes of unhusked rice was produced in the country compared to consumption of 463 thousand tonnes.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of unhusked rice is comparable to imports and is insignificant. It is a less attractive niche for investors.
- Rice production has high export potential. In the last five years, production increased by 20%, while exports nearly doubled to 103 thousand tonnes.

Semi-hulled or fully hulled rice, treated or split



- Semi-hulled or fully hulled, treated or split rice production in Kazakhstan covers domestic demand in full.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of rice is comparable to imports and insignificant. It is a less attractive niche for investors.
- The country has an 86% rice production surplus. Rice has high export potential, with imports only accounting for 8%.

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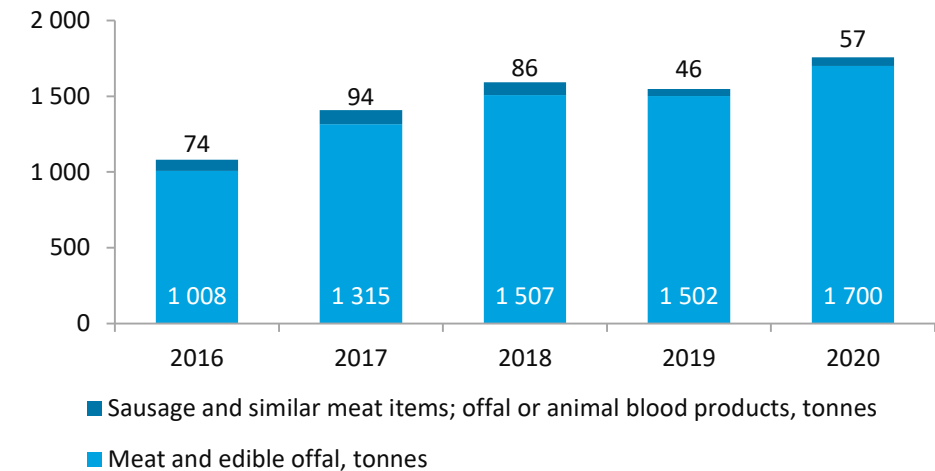
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# Animal farming

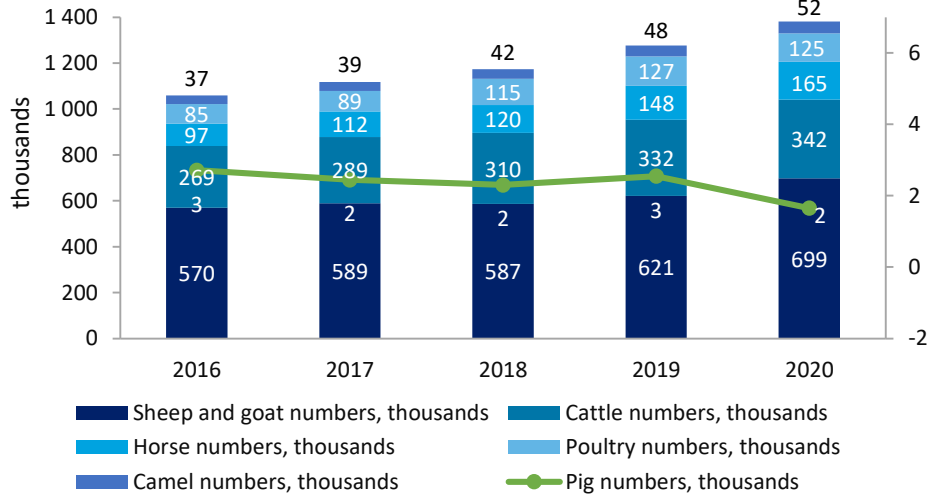


Changes in meat, offal and sausage production in Kyzylorda Oblast



- 2018 and 2020 saw an increase in meat, offal, sausage and similar production. By the end of 2017, the oblast had commissioned the Arai sausage production facility capable of producing 200 tonnes per year. Cattle numbers, except for pigs, grew steadily in 2016-2020. Pig numbers fell dramatically by 36% during the same period. Sheep, goats and cows make up the majority of cattle and poultry, with pigs accounting for a smaller share.
- Poultry numbers were increasing until 2020, when an outbreak of avian flu in September-November 2020 caused the number to fall to 3 thousand in small farms and poultry farms. The CAGR for slaughtered cattle and poultry in 2016-2020 was 3.1%, reaching just over 20,010 tonnes in 2020.

Changes in cattle and poultry numbers in Kyzylorda Oblast



Changes in cattle and poultry slaughter weight

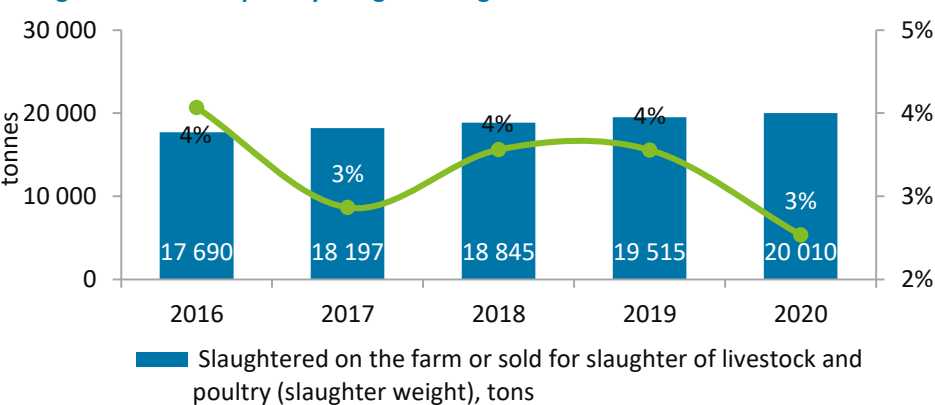


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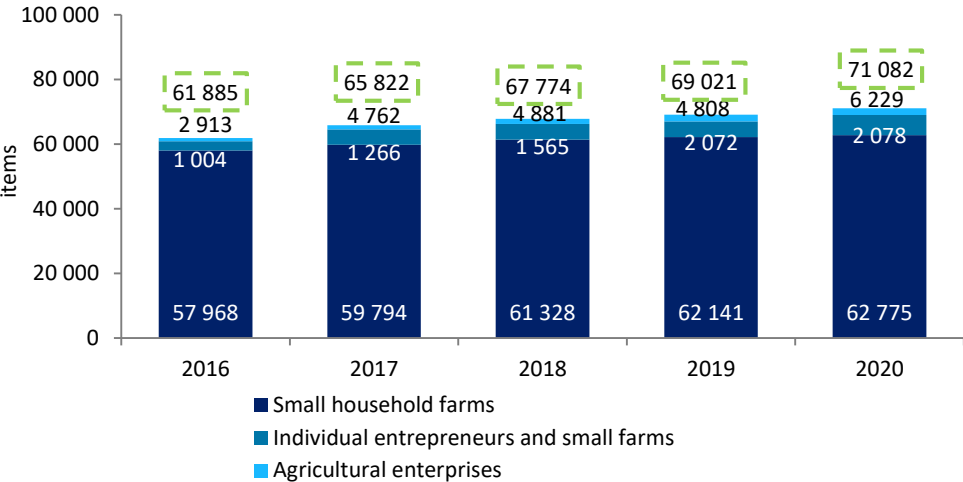
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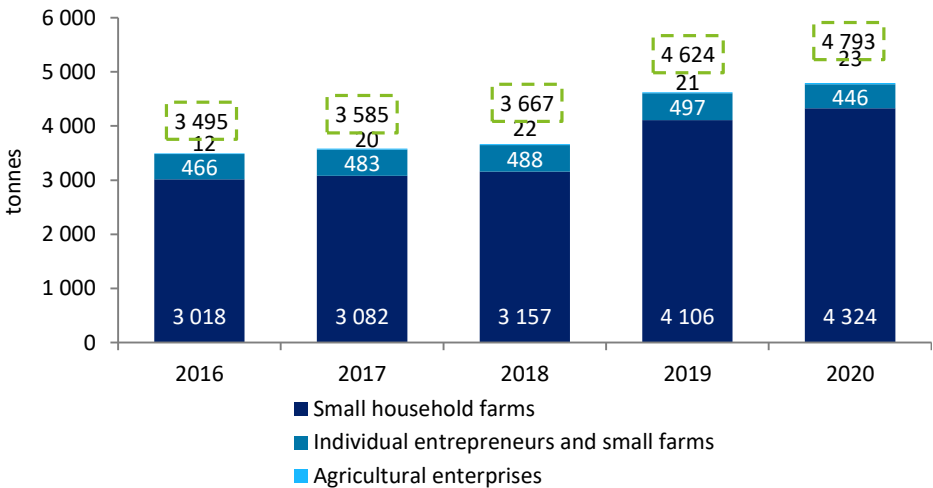
# Camel farming



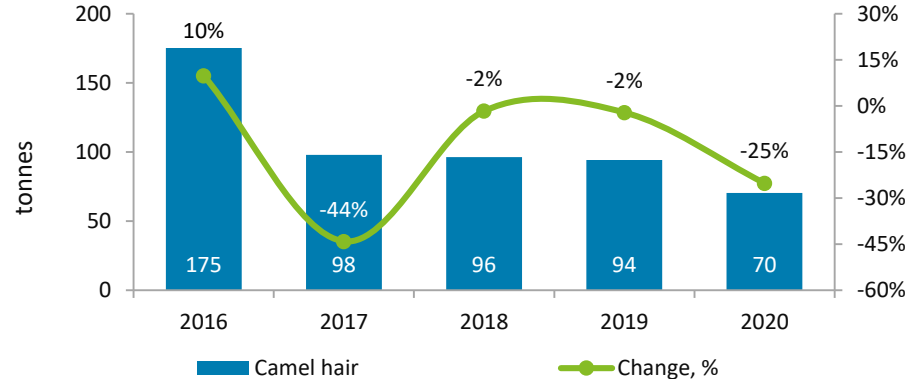
Changes in the production of large hides by business size in Kyzylorda Oblast



Changes in camel’s milk production by business type in Kyzylorda Oblast



Changes in camel hair production in Kyzylorda Oblast



- The production of large camel hides and milk has grown steadily in the last five years, rising to 71 thousand hides and 4,793 tonnes of milk in 2020. The majority of camel hide and milk producers are private entities.
- Camel milk has a number of useful properties and is used to test for and treat a number of illnesses. The growing interest in camel-related products has led to the creation of Qazaq Camel LLP, which plans to produce dry camel milk powder for export to China under the “Ak-Bota” brand. With a future increase in product demand and sales, camel breeders will have the stimulus to develop production. Camel hair production has declined in the last five years, with the greatest decline of 44% in 2017, after which average production was at 89.5 tonnes.

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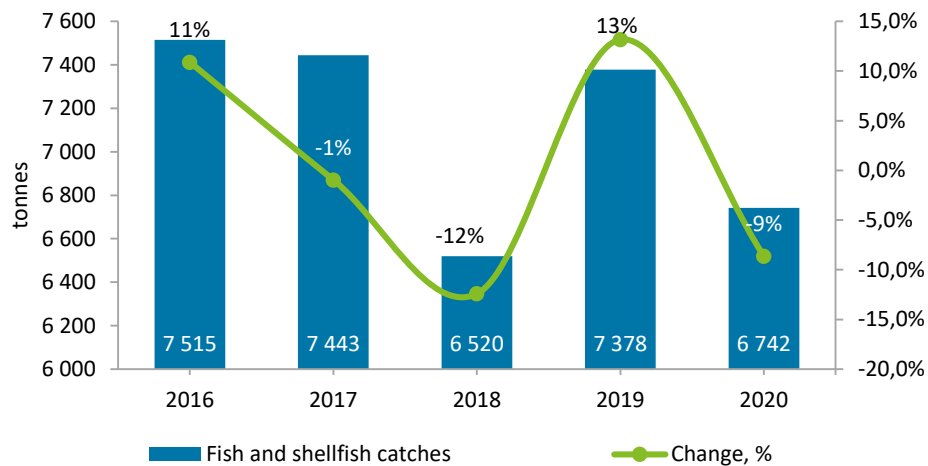
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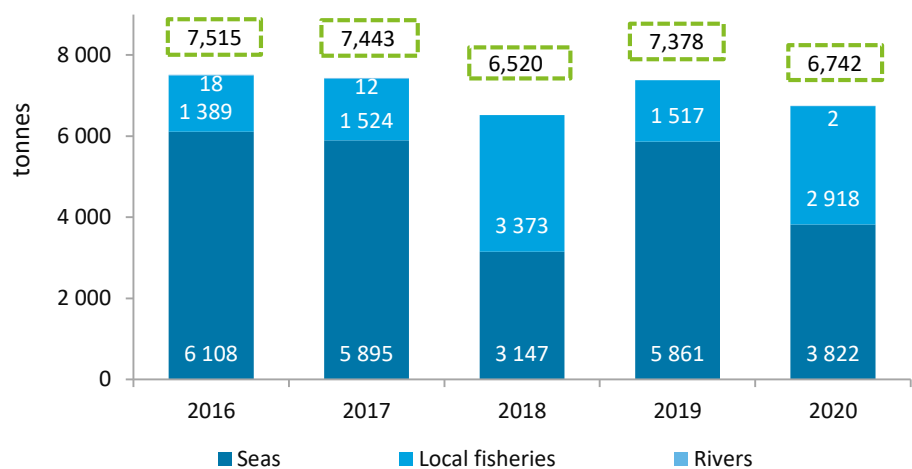
# Fish production (1/2)



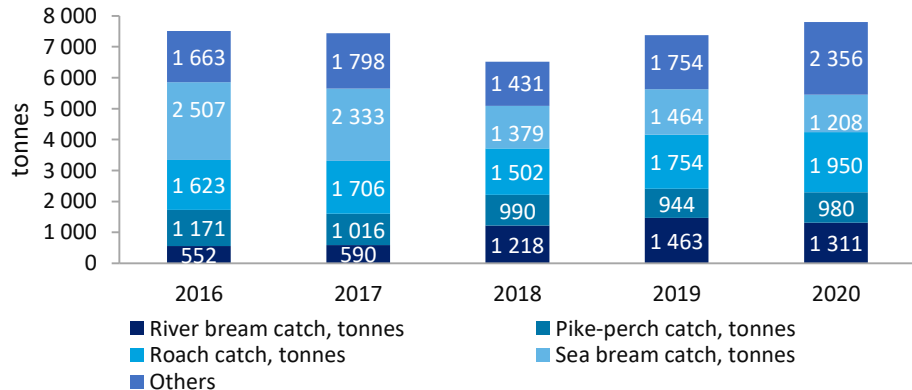
Changes in fish and shellfish catches in Kyzylorda Oblast, tonnes



Changes in fish catches by water bodies in Kyzylorda Oblast



Numbers in fish and shellfish catches by species, tonnes



- The last five years have seen fish catches in Kyzylorda Oblast fluctuating between 6,520 tonnes and 7,515 tonnes of fish per year. The main fishing water bodies in Kyzylorda Oblast are seas (lakes) and local fisheries.
- Fish catches are sent to the oblast’s modern fish processing plants – Aral Fish Processing Plant LLP, the Aral Service Preparation Centre and the Kambala-Balyk Production Centre. Kyzylorda Oblast is home to 11 fish processing plants capable of handling 70 thousand tonnes of fish per year.
- The government is currently interested in increasing fish production in Kyzylorda Oblast and is calling for businesses and entrepreneurs to move into the sector.

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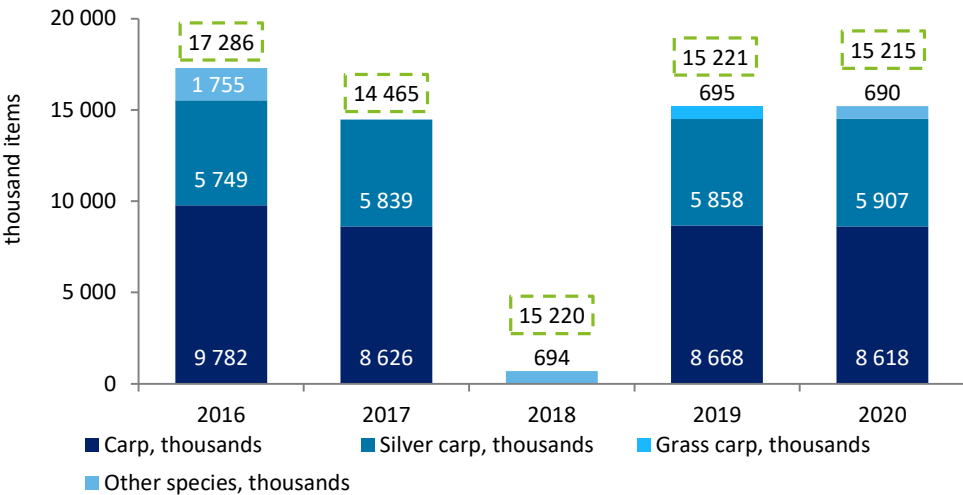
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# Fish production (2/2)

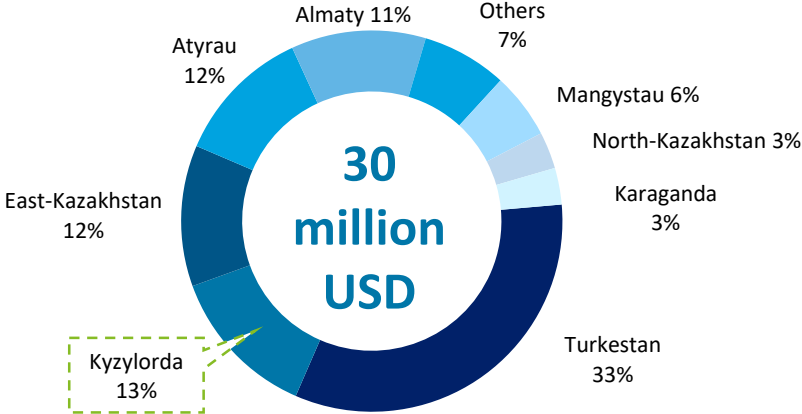


Changes in stocking material grown in Kyzylorda Oblast, thousand items\*



- In the last five years, Kyzylorda Oblast has seen a decline in stocking material grown. The main stocking material species include carp, silver carp and others. In 2020, total stocking material amounted to 15,215 thousand individuals.
- Kyzylorda Oblast was second in the country in terms of fish production and aquiculture in 2020, accounting for 13% of total income.
- According to the volume of water bodies used to grow commercial fish and stocking material, Kyzylorda Oblast is in the top 5, with a total area of 9,431 ha in 2020. However, the figure is 28% lower than in the previous year.

Structure of fish production in Kazakhstan by region, in 2020



Structure of water bodies used to grow commercial fish and stocking material in Kazakhstan by region, in 2020

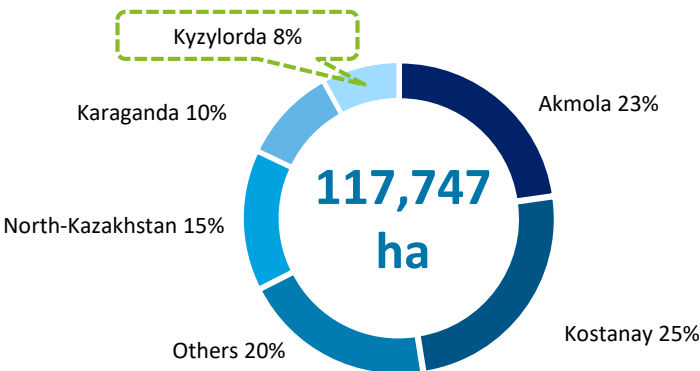


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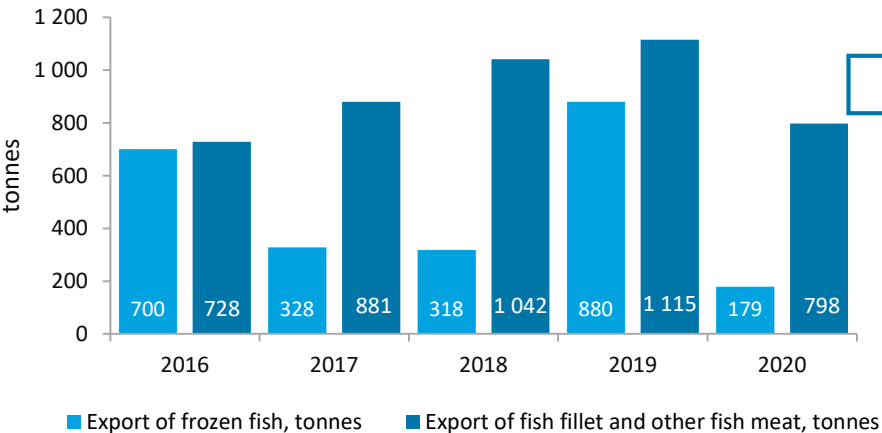
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# Fish product exports and producers



Changes in fish product exports from Kyzylorda Oblast, tonnes



Fish product exports from Kyzylorda Oblast, 2020



- 2016 and 2019 saw dynamic growth in exports of fish fillet and other fish meat from Kyzylorda Oblast.
- In 2020, fish fillet and other fish meat exports fell to 798 tonnes (28% lower than in the previous year) due to a decline in fish catch sizes in 2020 and the introduction of quarantine.
- In 2020, Kyzylorda Oblast exported 977 tonnes of fish products, of which 82% were fish fillets and other fish meat, and 18% - frozen fish.

## Major fish product producers in Kyzylorda Oblast



**Aralbalyk** is a joint stock company producing fish products in Aralsk, Kyzylorda Oblast. It was created at the Aral Fish Plant, which incorporated the Bogen and Kuandarin fish depots, the Aktobe, Kyzylorda, Kazalin and Arkalyk fish plants and farms. Fish are caught in lakes, ponds and water reservoirs. Products are also exported overseas.



**SPK Kyzylorda-Balyk LLP** is a company specialising in catching, processing, producing and export fish products. SPK Kyzylorda-Balyk LLP owns fishing sites in the Aral and Syrdaryn water basin with annual catch limits of 1,500 thousand tonnes. Project performance: 720 tonnes of fish product processed annually.

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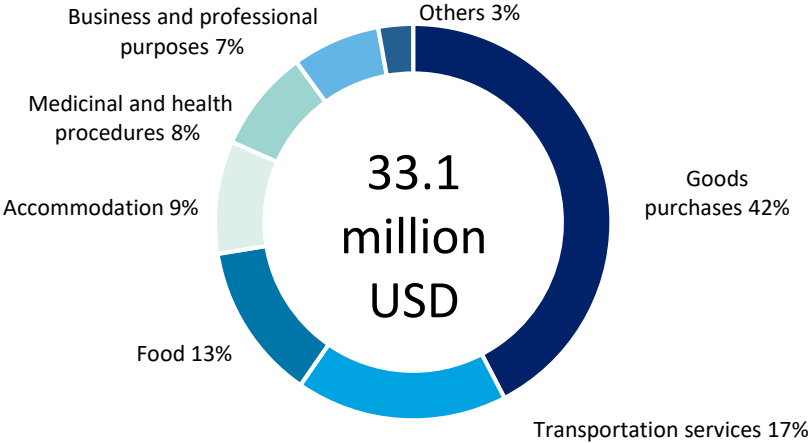


# Tourism (1/5)

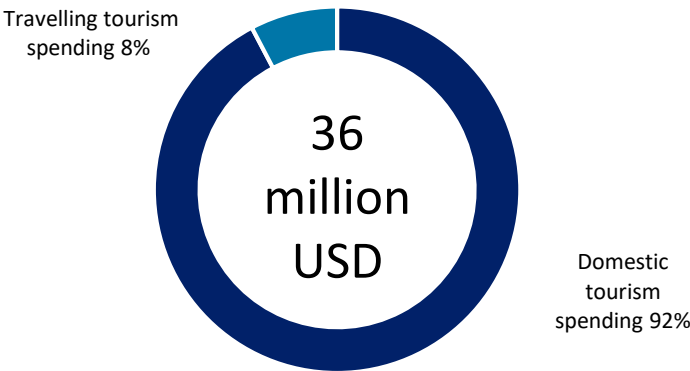
## Tourism spending by Kazakhstan nationals

- In 2020, spending on domestic and overseas tourism by Kyzylorda Oblast residents amounted to approximately 36 million USD, of which roughly 33.1 million USD (92%) was spent in Kyzylorda Oblast.
- When travelling within Kyzylorda Oblast, roughly 48% of tourists stay with relatives or friends, and 10% in rented apartments. Thus, approximately 58% of tourists do not use official accommodation or tour agency services. Accommodation currently only accounts for 5% of the national amount spent on services.
- Goods, food and transportation costs are the main cost items when taking trips. Health procedures and cultural events are also popular when travelling.

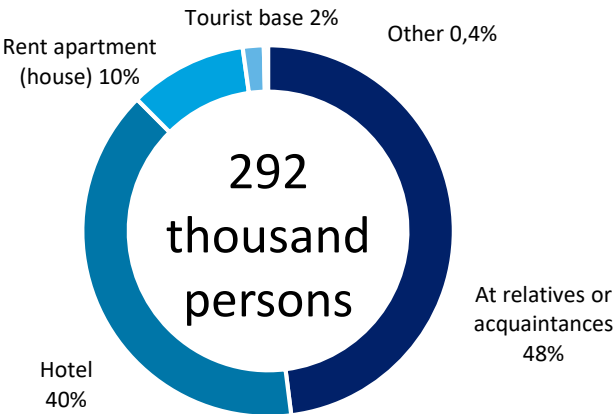
Spending by domestic tourists in 2020



Structure of tourism spending by Kazakhstan nationals in Kyzylorda Oblast in 2020



Distribution of domestic tourists by accommodation in Kyzylorda Oblast in 2020



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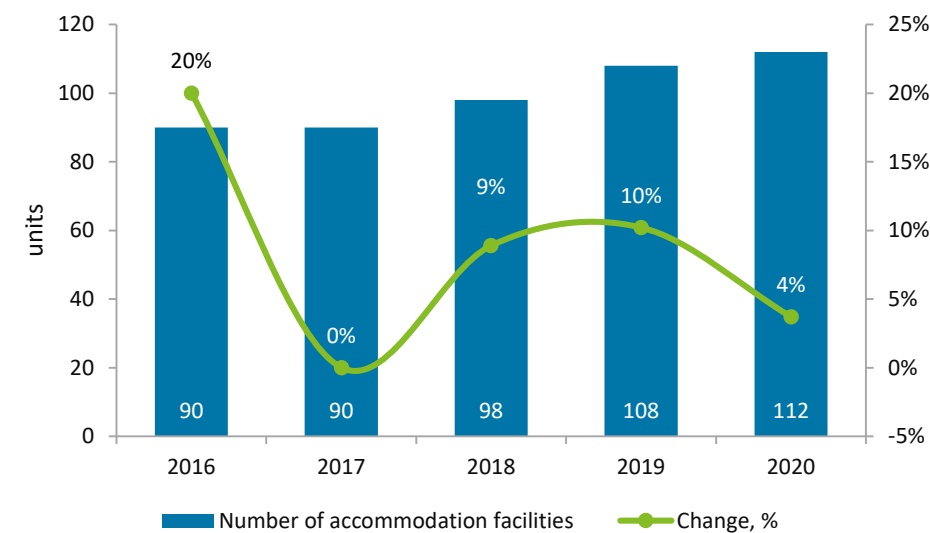


# Tourism (2/5)

## Accommodation



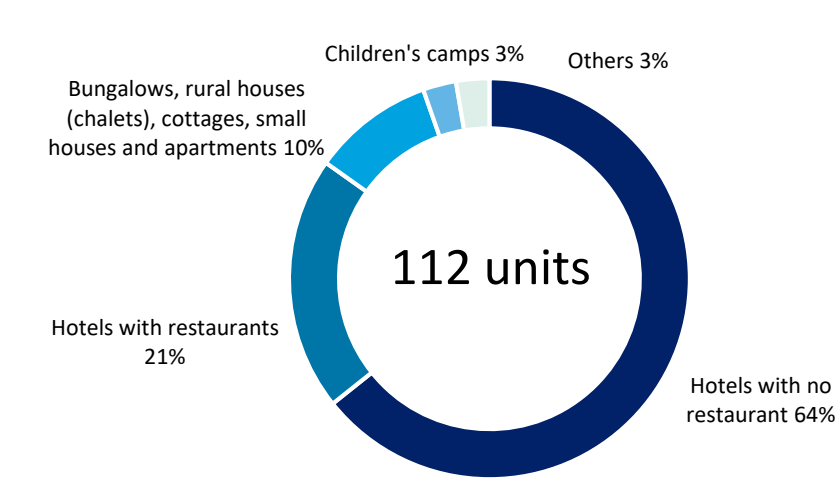
Changes in accommodation available in Kyzylorda Oblast, 2016-2020



### Accommodation in Kyzylorda Oblast

- Tourist accommodation is real estate used by tourists for a period of stay, and includes hotels of all categories, category-free hotels and other accommodation (rented apartments).
- The number of accommodation facilities available in 2020 increased by 4 to 112. The largest increase of 20% or 15 units was recorded in 2016.

Structure of accommodation by type in Kyzylorda Oblast, 2020



### Main details of accommodation in Kyzylorda Oblast

- Total capacity of accommodation in 2020 was 3,510 beds with an average cost of 18.3 USD/room-night. Hotel occupancy was 15.9%.
- Of the 112 accommodation facilities, 72 are hotels without restaurants, 23 with restaurants, and 11 are single-storey houses and apartments. Kyzylorda Oblast has no holiday homes, hostels, camp sites, tourist camps, trailer parks or motels.
- Kyzylorda Oblast is responsible for 3% of total tourist accommodation for the country. In comparison, East-Kazakhstan Oblast accounts for 16% and Almaty Oblast – 15%.

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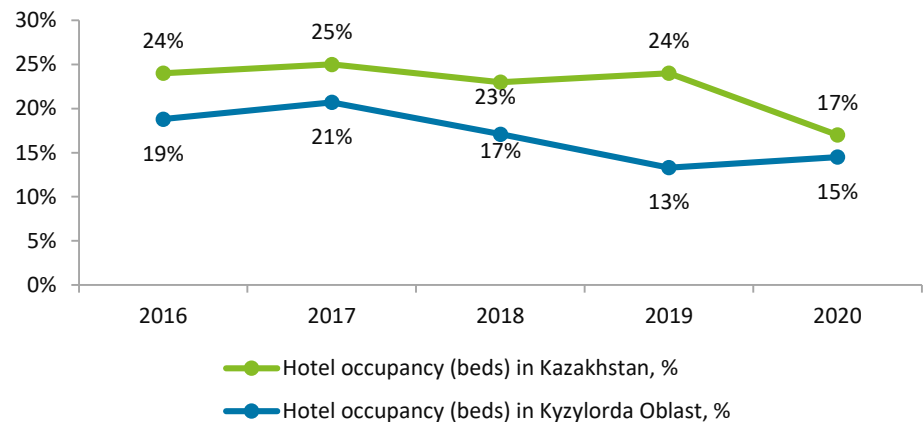
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# Tourism (3/5)

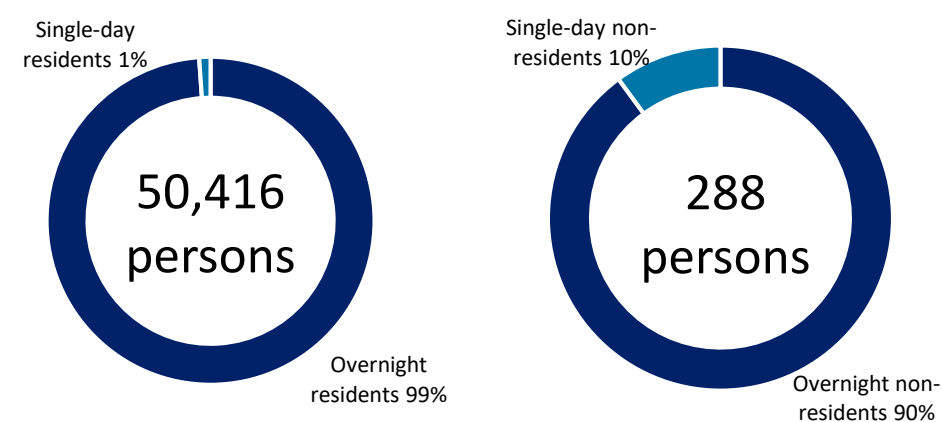
## Accommodation

Changes in hotel occupancy in Kyzylorda Oblast and Kazakhstan, 2016-2020

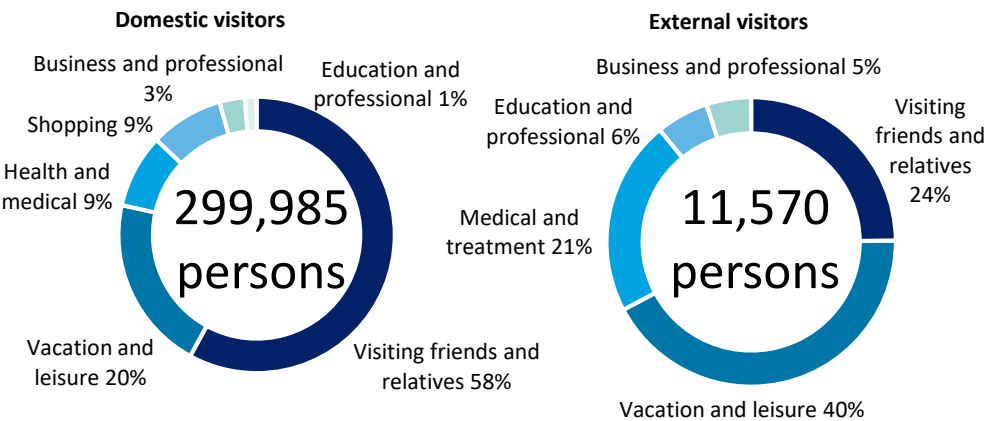


- Hotel occupancy in Kyzylorda Oblast in 2020 was only 15%, which is lower than the national average. 99% (50.4 thousand) of visitors are residents, of which just over 49 thousand stay overnight. Non-resident visitors amount to 1% (288) of total visitors.
- The majority of trips to Kyzylorda Oblast (161 thousand persons) were made to visit friends and relatives. Approximately 57 thousand persons travelled to Kyzylorda Oblast for vacation and leisure. Just over 23 thousand persons travelled for shopping. Therapeutic procedures were enjoyed by roughly 24 thousand persons.
- The majority of people from Kyzylorda Oblast travelled to visit friends and relatives (2.7 thousand persons) and for leisure purposes (4.6 thousand persons).

Structure of visitors (residents and non-residents) to Kyzylorda Oblast, 2020



Structure of visitors (domestic and external) travelling to Kyzylorda Oblast, 2020








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# Tourism (4/5)

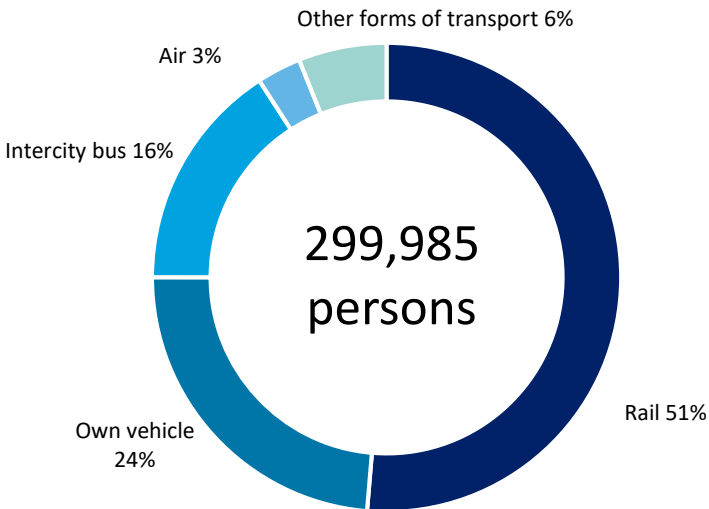
## Accommodation



Tourist accommodation by type in 2020, thousand persons

	 Hotels	 Hotels without restaurants	 Hostels	 Chalets and cottages	 Various
Kazakhstan	1,634 (46%)	1,178 (33%)	19 (2%)	518 (14%)	203 (5%)
Kyzylorda Oblast	12 (24%)	35 (70%)	0.3 (0.7%)	2.7 (5.3%)	0.09 (0.2%)

Transportation used by tourists, 2020



According to accommodation data, the majority of tourists or 1,634 thousand persons for Kazakhstan stayed in hotels in 2020, of whom 12 thousand stayed in Kyzylorda Oblast. Hotels with no restaurant account for only 33% of hotels in Kazakhstan, while in Kyzylorda Oblast they are more popular. Other forms of accommodation include vacation hotels, motels and children’s camps.

There are currently no global business hotel operators in Kyzylorda Oblast. However, plans are in place to build a global-standard Ibis hotel. The main partner for the new hotel will be the international hotel operator Accor, which is based in Paris.

The most popular form of transport for tourism in Kyzylorda Oblast is rail, which was used by roughly 154 thousand persons. 71 thousand persons used their own vehicles. Intercity buses transported 47.5 thousand persons. Even though airline services are the most expensive, no less than 9 thousand tourists used their services in 2020.

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# Tourism (5/5)

## Regional tourist attractions

### Korkyt-Ata memorial site

- The Korkyt-Ata memorial site was built in 1980 at the Korkyt railway station, close to the village of Zhosaly. The complex was erected at the site because the famous Turkic poet, composer and lyricist Korkyt was born on the banks of the Syrdariya. An interesting fact about the monument is that each stela faces all cardinal points. Stela upper sections, where they expand, contains a metallic organ consisting of 40 pipes to create an acoustic effect similar to the sound of a kobyz when the wind blows.



### Baikonur cosmodrome

- Kyzylorda Oblast is home to the “cradle” of global space activity – the Baikonur cosmodrome, which was built in the 1950s.
- Baikonur offers piloted and unpiloted spacecraft launches and visits to launch pad No. 1, known as “Gagarin’s launch pad”.
- Tourists are given a unique opportunity to learn about well-known cosmodrome facilities from its museum, which shows the whole history of Baikonur in great detail as well as the amazing and brave people who have launched from there to conquer space.



### Syganak ancient town

- One of Kazakhstan’s ethnic tourism centres is the ancient town of Syganak, which is a major historical UNESCO-listed site, which gives it important value not only for Kyzylorda Oblast, but also for the world as a whole.
- It was first mentioned in the 10<sup>th</sup>-11<sup>th</sup> centuries when it was inhabited by Oguz tribes. In the middle ages, it was the Kipchak capital, Ak-Orda quarters and the centre of the Kazakh khanate. Syganak was home to temples and medrese, and archaeological work has uncovered architectural ruins from the middle ages, ceramic pottery and figurines.



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# Ecological situation in the region



Kyzylorda Oblast suffers from a global anthropogenic and natural ecological disaster, which is the disappearance of the Aral Sea after a USSR-era plan to develop cotton growing in the Aral Region on irrigated fields. Plantation irrigation in the 1906s took the entire water flow in the Amudariya and Syrdariya rivers replenishing water in the Aral Sea. In addition, large volumes of fertiliser, chemicals and pesticides were used to increase crop yield quickly, and which, once the lake had dried, remained on the dry surface. The many water reservoirs and canals disturbed the water inflow and evaporation balance. 90% of the Aral Sea water body is currently lost.

The drying of the Aral Sea has caused a number of global ecological, socio-economic and demographic problems in the region and led to the following negative consequences:

- Changes in the climate from warm to severe continental, which has had a negative impact on the local people, agriculture and the ecological situation;
- The creation of a 5.5 million ha salt desert together with dust storms that blow over 100 million tonnes of dust and poisonous salts and chemical waste from the use of fertiliser into the air over thousands of km every year;
- The disappearance of flora and fauna gene pools;
- A negative impact on the health of the local populations due to dust storms, the movement of salts and deterioration in drinking water quality;
- Increased unemployment due to the loss fishing opportunities.

A range of measures are currently being taken to restore the ecological situation in the Aral Region and improve the quality of life for the local population.



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# Transportation and logistics



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# Transportation links (1/2)



## Overland transport

Due to its strategically advantageous geographical location in the heart of Europe, Kazakhstan has managed to realise its transit potential through the transcontinental “Western Europe – Western China” road corridor and the Central Asian Mainline Railway, which cross, among others, Kyzylorda Oblast.

Transit through Kyzylorda Oblast is advantageous because:

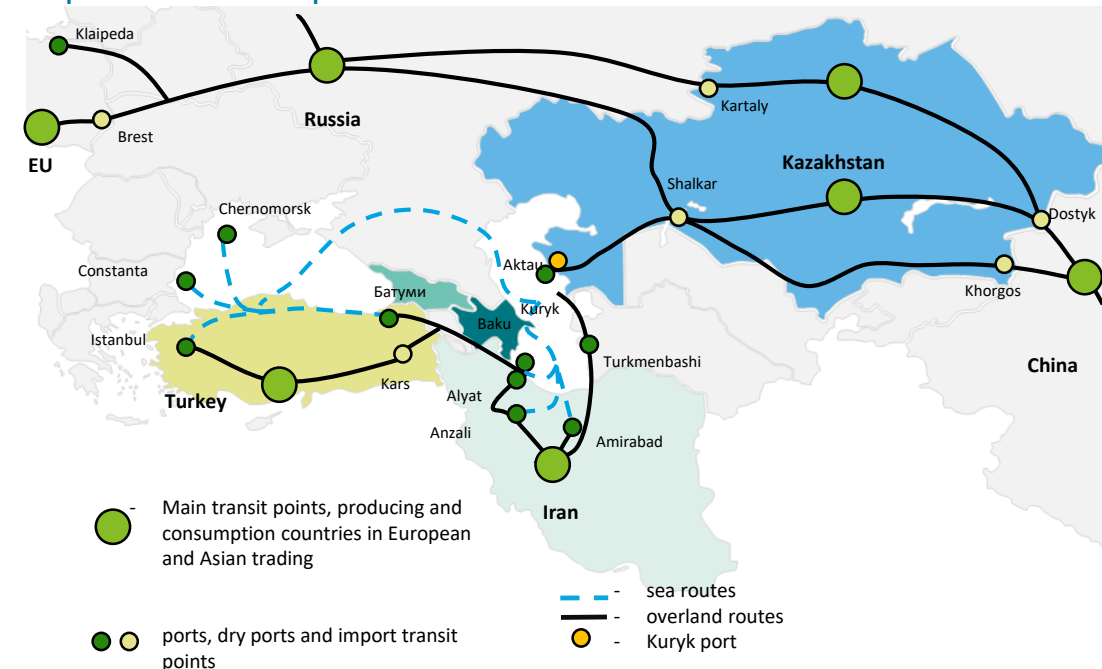
- of the favourable investment climate and stable political situation in Kazakhstan;
- EAEU development has helped create an integrated customs zone between China and EU countries, which eases customs clearance procedures;
- a reduction in the distance between producers and consumers in Asia and Europe, as well as the duration of transit.

**Overland freight traffic** covers transportation by rail and road through Russia and Kazakhstan. The “Western Europe – Western China” road corridor is recognised as the fastest transportation route (10 days) compared to Trans-Siberian Route (14 days) and sea routes from Lianyungang in China to St. Petersburg (45 days).

The majority of rail and road corridors in Central Asia currently pass through Kazakhstan, linking Europe and Asia. The CAMR links Western Europe and China, the Korean peninsula and Japan through Russia (Dostyk/Khorgos – Aktogai – Almaty – Shymkent – Kyzylorda – Shalkar – Aktobe - Ozinki).

The length of common use rail track in Kyzylorda Oblast is 870.9 km.

## Europe and Asia transit map



## Main issues with overland routes

Overland routes have a number of problems that need to be resolved before overland transport can be regarded as the main method of transporting freight from Asia to Europe:

- the underdeveloped transportation and logistics infrastructure in specific countries and on specific route sections;
- different railway gauges along the route;
- the need to cross borders with different customs tariffs;
- the requirement to change modality (railway-ferry-railway);
- bottlenecks and traffic jams at certain route sections.

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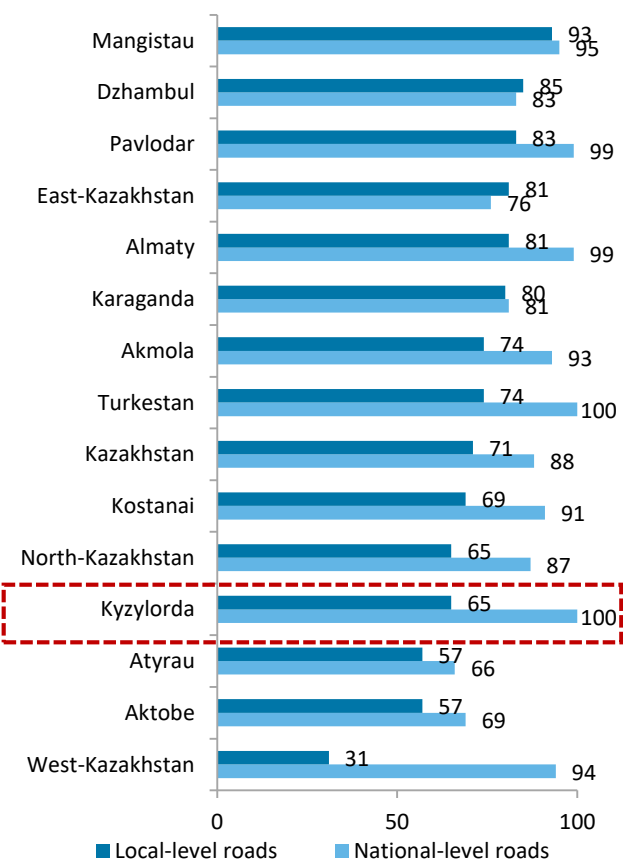
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# Transport links (2/2)



Share of national and local roads in good and satisfactory condition in 2019, %



Quality transport links are an important condition for domestic economic connectivity, reducing delays in the mobility of economic resources. Infrastructure connectivity between the regions and within cities and regional centres and remote villages is due to be consolidated, which will help activate growth potential and improve public access to benchmark benefits through the repair of local roads, increasing the share of good and satisfactory roads from 70% to 75% by the end of 2021. Likewise, the plan is to build rail sidings to industry enterprises such as a caustic soda plant, a fibreglass production plant and wool processing plant. The main focus of these projects is to increase the speed and volume of supplies from these enterprises.

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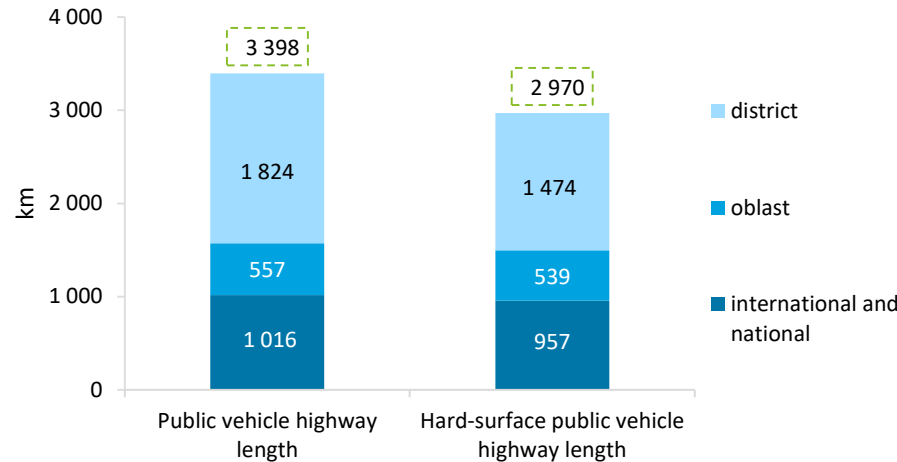
# Vehicle highways in Kyzylorda Oblast

Vehicle highway length in Kyzylorda Oblast by category as at 1 January 2021, km

Total	I	II	III	IV	V
Length of public highways					
3, 397	274	566	702	1,384	469
Length of international and national public roads					
1,015	245	566	204	-	-
Length of oblast public roads					
557	-	-	427	110	20
Length of regional public roads					
1,824	29	-	71	1,274	450
Length of municipal roads					
173	-	-	6.3	59.8	28.8
Length of rural roads					
2,286.5	-	-	-	294.8	1,107

- In December 2019, the Government implemented the “Nurly Zhol” Infrastructure Development Programme for 2020-2025 to build and overhaul 10 thousand km of road in the next six years, and also carry out major and intermediate repairs on 11 thousand km of national-level roads. Technical category I and II roads are also due to be extended by up to 60%.
- As part of the comprehensive plan to develop Kyzylorda Oblast, by 2022, the plan is raise the percentage of vehicle highways in good and satisfactory condition to 72%. In 2018, the figure was at 63.5%. In 2021, national and oblast budgets allocated 47.6 million USD to repair 397 km of roads, bridges and streets.

Length of public roads and hard surface roads in Kyzylorda Oblast as at 1 January 2021, km



- Public roads in Kyzylorda Oblast stretch for approximately 3.4 thousand km, of which hard surface roads make up a little less than 3 thousand km.
- Hard road surfaces include advanced surfaces such as concrete, asphalt and gravel treated with binding substances and transitional ballast and gravel (slag) surfaces.
- 53.7% of public roads are regional-level road, while 16.4% and 29.9% are oblast and national level roads, respectively.
- Intracity roads stretch for 173 km and village roads – 2,286.5 km.

# Main highways



## National and international vehicle highways crossing Kyzylorda Oblast

Road index	Route	Total length, km
A-17	Kyzylorda-Pavlodar-Uspenka-Russian border	1,509
M-32	Shymkent-Kyzylorda-Aktobe-Uralsk-Russian border (Samara)	2,060
P-33	Kyzylorda-Zhalagash-Samara-Shymkent highway	91
P-34	Kyzylorda-Pavlodar highway-Zhairem-Karazhal-Atasu	144
P-35	Akchatau-Agadyr-Ortau-Kyzylorda-Pavlodar highway	195

## International transit railways crossing Kyzylorda Oblast

Route	Total length, km
Central Asian corridor: Central Asia –Russia and the EU; Ozinki – Kandyagash – Kyzylorda – Arys –Saryagash	2,020

New rail and road routes between China and the EU, crossing Kazakhstan are beginning to appear following the implementation of the “Silk Road” project, and which should increase transit freight traffic.

The advantages of these overland routes through Kazakhstan are:

- the number of transit options for freight to the EU has increased – via Russia, via the Caucus region and vis Central Asia and Iran;
- delivery speed and reduced distance compared to sea routes;
- the integrated customs zone between China and the EU as a result of the creation of the EAEU;
- the functioning international transportation corridors crossing Kazakhstan.

The “Western Europe – Western China” road corridor will cross Kyzylorda Oblast, and is a transnational infrastructure project whose intention is to strengthen economic and cultural links between Europe and Asia.

The total length of the corridor is 8,445 km, of which 2,233 km cross Russia, 2,787 km – Kazakhstan, and 3,425 km – China. The corridor should result in significant regional vehicle highway development.

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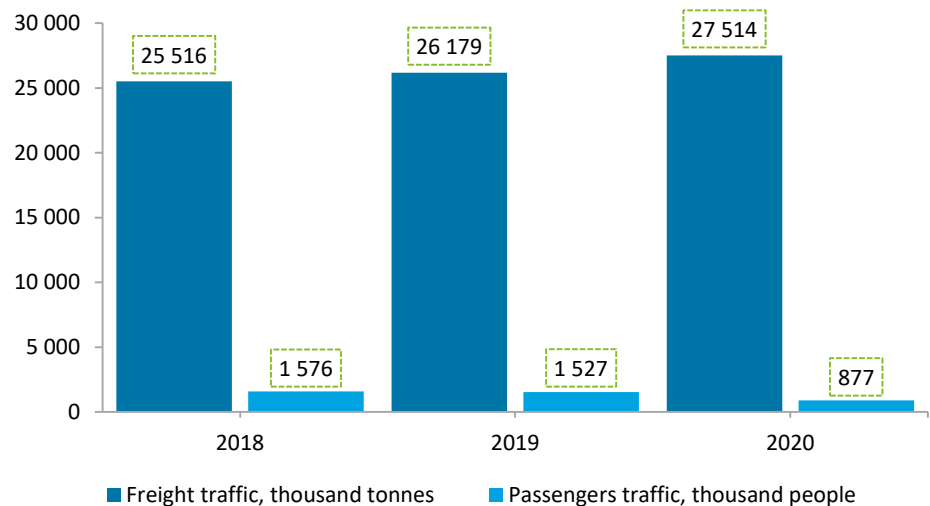
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# Rail services in Kyzylorda Oblast



Main rail operating data in Kyzylorda Oblast\*



- The operating length of public rail tracks in Kazakhstan (including other countries' rail lines in Kazakhstan and Kazakhstan rail track crossing other countries) in 2020 amounted to 16,636.7 km.
- Rail track in Kyzylorda Oblast accounts for 5.2% or 870.9 km of track. 93% or 810.4 km of track crossing Kyzylorda Oblast belongs to the CAMR.
- In 2018-2020, freight traffic transported by rail grew steadily at 3.84% per year.
- In 2020, due to the outbreak of COVID-19 and the start of the global pandemic, which significantly affected economic growth, passenger traffic fell by 43%. However, despite COVID, freight traffic increased by 5%, which underlines the value of transit routes across Kyzylorda Oblast.

Map of transit rail routes in the southern, central and western regions of Kazakhstan



- 93% of Kyzylorda Oblast rail links are on the CAMR, which in addition to Kazakhstan passengers and freight, helps freight and passengers from China travel to Europe through Russia.
- Kyzylorda Oblast is directly linked to each of the 3 regions bordering it. Through the Kyzylorda-Aktope, Kyzylorda-Zhezkazgan and Kyzylorda-Turkestan routes, Kyzylorda Oblast has access to Aktope, Karaganda and Turkestan oblasts, which aids the further dynamic development of the oblast and production in it.

\* Statistics for Kyzylorda Oblast freight and passenger traffic in 2016-2017 are not kept

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# Airspace



According to e-gov data, Kyzylorda Oblast has only one civilian airport. It is in the oblast centre, is named after Korkyt Ata and was commissioned in 1988. In 2001, a terminal capable of handling 150 passengers per hour was added.

Reconstruction work on the Kyzylorda aerodrome, which involved replacing meteorological, wind signal and radio-navigation equipment, major landing strip and taxi area repairs, was completed at the end of spring 2011. The work has meant that the airport has been able to accept international flights since November 2014.

Daily flights to Almaty and Nur-Sultan have been in place since 2010, along with two flights a week to Shymkent and Karaganda twice a week.

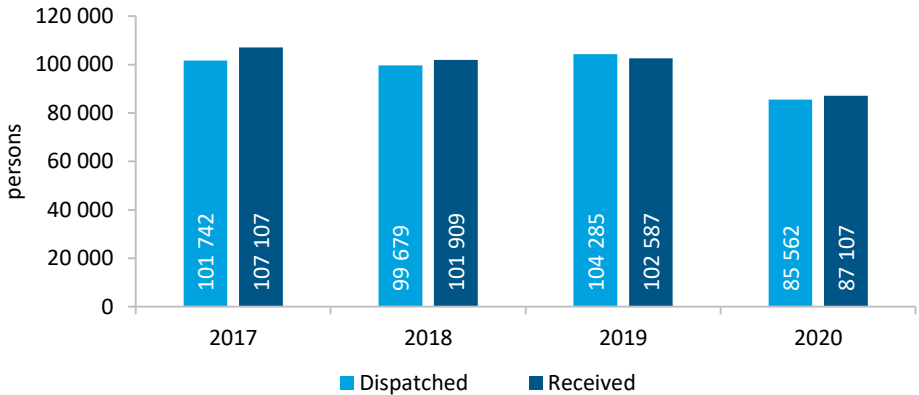
Currently, approximately 10 An-2 aircraft are kept at the airport and are used for regional aviation work such as aerial pest control and sanitary work.

The Kyzylorda aerodrome accepts Il-96, B-757, B-747, Tu-154, Tu-204, as well as all light aircraft and helicopters.

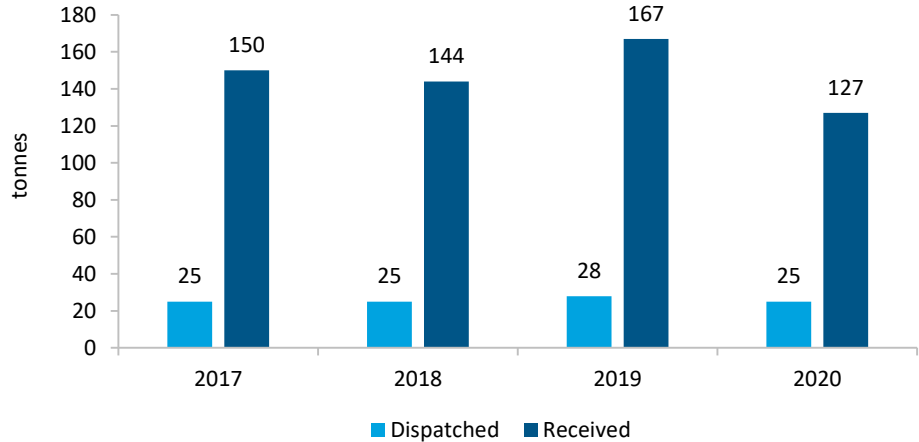
Between 2017 and 2019, Kyzylorda airport passenger traffic was stable, with little fluctuations, at 102 thousand departing persons and 104 incoming persons. That figure fell 16% in 2020 due to COVID-19.


Annual freight traffic is also stable. The average annual volume of freight dispatched between 2017 and 2020 was 26 tonnes. During the same period, the airport received 147 tonnes of freight annually.

Air passenger traffic in Kyzylorda Oblast, persons



Air freight traffic in Kyzylorda Oblast, tonnes



 The Baikonur cosmodrome and related facilities are in Kyzylorda Oblast, but have been leased to Russia until 2050

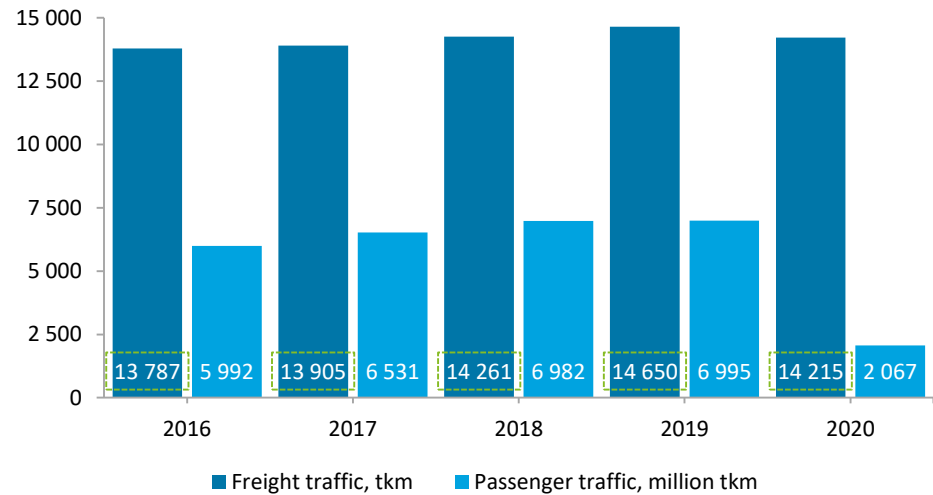
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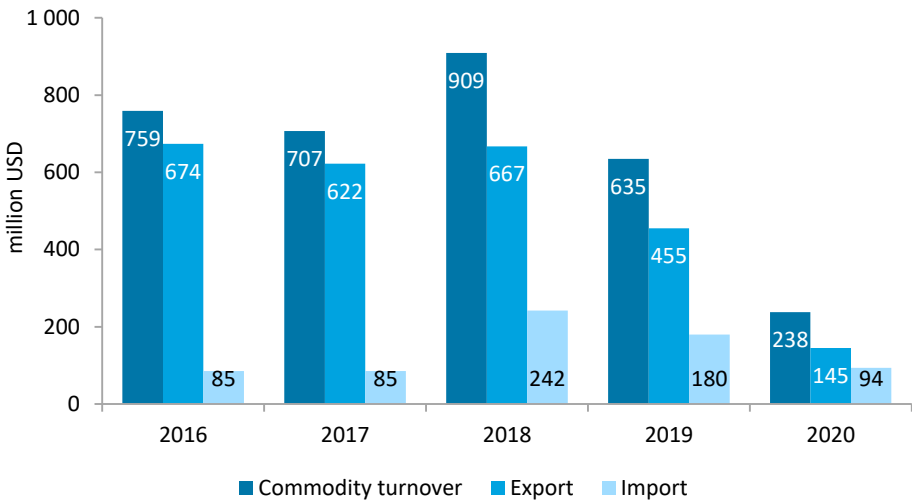
# Changes in goods and freight turnover in Kyzylorda Oblast



Changes in freight and passenger traffic in Kyzylorda Oblast, 2016-2020



Changes in Kyzylorda Oblast import and export levels, 2016-2020



- In 2016-2019, passenger traffic grew steadily by 5.3% per year. However, the outbreak of COVID-19 and the start of the pandemic had a significant effect on economic growth, leading to a 70% decline in passenger traffic in 2020.
- In 2020, freight and vehicle haulage were made exempt from tax and obligatory payroll charges. In 2020, freight turnover amounted to 14,215 million tkm, which is 0.45% higher than the average for 2016-2019.
- In 2016-2019, freight traffic grew steadily at 2% per annum.

- Foreign trade turnover in Kyzylorda Oblast in 2016-2020 was unstable, averaging 752 million USD.
- In 2020, Kyzylorda Oblast foreign trade turnover declined 48% year-on-year due to the COVID outbreak, which had a severe impact on economic growth.
- Oblast exports and imports in 2016-2019 were unstable, averaging 604 and 148 million USD, respectively. The introduction of restrictions in 2020 led to 68% and 48% drops in exports and imports, respectively, year-on-year.
- Kyzylorda Oblast's main trading partners are China and Russia. Russia's share in imports in 2020 was over 47%, and China's – over 29%. The countries' share in oblast exports in 2020 were 24% and 42%, respectively.

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# State Support Measures

## Comprehensive socio-economic development plan for Kyzylorda Oblast in 2019 – 2022

- Kyzylorda Oblast is an industrial and agricultural region, and the country’s main rice producer (90%).
- At the same time, the oblast has great potential to develop its processing industry as it is rich in hydrocarbon reserves, non-ferrous metals (copper, lead, zinc and gold), ferrous metals (iron, titanium and vanadium), uranium, silica and building sand, and limestone.
- A comprehensive socio-economic development plan for Kyzylorda Oblast in 2019-2022 has been developed to upgrade and improve potential investment attractiveness.
- The plan includes 125 organisational and implementation measures.
- Industrial complex development focuses on building plants to produce and process sheet glass, a shop to produce dry camel milk powder, a third Spanish shop to produce table and technical salt, and also to carry out a geological study of the local subsoil. The plan is for a total of 26 projects and events in the oblast for a total of 3 billion USD.
- 15 measures will be taken to develop the agricultural complex, such as building a meat plant in Kyzylorda and a poultry meat farm that meet international standards; lending to farms; implementing a project to grow tomatoes and others.
- Three measures will be taken to develop healthcare, including building a regional 250-bed polyclinic per shift in the village of Aiteke Bi; a multi-profile hospital in Kyzylorda; a category IV oblast blood centre in Kyzylorda.

Programme financing, million USD

Financing	2019	2020	2021	2022	Total
National budget	36.0	39.8	82.1	69.7	227.6
Local budget	9.1	18.3	5.0	21.9	54.3
Private investment	13.6	1.9	998.0	2,001.2	3,014.7
All funds	58.7	59.9	1,085.1	2,092.8	3,296.6

Programme financing structure by operations, %

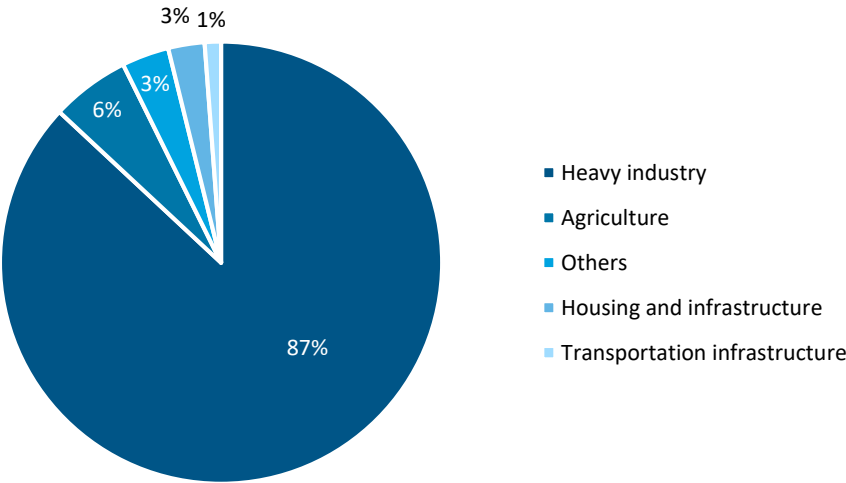


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# State Support Measures

## State Regional Development Programme for 2020-2025



### Programme targets

Indicators	2020	2021	2022	2023	2024	2025
<b>Urbanisation level, %</b>						
Average for Kazakhstan	59.5	60.1	60.7	61.3	62.0	62.6
Kyzylorda Oblast	45.1	45.7	46.3	47.0	47.6	48.2
<b>Difference in GRP per capita across the regions, multiples</b>						
Average for Kazakhstan	3.1	3.0	3.0	2.9	2.8	2.7
<b>Growth in real cash income, %</b>						
Average for Kazakhstan	12.0	18.2	23.8	29.7	35.9	42.3
Kyzylorda Oblast	12.3	17.3	21.7	26.2	30.8	35.7
<b>Population of oblast centres, thousand persons</b>						
Total for oblast centres	3,739.1	3,772.6	3,806.1	3 839.8	3,873.1	3,906.8
Kyzylorda	247.5	251.3	255.1	258.9	262.6	266.4
<b>Increase in investment in capital assets (except for budget funds) by oblast centre, million USD</b>						
Total	4,510	4,861	5,313	5,871	6,380	6,980
Kyzylorda	141	156	174	198	220	247
<b>Share of roads in satisfactory condition, %</b>						
Average for factory and small towns not included	63.3	63.6	63.9	64.2	64.6	65.5
Saryagash	67.0	67.4	67.7	68.0	68.4	68.8
Zhetysay	59.0	59.2	59.5	59.8	60.1	60.4
<b>Number of jobs created under the Auyl – Yel Besigi project, persons</b>						
For Kazakhstan	4,500	4,500	-	-	-	-
Kyzylorda Oblast	54	54	-	-	-	-
<b>Social benefits and services available to rural communities in accordance with the regional standard system, %</b>						
Average for all villages	60.5	66.2	72.3	77.9	84.0	91.8
Kyzylorda Oblast	58.3	64.5	71.8	78.3	84.9	93.7

Source: adilet.zan.kz

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- The aim of the State Regional Development Programme (“SRDP”) is to increase regional economic competitiveness and improve quality of life through manageable urbanisation.
- Total SRDP financing until 2025 will be roughly 3.1 billion USD. Programme priorities include:
  - 4 agglomerations (growth centres) with centres in “level one” cities;
  - 14 urbanised zones with centres in “level two” cities;
  - 18 small border towns with adjoining territory, as well as factory towns with populations over 50 thousand;
  - base and satellite rural communities within the framework of the Auyl – Yel Besigi project. 3,477 base and satellite villages will be fully supplied with facilities and services in accordance with the regional standard system. The standard of living for approximatively 7 million rural residents or 90% of the rural population will improve.
- The SRDP will help increase urbanisation in Kyzylorda Oblast by at least 48% by 2025; increase the competitiveness of the region; improve transportation, engineering and social infrastructure and general quality of life.

### Programme financing, million USD

Financing	2020	2021	2022	2023	2024
National budget	231.3	293.0	158.1	38.9	37.3
Local budget	16.3	83.2	25.9	52.7	47.1
Non-budget funds	0.04	0.7	0.8	0.7	0.1
<b>All funds</b>	<b>247.7</b>	<b>377.0</b>	<b>184.8</b>	<b>92.2</b>	<b>84.5</b>

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## Auyl – Yel Besigi Programme

01

### Goal:

The project aims to improve the quality of life for rural residents by upgrading infrastructure and bringing it into line with the parameters of new regional standards.

02

### Plan:

- The project used a special methodology to select 103 population centres in Kyzylorda Oblast.
- The projects cover 55.2% of the total rural population with potential for development.
- 12.1 million USD was allocated to implement 62 investment projects.

03

### Results:

In 2019-2020: a total of 52 projects were implemented in 8 population areas, creating 298 jobs, of which 109 were permanent. Interim repairs are being carried out on 64 population area roads stretching over 80 km. Four schools were also repaired; water pipes laid in two villages and street lighting installed in three villages. 42 projects were focused on asphaltting village roads, building a 150-place club in the village of Shalkiya; adding a 100-place extension in the village of Zhaksykylysh; building a 200-pupil school and school of the arts for 50 pupils in Zhalagash.

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# Sector support from the “Business Road Map 2025” Programme



- The Business Roadmap 2025 Program for business support and development aims to meet the goal of the public message of the President of Kazakhstan "Kazakhstan-2050 Strategy: a new political course of the established state" dated 14 December 2012. The program implements instruments of state support in the form of subsidies for part of the interest rate on loans / financial leasing agreements and loan guarantee agreements.
- The Programme provides for state grants and training for entrepreneurs aimed at supporting and developing small and medium-sized businesses in Kazakhstan.
- The objectives of the Programme are to ensure the sustainable and balanced growth of regional entrepreneurship, and maintain existing and create new permanent jobs.
- The Programme incorporates three directions:
  - support for new entrepreneur business initiatives in monotowns, small towns and rural settlements
  - industry support for entrepreneurs operating in priority sectors of the economy
  - non-financial measures to support entrepreneurship
- The Programme priority sector list includes crop production.
- 1 billion USD has been allocated to implement the Programme until 2025.

## Programme conditions

Participants	Entrepreneurs/entities involved in industrial and innovative activities implementing and/or planning to implement their own projects in priority sectors of the economy
Rate	up to 14% per annum
Project purpose	Investments, replenishment of working capital, refinancing; replenishment of working capital is allowed on a renewable basis
Guarantee amount	up to 2.4 million USD and up to 50% of the guarantee amount
Loan amount	up to 16.7 million USD
Subsidy period	up to 5 years

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# Competitive advantages of the region



01

## Advantageous location and transit potential

Kyzylorda Oblast is located on a main settlement axis formed by the Syrdariya River and the international “Western Europe – Western China” road corridor. It has convenient transportation links with Russia, Central Asian republics and regions across Kazakhstan. The transcontinental “Western Europe – Western China” road corridor and the Central Asian Mainline Railway pass directly through Kyzylorda Oblast, the latter linking Western Europe with China, the Korean peninsula and Japan, through Russia.

02

## Industrial and agricultural potential of the region

Kyzylorda Oblast is an industrial and agricultural region, and the country’s main rice producer (90%). According to statistics, as at 1 May 2021, its agricultural product exports (fish, rice, wheat surplus and mill offal) amounted to 12.8 million USD (38.2 thousand tonnes). The main export destinations were Russia, Kyrgyzstan, Belarus, Azerbaijan, Mongolia, Tajikistan, Ukraine and Iraq. Modern projects are being implemented under the state “Digital Kazakhstan” programme in all sectors, including in agriculture, in areas such as smart farms, sprinkler and drip irrigation, which helps save irrigation water, resulting in more wheat, alfalfa and safflower, while rice is grown from seeds. Thanks to these types of projects, production costs in the agricultural industry are lower, while product quality and competitiveness are improving. 17 businesses across the region apply point farming techniques, creating smart farms, allowing them to keep all crop cultivation processes under control.



03

## Developed industrial sector

Over 30% of Kyzylorda Oblast GRP is generated by the industry sector (the mining industry is responsible for 22%). Mining industry domination is caused by concentrations of major oil, gas, uranium, vanadium, zinc and lead reserves. At the same time, Kyzylorda Oblast’s current oil-based specialisation does not have long-term potential. The oblast’s economic development can be based on developing non-ferrous and rare earth metal fields, minerals, and enriching silica sand, limestone, salt, clay and building stone production and other non-mineral materials

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# Economic potential and “growth points”



01

**Develop agricultural sectors linked to the processing of agricultural products and their use in animal farming, plant cultivation, fishing and fish processing export potential**

- A demand exists for creating processing enterprises for animal farming, plant cultivation and fishing products. Developing new technology; automation and digitalisation with a focus on high added value products will help create new jobs, which in turn will stimulate a workforce influx.
- The use of new irrigation technology; the restoration of flooded sites; the upgrade of grazing land; the rational and ecologically safe use of natural cultivated land resource systems will help improve yield and increase crop and grazing areas.
- Further state support in forming an agricultural cluster will help the region become one of the key suppliers of product derivatives in the fishing, animal farming and plant cultivation sectors overseas and domestically.

02

**Develop non-oil sectors of the economy**

- The oblast, in addition to oil and gas, is rich in hydrocarbons, non-ferrous metals (copper, lead, zinc and gold), ferrous metals (iron, titanium and vanadium), uranium, silica and mortar sand, and limestone, which testifies to the potential of creating processing industry enterprises. The plan is to increase the processing industry share in oblast GRP to 9.7% by 2022.
- Diversification in the regional economy by developing the food industry, producing building materials, the chemical industry and other non-oil forms of production will help realise the region’s competitive advantages and consolidate its position in the national economy.

03

**Create a competitive tourism complex**

- Kyzylorda Oblast is home to over 150 historical and architectural monuments, including the ancient town of Syganak, which is UNESCO protected. A Baikonur entertainment and tourism zone has also been planned to include world standard hotels, a recreation centre, observation points and others.
- The effective use of historical and cultural resources, the region’s popularisation as an attractive tourist destination will help diversify the region’s economy and increase investment attractiveness.

04

**Improve the ecological situation and develop the rational natural resource management**

- The Kazakhstan Government has developed a comprehensive socio-economic development plan for Kyzylorda Oblast for 2019-2022, which involves 9 measures to improve the ecology in the region, including the restoration of the Syrdariya River delta, building water reservoirs and vegetative reclamation work on the dry Aral Sea bed.
- An improvement in the ecological situation, the rational use of the region’s natural resources will help speed up the development of the agricultural complex and the region as a whole.

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<b>JSC</b>	joint stock company
<b>GDP</b>	gross domestic product
<b>GRP</b>	gross regional product
<b>ha</b>	hectare
<b>SRDP</b>	State Regional Development Programme
<b>ГТЭЦ</b>	gas turbine power station
<b>USD</b>	US Dollar
<b>VAT</b>	value added tax
<b>F</b>	forecast (in figures and tables)

<b>Kazakhstan</b>	Republic of Kazakhstan
<b>Russia</b>	Russian Federation
<b>CAMR</b>	Central Asian Mainline Railway
<b>tkm</b>	tonne-kilometre
<b>LLP</b>	limited liability partnership
<b>TPS</b>	thermal power station
<b>CAGR</b>	Compound Annual Growth Rate
<b>EIU</b>	The Economist Intelligence unit
<b>GI</b>	Global Insight



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