



Accelerated industrial-innovative development State program of Kazakhstan

TARGET INDICATORS

INCREASE BY 2015:

- ✓ GDP by 50% from GDP of 2008
- ✓ Gross production of non-extracting sector to at least **40%** of export
- ✓ Share of innovatively active enterprises to **10%** of total number of operating enterprises

REDUCTION BY 2015:

- ✓ Energy consumption of GDP at least by **10%** of 2008 level

PRIORITY SECTORS OF ECONOMY

Traditional

- ✓ Oil and gas sector
- ✓ Mining and Metallurgical Complex
- ✓ Nuclear and Chemical Industry

Based on domestic demand

- ✓ Machinery
- ✓ Construction industry
- ✓ Pharmaceuticals

Export oriented:

- ✓ Agro-industrial complex
- ✓ Light industry
- ✓ Tourism

Sectors of “Economy of the future”

- ✓ Information and Communication Technology
- ✓ Biotechnology
- ✓ Alternative Energy
- ✓ Space activities

BUSINESS ROAD MAP-2020

Development of entrepreneurship in the regions

- Support new business initiatives
- Support for export-oriented industries

The program provides:

- Subsidizing interest rates on loans
- Development of production (industrial) infrastructure

Encourage non-commodity exports

☐ Grants for exporters

- 50% cost recovery of exporters by promotion of its products for export

☐ Trade financing and insurance

☐ Customer support for export

- providing information, expertise services

Attracting foreign investors

- Exemption from payment of customs duties on import of equipments, accessories, spare parts and raw materials
- State natural grants (land)
- Tax preferences (within the special economic zones and individual investment agreements)
- Ensuring long-term government orders and orders of national companies
- Support measures under the “Business Road Map - 2020 “

Technological modernization

☐ Innovation Grants;

☐ Creating network of design bureaus:

- agricultural
- electro technical
- mining
- transport machinery
- oil and gas machinery

☐ Technical audit of enterprises

Current status:

In 2009 purchases of goods in subsoil use sphere:
1,3 billion US dollars.

Share of kazakhtani goods - \$ 135 million US dollars. (10,7%).

Purpose:

Increase the share of local content in purchasing of public institutions and organizations, national holdings and companies goods up to **60%**.

Certificate of kazakhtani producer

Advantages:

Prioritizing purchases of domestic goods;

Application of "discounts from conditional prices" mechanism for tenders for purchases;

Ensuring minimum long-term government order.

MINING AND METALLURGICAL COMPLEX

Market capacity of the industry of mining and metallurgical complex in 2009 amounted to 15,5 billion US dollars

Including share of imports amounted 38% or 5,6 billion US dollars

Niche projects:

Non-ferrous metallurgy

- ✓ alumina - 1500 thous. tons
- ✓ primary aluminum - 250 thous. tons.
- ✓ copper (ores and concentrates) - 578 thous. tons
- ✓ zinc - 36 thous. tons

Ferrous metallurgy

- ✓ Steel - 6000 thous. tons
- ✓ ferrochrome and ferrosilikohrom - 440 thous. tons.

Recycling dumps

- ✓ Industrial waste more than 20 billion tons:
- ✓ in non-ferrous metallurgy- 10, 1 billion tons.
- ✓ in ferrous metallurgy - 8.7 billion tons.

CHEMICAL INDUSTRY

Capacity of chemical industry market in 2008 totaled 3,4 bln. US dollars.
Including import - 2,4 bln. US dollars, mainly products with high value added cost

Niche projects:

Base inorganic chemistry

- ✓ potash fertilizer – 400 thous.tons
- ✓ soda ash – 350 thous.tons
- ✓ sodium cyanide – 100 thous.tons

Base inorganic chemistry (petrochemistry)

- ✓ polyvinylchloride – 15 thous.tons
- ✓ polyethylene glycol – 10 thous.tons
- ✓ organic acids – 120 thous.tons

Special chemicals Household chemistry

- ✓ burning inhibitor – 25 thous.tons
- ✓ phenolic antioxidant – 45 thous.tons
- ✓ super-plasticizer – 50 thous.tons
- ✓ agrochemicals – 20 thous.tons
- ✓ additives to oil – 38 thous.tons

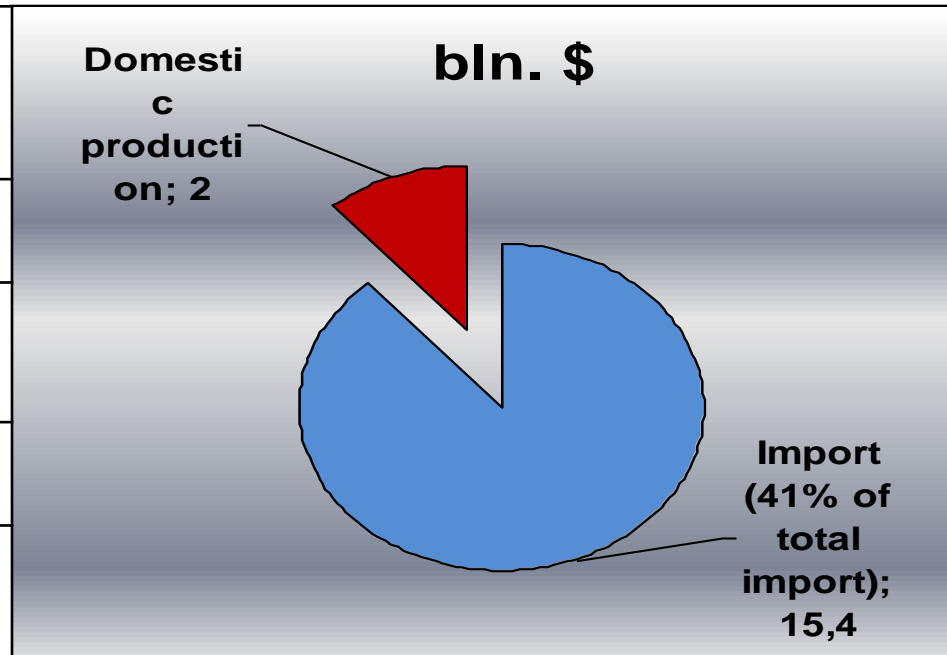
MACHINERY INDUSTRY

Capacity of machinery industry market in 2008 totaled 16,6 bln. US dollars.

Import share composed **88%** or **15,4 bln. US dollars**

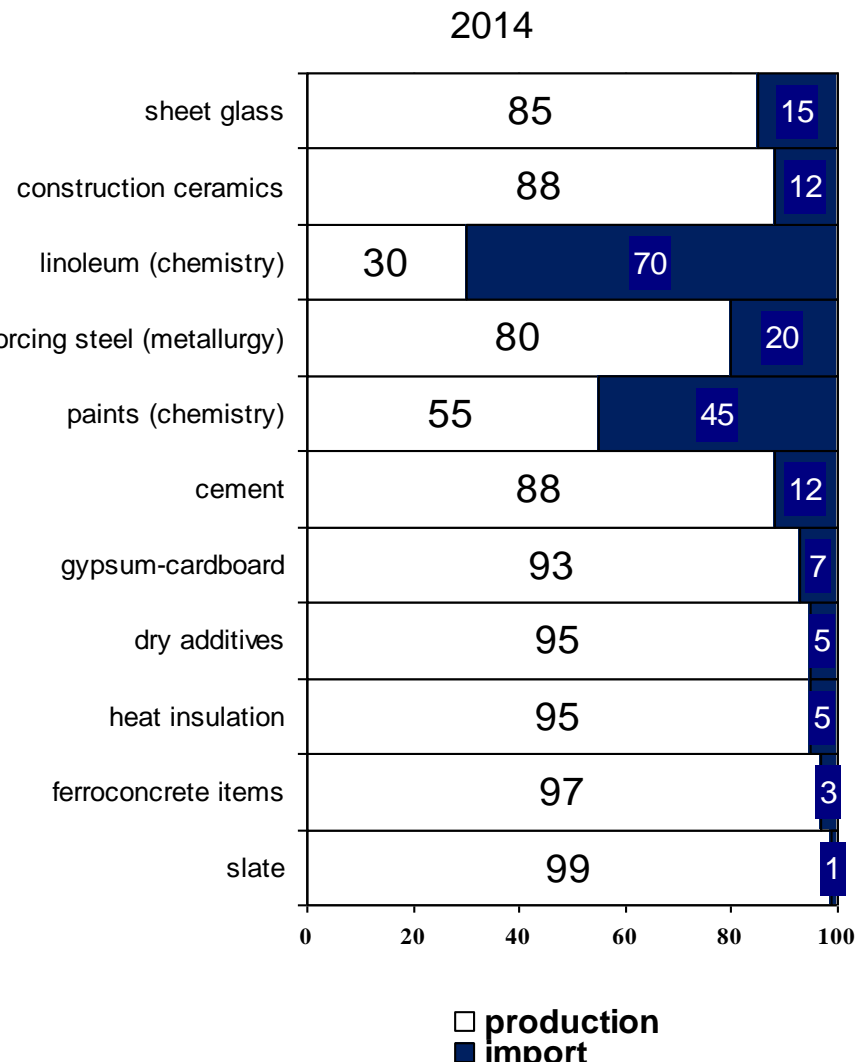
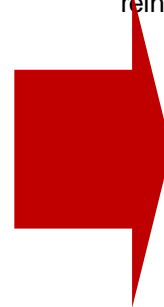
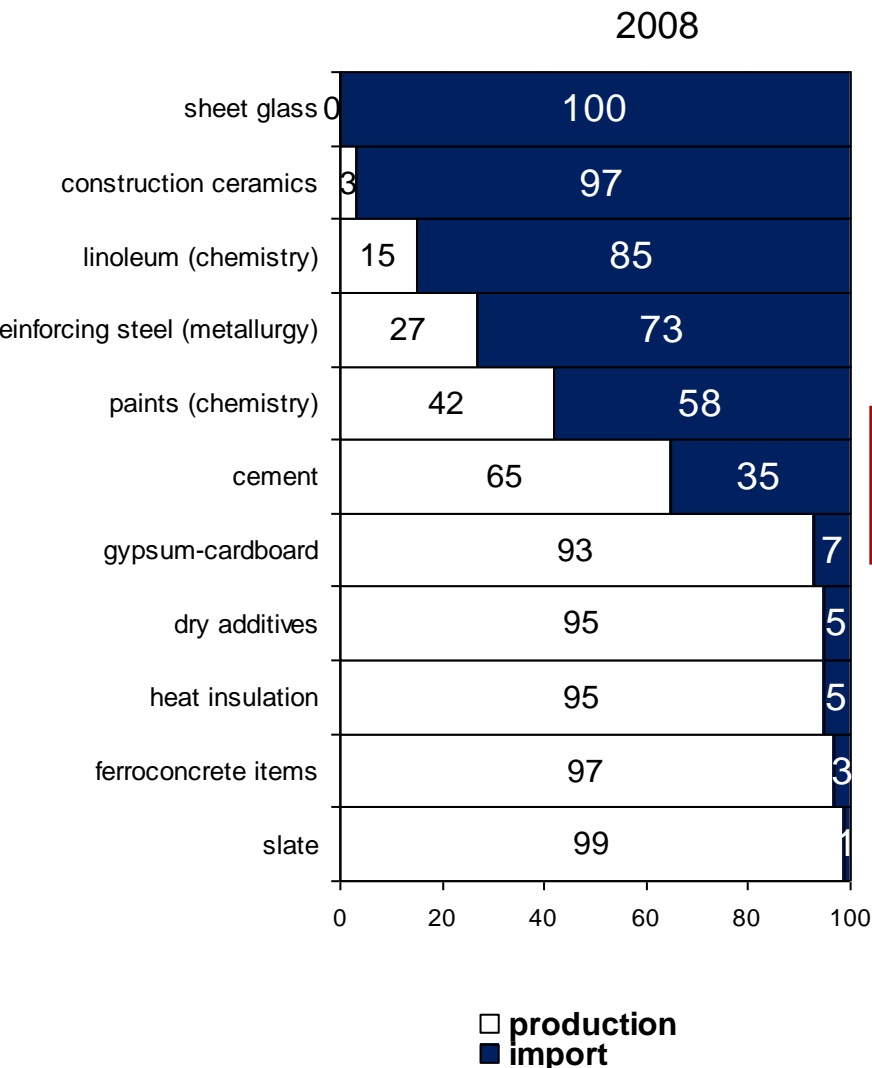
Share of engineering industry in the structure of total import of the country - **41%**

No n/n	Segment of engineering industry	Import volume of product (\$)
1.	Transport engineering	4,128 bln.
2.	Electrical engineer	2,736 bln.
3.	Oil and gas engineering	1,695 bln.
4.	Agricultural engineering	1,2 bln.



CONSTRUCTION INDUSTRY

Increase of total value added cost of construction industry not less than 76% and satisfaction of domestic market demand with construction materials by more than 80%



PHARMACEUTICS

Capacity of pharmaceutical industry market in 2009 totaled 896 mln. US dollars.

Including share of import – above 90% or 830 mln.US dollars

Major task:

By the end of 2014 to increase the share of domestic medicines up to **50%** in natural expression.

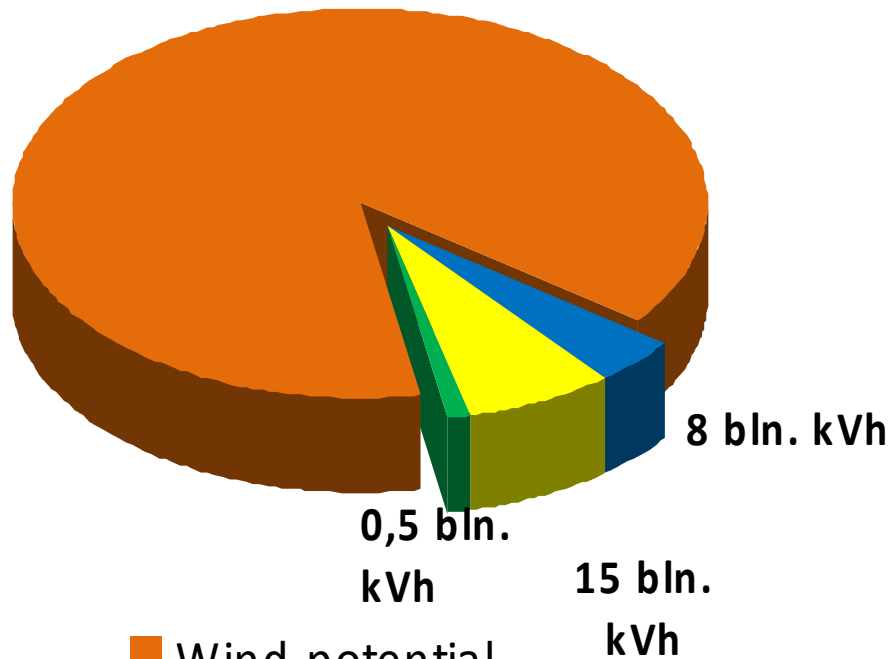
Proposals:

Contractual production of **400 types** of medicines on production facilities of the Republic of Kazakhstan according GMP standards.

ALTERNATIVE ELECTROENERGETICS

Potential of renewable sources of energy

920 bln. kWh



Wind potential

Hydro potential

Solar electricity potential

Others

Input of capacities during 2010 - 2014 years

255 megawatt



Wind energy stations

Small GEs

Solar installations

INFORMATION AND COMMUNICATION TECHNOLOGIES

In Kazakhstan infrastructure is being created to support and introduction of innovational developments.

SEZ «PARK OF INFORMATION TECHNOLOGIES»:

- development of information technology industry;
- creation of highly effective, including high-tech and export-oriented production of modern IT;
- application of production of new types of IT products;
- attraction of investments.

INDUSTRIAL INFRASTRUCTURE



CUSTOMS UNION: KAZAKHSTAN, RUSSIA AND BELARUS FROM JANUARY 1, 2010

Advantages for potential investors:

Uniform trade rules:

1. Uniform customs territory;
2. Uniform foreign trade politics;
3. Uniform customs rules, uniform customs code;
4. Free movement of goods among customs space



Incentives for investors:

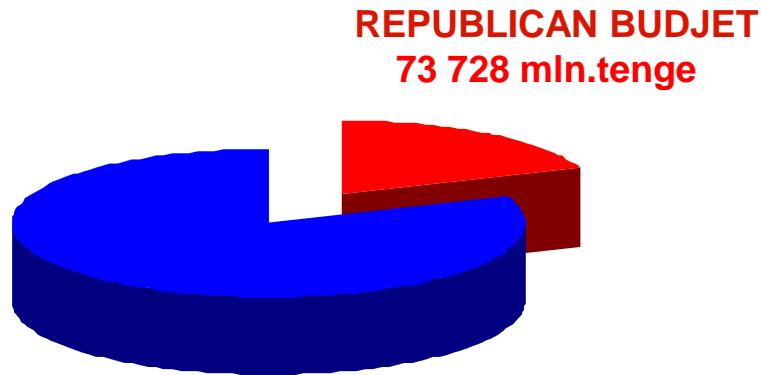
- Exemption of customs duties on import of technological equipment and raw material in Kazakhstan in realizing investment projects.
- Kazakhstan has more liberal taxation in comparison with Russia both Byelorussia for opening and running business.

FRONTIER COOPERATION "KHORGOS" CENTRE

Formation of visa-free territory:

- for business meetings
- acquaintance with industrial production
- making trade contracts
- leisure.

Total cost – 382 883 mln. tenge



PRIVATE INVESTMENTS
309 154 mln.tenge

Total number of objects –
153, including:

- trade pavilions
- terminals with the special temperature mode
- terminals of temporary storage
- Terminals of processing and complete set of the goods
- hotels and others.

Thank you for your attention!