



STATE PROGRAM
for accelerated industrial-innovative
development
of the Republic of Kazakhstan

Ministry of Industry and New Technologies
of the Republic of Kazakhstan

KEY PERFORMANCE INDICATORS



INCREASE BY 2015:

- ✓ GDP by **50%** of the 2008th GDP;
- ✓ Productivity in manufacturing industry by no less than **1.5 times**;
- ✓ Share of the manufacturing industry in the structure of GDP to **12.5%**;
- ✓ Share of non-raw materials exports in the total volume of exports to **40%**;
- ✓ Share of innovative enterprises in the number of active enterprises to **10%**;

DECREASE BY 2015:

- ✓ Energy intensity of GDP by no less than **10%** of the 2008th.

PRIORITY SECTORS OF THE ECONOMY



Traditional

- ✓ Mining and Metallurgical Complex
- ✓ Atomic industry
- ✓ Chemical industry
- ✓ Petrochemicals

Based on domestic demand

- ✓ Machinery
- ✓ Construction industry
- ✓ Pharmaceuticals

Export-oriented

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

Sectors of «the future economy»

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

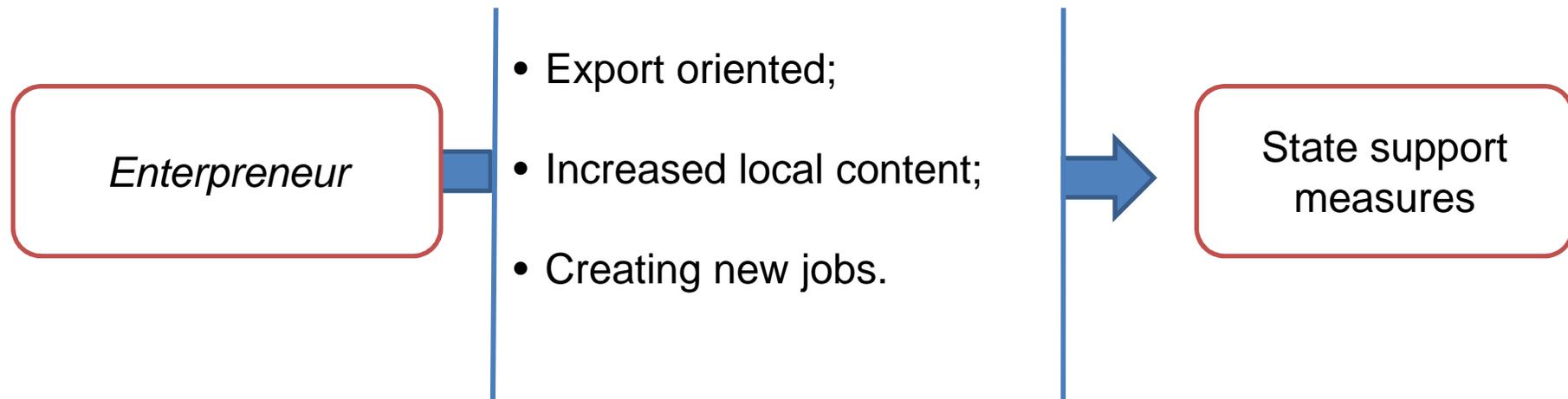


Development of small and medium enterprises

The program includes:

- ❑ Interest rates subsidies on loans;
- ❑ Development of production (industrial) infrastructure.

Participation criterion





Promotion of domestic companies on foreign markets

The program includes:

- ❑ Grants for exporters -
 - 50% reimbursement for promotion of export oriented products;
- ❑ Trade finance and export insurance;
- ❑ Export support services :
 - providing information, expertise;
 - promoting trademarks of concrete products;
 - organization of trade missions of Kazakhstan abroad;
 - creating a network of overseas offices.

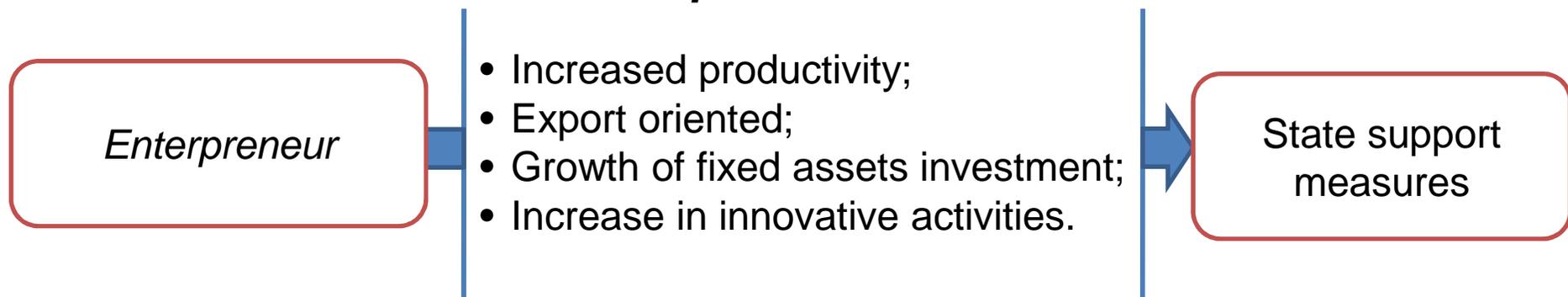


Improving efficiency through cost reduction

The program includes:

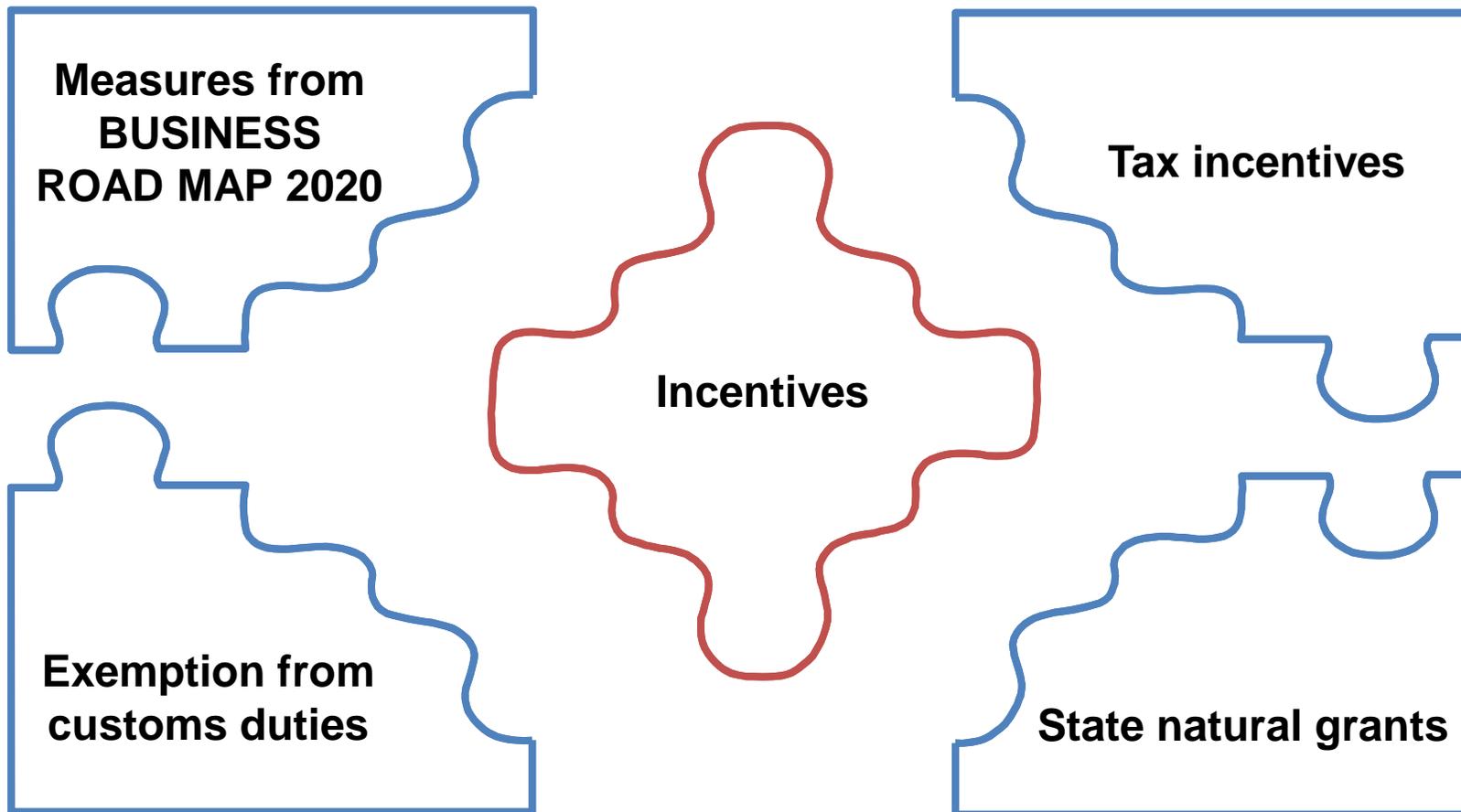
- ❑ Subsidized interest rates on leases and loans
 - applicants own contribution no less than 20% of total investment;
- ❑ Innovation grants;
- ❑ The introduction of new products for production;
- ❑ The introduction of management technologies.

Participation criterion





Foreign investment attraction



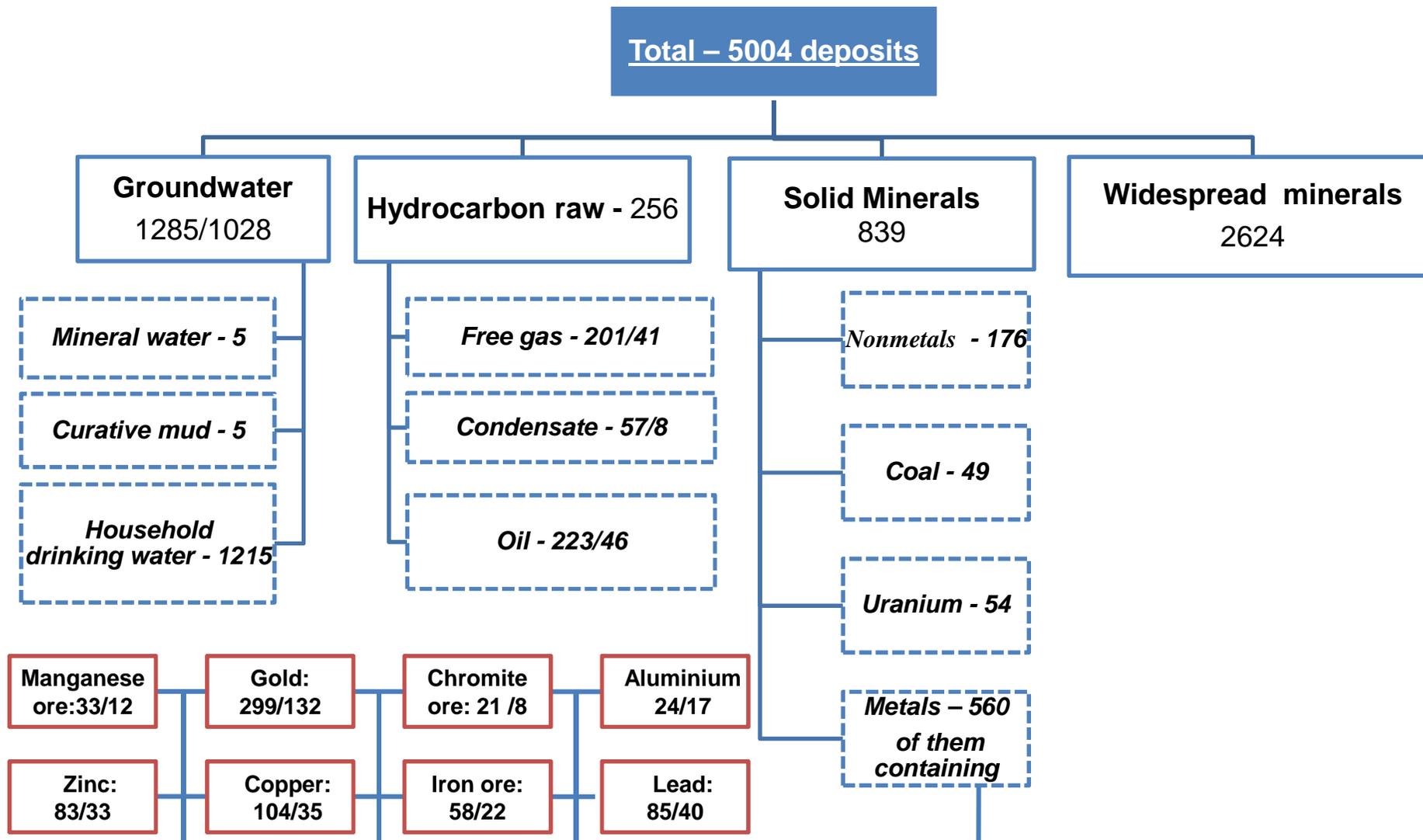
ATTRACTING FDI: “ONE-STOP SHOP” SERVICES

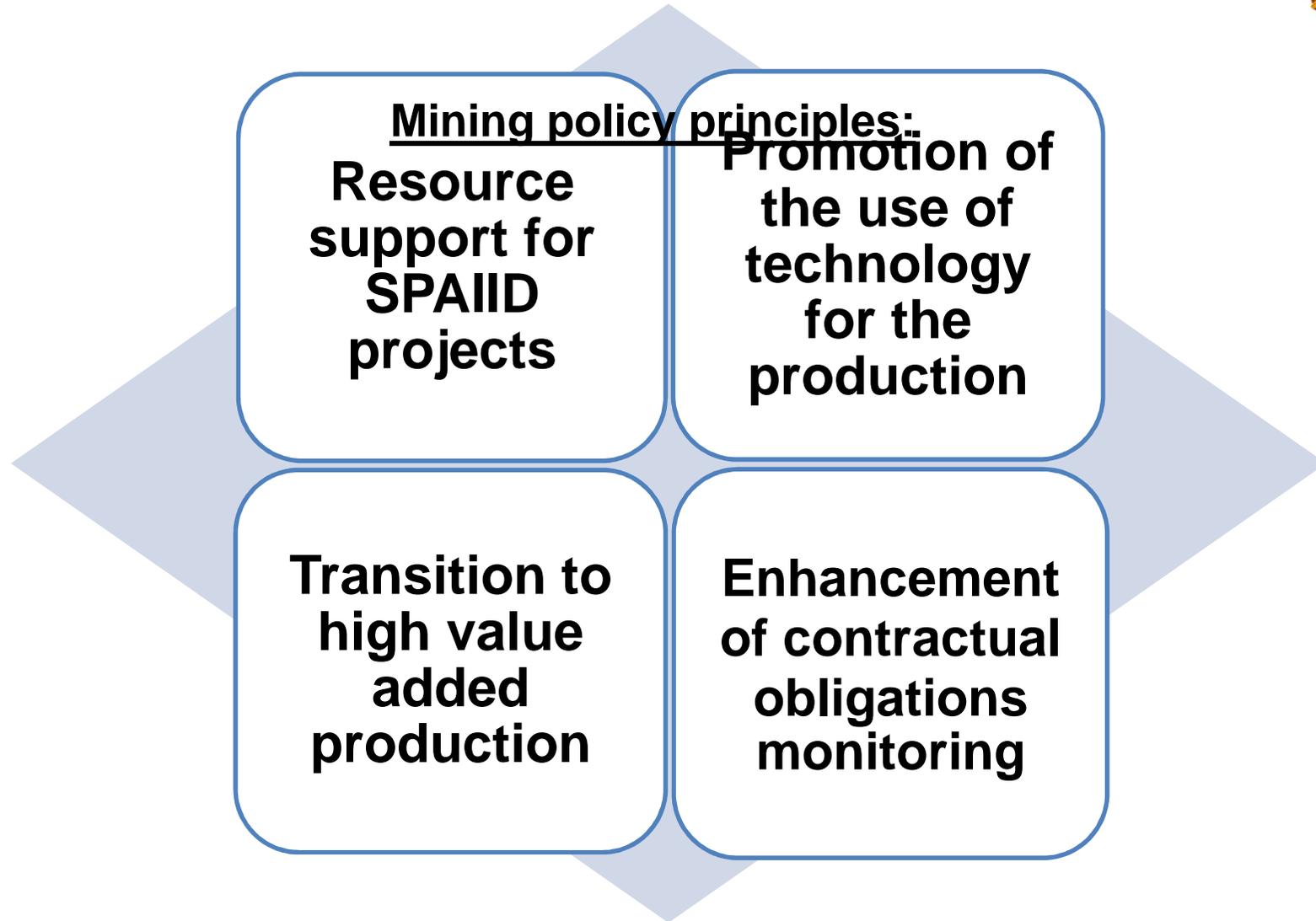


JSC «National agency for exports and investment «KAZNEX INVEST»
provides “ONE-STOP SHOP” services



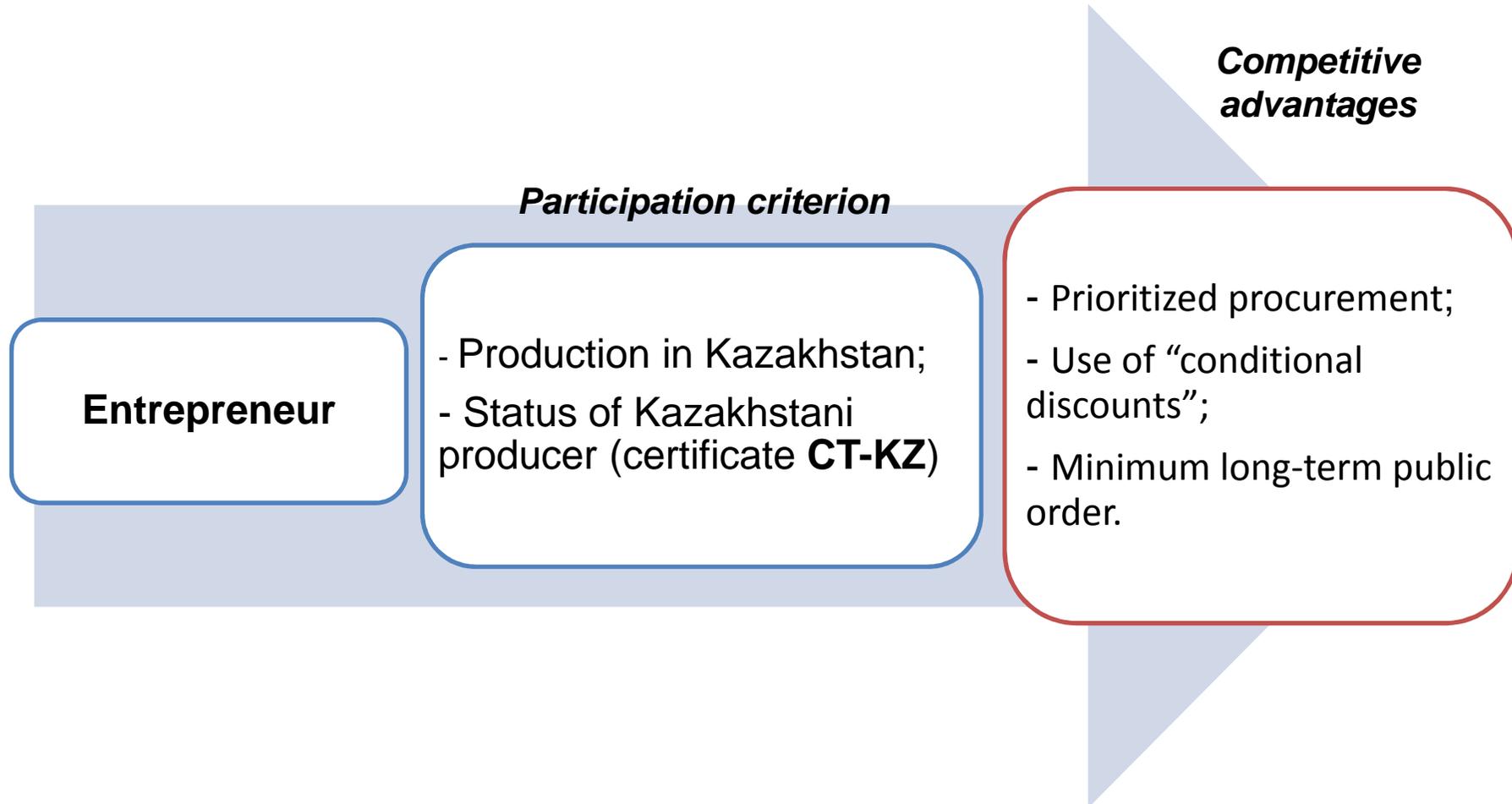
NUMBER OF MINERAL RESOURCE BASE FIELDS IN RK







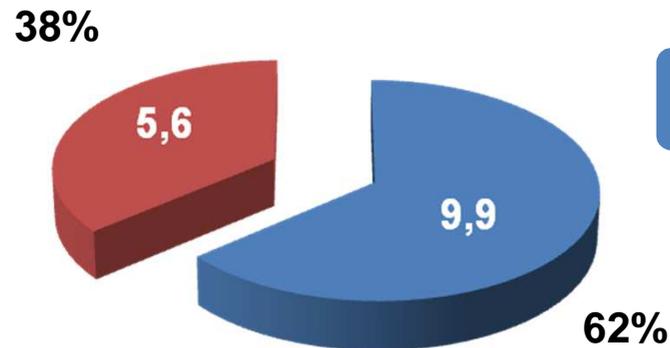
By 2014, increase the share of local content to 60%



MINING AND SMELTING COMPLEX



MSC market - \$ 15,5 bill



■ Own production ■ Import

Niche projects:

Non-ferrous metallurgy

- Alumina – 1500 thou. tons.;
- Primary Aluminum – 250 thou. tons.;
- Copper - 578 thou. tons.;
- Zinc – 36 thou. tons.;

Ferrous metallurgy

- Steel – 6000 thou. tons.;
- Ferrochrome and Ferrosilicochrome – 440 thou. tons.;
- Granular iron – 500 thou. tons.;
- Briquetted iron – 2800 thou. tons.;

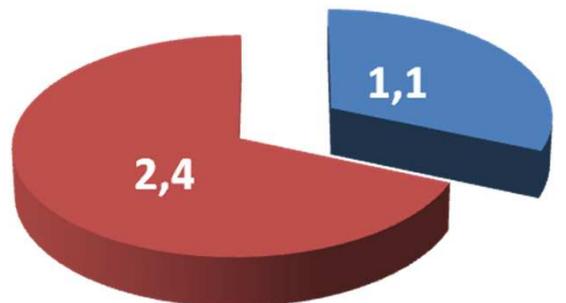
Waste dumps recycling

- Industrial waste – 20 млрд. тн.;
- non-ferrous metallurgy – 10,1 млрд. тн.;
- ferrous metallurgy – 8,7 млрд. тн.

CHEMICAL INDUSTRY



Chemical industry market - \$ 3.5 bill.



■ Own production ■ Import

Niche projects:

Basic inorganic chemistry

- Potash– 400 thou. tons.;
- Soda– 350 thou. tons.;
- Sodium cyanide - 100 thou. tons.;

Basic organic chemistry

- Polyvinylchloride – 15 thou. tons.;
- Polyethylene glycol – 10 thou. tons.;
- Organic acids – 120 thou. tons.;

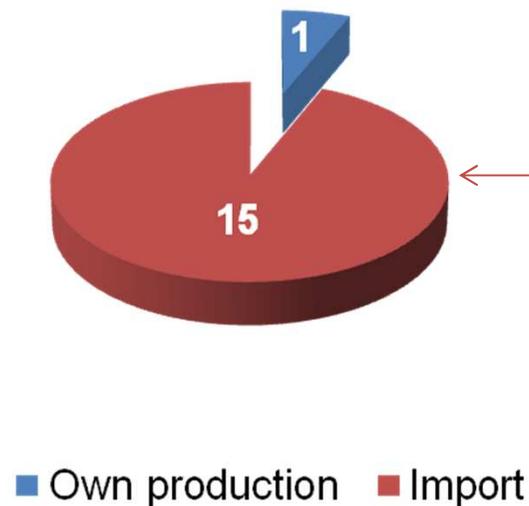
Specialty Chemicals Household chemicals

- Retardants– 25 thou. tons.;
- Phenol antioxidants – 45 thou. tons.;
- Super plasticizers – 50 thou. tons.;
- Agrochemicals – 20 thou. tons.;
- Oil additives – 38 thou. tons.;

MACHINERY INDUSTRY



Machinery industry market - \$ 16 bill.



No	Segments of machinery industry	Volume of import (\$)
1.	Transport machinery	4,128 bill.
2.	Electrical machinery	2,736 bill.
3.	Oil and gas machinery	1,695 bill.
4.	Agricultural machinery	1,2 bill.
	Total	10 bill.

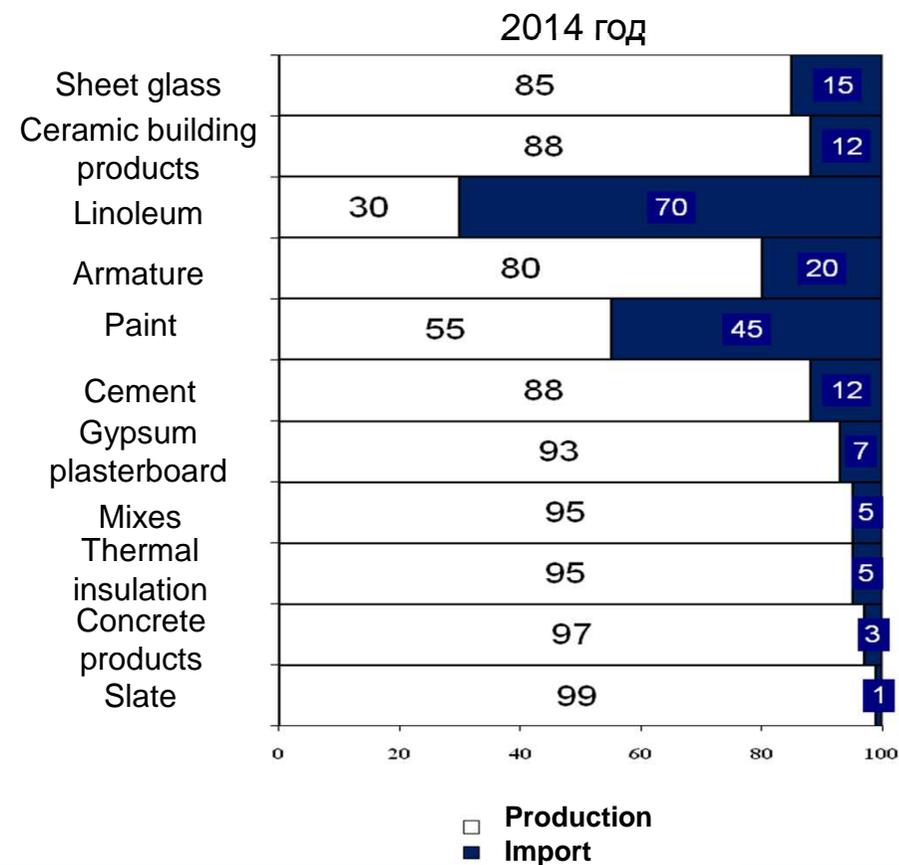
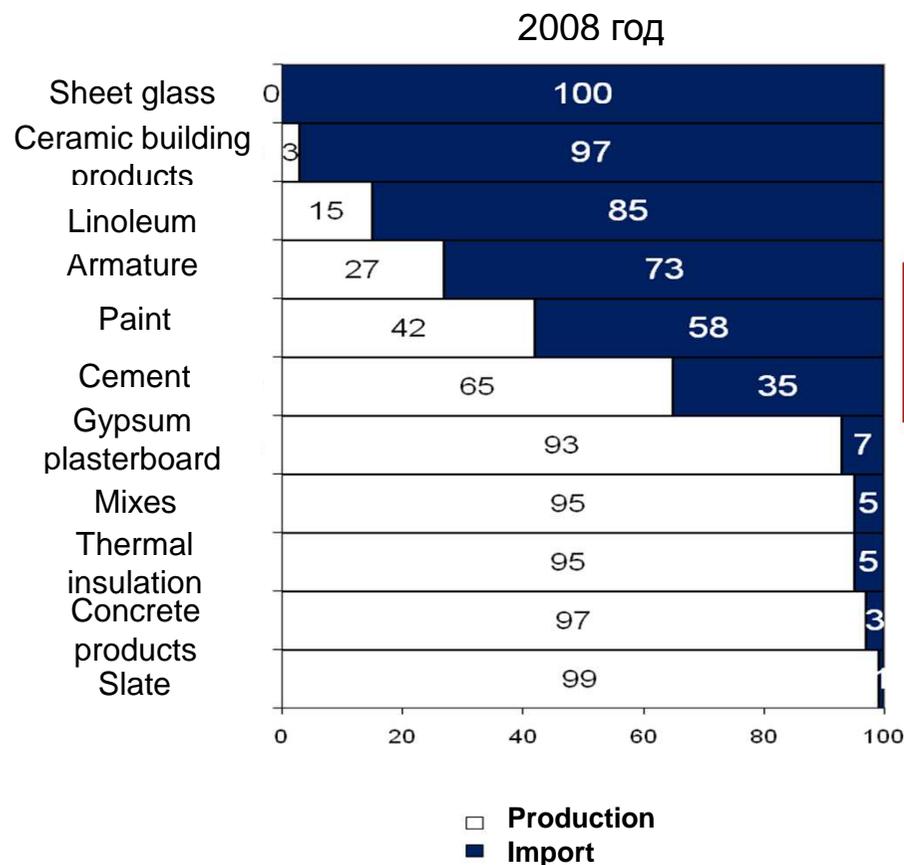
Share of machinery industry in the structure of total imports of the country **41%**

CONSTRUCTION INDUSTRY



By 2014:

- Increase in GVA $\geq 76\%$
- Meeting the needs of domestic market $\Rightarrow 80\%$



REQUIREMENT OF MAIN CONSTRUCTION MATERIALS IN 2010-2014



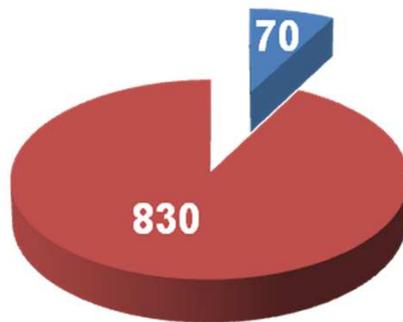
	2010	2011	2012	2013	2014	TOTAL
Sheet glass, thou. sq.m.	22 000	25 000	28 000	31 500	35 000	<u>141 500</u>
Cement, thou. tn.	4 800	6 200	7 100	8 200	9 700	<u>36 000</u>
Precast concrete, sq. m	1 300	1 400	1 700	1 900	2 200	<u>8 500</u>
Tiles , thou. sq.m.	9 500	10 700	12 800	15 400	18 500	<u>66 900</u>
Sanitary and technical ceramics ware, thou. tn.	1 500	1 520	1 530	1 540	1 550	<u>7 640</u>
TOTAL	<u>39 100</u>	<u>44 820</u>	<u>51 130</u>	<u>58 540</u>	<u>66 950</u>	<u>260 540</u>

PHARMACEUTICALS INDUSTRY



By 2014 increase the share of domestic drugs in the domestic market to 50% in-kind.

Pharmaceutical industry market capacity - \$ 900 bill.



■ Own production ■ Import

Offer for companies

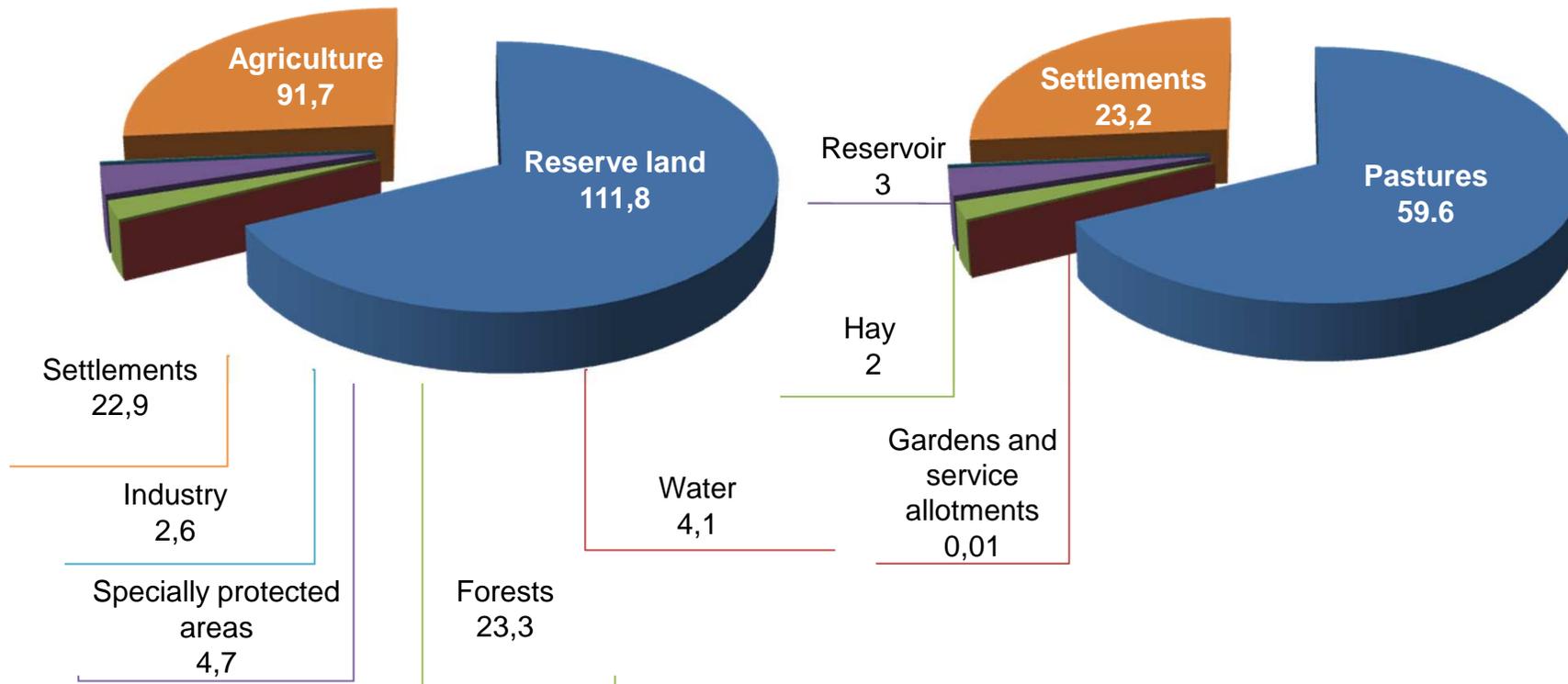
Contract production of about **400** types of medicines adhering to the standards of GMP at production facilities in Kazakhstan



Total land area of the republic of kazakhstan

Total land - 261,2 mln. ha

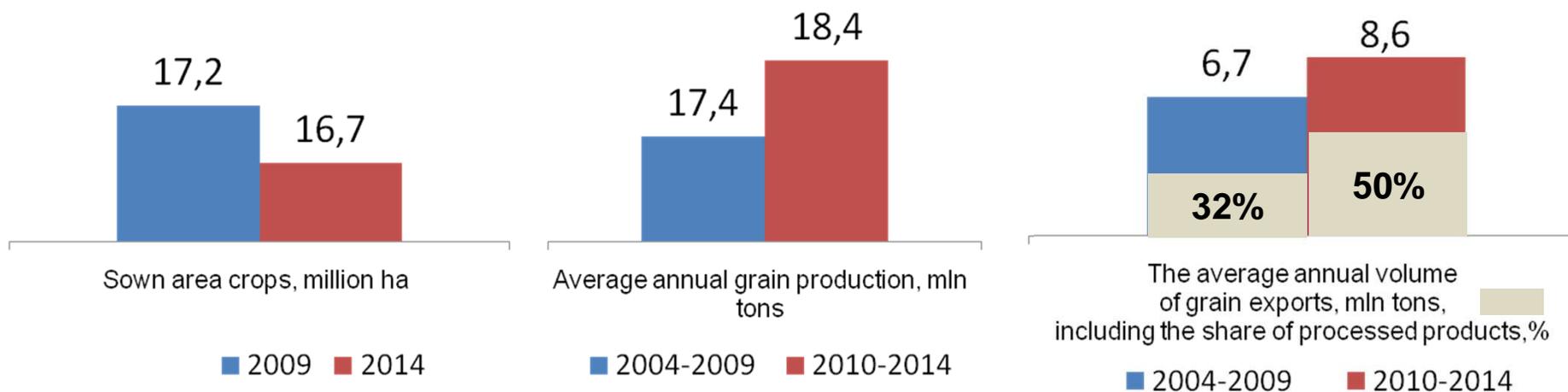
Farmlands – 87,9 mln. ha



CURRENT STATUS AND PROSPECTS OF PLANT INDUSTRY



SOWN AREA, PRODUCTION AND EXPORT OF GRAIN



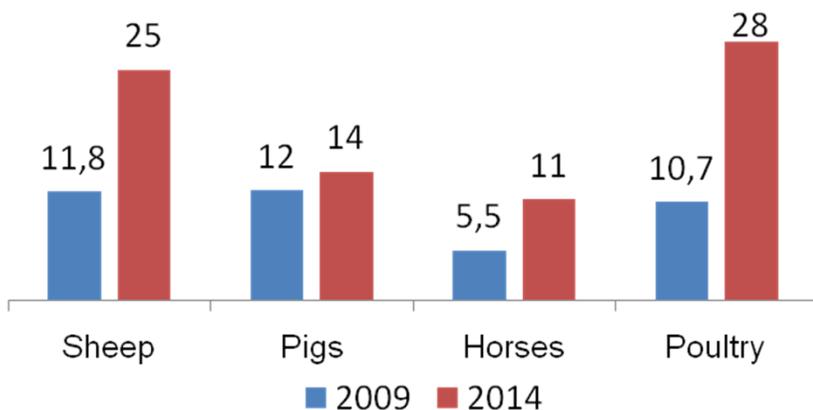
DEVELOPMENT OF PLANT INDUSTRY

Activities	2009 r.		2014 r.
Covered ground area, all, ha:	217,0	by 61,3%	350
Vegetable warehouses storing capacity, thou. tons	382	3 times	1188
Growth of export capacity, tons:			
- grains	6788,7	by 35,5%	9 200
- cotton	69,0	by 3 %	71,4
- rice	6,4	6 times	40

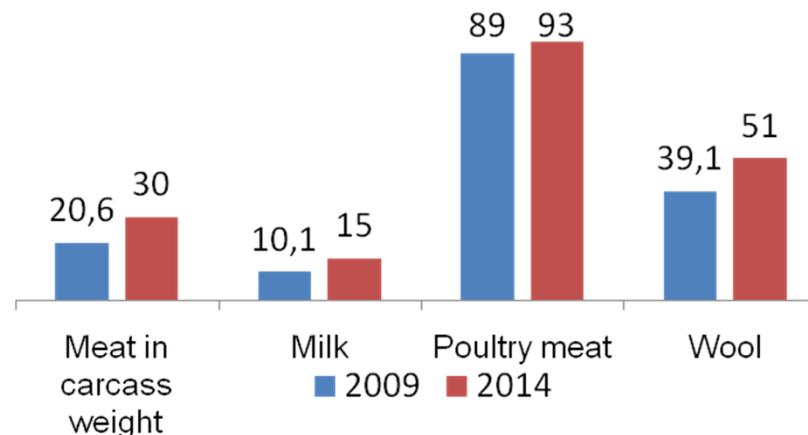
CURRENT STATUS AND PROSPECTS OF LIVESTOCK INDUSTRY



THE SHARE OF BREEDING ANIMALS. %



THE SHARE OF AGRICULTURAL ENTERPRISES IN LIVESTOCK PRODUCTION, %



DEVELOPMENT OF THE LIVESTOCK INDUSTRY

Activities	2009 г.		2014 г.
Construction of dairy farms	8	↑	38
Construction of feeding platforms		↑	35
Construction of poultry	56	↑	62
Construction of modular veterinary laboratories	5	↑	114



Development of SEZ "Ontustik"

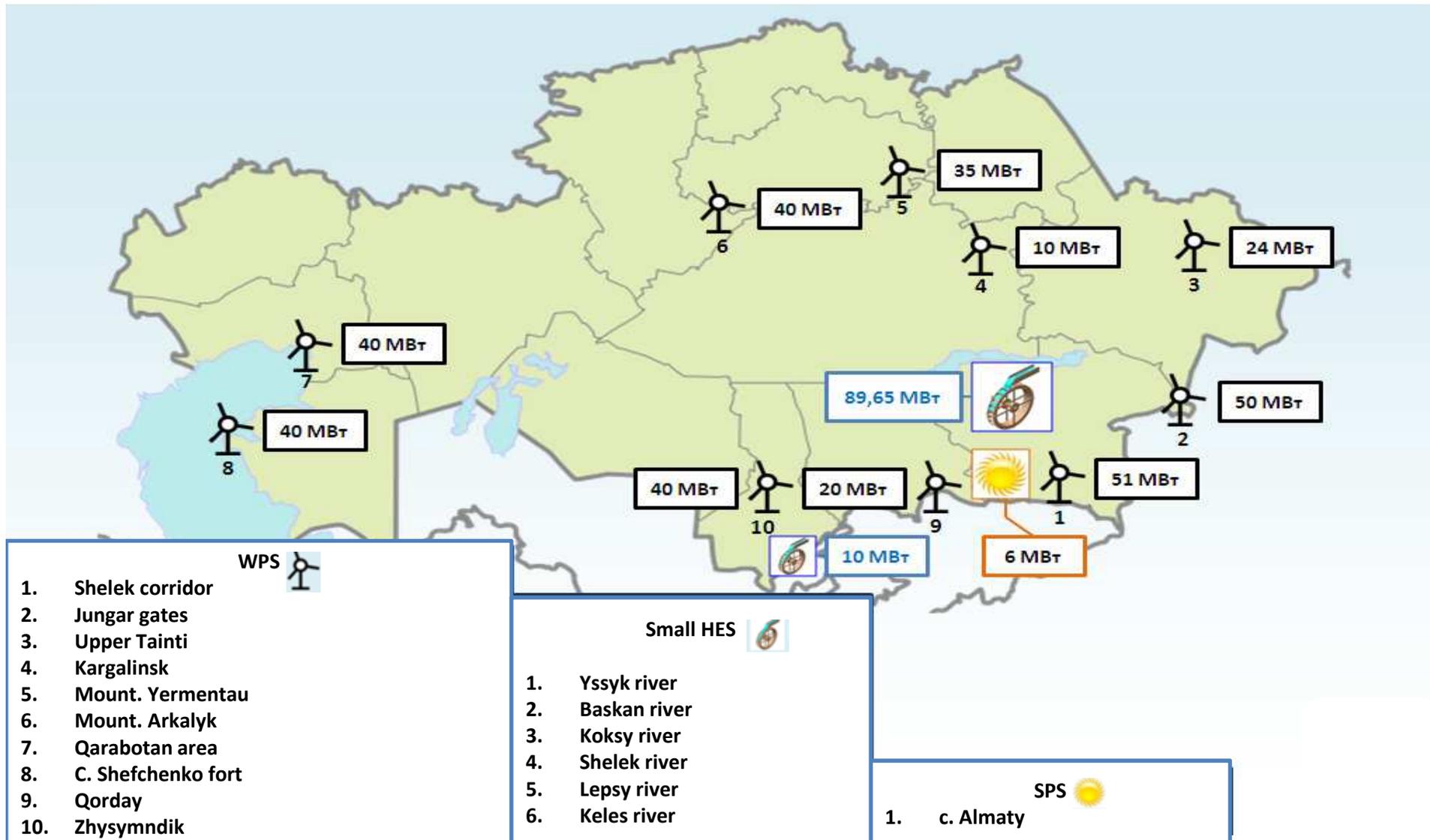
Main activities:

- Weaving;
- Manufacture of cotton and all kinds of yarn;
- Production of silk fabrics and products based on them;
- Production of non-woven textile materials and products from them;
- Manufacture of carpets, rugs and tapestries;
- Production of cotton cellulose and its derivatives;
- Manufacture of leather products

Advantages:

- Exemption from customs duties, corporate, income, property and land taxes up to 2030;
- Availability of raw materials;
- Advantageous geographical location - proximity to major markets, importers of light industry products;
- Infrastructure and utilities.

ALTERNATIVE POWER (Renewable energy sources)



MEASURES OF RENEWABLE ENERGY DEVELOPMENT SUPPORT



Land

- Priority in reservation and provision of land for the construction of renewable energy projects

Transfer of energy

- Support for connecting objects of RES to networks of power transmission organizations;
- Energy transmission organizations liabilities to purchase electricity generated using renewable energy
- Exemption from payment for the transfer of renewable electricity through network of energy transmission organizations.

Construction

- Investment incentives and preferences for the construction and operation of the renewable energy sources



The infrastructure to support and implement innovative solutions is being created in the Republic of Kazakhstan

SEZ «INFORMATION TECHNOLOGY PARK»:

- Development of the informational technology industry;
- Creation of high-performing, highly technological and export-oriented modern information technologies production;
- Development of new kinds of informational technology products;
- Investments attraction.



INDUSTRIAL INFRASTRUCTURE



CUSTOMS UNION: KAZAKHSTAN, RUSSIA, BELARUS



Unified trading laws:

1. Unified customs territory;
2. Unified trade policy;
3. Unified customs rules and code;
4. Free movement of goods in the customs area

Advantages for potential investors:



ICBC «Khorgos: Western Europe - Western China»

