



CAREC Business Development Forum

Urumchi, People's Republic of China
29-30 July 2010

Kazakhstan - China trade cooperation

Trade turnover between Kazakhstan and China
3,6 billion USD

January-April 2010:

Import from China
814 mln USD

- Tubes, pipes and hollow profiles
- Computers and their components
- Machines and Mechanisms
- Carbon electrodes

Export to China
2.8 bln USD

- Crude oil
- Refined copper
- Ferro
- Iron ore and concentrates
- Unwrought zinc
- Petroleum oils and oils obtained from bituminous minerals

Kazakhstan-China cooperation

Action Plan to the Program of cooperation of Kazakhstan-China's non-oil sectors of the economy includes more than **40 projects** in the territories of two countries

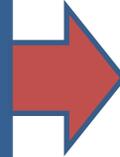
With the participation of Chinese companies in Kazakhstan today realized the most important for the economy of Kazakhstan infrastructure projects.

Successful examples of Kazakh-Chinese cooperation:

- Construction and management of bitumen plant in Aktau, together with a Chinese company «**CITIC Group**»;
- Construction of "turnkey" production complex aromatic hydrocarbons together with the Chinese company «**Sinopec Engineering**»;
- Modernization and reconstruction of refineries PetroKazakhstan Oil Products "together with **CNPC**.

CAREC

Afghanistan
Azerbaijan
People's Republic of China
Kazakhstan
Kyrgyz Republic
Mongolia
Tajikistan
Uzbekistan



Promotion of regional cooperation in the sphere of:

- transport
- trade facilitation and trade policy
- energy

CAREC:

- ✓ national and regional institutions for cooperation
- ✓ strategies and results-oriented action plans
- ✓ Invest projects with total cost more than 15 billion dollars

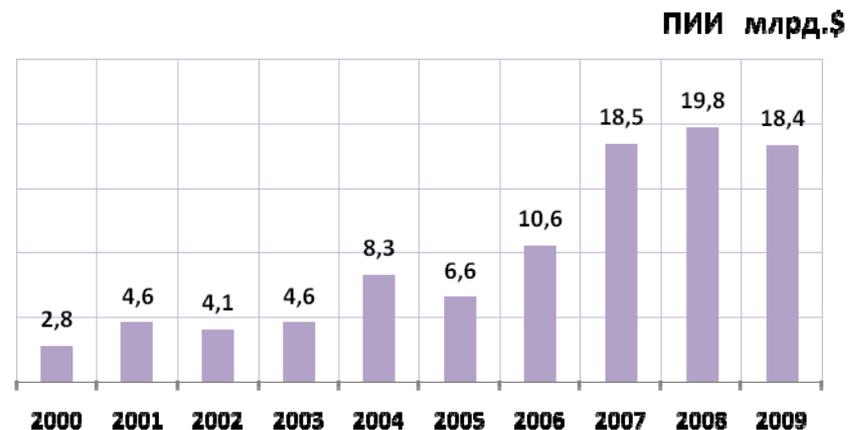
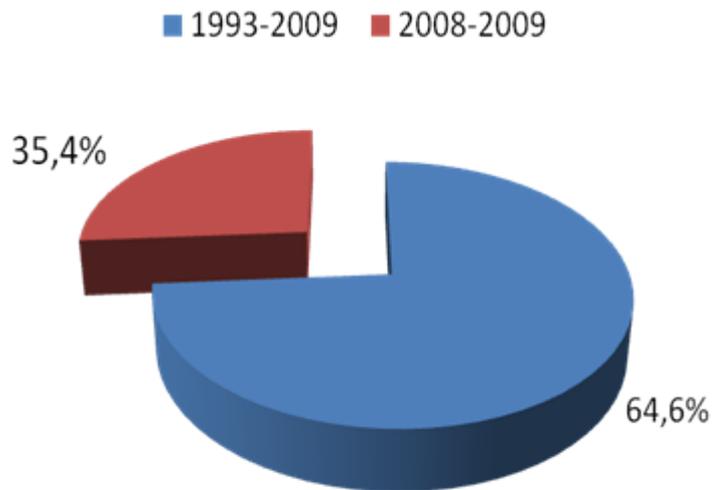
- ✓ Creation of more strong and diversified economies in the region

Inflow of FDI

GDP growth – 1,1%
Industry growth - 1,7%
Level of unemployment – 6,3%

Gross inflow FDI in
Kazakhstan in 1993 –2009 .
\$ 108 billion

Direct foreign investments in 2008-2009
– **\$ 38,2 billion**



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

Map of industrialization projects – potential for cooperation

Map of industrialization projects of national and regional significance is designed

- ❑ map includes - 237 projects
- ❑ general cost more than - \$50 billion
- ❑ 144 projects will be realized in 2010

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

Technological modernization

☐ Innovation Grants;

☐ Creating network of design bureaus:

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

☐ Technical audit of enterprises

EXPORT 2020

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

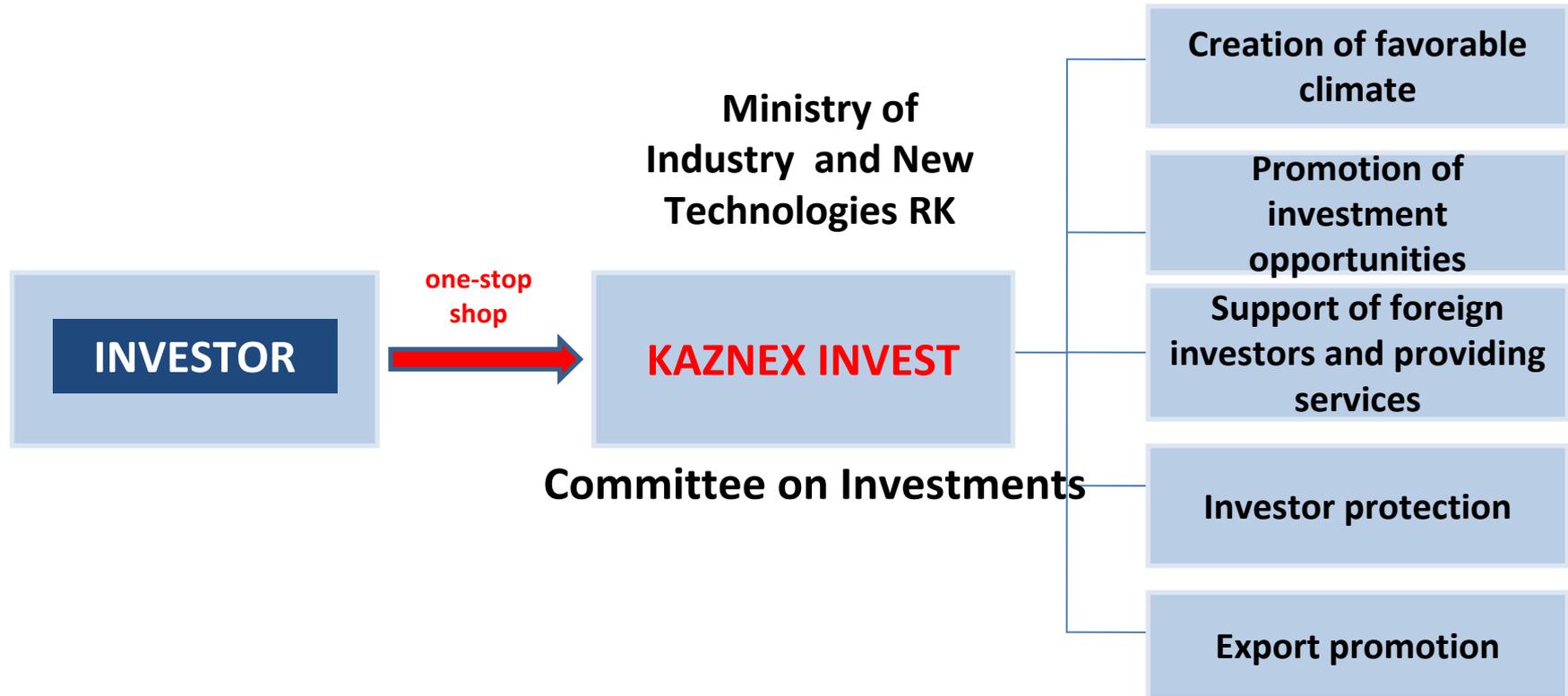
- providing information, expertise services

INVESTOR 2020

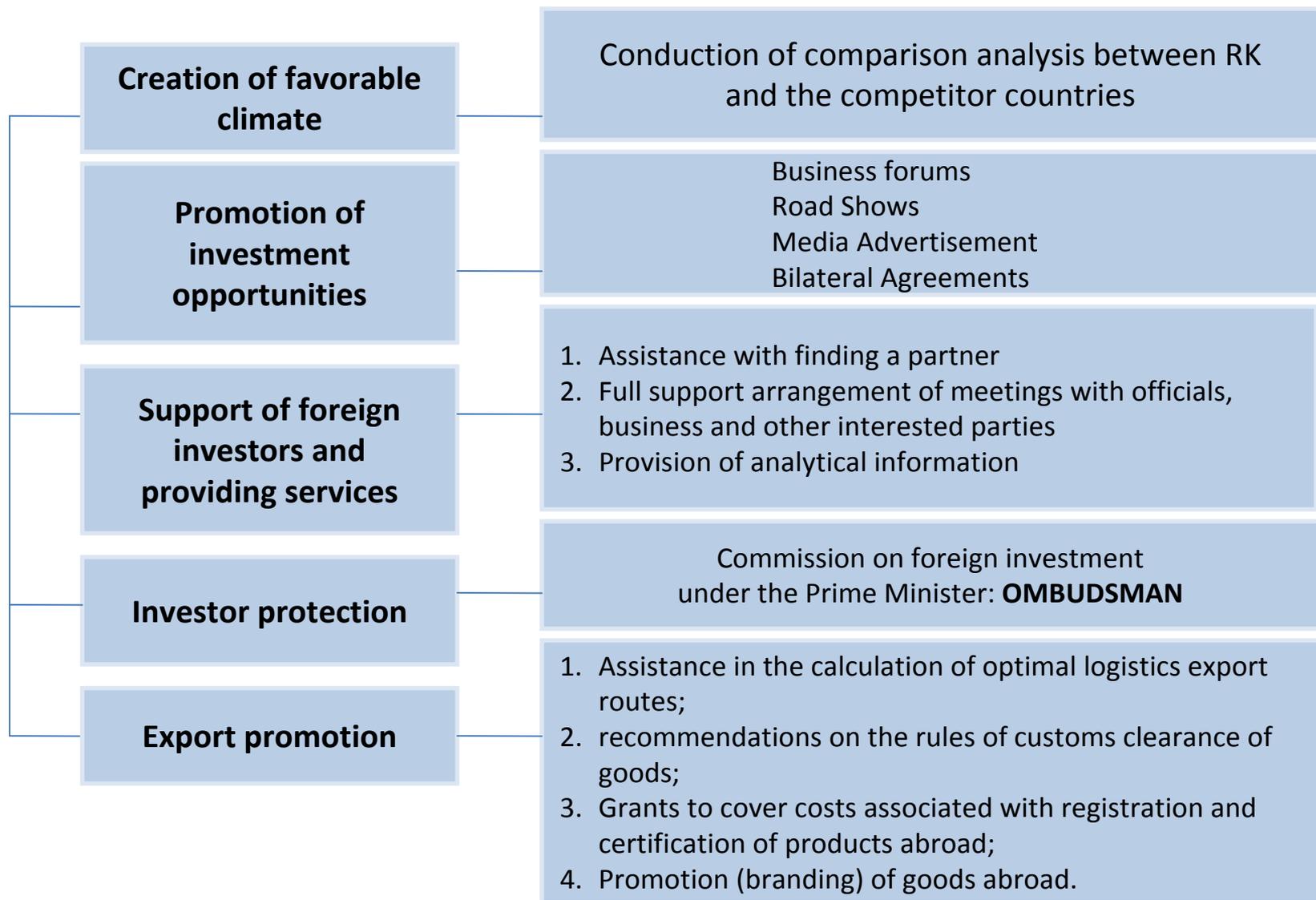
Attracting foreign investors

- 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 “

National Agency for Export and Investments «KAZNEX INVEST» – your partner in Kazakhstan



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INDUSTRIAL INFRASTRUCTURE



Development of public-private partnership (PPP)

Concession-based projects with private investment:

- Construction and operation of the railway line "Station Shar - Ust-Kamenogorsk;
- Construction of power lines "North Kazakhstan - Aktobe region."

Perspective projects:

- Project for redevelopment and exploitation of "Almaty – Khorgos"

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



**Market capacity – about 170 bln. population, total
GDP – 2 trillion US dollars.**

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.

Proposals for participants of the Forum

- Take part in joint strategic projects in priority sectors of the economy of the Republic of Kazakhstan;
- Develop relations in the sphere of trade finance;
- Effectively promote technology transfer through joint ventures, as one of the options for cooperation;
- Establish close cooperation in the exchange of information on potential investors and investment projects implemented in our countries.

Thank you for your attention!