

TOURISM IN THE REPUBLIC OF KAZAKHSTAN

(Facilitation of Transboundary Routs and Inter-country Tourism Products)



MINISTRY OF CULTURE AND SPORTS OF THE REPUBLIC OF KAZAKHSTAN
ATAMEKEN NATIONAL CHAMBER OF COMMERCE
KAZAKH TOURISM JSC NATIONAL COMPANY

Head of State's Message to people of Kazakhstan: “Welfare growth of Kazakh nation: Increase in income and quality of life”



“The particular attention should be paid to inbound and domestic tourism development in order to employ our rich natural and cultural potential. The Government should adopt a national tourism development program as soon as possible.”

October 5, 2018

TOURISM AS A DRIVER OF GLOBAL ECONOMY

TOURISM MAKES

10%

IN THE GLOBAL GDP

TOURISM CREATES EVERY

10th

JOB IN THE WORLD

INVESTMENTS IN TOURISM

800

BILLION USD

30 TOURISTS CREATE

1

NEW JOB

HEAD OF STATE's assignments for tourism development



Working visit to Alakol



Working visit to Borovoye



Working visit to Caspian sea



4th Parliament session of the 6th convocation

Objective 1: Formulate the National Tourism Development Program till 2023.

Objective 2: Provide financial support for the Program.

Objective 3: Provide legal framework for the Program.

TOURIST VISITS AND VISA REGIME IN KAZAKHSTAN



Unique post-EXPO effect: Inbound tourism growth - 22% (4.2 million visitors), domestic tourism growth - 7% (2.5 million visitors), growth in the volume of services - 5% (KZT 45 billion).

Visa-free entry to Kazakhstan for **63 countries**.



Economic effect of **72-hour** visa-free transit regime for China and India:
- 60% increase in transit tourists from China via Kazakhstan
- 20,000 people with average receipt - \$550.



Restitution of **strategic** Kazakhstan's **advantage** at the Khan Tengri peak:

1,201 additional tourists;
KZT 68 million returns for the economy of Kazakhstan.



Mutual recognition of visa regimes under the **Silk Way Visa** project is under review by the countries of Central Asia.



E-VISA for **128 countries**, including the key tourist markets of Kazakhstan - India, China, Iran, and Persian Gulf countries.

CURRENT AND PLANNED TRANSPORT ROUTES

Kazakhstan focuses on development of the North-South corridor, and other directions in Central Asia, China and Russia.

The work is in progress on the Trans-Caspian International Transport Route (TMTM) to identify the most effective and short East-West bridge across the Caspian Sea.

Other projects are implemented to develop high-quality Center-South roads (drive through from the south to the north with access to the southern regions in Russia), Center-East roads (from Astana to Ust-Kamenogorsk with access to Siberia), Center-West roads (from Astana to the Caspian Sea with access to Turkmenistan and Russia, and beyond to the EU countries).

Construction of Kazakhstan logistics centers, international airports, terminals, border cooperation centers, road transport infrastructure and other facilities to be integral elements of the economic Silk Road Belt enabled Kazakhstan to take advantage of its geo-location within the framework of One Road One Belt.

Taking into account the significant role of China in the global trade, the work is in progress to integrate the Nurly Zhol State Program with the Chinese Silk Road Economic Belt initiative, which includes development of China-Kazakhstan-Iran corridors (with access to the Persian Gulf), China-Kazakhstan-Caucasus-Turkey (with access to the Mediterranean), China-Kazakhstan-Europe (European Union and South-East Asia), as well as development of transport infrastructure to form a basic network of safe and highly efficient transport connectivity at the new level.

Thus, for example, the transnational infrastructure project and Western Europe-Western China transport corridor are designed to strengthen ties between Europe and Asia. A similar strategic goal of building a commodity distribution infrastructure on the international economic corridor South-East-North-West is pursued by the Kazakhstan-Chinese Center of Cross-Border Cooperation - Khorgos, where a number of visits per day reaches 21,000 people – 6,000 from the Kazakh side and 15,000 from China.

Kazakh and foreign airlines implement around 97 international flights.

TOURISM AND MULTILATERAL DIPLOMACY



**Summit of Turkic
Council Heads of States
2018, Kyrgyz Republic,
Cholpon-Ata**



**Summit of Caspian
Heads of States
2018, Aktau**



**Summit of SCO
Heads of States
2018, PRC,
Qingdao**



BILATERAL COOPERATION

As of today, the Republic of Kazakhstan has signed 55 bilateral international documents in the tourism sector (memorandums, contracts, agreements, plans, etc.), including with the CAREC countries:

1. Joint Action Plan in tourism between the MCS of Kazakhstan and Uzbekistan on tourism development in 2017-2019, dated April 13, 2017 (Tashkent, Uzbekistan);
2. Agreement between the Government of Kazakhstan and the Government of Uzbekistan on deepening cooperation in the field of culture, health, science, education, tourism and sports, dd. January 10, 1994 (Tashkent, Uzbekistan);
2. Agreement between the Government of Kazakhstan and the Government of Azerbaijan on cooperation in the field of tourism, dd. May 24, 2005 (Baku, Azerbaijan);
3. Long-term Cooperation Program between the Government of Kazakhstan and the Government of Azerbaijan in the field of culture, science and tourism, dd. March 1, 2004 (Astana, Kazakhstan);
4. Memorandum between the Ministry of Investments and Development of Kazakhstan and the State Administration of Tourism of China on facilitation of group tourist trips from China to Kazakhstan, dd. December 14, 2015 (Beijing, China);
5. Agreement between the Ministry of Education, Culture and Health of Kazakhstan and the State Administration of Tourism of China on cooperation in the field of tourism, dd. May 7, 1998 (Beijing, China);
6. Agreement between the Ministry of Youth, Tourism and Sports of Kazakhstan and the State Tourism and Sports Committee of Kyrgyz Republic, dd. November 18, 1994 (Almaty, Kazakhstan);
7. Agreement between the Government of Kazakhstan, the Government of Kyrgyz Republic and the Government of Uzbekistan on cooperation in the field of tourism, dd. December 8, 1997 (Tashkent, Uzbekistan);
8. Agreement between the Government of Kazakhstan and the Government of Kyrgyz Republic, the Government of Tajikistan, and the Government of Uzbekistan on cooperation in development of recreation, health and tourism institutions and organizations, dd. June 8, 2000 (Astana, Kazakhstan);
9. Agreement between the Government of the Kazakhstan and the Government of Kyrgyz Republic on mutual recognition of tourist visas of Kazakhstan and Kyrgyz Republic issued to their citizens by third countries (within the territories bordering with Kazakhstan, Issyk-Kul, Talas, Chu regions of Kyrgyz Republic and Almaty and Zhambyl regions of Kazakhstan), dd. April 26, 2007 (Bishkek, Kyrgyzstan);
10. Agreement between the Ministry of Tourism and Sports of Kazakhstan and the Ministry of Roads, Transport and Tourism of Mongolia on cooperation in the field of tourism, dd. August 14, 2007 (Astana, Kazakhstan);
11. Agreement between the Government of Kazakhstan and the Government of the Islamic Republic of Pakistan on cooperation in the field of culture, sports and tourism, dd. February 24, 1992 (Islamabad, Pakistan);
12. Agreement between the Government of Kazakhstan and the Government of Tajikistan on cooperation in the field of tourism, dd. November 24, 2010, (Dushanbe, Tajikistan);
13. Agreement between the Government of Kazakhstan and the Government of Turkmenistan on cooperation in the field of tourism, dd. February 27, 1997 (Almaty Kazakhstan).

FUTURE AGREEMENTS OF KAZAKHSTAN IN TOURISM TO BE SIGNED WITH NEIGHBORING COUNTRIES

1. Agreement between the Government of Kazakhstan and the Government of Kyrgyz Republic on procedure for crossing Kazakh-Kyrgyz state border by managed tourist groups visiting cross-border mountain routes;
2. Agreement between the Government of Kazakhstan and the Government of Uzbekistan on mutual recognition of tourist visas of Kazakhstan and Uzbekistan issued to their citizens by third countries within the territories and areas established by Kazakhstan and Uzbekistan as part of joint cross-border tourist routes along the Silk Road;
3. Joint Action Plan for tourism development between Kazakhstan and Russia for 2019-2021.

PPRK 13

- **Exemption** of investors engaged in construction of **ski resorts, recreation facilities and resorts, theme parks, hotels and roadside services** from **customs duties, land and property taxes and corporate income tax for eight years**, and provision them with in-kind grants (land).
- The minimum investment value - around KZT 4.9 billion (around 2 million of minimum calculated indicator - MCI).

Shchuchinsko-Borovskaya Resort Area

Burabay Ski Resort



Burabay Congress Hall



BOROVOYE:
site for cinema industry
development in Kazakhstan



6 PRIORITIES

State Program for Tourism Development in Kazakhstan 2023

Goals:

- Tourism share growth in GDP **from 1% to 8% by 2023** through transformation into one of the national economy diversification drivers.
- **From 81th in 2017 to 50th in 2023** position in travel and tourism competitiveness ranking of the World Economic Forum

Priority Program Areas

- 1 Tourism infrastructure development**
- 2 Liberalization of visa and immigration policy**
- 3 Improving transport accessibility of tourist facilities and destinations**
- 4 Improving efficiency of travel marketing and promotion**
- 5 Improving state support efficiency**
- 6 Improving standards of service, staffing, culture, and tourism information environment**

Имантау-Шалкар



Щучинско-Боровская курортная зона



Астана



Баянаул



Алаколь (ВКО)



10

приоритизированных
объектов в рамках Республиканской
карты туристификации Казахстана

8

дестинаций
проработаны в Мастер
Планах



Мангыстау



Туркестан



Балхаш

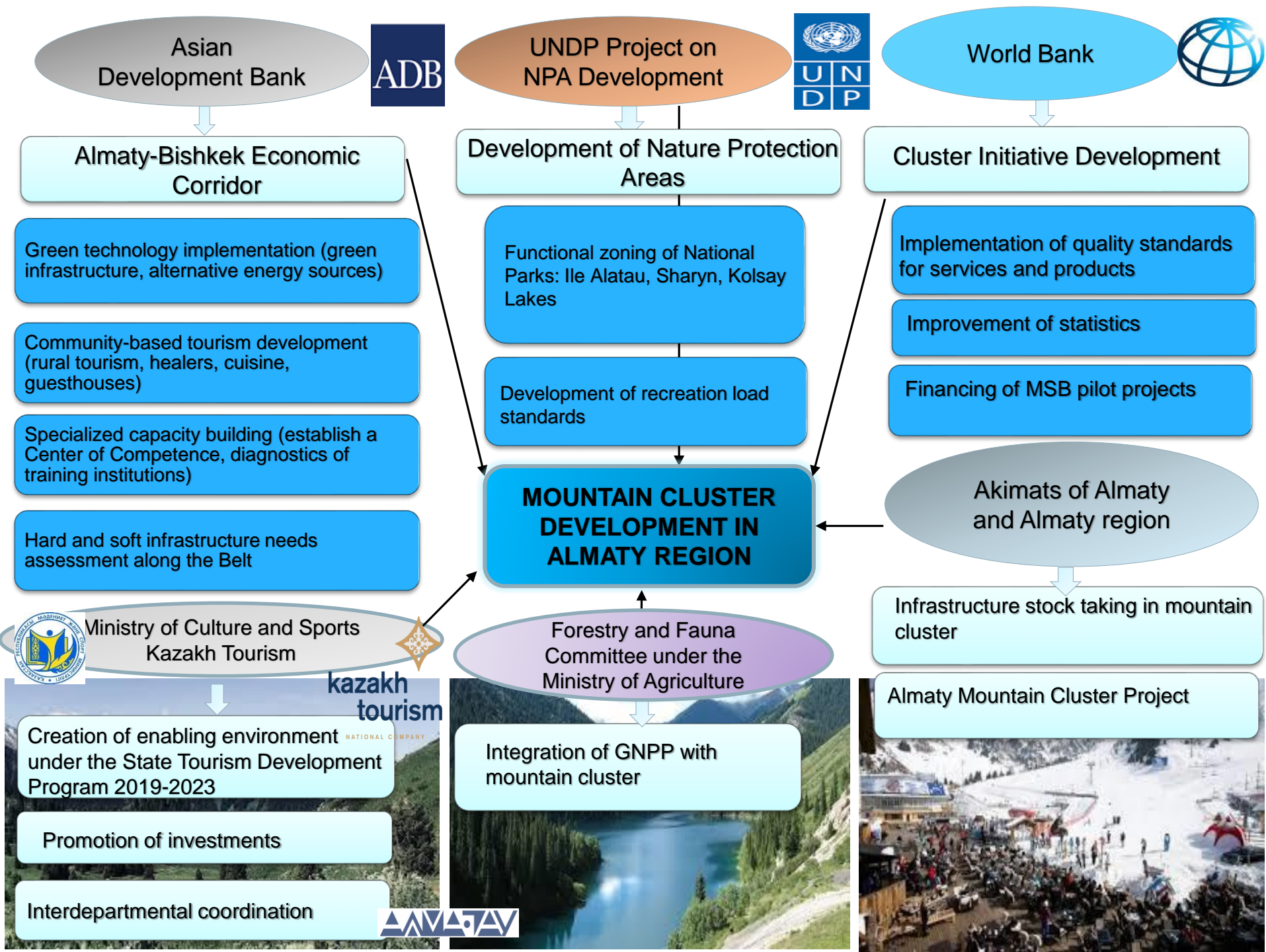


Алматы (Горный
Кластер)



Алаколь (АО)





KAZAKH TOURISM NATIONAL COMPANY

MISSION

Development of domestic and inbound tourism through promoting investments, improving competitiveness of the national tourism products and recognition of Kazakhstan as the international tourist destination.

VISION

KAZAKH TOURISM is a key organization that effectively manages the brand of Kazakhstan and is information & analytical resource for managing, coordinating and developing tourism.

KEY ACTIVITY AREAS




Development of tourism resources

Promotion of investments

Marketing of tourism potential in regions

Development of soft infrastructure




Promotion of national tourism brand

Promotion of tourist products in the tourist market

Creation and management of a national tourism brand

Implementation of event projects



Повышение качества турпродуктов и услуг

Development of service quality evaluation system

Capacity building

Digital tourism

**INVESTMENT FORUM
ASTANA KTI FORUM 2018
23 November, 2018, Astana**

Goal of Astana KTI (Kazakh Tourism Invest) Forum 2018 is to create a platform for promoting direct investments in tourism industry

The Forum will host the following events:

- 1. Panel sessions** on investment promotion in tourism and state support measures
- 2. Round tables** to discuss current issues, including new PPP arrangements
- 3. Presentation** of anchor investment projects
- 4. Presentation** of master plans for sites covered by National Touristization Map
- 5. Contest** of the best investment projects by area: innovation, digitalization, transport, logistics, etc.

Forum participants: Government agencies, national companies, industry associations, business industry flagships, national and foreign investors

Invited foreign speakers: UNWTO, ADB, McKinsey & Company, Reformats, Qatar Investment Authority, Atout France









Outcome: First specialized investment event in tourism, extensive database of investment projects, committed foreign investments

KAZAKHSTAN TRAVEL WEB PORTAL



- Upgrade the existing portal, update the process platform
- Develop additional modules:
 - User (tourist) profile
 - Travel industry directory
 - Tourist destinations directory
 - Tourist routes directory
 - Integration bus (Kazakh Tourism website, integration with external ISs)
 - Analytics module
 - News module
 - User support module (chat bot, tourist submissions)
- Using the Portal, it is planned to create a single digital platform based on web portals and mobile applications synchronized with the existing e-government tools.

Priority 2: Visa Regime Liberalization

Target market	Proposed activities
 China  India	<ul style="list-style-type: none"> Optimization of visa issue procedure – Schengen zone analogue Simplification of visa issue procedure for retired people and persons over 55 years old, schoolchildren, tourists, wealthy tourists (annual income of USD36,000) Implementation of E-visa for foreign citizens
 Bahrain  Kuwait  Oman  Qatar  CA	<ul style="list-style-type: none"> Implementation of visa-free regime Issue of visas upon arrival
 World	<ul style="list-style-type: none"> Visa waiver for holders of Schengen, USA, Canada, and Japan visas Multiple 1-year and 5-years visas for trustworthy tourists and urgent visas with payment of additional fee. All waiver in relation to target markets can be provided in pilot mode for 1 year – and after, based on the results of the year a decision can be made on either extension or cancellation of the waiver. Implement KPIs for the embassies of Kazakhstan in the target markets to encourage growth in tourist traffic and number of visas issued.

5-day
visa-free
transit

Priority 3: Improving Transport Accessibility

Air Connectivity

Gradually implement **Open Sky** policy elements of 5th Freedom Traffic Rights for the cities of **Astana, Almaty, Shymkent** and **Aktau** and for target markets, taking into account the interests of national air carriers.

Rehabilitate TOP-10 **runways and terminals**, upgrade and improve technical facilities and equipment

Increase the number of TOP-10 **domestic flights** between regions of the country through subsidizing

Provide **regional airport subsidies** to TOP-10

Implement state **regulation of aviation kerosene prices**

Implement “**KIDS GO FREE**” program by subsidizing children's travels during school holidays

Roads and Roadside Services

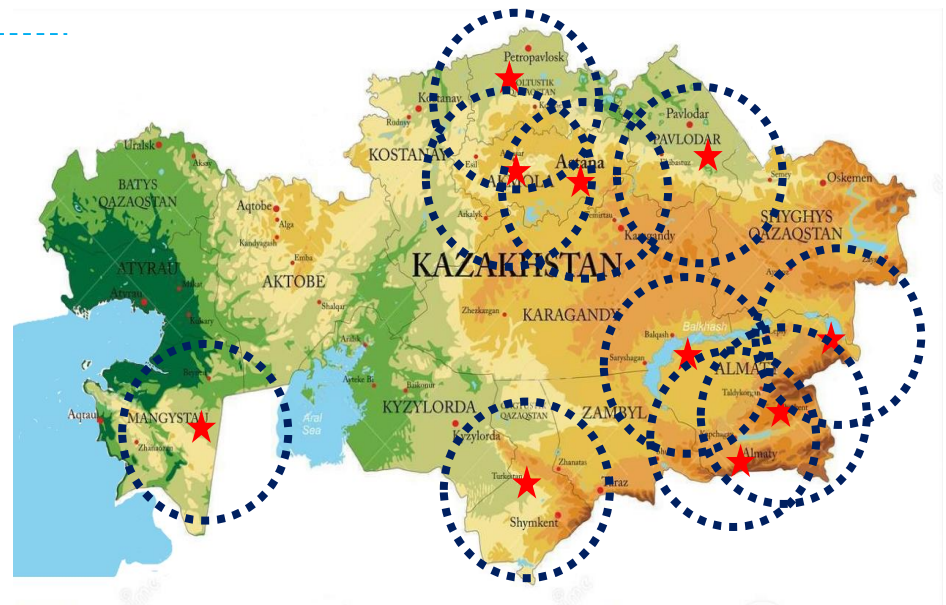
Continue construction and reconstruction of TOP-10 highways within a radius of 500 km, incl. the “**last mile**”

Move the **road construction schedules** for TOP-10 National Touristization Map facilities

Ensure the priority construction and reconstruction of TOP-10 **roadside service facilities** within a radius of 500 km

Develop road maps for upgrading **checkpoints** in each border area

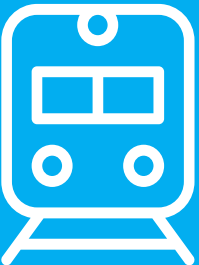
Ensure construction and reconstruction of infrastructure and **passenger terminals at checkpoints**, including use of PPP arrangements



Road Transportation and Railways



- Construct and reconstruct TOP-10 **bus terminals and bus stations**
- Increase in number of inter-city and domestic TOP-10 **automobile road routes**
- Establish priority control and pass arrangements for **tourist passenger vehicles**



- Construct and reconstruct TOP-10 **railway terminals and stations**
- Increase in number of international and domestic **railway routes**
- Increase subsidies for **railway passengers**

Priority 4: Improving Marketing and Promotion Services

Develop positive image of Kazakhstan abroad, promote **country tourist brand** based on national identity, original culture, hospitality, wilderness and centuries-old history of Kazakhstan

Promote tourist brand both in the country and abroad through advertising campaigns and promotions by a single brand manager – **Kazakh Tourism JSC NC**

Develop competitive **information content**, **external** and **internal** marketing communications

Reduce financial burden on the state budget in part of tourist brand marketing and promoting following international practice of imposing a “**bed tax**” on foreign tourists from 2021

146 из 195 стран мира имеют собственный туристский бренд



MARKETING AND PROMOTION

Group 1:

CAREC countries,
Russia and China



✓ Adventure



✓ Mountain tours



✓ Beaches and sun



✓ MICE and city tours

Group 2:

Europe, CIS, India,
Iran, South Korea



✓ Nature



✓ Ethnography tours



✓ Heritage and culture

Group 3:

Middle East, South-East
Asia, USA



✓ Nature



✓ Ethnography tours



✓ Heritage and culture



✓ MICE and city tours









✓ Recreation

The Telegraph



Priority 5: Increasing State Support Efficiency

Support measures: International Practice	 Turkey	 Australia	 Greece	 Uzbekistan	 Hungary	 UAE
▪ Subsidized capital costs	✓	✓	✓	✓	✓	✓
▪ Preferences for customs clearance	✓	✓	✓	✓	✓	✓
▪ Allocation of public land	✓	✓	✗	✓	✗	✓
▪ Tax holidays	✓	✓	✓	✓	✓	✓
▪ Training subsidies	✓	✓	✓	✓	✓	✗
▪ Transport subsidies	✓	✓	✓	✓	✓	✓
▪ Discounts for water, electricity, gas	✓	✗	✗	✗	✗	✗
▪ Permission to hire expats	✓	✗	✗	✗	✗	✓

Priority 6:

Improving Standards of Service, Staffing, Culture, and Tourism Information Environment

Human resource development

- Open the **International University of Tourism and Hospitality** in 2019

Improvement of national quality standards to comply with international standards

- Establish a **Center of Guide Accreditation**
- Implement systems of **mandatory category ranking** (stars) of accommodation facilities and **voluntary evaluation of tourist services** using Spanish Q system as an example

Reduce initial costs of tourist products and services

- Implement a system of encouraging domestic tourism through **tourist certificates**
- **Exempt from VAT** turnover of hotels accommodating foreign citizens
- **Subsidize utility costs** of resort zones

Increase digital accessibility of tourist services

- Create a single **e-Tourism** digital platform
- Implement **gamification** elements for tourist sites
- Provide **Internet** access in TOP-10 resort zones

Kazakhstan National Tourism Development Program 2023

Key Performance Indicators

1 Tourism share in GDP growth to 8% in 2023

2 Growth in number of people employed in tourism industry (by 14 types of economic activity according to the OKED General Classifier) - from 400,000 to 650,000 people

3 Growth in foreign tourist flow from current 6.5 to 9 million visitors* or inbound tourists from 2.1 to 3 million**

4 Growth in number of domestic tourists from current 4.6 до 7 million

5 Kazakhstan is ranked among the top 50 countries in tourism and travel competitiveness ranking according to the World Economic Forum methodology

* visitor – a foreign citizen, who crossed the border of Kazakhstan;

** inbound tourist – a foreign citizen stayed >24 hours in Kazakhstan without relation to professional business activity.

THANK YOU FOR ATTENTION!