Kazakhstan slide package for a foreign investor







Paulina Wilk June 2012





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The information in this document is compiled and edited from a variety of sources. The Pan-European Institute assumes no responsibility for the completeness or accuracy of the information.





a) Geographical facts

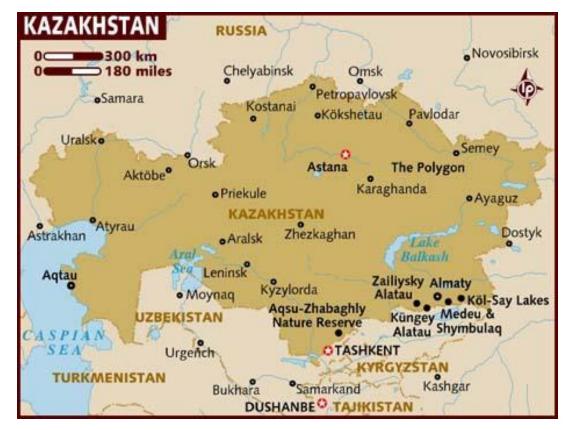
Land Area:

land: 2 669 800 km2water: 47 500 km2total: 2 717 300 km2

Capital: Astana

Borders with:

Turkmenistan 379 km,
Aral Sea 1070 km,
Kyrgyzstan 1224 km,
China 1533 km,
Caspian Sea 1894 km
Uzbekistan 2203 km,
Russia 6846 km.



Sources: CIA World Factbook





b) Administrative and territorial constitution

Kazakhstan is divided into 14 provinces*:

Akmola, Aktobe, Almaty, Almaty Province, Astana, Atyrau, Baikonur, East Kazakhstan, Karagandy, Kostanay, Mangystau, North Kazakhstan, Pavlodar, South Kazakhstan, West Kazakhstan and Zhambyl.







c) Population

Population: Population growth rate:

17 522 010 (July 2012 est.) 1,235% (2012 est.)

Major cities: (CityPopulation, 1.01.2012)

Almaty 1 450 327
Astana 742 918
Shymkent 642 602
Karagandy 475 370
Aktobe 367 391
Taraz 326 113

Share of urban population: 59% of total population (2010)

Sources: CIA World Factbook





d) Basic facts

Industries:

Oil, coal, iron ore, manganese, chromite, lead, zinc, copper, titanium, bauxite, gold, silver, phosphates, sulfur, uranium, iron and steel; tractors and other agricultural machinery, electric motors, construction materials

Agriculture:

Grain (mostly spring wheat), cotton; livestock

Natural resources:

Major deposits of petroleum, natural gas, coal, iron ore, manganese, chrome ore, nickel, cobalt, copper, molybdenum, lead, zinc, bauxite, gold, uranium

National Currency:

Kazakhstani Tenge, KZT

Official exchnage rates:

(As at June 8, 2012, National Bank of Kazakhstan)

EUR/KZT	186,77
JSD/KZT	148,64
RUB/KZT	4,60

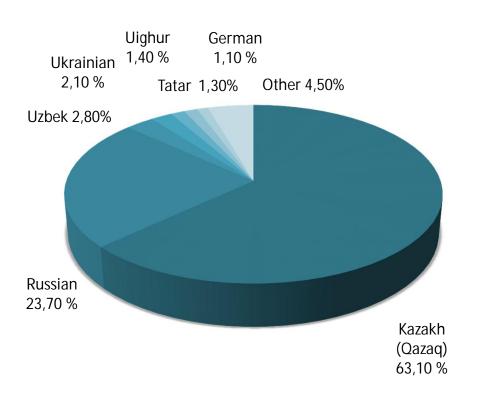
Sources: CIA World Factbook, National Bank of Kazakhstan





e) Ethnicity & religion

Ethnicity



Languages:

Kazakh (Qazaq, state language) 64,4%,

Russian (official, used in everyday business, designated the "language of interethnic communication") 95% (2001 est.)

Religions:

Muslim 47%, Russian Orthodox 44%, Protestant 2%, other 7%.

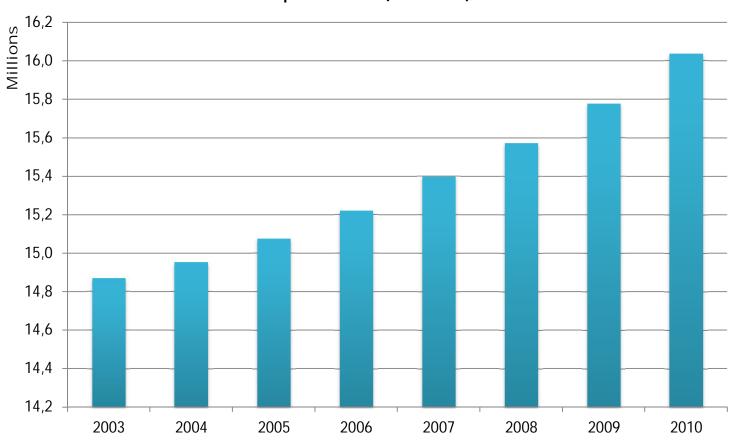
Sources: CIA World Factbook (2009 cenzus)





f) Total population change*

Population (million)



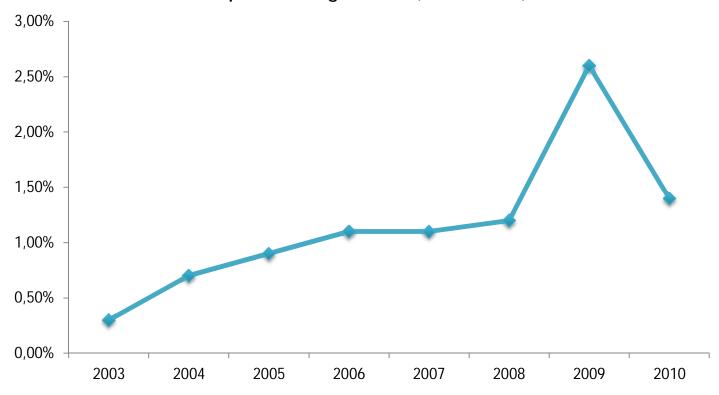
Sources: The Agency of Statistics of the Republic of Kazakhstan *at the beginning of the year





g) Population growth rate





Sources: The World Bank, World Development Indicators; IndexMundi.com





i) Transport infrastructure

Airports 97 (2010)

Ports & terminals Aqtau (Shevchenko),

Atyrau (Gur'yev),

Oskemen (Ust-Kamenogorsk),

Pavlodar,

Semey (Semipalatinsk)

Railways 15 079 km

broad gauge: 15 079 km 1,520-m gauge (4 000 km electrified)

(2010)

Roadways 93 612 km

paved: 84 100 km

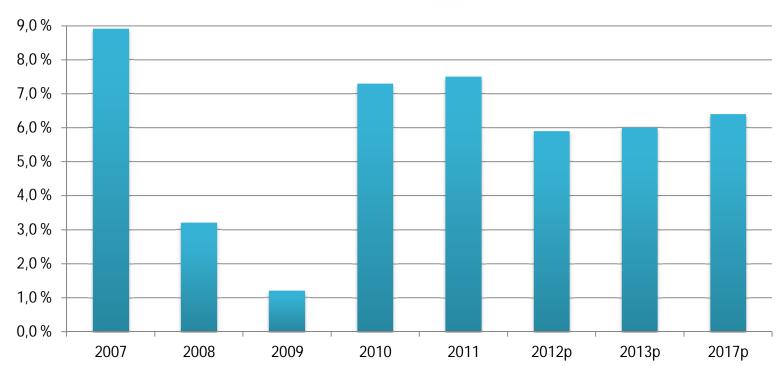
unpaved: 9 512 km (2008)

Sources: CIA World Factbook





a) Real GDP growth



GDP estimate 2011: 140,8 billion €

GDP per capita (PPP) estimate 2011: 10 165 € (CIA, The World Factbook)

Exchange rates according to the National Bank

of Finland, May 2012,

EUR 1 = 1,2789 USD

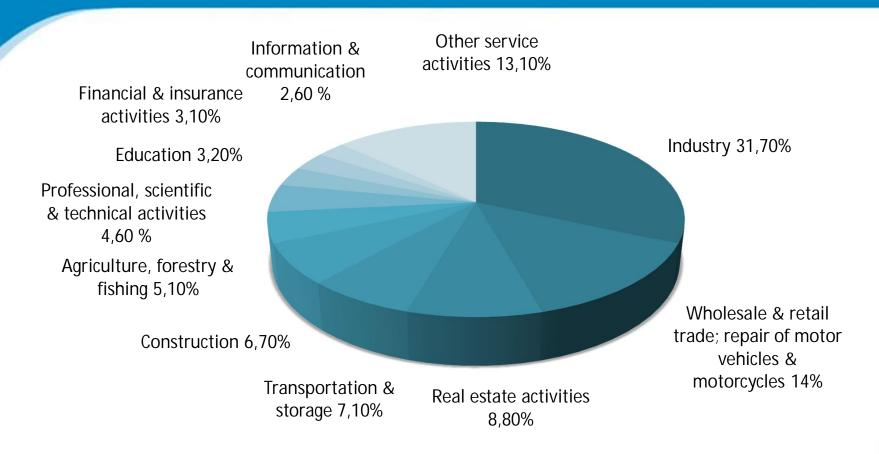
Sources: IMF World Economic Outlook Database April 2012

p-projection

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URUN KAUPPAKORKEAKOULU

2. Economic development b) GDP by major sectors, 2011*



Sources: The Agency of Statistics of the Republic of Kazakhstan *preliminary data





c) Labour force

	2008	2009	2010	2011
Population	15 655 000	15 841 000	16 026 000	16 212 000*
Economically active population	8 415 000	8 457 900	8 610 700	8 744 600
Unemployed	557 800	554 500	496 500	473 000
Unemployment rate	6,6%	6,6%	5,9%	5,4%

Unemployment projection 2012: 5,4%

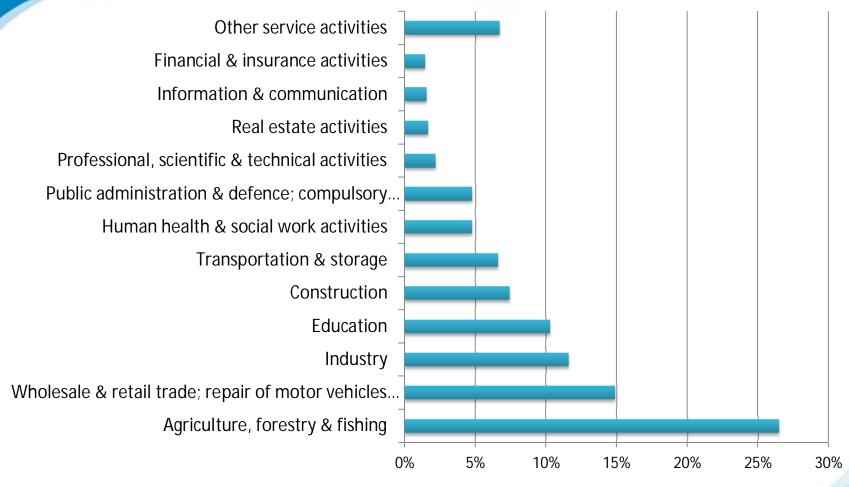
(IMF World Economic Outlook Database April 2012)

Sources: The Agency of Statistics of the Republic of Kazakhstan, United Nations Population Division, World Population Prospects: The 2010 Revision *forecast





d) Employment by economic activity, 2011

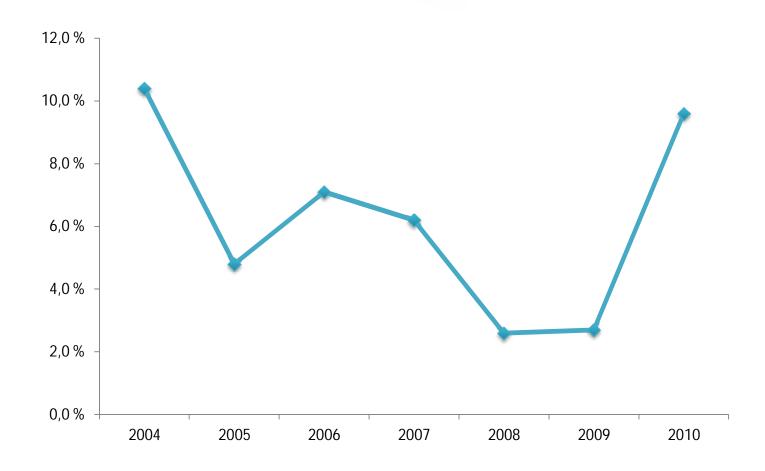


Sources: The Agency of Statistics of the Republic of Kazakhstan





e) Industrial production growth rate*

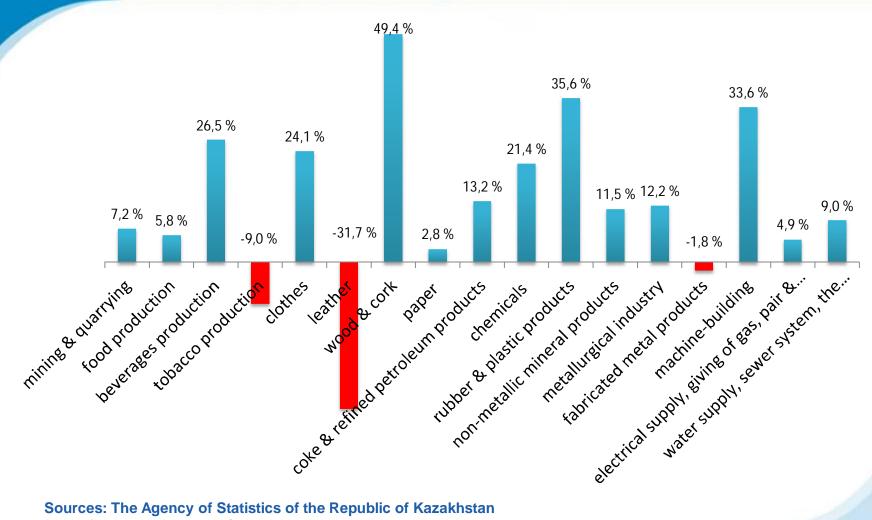


Sources: The Agency of Statistics of the Republic of Kazakhstan *growth as percent to previous year





f) Industrial production growth rate* by sectors, 2010



Sources: The Agency of Statistics of the Republic of Kazakhstan *growth as percent to previous year





a) Democracy

Democracy Index 2011 Regime type: Authoritarian regime Democracy under stress	Overall rank 137/167
Electoral process & pluralism (on a scale from 0 to 10)	1,33
Functioning of government (on a scale from 0 to 10)	2,14
Political participation (on a scale from 0 to 10)	3,33
Political culture (on a scale from 0 to 10)	4,38
Civil liberties (on a scale from 0 to 10)	5,0

Sources: Economist Intelligence Unit





b) Business freedom

Ranking index	Rank of Kazakhstan/
	Total number of countries
World Democracy Audit overall ranking (World Audit, May 2012)	127/150
Press Freedom ranking (World Audit, May 2012)	128/150
Global Competitiveness Index 2011-2012 (World Economic Forum)	72/142
The 2012 Index of Economic Freedom (The Heritage Foundation)	65/179
Corruption Perceptions Index 2011 (Transparency International)	120/183 (11/20 within Eastern Europe & Central Asia)
Ease of Doing Business 2012 (World Bank)	47/183 +11 change to the previous year (6/24 within Eastern Europe & Central Asia)





c) Doing business

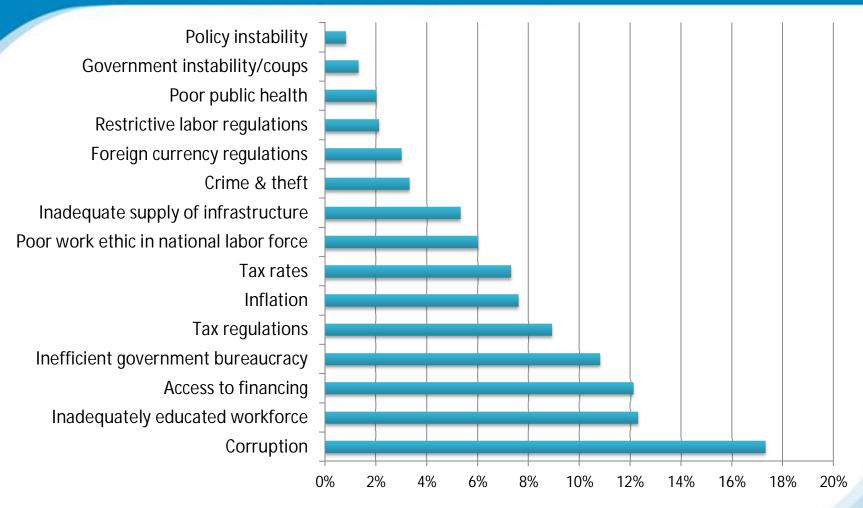
Indicators	Kazakhstan	Eastern Europe & Central Asia	OECD
Starting a business			
Procedures	6	6	5
Time (days)	19	16	12
Cost (% of income per capita)	0,8%	8,3%	4,7%
Paid-in Min. Capital (% of income per capita)	0,0%	10%	14,1%
Registering property			
Procedures	4	6	5
Time (days)	40	33	31
Cost (% of propert value)	0,1%	2,8%	4,4%

Source: The World Bank: Doing Business





d) The most problematic factors for doing business



Sources: The Global Competitiveness Report 2011-2012 *Answers selected by respondents





e) Taxes

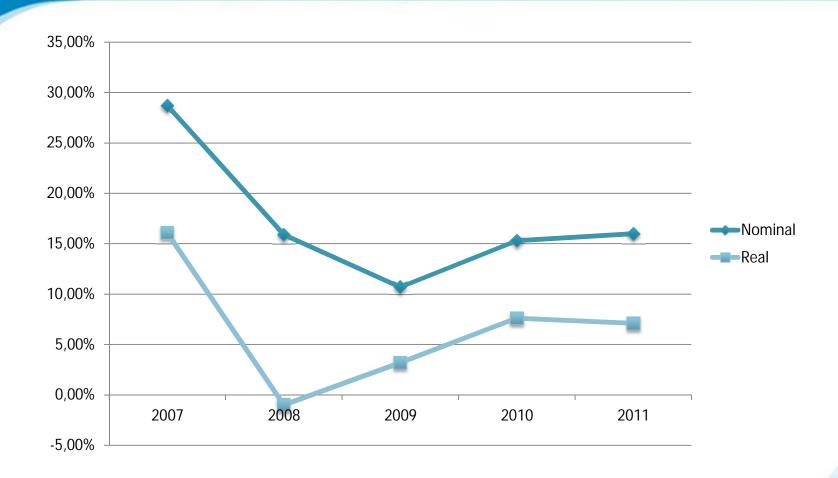
Taxes	Rate
The flat income tax rate	10,0 %
The standard corporate tax rate	20,0 %
Other taxes (excise taxes & VAT) & overall tax burden	21,5% of total domestic income
Governments spendings	23,5% of total domestic output
Public debt	Less than 15% of GDP

Sources: The Heritage Foundation





a) Index of wages and salaries*

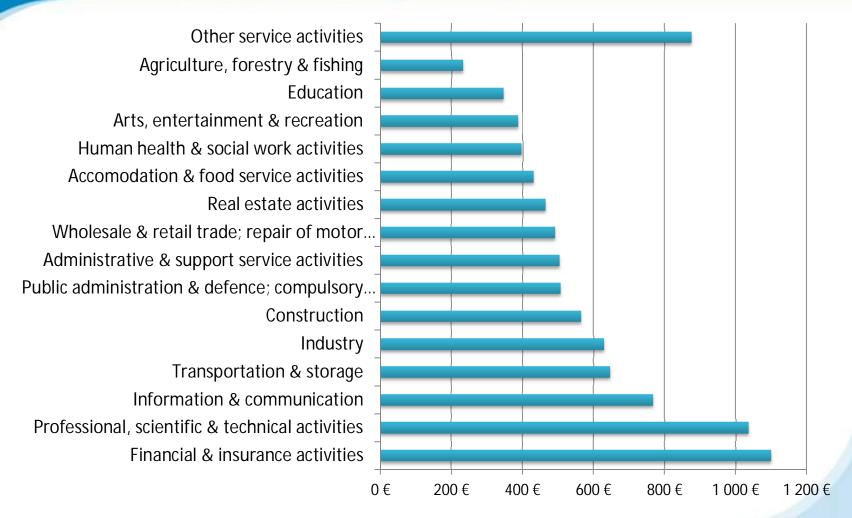


Sources: The Agency of Statistics of the Republic of Kazakhstan *as percent to previous year





b) Average monthly earnings by economic activity, April 2012

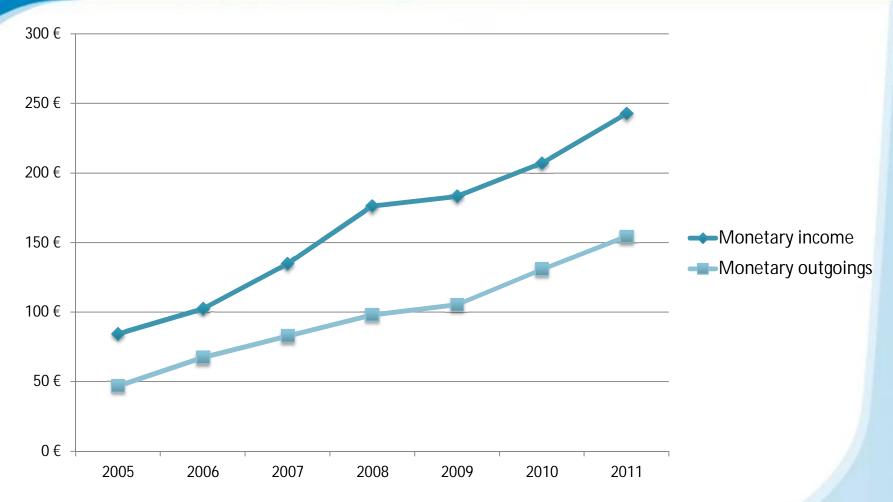


Sources: The Agency of Statistics of the Republic of Kazakhstan





c) Average monthly income & outgoings*

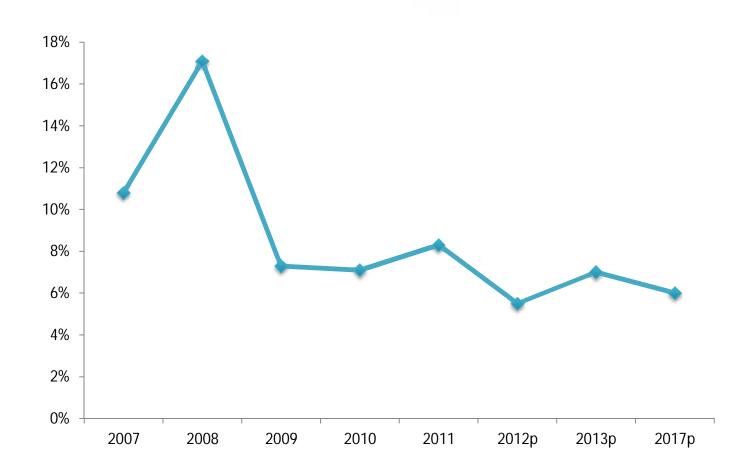


Sources: The Agency of Statistics of the Republic of Kazakhstan *per capita





d) Consumer Price Inflation (average, %)



Sources: IMF World Economic Outlook

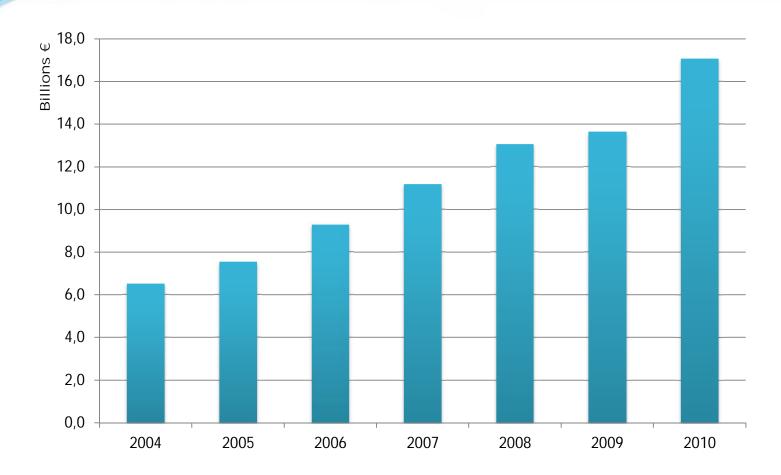
Database April 2012

p-projection





e) Retail trade turnover (billion €)

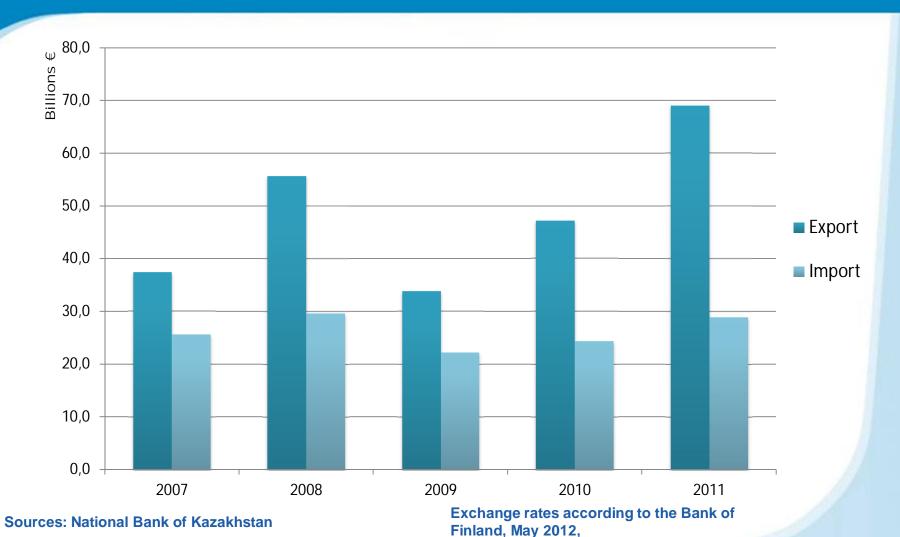


Sources: The Agency of Statistics of the Republic of Kazakhstan





a) Development of foreign trade (billion €)



EUR 1 = 1.2789 USD





b) Foreign trade structure, 2010

Export	Commodities	Import
-	Machinery & equipment	38,9%
74,9 %	Mineral products	14 %
13,3 %	Metals	11,9%
5,1 %	Chemicals	14,2 %
3,4 %	Food products	-
3,3 %	Others	21 %

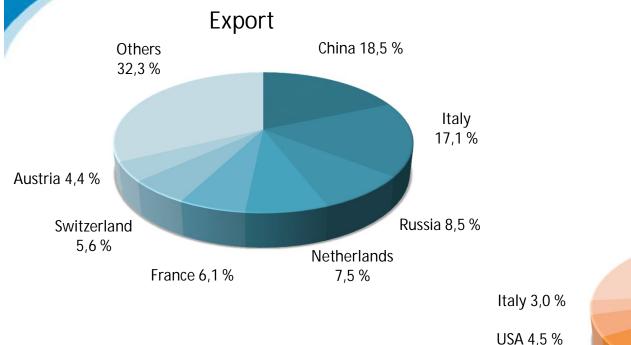
Sources: Netherlands embassy in Astana and Almaty, Kazakhstan

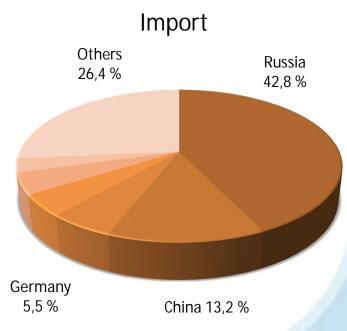




c) Major export and import partners in 2011

Ukraine 4,6 %



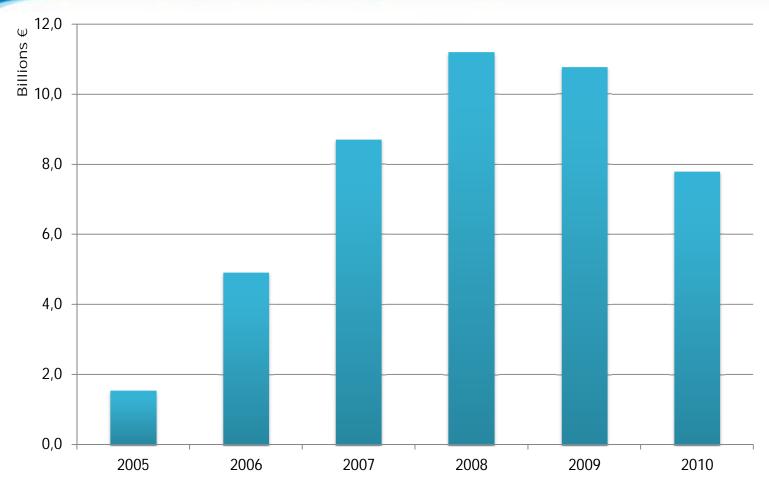


Sources: The Agency of Statistics of the Republic of Kazakhstan





d)Foreign Direct Investment inflows (billion €)



Sources: UNCTAD, World Investment Report 2011

Exchange rates according to the Bank of Finland, May 2012, EUR 1 = 1,2789 USD





5. External economic relations e) FDI stock

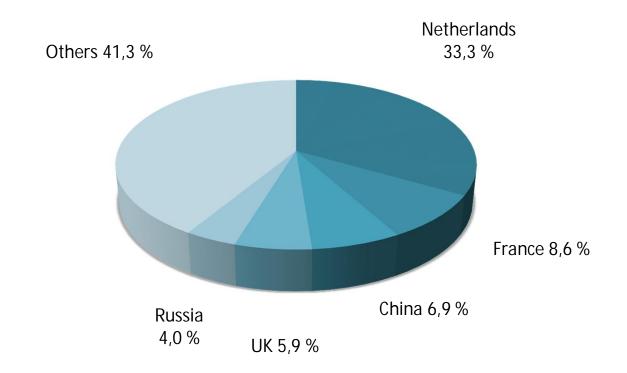
	2000	2010
FDI inward stock	7,9 billion €	63,6 billion €
FDI outward stock	12,5 million €	12,6 billion €

Sources: UNCTAD, World Investment Report 2011; Exchange rates according to the Bank of Finland May 2012, 1 EUR = 1,2789 USD





f) FDI by countries, 2010



Sources: Netherlands embassy in Astana and Almaty, Kazakhstan





5. External economic relations g) FDI by sectors 2010

Main sectors		
Real estate activities, lease & services	50,6 %	
Mining industry	20,7 %	
Processing industry	12,1 %	
Trade, repair of motor vehicles & household products	6,3 %	
Construction Transport & communications	3,4 %	
Transport & communications Production, distribution of electricity, gas & water	2,3 % 0,6 %	
Others	4,0 %	

Sources: Netherlands embassy in Astana and Almaty, Kazakhstan





a) Business services and authorities

BUSINESS SUPPORTING SERVICES

Finpro in Russia and Kazakhstan

http://www.finpro.fi/en-US/Business/Market+Knowledge/Finpro+Russia/

Investment Promotion Agency of Republic of Kazakhstan "Kazinvest"

http://www.kazinvest.kz/

Invest in Kazakhstan

http://www.investkz.com/en/

Kazahkstan Investment Fund

http://www.kif.kz/

SOME AUTHORITIES

Government of the Republic of Kazakhstan

http://en.government.kz/

Ministry of Finance

http://www.minfin.kz/index.php?lang=eng

Ministry of Foreign Affairs

http://portal.mfa.kz/

Central Bank of Kazakhstan

http://www.nationalbank.kz/





b) Embassy and European Comission's Delegation

Embassy of Finland in Kazakhstan Contacts:

Finland Consulate

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Almaty, Kazakhstan

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E-mail: outo@itte.kz

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Fax: +7/3172/ 979 563

Email: delegation.kazakhstan@ec.europa.eu





c) Other sources

CIA World Factbook

https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html

FINPRO

http://www.finpro.fi/en-US/Finpro/

International Labour Organization
http://www.ilo.org/global/lang--en/index.htm

The Agency of Statistics of Republic of Kazakhstan http://www.eng.stat.kz/Pages/default.aspx

The Heritage Foundation http://www.heritage.org/





c) Other sources

The United Nations Economic Commission for Europe (UNECE) http://www.unece.org/

United Nations Conference of Trade and Development http://www.unctad.org/en/

United Nations Population Division, World Population Prospects: The 2010 Revision

http://esa.un.org



