

## KAZAKHSTAN

### Pharmaceutical industry

Kazakhstan has several pharmaceutical plants including Santo in Shymkent, Karaganda Pharmaceutical Plant, Almaty Pharmaceutical Plant and etc. However the local production does not cover the state demand for pharmaceutical products. Thus in January – October of 2009 87.4% of drugs were imported while the local production was 12.6% only. Import of pharmaceutical products for the same period was 89.6%, while the local production 10.4% out of 100. In January – December of 2009 Germany was the main import source of the given products with a share in Kazakhstani import of pharmaceuticals 17.1%. Next came France with 10.1% out of 100, Russian Federation with 8.4%, Austria 7.4% and India 5.6%. Total Kazakhstani import of pharmaceutical products for January – December of 2009 was 759 625.4 mln USD.

For the development of pharmaceutical industry and in order to increase of competitiveness and sustainability of local producers Kazakhstan created SK-Pharma. One of the prerogatives of SK-Pharma is to organize state purchases of pharmaceutical products and some services in the framework of guarantee capacity of free medicare through public tenders. The tenders are opened for participation for local well as foreign producers/suppliers, however the local produces have a preferably.

The procedures of export of pharmaceutical products to the Republic of Kazakhstan (as well as registration of local production) include obligatory registration of the products at Ministry of Health (Committee of Pharmaceutical Control). The procedures to get the state registration are following:

1. Submission of the Application on registration of pharmaceutical products with enclosed confirmation of payment of state registration fee to the Committee of Pharmaceutical Control. The Application initiated by the head of the Department of the Committee of Pharmaceutical Control transfers to the department of experts' work of National Center of Expertise of the Ministry of Health of RK (NCE).
2. The Applicant concludes the contract with NCE for carrying out expert examination.
3. The specialist of expert department accepts the Application for state registration, checks the availability of contract for expert examination, than issue the referral for payment. The referral for payment initials by specialist and head of department and

goes to the account department. The account department prepare invoice within 5 working days.

4. After check the registration dossier, samples and standards of pharmaceutical products validity of samples, standards and storage mode all these goes to small achieve. The certificates of analyze is require for the given standards and samples.

FYI: In case of failure to submit the all necessary document within 30 day the company must inform (in written form) about the term that is require for submission of all require papers. Otherwise the given pharmaceutical product will get a refusal in state registration.

5. Primary expertise of documents and materials carry out within 20 days for registration of pharmaceutical product, 10 days in case of re-registration, and 5 days – for substance from the day of money in payment to the account of NCE. In case of positive finding of primary expertise the product sends for analytic expertise.
6. Analytic expertise conducts out within 50 days, immunobiological products -70days.
7. Special pharmaceutical expertise conducts by Pharmacopoeia Center (including expertise of technological normative document on control of quality and security, 40 days) within 90 days.
8. Special pharmacological expertise conducts by Pharmacological Center within 90 days after getting the positive decision of pharmaceutical expertise.
9. After passing of complete cycle of expert's work the conclusion on safety, efficiency and quality of pharmaceutical product prepares within 20 days if registration, 10 days if reregistration. On the bases of the order of Chairman of Committee of Pharmaceutical Control the registration card issues.
10. The applicant receives following:
  - ✓ Registration card with term within the given pharmaceutical product is allowed for medical usage on the territory of the Republic of Kazakhstan.
  - ✓ Confirmed technical limitation document on control of quality and safety of the product.
  - ✓ Confirmed guidance for medical usage of pharmaceutical product in Russian and Kazakh languages.

- ✓ Confirmed package and labels design
- ✓ Second exemplar of registration dossier

**Source:**

Statistics Agency RK [www.stat.kz](http://www.stat.kz)

National Center of Expertise of the Ministry of Health of Kazakhstan [www.dari.kz](http://www.dari.kz)

SK-Parma <http://www.sk-pharma.kz/>

**Starting business in Kazakhstan**

Kazakhstan ranked 63th among 183 economies in Doing Business 2010 by the World Bank. In subcategories: Starting a business – 82; Employing workers – 38; Registering property – 31; Getting credit – 43; Protecting investors – 57; Paying taxes – 52; Trading across border – 182; Enforcing contracts – 34; Closing a business - 54.

However according to World Economic Forum's Global Competitiveness report of 2009-2010 the corruption, inflation, access to financing, tax rates, tax regulations, and inefficient government bureaucracy are among the most problematic factors for doing business in Kazakhstan.

*Forms of organization existing in Kazakhstan:* Limited Liability Partnership, Joint Stock Company, Full partnership, Additional Liability Partnership, Production Co-operative, State Enterprise. The most actual forms of legal entity are LLP and JSC, representative office or branch office.

*Registration of Local Company*

The following documents are required:

- ✓ Application for registration
- ✓ Charter, except of large and medium enterprises, which act on the bases of standard charter. Set of three copies
- ✓ Minutes of foundation meeting, or decision of exclusive founder (if founded by one individual)
- ✓ Copy of the identification documents of the head and founders of the legal entity, their evidences of taxpayer
- ✓ Confirmation of the legal address of the entity
- ✓ Confirmation of payment of state registration of legal entity fee
- ✓ Confirmation that the founders do not have any outstanding tax payments and copy of certificate of registration and statistical card, certificate of taxpayer

*Registration of legal entities with foreign participation requires following documents in addition to the above listed (notarized and translated into Kazakh and Russian languages):*

- ✓ Statement from a foreign trade register or other documents confirming that founder – foreign legal entity is a legal entity under the legislation of foreign state, with notarized translation into Kazakh and Russian languages.
- ✓ Copy of passport or ID of foreign person with notarized translation into Kazakh and Russian languages.
- ✓ Confirmation of the address of the entity (government enterprise, public offices and 100% state owner JSC must provide document of authorized body on republican, community property management). Exception only for small enterprises
- ✓ Confirmation of payment of registration of legal entity fee
- ✓ Confirmation that the founders do not have any outstanding tax payments in a foreign country

*The foundation capital for LLP is minimum 1 USD, for JSC*

*Registration fee and duration (approximate):*

*Large/Medium Enterprise – 6.5MCI (9 185 tg, or approximately 63 USD), from 11 working days from the moment of submission the documents to Public Services Center of the Ministry of Justice of the Republic of Kazakhstan*

*Small Enterprise -2MCI (2 826 tg, or approximately 19.2 USD), from 3 days from the moment of submission the documents to Public service center of the Ministry of Justice of the Republic of Kazakhstan*

*Founders or one of founders should be personally presented at the moment of submission the documents to Public Services Center of the Ministry of Justice of the Republic of Kazakhstan.*

*Documents required for registration of Branch or Representative Office:*

1. Application for registration (adopted form)
2. The Charter of the branch/ representative office, in Kazakh and Russian languages, sealed by seal of legal entity. Set of three copies.
3. The decision to open a branch/ representative office in Kazakh and Russian languages, sealed by seal of legal entity.
4. Copy of the identification documents of head and founders of legal entity, their evidences of taxpayer
5. Copy of state registration certificate of the legal entity, copy of statistical card and evidence of taxpayer
6. Copy of charter (statute) of legal entity or copy of application for registration of legal entity, which acts on the bases of Standard Charter
7. Confirmation of the legal address of the entity

8. Confirmation of payment of state registration of legal entity fee

*Foreign branch and representative office will require (with notarized translation into Kazakh and Russian languages):*

9. Application for registration (adopted form)
10. Approved branch/ Representative office statute
11. Letter of attorney issued by the body of legal entity to the head of branch/ representative office, with notarized translation into Kazakh and Russian languages
12. Confirmation of the decision of legal entity to open a branch/ representative office, sealed by seal of the legal entity, with notarized translation into Kazakh and Russian languages
13. Legalized statement from a foreign trade register or other legalized document confirming that the given subject that opens the branch/ representative office in Kazakhstan is a legal entity under legislation of its state, with notarized translation into Kazakh and Russian languages
14. Copy of foundation documents of legal entity, with notarized translation into Kazakh and Russian languages
15. Confirmation of the address of the entity
16. Confirmation of payment of registration fee
17. If the branch / representative office founding by state enterprise document confirming the agreement of owner or authorized body to open the branch is required.
18. Confirmation that the founders do not have any outstanding tax payments in a foreign country

*Registration fee and duration (approximate):*

*Large/Medium Enterprise – 6.5MCI (9 185tg, or approximately 63 USD), 11 working days from the moment of submission the documents to Public Service Centers of the Ministry of Justice of the Republic of Kazakhstan*

*Small Enterprise -2MCI (2 826tg, or approximately 20 USD), 3 days from the moment of submission the documents to Public service center of the Ministry of Justice of the Republic of Kazakhstan*

*The director of branch/ representative office appointed by founders can submit documents to Public Services Center of the Ministry of Justice of the Republic of Kazakhstan.*

**Source:**

Law Firm Agere, Astana

IFC: Country Report: Doing Business Kazakhstan 2010

<http://www.doingbusiness.org/Documents/CountryProfiles/KAZ.pdf>

World Economic Forum , The global competitiveness report 2009-2010

<http://www.weforum.org/documents/GCR09/index.html>

Civil Code. State registration of legal entities in the Republic of Kazakhstan, December 27, 1994 (With amendments on February 2, 2010)

“Investor’s Guide” Investment Committee, Ministry of Industry and Trade of the Republic of Kazakhstan, Astana, 2009.

### Macroeconomic indicators

<i>GDP in 2009</i>	<i>GDP growth in 2009</i>	<i>GDP growth forecast 2010</i>	<i>GDP growth forecast 2011</i>	<i>National currency</i>
USD 109.2 bln	1.2 %	2.4%	4.2%	147.34 Tenge = 1 USD (06/07/2010)

### **Sources:**

GDP of 2009: Statistics Agency RK [www.stat.kz](http://www.stat.kz)

GDP forecast 2010/11: International Monetary Found <http://www.imf.org>

### **Rate of inflation**

The inflation rate in Kazakhstan rose in January – March of 2010. Mainly the growth was caused by increase in prices of groceries (fruits and vegetables – 12.6%, sugar – 8.1%, tobacco products – 8.1%, dairy products – 4.1%, meat products – 4.1%) and utilities (electricity increased 12.4%, cold water -10.6%, drain – 6.8%, telephone communications - 11.1%); prices in the non-grocery sector goods increased 1.1%.

The top of inflation rate in the first quarter of 2010 reached in January 1.4%, and declined in February, March and May. Annual inflation increased from 7.3% to 7.4% in February, and dropped to 7% in May.

<b>Consumer Price Index</b>			
	month on month basis, %	to December of the previous year, %	Year to year changes, %
January'10	1.4	1.4	7.3
February'10	0.9	2.3	7.4

March'10	0.7	2.9	7.2
April'10	0.7	3.6	7.1
May'10	0.6	4.2	7

In December of 2009 annual inflation was 6.2% (prices in sector of groceries increased on 3%, non-grocery goods – 8.6%, utilities – 8.4%).

Forecast for annual inflation in 2010 is 7.3%, and 6.6% in 2011.

### **Sources:**

Inflation 2010: National Bank of the Republic of Kazakhstan [www.nationalbank.kz](http://www.nationalbank.kz)

Inflation 2009: Statistics Agency RK [www.stat.kz](http://www.stat.kz)

Inflation forecast'10 and 2011: International Monetary Found <http://www.imf.org>

### **Investments**

Kazakhstan plays important role in Central Asia and attracts foreign investors by actively developing the market economy, wealth of natural reserves and political stability. In 1999 there were 1865 foreign companies registered on the territory of Kazakhstan, and in 2004 the figure had increased to 7070. According to World Bank rating Kazakhstan occupies 57 place in overall protecting of investors ranking. One important priority is the development of investments' facilities and support of investors. In this regard Kazakhstan adopted several preferences: Investments tax preferences, custom duty exemptions, state grants in kind.

In accordance with the Law investors may get the following preferences by entering into contract with the designated authority:

#### **(1) Investment tax preferences, including:**

- (a) Corporate income tax preferences for up to 10 years (exempting newly established companies and entitling operating companies to deduct cost of fixed assets acquired to implement investment project);**
- (b) Property tax preference for up to 5 years; and**
- (c) Land tax preference for up to 5 years.**

#### **(2) Exempting equipment and its components to be brought in to implement investment project from customs duties; and**

(3) Public grants in kind (land, buildings, structures, machines and equipment, computing machines, measuring and controlling devices and equipment, heavy vehicles (excluding cars), operating tools may be given as public grants in kind).

Contract made with the Committee is a basis for applying for tax and customs preferences. Therefore if suppose a company brings in equipment under contract it will be exempted from customs duty. Besides, based on the contract the company will be exempted from some taxes. To do so a copy of the contract would have to be submitted to the respective tax agency.

As to investors operating in the oil and gas sector, a completely different tax regime, laws on minerals and mineral extraction, product sharing agreement apply to them.

The list of priority activity categories in terms of investment approved in September 2005 include 237 categories. These include agriculture, light industry, chemical and metallurgical industries, machine building, electric power sector, transport sector, construction material sector at all.

For the development of investment climate and attraction of investments Kazakhstan established following institutions:

*Samruk-Kazyna Sovereign Wealth Fund*

The Fund's mission is to contribute to the growth of national welfare by increasing the long-term value of the Fund's companies, as well as to stable development, diversification, and modernization of the country's economy. The Fund is a commercial organization that performs a number of non-commercial functions defined by the legislation of the Republic of Kazakhstan.

The role of the Fund will consist in solving the following strategic problems:

- Funding and supporting implementation of the projects providing an increase in added value in industry;
- Funding and supporting implementation of the projects aimed at infrastructure development;
- Creating new non-primary production facilities;
- Assisting in development of small and medium business;

*JSC "Investment Promotion Center "Kazinvest"*. Kazakhstan investment promotion center «Kazinvest» is a state company with task to investments.

*Foreign investor's council association.* Kazakhstan Foreign Investors' Council Association was established at the initiative of foreign members of the Foreign Investors' Council chaired

by the President of the Republic of Kazakhstan (FIC) as the official Secretariat representing the FIC's foreign members. KFICA provides ongoing logistical, coordinating, informational and technical support to the foreign members of FIC. KFICA staff plan and organize in cooperation with the Committee on Investments and other government counterparts FIC Plenary and Interim Sessions with participation of the President of Kazakhstan. KFICA coordinates regular meetings and activities of the five joint FIC Working Groups (foreign side and joint meetings, seminars, roundtables, conferences, etc.). On behalf of FIC foreign members KFICA also develops partner relations with government officials, state agencies, foreign business and diplomatic communities, media and business associations, etc.

KFICA include 26 companies: European Bank for Reconstruction and Development, Eurasian Natural Resources Corporation PLC (ENRC), ExxonMobil, Chevron, The Royal Bank of Scotland Group plc, Ernst&Young, ENI, Arcelor Mittal, Baker&McKenzie, BG Group, Deutsche Bank, LUKOIL, Mitsubishi, Total, Credit Suisse Group, JP Morgan Chase, Asian Development Bank, ConocoPhillips, Royal Dutch Shell Plc., United Company RUSAL, Philip Morris International Inc., TeliaSonera, Cameco Corporation, HSBC, Eurasian Development Bank and Deloitte Touche and Eurasian Development Bank.

### *Legislation*

Kazakhstan legislation for investments is based on the Law "On investments" dated January 8, 2003 N373-11. The Law establishes legal and economic frameworks for encouragement of investments, guarantees protection of investors' rights and identifies the measures of state support to the investments and the procedure for settling of investors' disputes.

### *Statistics*

Total foreign investments in Kazakhstan in 2009 amounted to 18 429 bln USD, the total FDI to Kazakhstan since 1993 is 108 046 bln USD.

Since 2005 Netherlands are leading in annual direct investment flow to Kazakhstan. In 2009 it's investment reached 6 146.4 bln USD. Other biggest investors in Kazakhstan for 2009 are United States of America 1 910.6 bln USD, France 1 308.9 bln USD, British Virgin Islands 1 179.1 bln USD, United Kingdom 958.1 mln USD.

Total FDI of Norway to Kazakhstan is 82.5 mln USD.

The Norwegian Government Pension Fund Global Invested 123 811 106 NOK in the Republic of Kazakhstan, including 55 496 525 NOK in National Company KazMunaiGaz Exploration and Production and 68 314 581 NOK in Kazkommertsbank

**Source:**

National bank of Kazakhstan [www.nationalbank.kz](http://www.nationalbank.kz)

Government Pension Found Global

<http://www.nbim.no/en/Investments/holdings-/holdings-and-voting>

Foreign investor's council association

<http://www.fic.kz/content.asp?parent=1&lng=en&mid=10>

Turkish Businessman association <http://www.tiad.ro/>

Samruk-Kazyna Sovereign Wealth Fund

[http://www.samruk-kazyna.kz/page.php?page\\_id=2747&lang=3&parent\\_id=2731](http://www.samruk-kazyna.kz/page.php?page_id=2747&lang=3&parent_id=2731)

**Foreign trade**

Kazakhstan's total foreign trade in January – March 2010 was USD 18.8 bln, compared to the same period of 2009 it increased 34.4%; Export – USD 13.5 bln rised 67.9% and import – USD 5.4 bln decreased 10.5%.

The ten largest exports destinations of Kazakhstan (January – March 2010): China 15.2%; Italy 14.2%; Russia 9.2%; France 8.8%; Austria 5.2%; Netherlands 4.1%; Slovakia 3.7%; Canada 3.6%; Germany 3.4%; Great Britain 3%.

74% of export consists of mineral products; metals and metal products 12.7%

The ten major sources of imports (January – March 2010) were: Russia 38.7%; China 10.2%; Germany 9.1%; Ukraine 5.3%; USA 3.6%; Great Britain 3.5%; Turkey 1.9%; Canada 1.8%; Japan 1.7%; Belarus 1.6%.

Import in this period mostly consisted of machinery, equipment and transport products 39.5%; metals and its' products 20.1%; chemical products 12.1%.

In 2009 Kazakhstan had the following ten major destinations for its exports - Italy 15.5%; China 13.6%, Russia 8.2%; France 7.2%; Netherlands 5.1%; Switzerland 6.2%; Ukraine 3%; Iran 3%; Great Britain 2.9%; Israel 2.6%. Partners in imports – Russia 31.1%; China 12.6%, Ukraine 7.5%; Germany 7.2%; Italy 6.7%; USA 4.9%; Great Britain 2.5%; Japan 2.2%; Turkey 2.0%; France 1.6%.

*Kazakhstan foreign trade for in 2009*

*(10 highest rates)*

No	Country	Total trade 2009	Share in % of total
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	(in thousands USD)	trade
1. Russia	12 443 531.1	17.4
2. China	9 458 120.6	13.2
3. Italy	8 602 088.2	12.0
4. France	3 841 601.7	5.4
5. Ukraine	3 420 713.6	4.8
6. Germany	2 939 990.8	4.1
7. Switzerland	2 823 876.5	3.9
8. Netherlands	2 541 582.1	3.5
9. Great Britain	1 937 391.7	2.7
10. Austria	1 450 972.3	2.0

**Sources:**

Committee of Custom Control of the Republic of Kazakhstan [www.customs.kz](http://www.customs.kz), [e.customs.kz](http://e.customs.kz)

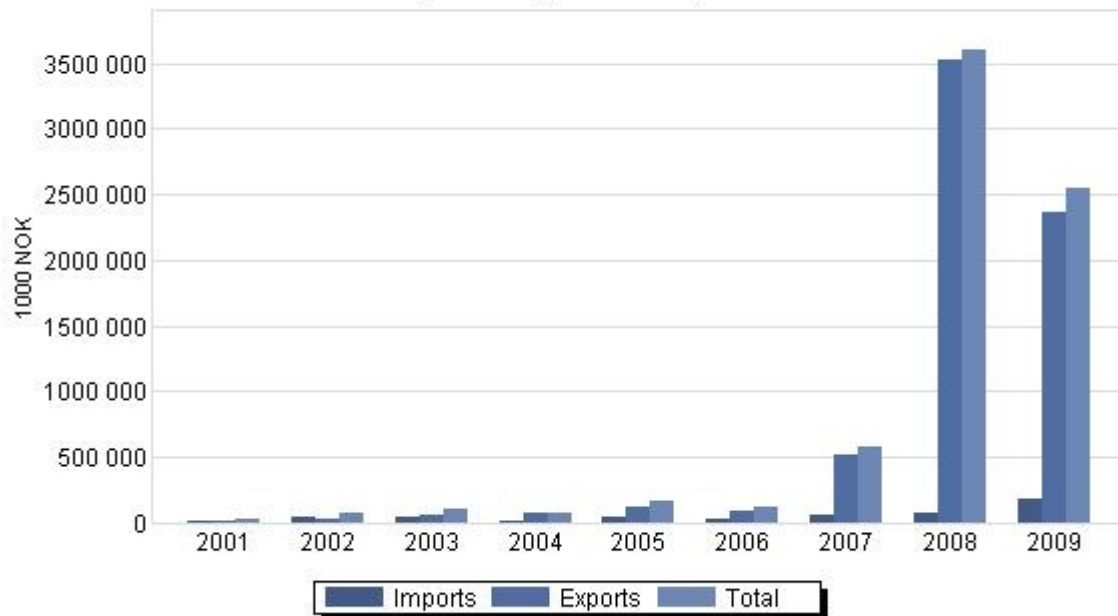
**Bilateral trade between Norway and Kazakhstan**

*Total bilateral trade (1000 NOK)*

	2008	2009	Increase/ decrease	January- August, 2009	January- August, 2010	Increase/decrease January-August 2010 with the same period of 2009 (+/-)
Import to Norway from Kazakhstan	83 432	180 271	+ 116.1%	135 514	34 839	- 74.2
Export from Norway to Kazakhstan	3 523 714	2 369 068	- 32.8%	1 809 680	340 518	- 81.1
Total bilateral trade	3 607 146	2 549 339	- 29.32	1 945 194	375 357	- 80.7

Total bilateral trade between Norway and Kazakhstan had a decreasing tendency in 2009, however the import from Kazakhstan rose +116% in the given period . In the first five months of 2010 in comparison with same period of 2009, trade figures declined.

**External Trade in Commodities,  
by imports/exports and time.  
Value (1 000 NOK), Kazakhstan, TOTAL.**



Source: Statistics Norway

*Main products of imports from Kazakhstan*

*2008 (in 1000 NOK)*

Non-ferrous metals 46 952

Cereals, cereal prep. 33 655

Manufactures of metals 717

*2009 (in 1000 NOK)*

Non-ferrous metals 170 642

Cereals, cereal prep. 8 937

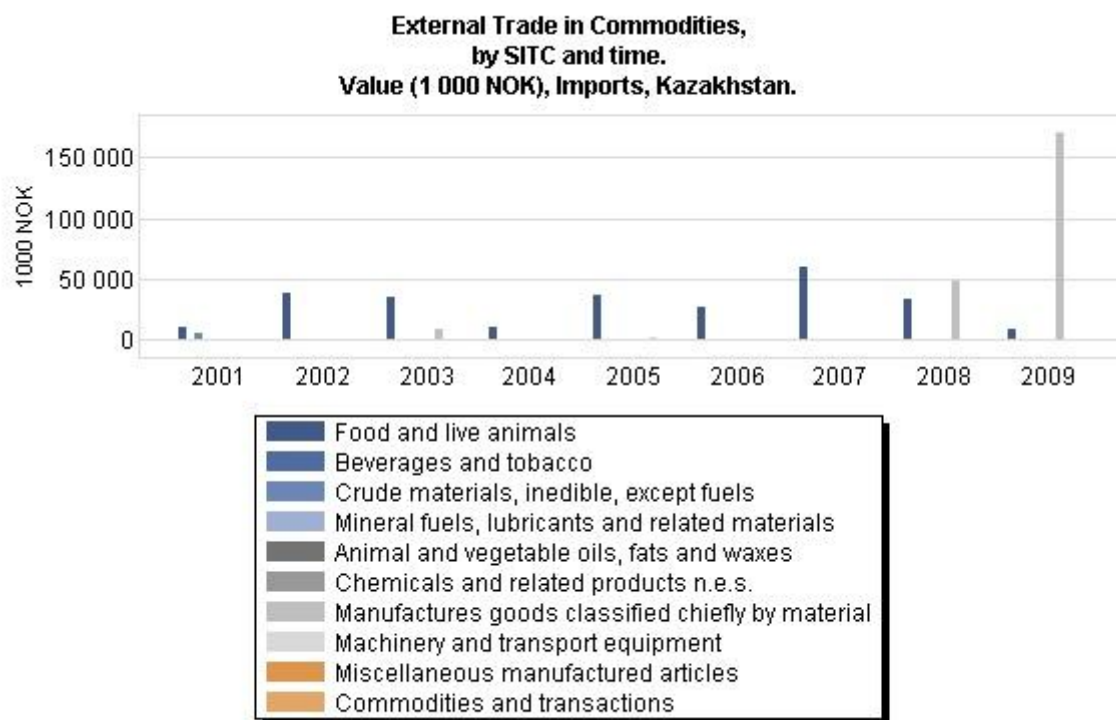
Professional and scientific instruments 316

*2010 (in 1000 NOK)*

Non-ferrous metals 22 748

Cereals, cereal prep. 1 170

Road vehicles 1 059



Source: Statistics Norway

*Main products of Norwegian exports to Kazakhstan  
2008 (in 1000 NOK)*

General ind. 3 194 124

Machinery and  
equipment

Fish, fish preparations 143 132

Iron and steel 71 796

*2009 (in 1000 NOK)*

General ind. 1 561 962

Machinery and  
equipment

Iron and steel 382 907

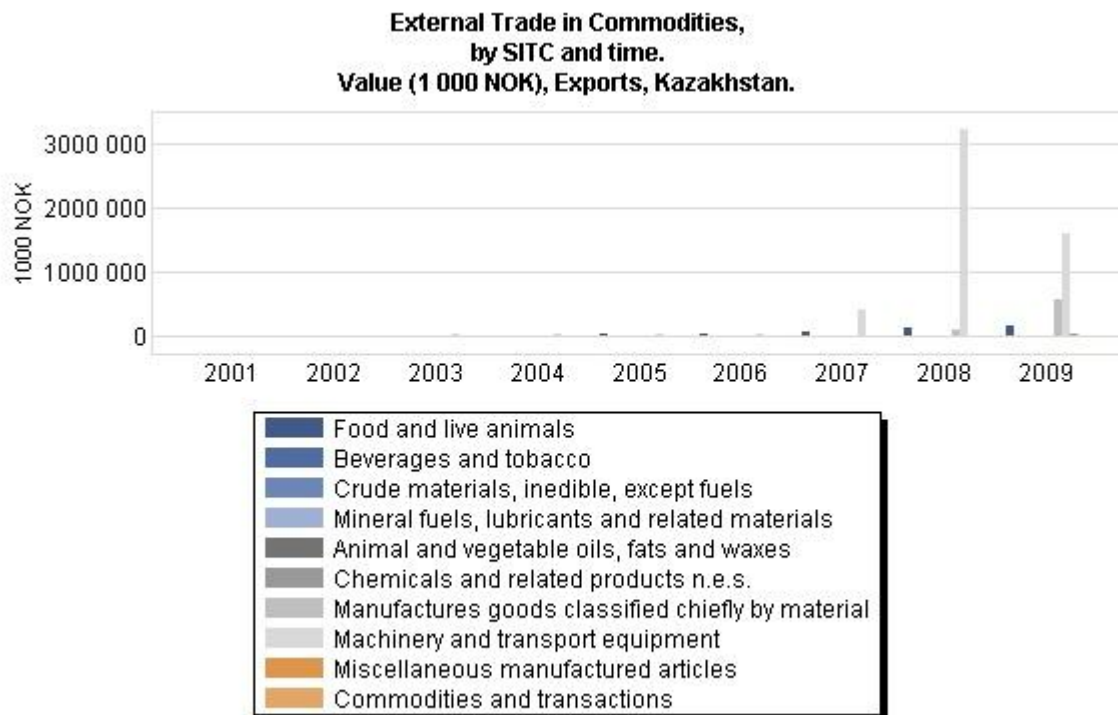
Manufactures of metals, n.e.s. 157 572

*January-May 2010 (in 1000 NOK)*

Fish, crustac., molluscs and prep. thereof 62 589

Iron and steel 41 829

Manufactures of metals, n.e.s. 26 915



Source: Statistics Norway

Source: Statistics Norway [www.ssb.no](http://www.ssb.no)

### The Custom Union

The Customs Union consists of three countries – Kazakhstan, Belarus and Russian Federation.

The Custom Code was created for the establishment of common legal framework for custom regulation on the territory of Custom Union. The Custom Code is based on the following principles: no customs controls and clearance at internal (customs) borders; consistent customs procedures (regimes) throughout the integrated customs territory; minimize traders' costs related to customs clearance and controls; enable submission of customs declarations to any customs authority across the CU integrated customs territory that is authorized to register and check customs declarations; common terms and conditions for transit across the CU area.

The Custom Union's common tariffs entered into force January 1, 2010. The common tariffs were created on the basis of existing tariffs in member countries with respect to local production capacities; therefore the customs union tariffs for some products are higher than previous tariffs in Kazakhstan. The rates of common tariffs are available on [www.tsouz.ru](http://www.tsouz.ru). There are exemptions for import tariffs on some products which are subject to additional agreements among members (for example import of car for individuals in Kazakhstan).

The Heads of State of Russia, Kazakhstan and Belarus made an official joint statement on the entry into force of the agreement on the Custom Code of the Custom Union on July 6, 2010. The code of the Custom Union will lead to the creation of agreements for economic common space, unification of rules of custom administration, introduction of common system of veterinary, sanitary and phytosanitary measures.

The total import of Kazakhstan for the first quarter of 2010 decreased 10.5% (however in 2009 the decrease was 17.1%), but import from Russian Federation increased 17.9%, from Belarus 3.5%. The export of Kazakhstan increased 68%, export to Russian Federation rose 73%, to Belarus declined 10.1% for the given period. The import from non-CIS states decreased 19.7%.

### Industries

Kazakhstan's productivity in mining sector in 2009 increased 6.1% in comparison with the previous year. The processing industry includes production of food products/ beverages, tobacco products, textile, leather, wood (except of furniture), paper, coke, oil products, chemical products, plastic and rubber products, non-ferrous mineral products, metallurgical products, machinery etc. In 2009 output of processing industry decreased 4.5% in comparison to 2008.

Manufacturing sector has 13 active sub industries of engineering and metal work, with production of ore mining and smelting, agricultural, oil and gas, transport equipment. The engineering industry produces x-ray equipment, accumulators, agricultural engineering, oil and gas equipment, with total share of 3% of Kazakhstan's total production in 2008. The metallurgical sector had more than 15% of share in 2008. The metallurgy sector of the Republic consists of enterprises and companies which were created on the basis of ore-

dressing and primary metals, iron and steel companies. Kazakhstan exports almost all of the production of the metallurgical industry, the main export destinations are Italy, China, Germany, Netherlands and CIS countries.

The food sector had about 7.4% of of production output in 2008. The production capacity of food sector covers the production of beverages, products of flour and cereals industry, plant and animals oils and fats, meats, meat products, dairy products, processing of fruits and vegetables. The export mostly consists of flour, cereals, fish and fish products.

Kazakhstan's institution for the support and promotion of exports of the non-primary sector is "Corporation for Export Development and Promotion "KAZNEX" JSC under the Ministry of Industry and Trade of the Republic of Kazakhtan. It is oriented toward non-primary export promotion, support of local exporters and attraction of foreign investments to priori sectors of economy of Kazakhstan's economy. The organization was created to enhance the competitiveness of Kazakhstan's enterprises through their internationalisation. The turnover of export contracts with support of Kaznex Invest in 2008-2009 reached 120 mln USD.

**Sources:**

"Corporation for Export Development and Promotion "KAZNEX" JSC

<http://www.kaznex.kz/>

Statistics Agency RK [www.stat.kz](http://www.stat.kz)

**Natural resources**

Kazakhstan has a wide range of natural resources; 99 out 105 chemical items of Mendeleev's table are available in Kazakhstan. Currently Kazakhstan has 493 mineral fields. Kazakhstan is the world leader in terms of discovered zinc reserves, wolf ramite, magcobar, second place in silver, plumb and chrome, third in copper and fluorite, fourth in molybdenum, sixth in gold reserves in the world. Among the CIS countries Kazakhstan occupies the second place for oil, third – gas, coal and stannum reserves.

**Sources:**

National Company KazMunaiGaz

[http://www.kmg.kz/press/company\\_news/reports/3302](http://www.kmg.kz/press/company_news/reports/3302)

[http://www.kmgep.kz/rus/kazakhstan/kazakhstan\\_key\\_facts/](http://www.kmgep.kz/rus/kazakhstan/kazakhstan_key_facts/)

Ministry of Oil and Gas [www.memr.gov.kz](http://www.memr.gov.kz)

Official website of the President of the Republic of Kazakhstan [www.akorda.kz](http://www.akorda.kz)

## Oil and gas

The 62% of the territory of Kazakhstan is occupied by oil and gas zones, 172 oil and 42 gas condensate. The 90 % of the oil is concentrated in Tengiz, Kashagan, Karachaganak, Uzen, Zhetybai, Zhanazhol, Kalamkas, Kenkiyak, Karazhanbas, Kumkol, Buzachi Severniye, Alibaekmola, Prorva Centralnaya i Vosltochnaya, Kenbay, Korolevskoye. The 3 largest are Kashagan, Tengiz and Karachaganak.

Kazakhstan has ninth largest in the world oil reserves. According to evaluations Kazakhstan has 6-8 trillions of cubic meters of oil and gas reserves. Estimates show that the increase in oil production and field development will increase the state's production to 90-100 mln tonnes annually in 2015.

Extraction of oil and gas condensate in 2009 reached 76.5 mln tones. In comparison with 2008 the figure increased 8.3%.

Kazakhstan has three oil refineries – in Pavlodar, Atyrau and Shymkent. In 2009 these three plants processed around 12.1 mln tones of crude oil, out of which 47% of this amount was imported from the Russian Federation. The plants' output products include auto gasoline, diesel oil, black oil, air kerosene, oils, oven fuel, coke, bitumen.

“KazMunaiGaz” is a national oil and gas company with capacity of oil and gas condensate extraction of 18.7 mln tones in 2009, which is 24% of total extraction of Kazakhstan.

The Norwegian Government Pension Fund Global invested 55 496 525 NOK in KazMunaiGaz Exploration and Production

Kashagan is the biggest Kazakhstan oil field with estimated capacity of oil reserves of 35 bln barrels of oil, out of which 9 bln are recoverable oil. It is expected that at the repressuring of gas the recoverable oil might be increased to 11 bln. There are both types of extraction offshore and onshore at Kashagan. However the Kashagan is one of the most difficult projects due to extremely continental climate which leads to challenges in movement on sea. Among the technical challenges deep reservoir 4. 500 m, high reservoir pressure 800 bar, high H<sub>2</sub>S content - 16-20%, management of by-products (such as sulphur), use of sour gas re-injection into the reservoir.

The North Caspian Operating Company (NCOC) is a joint operating company at Kashagan field, consisting of seven Contracting companies: Eni 16.81% , ExxonMobil 16.81%, KMG 16.81%, Shell 16.81%, Total 16.81%, ConocoPhillips 8.40%, INPEX 7.56%. Kashagan involves onshore and offshore servicing companies as well. Eni is responsible for the 1<sup>st</sup> phase of Experimental program, in 2<sup>nd</sup> phase Eni responsible for onshore, Shell for offshore, Exxon Mobile for drilling. Shell will manage the production operations with increasing role of

KazMunaiGas after starting of 1<sup>st</sup> phase. KazMunaiGaz will be involved in each step of the process. Other well known oil and gas companies active in Kazakhstan: CITIC bought oil assets in Kazakhstan from Canadian Nations Energy in 2006. CNPC which mainly operates five oilfield development projects (CNPC AktobeMunaiGas, North Buzachi, PK, KAM and ADM), two exploration projects, the Kazakhstan-China Crude Oil Pipeline and the Northwest Crude Pipeline. Japanese Inpex operates in offshore North Caspian Sea block with interest 7.56%. Chevron, being Kazakhstan's largest private oil producer, holding important stakes in the nation's two biggest oil-producing projects — the Tengiz and Karachaganak fields. The partnership also is developing the nearby Korolev Field. Chevron has a polyethylene pipe plant in Atyrau.

### **Sources:**

National Company KazMunaiGaz

[http://www.kmg.kz/press/company\\_news/reports/3302](http://www.kmg.kz/press/company_news/reports/3302)

[http://www.kmgep.kz/rus/kazakhstan/kazakhstan\\_key\\_facts/](http://www.kmgep.kz/rus/kazakhstan/kazakhstan_key_facts/)

[www.ncoc.kz](http://www.ncoc.kz)

[www.agipkco.com](http://www.agipkco.com)

[http://www.eni.com/en\\_IT/attachments/publications/reports/reports-2009/fact-book-2009-eng.pdf](http://www.eni.com/en_IT/attachments/publications/reports/reports-2009/fact-book-2009-eng.pdf)

<http://www.cnpc.com.cn/eng/cnpcworldwide/euro-asia/Kazakhstan/>

<http://www.inpex.co.jp/english/business/nis.html>

### **Routes & communications**

Kazakhstan has various communications variants: railway, air, water, pipeline transport, network of highways and telecommunication systems.

The sea navigation based on Caspian Sea. There two main seaports of the Republic of Kazakhstan - Port Aktau (service of transit freight traffics is available) and Bautino, which provides direct access to Iran and Azerbaijan.

Kazakhstan participates in three transport corridors: Europe-Russia-China; Europe-China; Russia-Central Asia.

The following international transport corridors pass through Kazakhstan:

Northern corridor Trans Asiatic trunk railway (TATR); Western Europe- China; Korean peninsula and Japan through Russia and Kazakhstan (Dostyk-Aktogai-Sayak-Mointy-Astana-Petropavlosk(Presnogorkovsk)); Southern corridor TATR: Southeast Europe-China and Southeast Asia through Turkey, Iran and Central Asian countries and the Republic of Kazakhstan (Dostyk-Aktogai-Almaty-Chu-Arys-Saryagash); TRACEKA: East Europe – Central Asia through Black Sea, Caucasus and Caspian Sea (Dostyk-Almaty-Aktau); North-South: Northern Europe – countries of Persian Gulf through Russia and Iran (seaport Aktau - regions of Ural of Russia and Aktau-Atyrau).

**Sources:**

Kazakhstan investor's guide 2009

Web site of the President of the Republic of Kazakhstan [www.akorda.kz](http://www.akorda.kz)

**Exhibitions****ITECA**

Organizer of international exhibition and conferences in Central Asia.

**Contact information:**

Address : Kazakhstan, Almaty, 42, Timiryazev str., 2nd floor

Postcode : 050057

Phone : +7 727 2583434

Fax : +7 727 2583444

WWW : [www.iteca.kz](http://www.iteca.kz)

E-mail : [contact@iteca.kz](mailto:contact@iteca.kz)

**Exhibitions and conferences calendar:**

<http://www.iteca.kz/en/events/>

**ATAKENT EXPO**

Organizer of international exhibitions, conferences, fairs

**Contact information:**

Address : Kazakhstan, Almaty, 42, Timiryazev str.

Postcode : 050057

Phone : +7 727 2582535, 2747926

Fax : +7 727 2582959

WWW : [www.exhibitions.kz](http://www.exhibitions.kz)

E-mail : [office@exhibitions.kz](mailto:office@exhibitions.kz)

**Exhibitions and fairs calendar:**

<http://www.exhibitions.kz/index1.php?file=plan2004>

**FAIR EXPO**

Kazakhstan exhibition company

**Contact information:**

Address: Kazakhstan, Astana, Republic ave., 28(34), office 125

Phone/fax: +7 (7172) 54 26 79, 54 26 70, 54 26 75, 54 26 80

Cell phone: +7(701) 520 50 37, 7(701) 550 88 20

WWW: [www.FAIR-EXPO.kz](http://www.FAIR-EXPO.kz)

e-mail: [fairexpo\\_svz@mail.ru](mailto:fairexpo_svz@mail.ru), [fairexpo\\_mdv86@mail.ru](mailto:fairexpo_mdv86@mail.ru)

**Exhibitions calendar:**

[www.FAIR-EXPO.kz](http://www.FAIR-EXPO.kz)

**EXPO.KZ**

Organization of exhibitions and events

**Contact information:**

Address: Almaty, Kazakhstan, 15, Republican square, office 328, 339

Postcode: 050013

Phone: +7 (727) 258-10-11

Call center: +7 (727) 258-10-12, +7 (727) 258-80-30

Fax: + 7 (727) 258-80-31

E-mail: [office@expo-kz.kz](mailto:office@expo-kz.kz)

**Exhibitions and events calendar:**

<http://www.expo-kz.kz/ru/ourprojects/5-kazenergy-/english>

<http://www.amm.kz/en>

**KAZEXPO**

Organizer of international exhibitions

**Contact information:**

Address: Almaty, Kazakhstan, 52-54 off., 50, Kazybek Bi St.

Phone: +7 (727) 261-02-97, 272-95-31

Phone/fax: +7 (727) 250-75-19, 261-14-46

E-mail: [kazexpo@kazexpo.kz](mailto:kazexpo@kazexpo.kz)

WWW: [http://www.kazexpo.kz/eng/index\\_eng.htm](http://www.kazexpo.kz/eng/index_eng.htm)

**Exhibitions calendar:**

[http://www.kazexpo.kz/eng/index\\_eng.htm](http://www.kazexpo.kz/eng/index_eng.htm)

**[Visa to Kazakhstan](#)**

There are 13 types of visa to Kazakhstan:

- 1) Diplomatic
- 2) Service (Official)
- 3) Investor
- 4) Business
- 5) Private visit - *(to visit relatives or friends in Kazakhstan);*

- 6) Tourist
- 7) Missionary
- 8) Study
- 9) Medical Treatment
- 10) Work
- 11) Permanent Resident
- 12) Exit
- 13) Transit

The information about visa type and visa rules available on the website of the Ministry of Foreign Affairs of Kazakhstan by following link

[http://portal.mfa.kz/portal/page/portal/mfa/en/content/consular/visa\\_info](http://portal.mfa.kz/portal/page/portal/mfa/en/content/consular/visa_info)

Visa regime of Kazakhstan with other countries

<http://portal.mfa.kz/portal/page/portal/mfa/en/content/consular/regime/%D0%B0%D0%BD%D0%B3%D0%BB.doc>

Kazakhstani Embassies and Consulates abroad:

<http://portal.mfa.kz/portal/page/portal/mfa/en/content/ministry/missions>

#### Useful links:

[www.akorda.kz](http://www.akorda.kz) – President of Kazakhstan

[www.parlam.kz](http://www.parlam.kz) – Parliament

[www.government.kz](http://www.government.kz) – web page of the Government (has the links to all Ministries and Governmental Agencies web pages)

[www.mfa.kz](http://www.mfa.kz) – Ministry of Foreign Affairs of the Republic of Kazakhstan

[e.customs.kz](http://e.customs.kz), [www.customs.kz](http://www.customs.kz) – Committee on Custom Control of the Republic of Kazakhstan

[www.stat.kz](http://www.stat.kz) – Agency on Statistics

Central Election Commission

[www.nationalbank.kz](http://www.nationalbank.kz) – National Bank of the Republic of Kazakhstan

[e.gov.kz](http://e.gov.kz) – Kazakhstan Electronic Government

Embassies and Consulates of the Republic of Kazakhstan

<http://www.kazinvest.kz/> - Center of Investments

<http://www.kegoc.kz/> Kazakhstan Electricity Grid Operating Company

[www.fic.kz](http://www.fic.kz) *Foreign Investors Council*

[www.kdb.kz](http://www.kdb.kz) Development Bank of Kazakhstan

[www.nif.kz](http://www.nif.kz) National Innovation Fund

[www.ifk.kz](http://www.ifk.kz) Investment Fund of Kazakhstan  
[www.cmar.kz](http://www.cmar.kz) Center for Marketing and Analytical Research  
[www.cluster.kz](http://www.cluster.kz) Kazakhstan Cluster Initiative  
[www.t2.kz](http://www.t2.kz) Center of Engineering and Technology Transfer  
[www.kecic.kz](http://www.kecic.kz) State Insurance Corporation for the Insurance of Export Credit and Investment  
[www.eurobak.kz](http://www.eurobak.kz) EUROBAK (European Business Association of Kazakhstan)  
[www.cci.kz](http://www.cci.kz) Chamber of Commerce and Industry of the Republic of Kazakhstan  
[www.atpp.marketcenter.ru](http://www.atpp.marketcenter.ru), [www.almatycci.kz](http://www.almatycci.kz) Chamber of Commerce and Industry of  
Almaty  
[www.chamber.kz](http://www.chamber.kz) Chamber of Commerce and Industry of Astana  
[www.souz-atameken.kz](http://www.souz-atameken.kz) National Economic Chamber of the Republic of Kazakhstan  
“Atameken” Union”  
[www.yellow-pages.kz](http://www.yellow-pages.kz) yellow-pages of Kazakhstan  
[www.tsouz.ru](http://www.tsouz.ru) – Custom Union’s web page  
[www.kase.kz](http://www.kase.kz) Kazakhstan Stock Exchange  
[www.nif.kz](http://www.nif.kz) National Innovation Fund  
[www.dari.kz](http://www.dari.kz) National Center of Expertise of the Ministry of Health of Kazakhstan  
[www.sk-pharma.kz](http://www.sk-pharma.kz) SK-Parma  
[www.fic.kz](http://www.fic.kz) Foreign investor’s council association  
[www.samruk-kazyna.kz/](http://www.samruk-kazyna.kz/) Samruk-Kazyna Sovereign Wealth Fund  
[www.ebrd.org](http://www.ebrd.org) The European Bank for Reconstruction and Development  
[www.worldbank.org.kz](http://www.worldbank.org.kz) World Bank in the Republic of Kazakhstan  
[www.kpa.kz](http://www.kpa.kz) Kazakhstan Petroleum Association  
[www.kazenergy.com](http://www.kazenergy.com) Kazenergy Association  
[www.ebc.ru](http://www.ebc.ru) European Business Club in Russian Federation  
[www.ibckyrghyz.com](http://www.ibckyrghyz.com) International Business Council  
[www.amcham.kz](http://www.amcham.kz) American Chamber of Commerce in Kazakhstan  
[www.isdb.org](http://www.isdb.org) Islamic Development Bank  
[www.adb.org](http://www.adb.org) Asian Development Bank  
[www.delkaz.cec.eu.int](http://www.delkaz.cec.eu.int) European Delegation in the Republic of Kazakhstan  
[www.imf.org](http://www.imf.org) International Monetary Fund  
[www.osce.org](http://www.osce.org) Organization on Security and Cooperation in Europe (OSCE)  
[www.caresd.net](http://www.caresd.net) Environment and Sustainable Development in Central Asia  
[www.bksoc.org.uk](http://www.bksoc.org.uk) British-Kazakh Society  
[www.zakon.kz](http://www.zakon.kz) Legislation of Kazakhstan  
<http://www.kaznex.kz/> Corporation for Export Development and Promotion “KAZNEX” JSC