



# INVESTMENT PROPOSALS OF NUR-SULTAN CITY



ASTANA INVEST

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# PRODUCTION OF BABY FOOD

General Classification of Types of Economic Activity 10.86.0 «Production of baby food and dietary food products»

## PROJECT DESCRIPTION:



Construction of a complex for the production of baby food products with a capacity of 25 thousand tons per year (15 thousand tons of baby food based on cereals and 10 thousand tons based on vegetables).



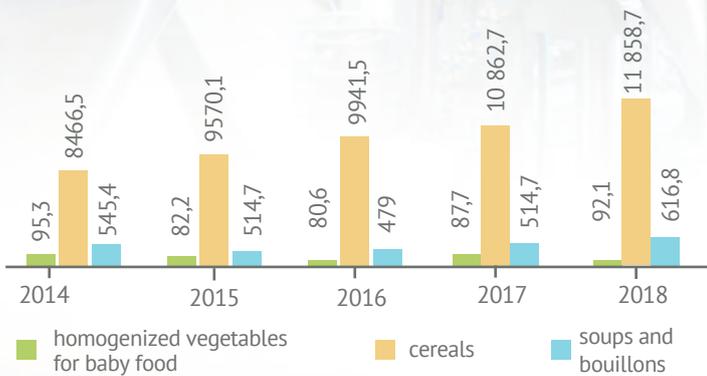
## MANUFACTURED PRODUCT

- Porridges - dry and ready-made;
- Homogenized vegetables for baby food;
- Soups and bouillons.

## GLOBAL MARKET

Based on imports porridges are in the highest demand in the world. The average annual growth rate of the porridge market over the past 5 years is about 9%.

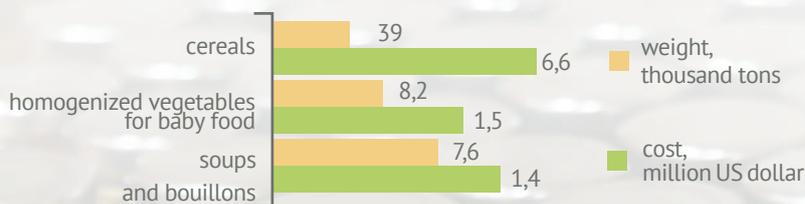
## Global import of child and dietary food



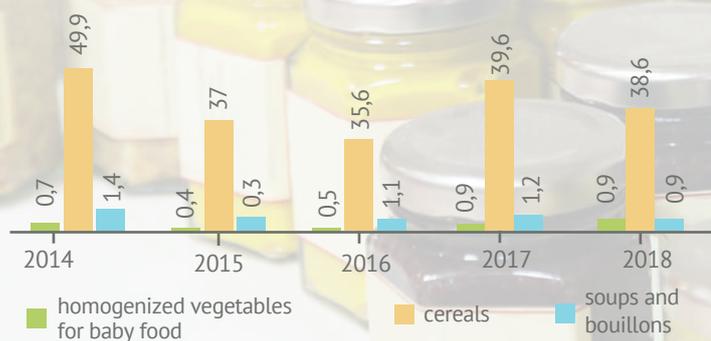
## REGIONAL MARKET

Imports of cereals, soups, bouillons and vegetable products for babies increased in 2019, especially imports of vegetable products and soups and broths.

## Baby food import in Kazakhstan in 2019



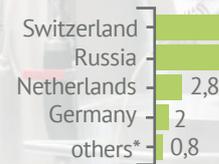
## Baby food import dynamics in Kazakhstan, million US dollars



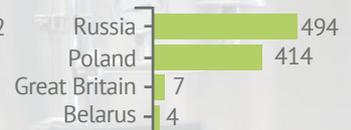
Currently, Kazakhstan's baby food products market mainly represented by foreign production. For Kazakhstan companies, the niche in food production remains undeveloped. The main suppliers of baby food to Kazakhstan are the European Union (EU) and Russia. Exports made to the countries of Central Asia and China.

## Baby food import in Kazakhstan in 2018

### Import of cereals, million US dollars

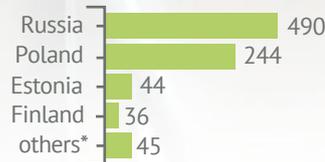


### Homogenized vegetables, thousand US dollars



\*Belarus, Finland, Spain, Portugal, USA and Kyrgyzstan

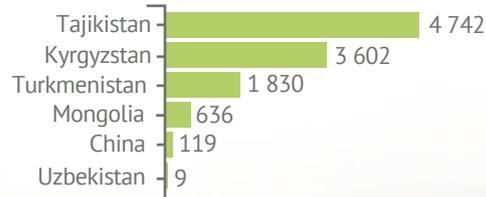
### Import of soups and bouillons, thousand US dollars



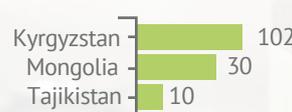
\*Slovenia, Belarus, Great Britain, Germany, Italy

## Baby food export from Kazakhstan in 2018

### Cereals, thousand US dollars



### Homogenized vegetables, thousand US dollars



### Soups and bouillons, thousand US dollars



## PRODUCTION

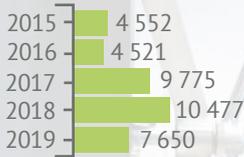
Production of cereals, porridge and other products from cereals, vegetable crops and vegetables in Kazakhstan remains stable, but there is a tendency to decrease production.

## Volumes of production of vegetables processed and canned, except for potatoes, tons

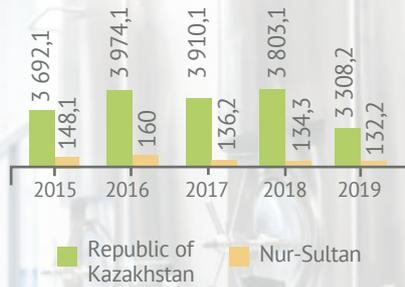


# PRODUCTION OF BABY FOOD

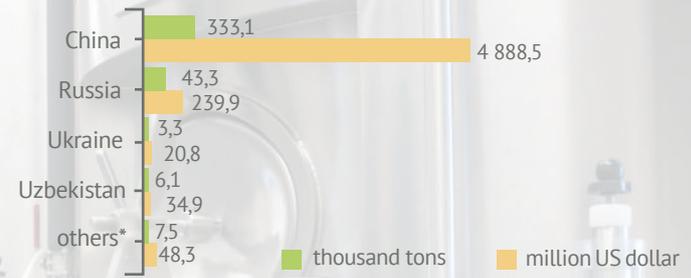
## Production volumes canned vegetables Kazakhstan, tons



## Volumes of production of flour from grain and vegetable crops and mixtures of fine grinding, thousand tons



## Import of baby food packed for retail sales of nearby countries, 2018



\*Azerbaijan, Belarus, Tajikistan, Kyrgyzstan, Armenia, Mongolia, Turkmenistan

## MANUFACTURERS

In Nur-Sultan city, the main manufacturers are small enterprises («AB baby food» LLP, «ECOPROT» LLP, «Factory of medical biotechnology» LLP). To date, the first and only enterprise in Kazakhstan for the production of baby milk nutrition is the factory of the Kazakh Academy of nutrition «Amiran».

The assortment of baby food in supermarkets is represented by such brands as NESTLE (Switzerland), NUTRICIA (Netherlands), HEINZ (USA), BIBIKOL (Russia), Humana (Germany).

## COMPETITIVE ADVANTAGES

- Raw material base availability;
- Potential import substitution and product export;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURERS

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax incentives (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land, buildings and structures, etc.);
- Hiring foreign labor .

### Special economic zone preferences



- Tax preferences (CIT, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (gratuitous rent of a salary);
- Simplified procedure for hiring foreign labor (hiring of foreign labor out of quotas).

### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for working entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufacturers through «Kazakhstan Industry and Export Center «QazIndustry» JSC

QazIndustry

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

## RAW MATERIAL BASE

The main grain crops in Kazakhstan are wheat and barley. Akmola region is the leader of the Republic in terms of gross harvest of cereals and legumes in 2018 (28.3%).

## Gross collection of cereals harvest (excluding rice) and legumes, million tons

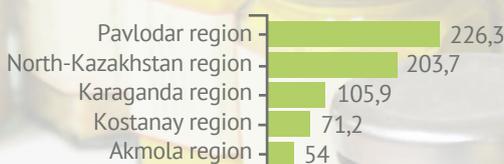


In Kazakhstan formed a stable growth dynamics of vegetable products. In 2019, the total amount of vegetable production collected in the surrounding regions was 661 thousand tons.

## Gross collection of vegetables in Kazakhstan, thousand tons



## Gross collection of vegetables in nearby regions in 2019, thousand tons



## POTENTIAL SALES MARKET

The total volume of porridge imports for babies of neighboring countries in 2018 amounted to 5.2 billion us dollars (393.3 thousand tons). The Chinese market accounts for more than 93% of imports.

# PRODUCTION OF BAKERY PRODUCTS

## PROJECT DESCRIPTION:

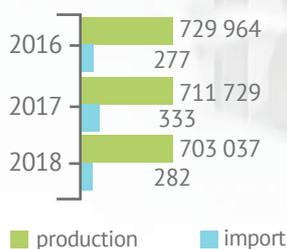
Establishment of a small bakeries chain/production plant of various bakery products.



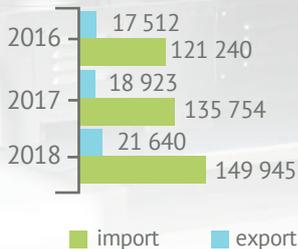
## MARKET ANALYSIS

According to the structure of the minimum living wage in the Republic of Kazakhstan, flour products are in the top 3 food products of Kazakhstan citizens. The bakery products market in Kazakhstan is self-sufficient, the share of imports is insignificant. In monetary terms, imports exceed exports by more than 6.5 times.

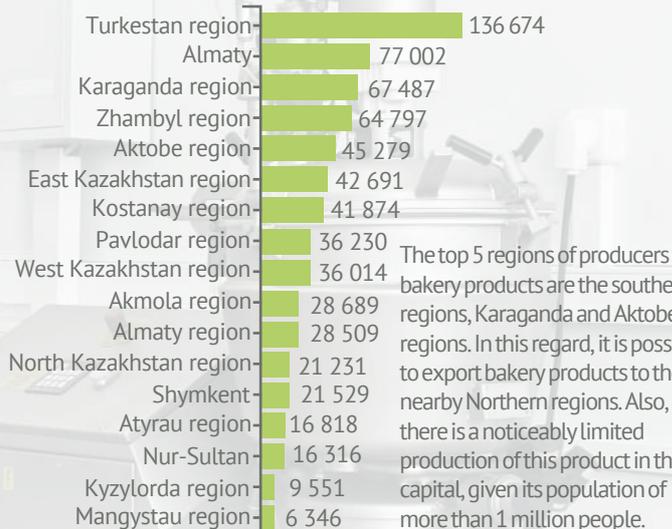
### Capacity of bakery products market of the Republic of Kazakhstan, tons



### Export and import of bakery products of the Republic of Kazakhstan, in thousands of US dollars



## Leading regions for the production of fresh bread in 2018, tons



The top 5 regions of producers of bakery products are the southern regions, Karaganda and Aktobe regions. In this regard, it is possible to export bakery products to the nearby Northern regions. Also, there is a noticeably limited production of this product in the capital, given its population of more than 1 million people.

## Bakery products market in Nur-Sultan city



Market volume of Nur-Sultan city = 1 078 384 (population of Nur-Sultan city 2019) \* 200 (gr. norm for 1 person) \* 20 (KZT price per 100 gr.) \* 365 (days) = 15,7 billion KZT or 78 722 tons per year.

## Large manufacturers, market share of Nur-Sultan city, %



Number of manufacturers: 89 units (3rd place in the country)

## Competitive advantage

The availability of raw materials creates favorable conditions for competitive pricing compared to a number producing regions.

## Summary of project benefits

- The main volume of product sales – imports from other regions, it is possible to replace these market players at a more favorable price.
- Due to the developed transport interchange of the capital, it is possible to export products both to the nearest regions and abroad.
- High human potential of the city, relatively high availability of necessary personnel.
- The growing population of the city is an increase in the sales market.

## STATE SUPPORT MEASURES

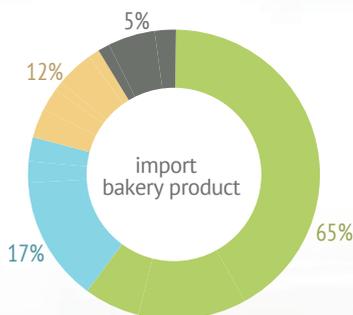
### Investment preferences

- Exemption from customs duties (0% up to 5 years for import);
- Tax incentives (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land, buildings and structures, etc.);
- Hiring foreign labor.

### Special economic zone preferences

- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (gratuitous rent of a salary);
- Simplified procedure for hiring foreign labor (hiring of foreign labor out of quotas).

## Import of bakery products in 2018, %



The most popular import products are «other bread and confectionery products» and «sweet dry cookies», more than 80%. These products can be included in the list of bakery products.



## Export of bakery products of the Republic of Kazakhstan in 2018, %



The main export names are «sweet dry cookies» and «waffles and waffle cachets», 76%. The main export names are.



## Export of bakery products from Kazakhstan, top 5 countries (2018), thousand US dollars



The most popular Kazakhstan bakery products are used in Kyrgyzstan and the Russian Federation, ~ 27% and China is 14%.

# FURNITURE PRODUCTION

General Classification of Types of Economic Activity:

31.01.1 «Manufacture of chairs and other seating furniture»;

31.01.2 «Manufacture of furniture for offices and trade enterprises»;

31.02.0 «Manufacture of kitchen furniture».

## PROJECT DESCRIPTION:



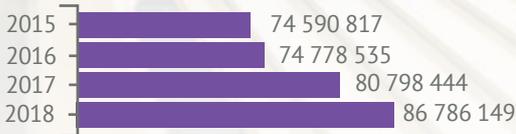
Construction of furniture manufacture in Nur-Sultan city.



## GLOBAL MARKET

Analysis of global imports of furniture manufacture for the period from 2015 to 2018 shows growth dynamics. Compared to 2015, global imports increased by 16.4% in 2018.

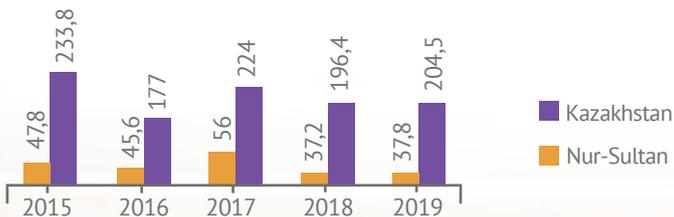
### Global furniture product import for the period of 2015-2018, thousand USD



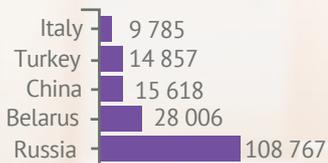
## REGIONAL MARKET

In 2019, the main importer of furniture products to Kazakhstan was Russia, the share of total imports of furniture products was 53.2%, Belarus took second place with a share of 13.7%, and China closed the top three with a share of 7.6%. The main suppliers of furniture in Nur-Sultan city were Russia (65.3%), Turkey (10.6%), and Italy (6.1%).

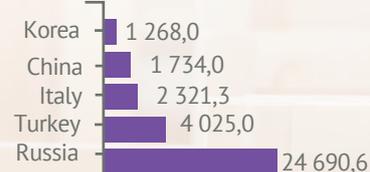
### Furniture product import, million USD



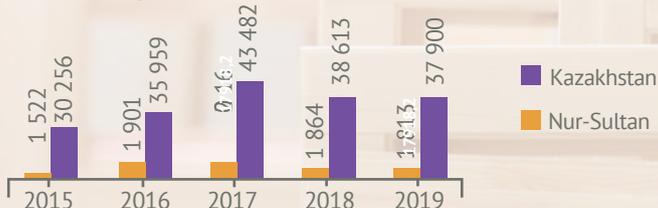
### Main countries importing furniture product to Kazakhstan in 2019, thousand USD



### Main countries importing furniture product to Nur-Sultan in 2019, thousand USD



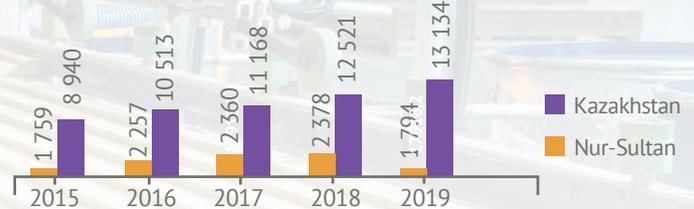
### Furniture production, million KZT



According to the Ministry of National Economy Statistics Committee of the Republic of Kazakhstan, for the period from 2016 to 2019, there is a stable increase in the volume of housing commissioned in Kazakhstan, this trend is positive for the development of the furniture industry.

According to the plan of the mayor's office of Nur-Sultan city for the purchase of furniture industry goods for 2020, the total volume in terms of value is about 191 million KZT, which is also one of the indicators of demand for manufactured products. In addition, central government agencies and national companies that are potential buyers of furniture products are located in Nur-Sultan city.

### Volume of commissioned housing, thousand sq.m.



## MANUFACTURES

In Kazakhstan, there are 937 small and medium-sized enterprises engaged in the furniture manufacture, 165 of them are located in Nur-Sultan city. The main manufactures are small enterprises, such as «Astana-Zhihaz Fabrikasy» LLP, «Mebelinkz» LLP, «Dara-Art» LLP, «Bespoke furniture&home» LLP.

## RAW MATERIALS

In Kazakhstan, 33 enterprises are engaged in the production of hardboard, chipboard, plywood, and veneer, of which the largest are «Favorit» LLP (East Kazakhstan region), «Melissa» LLP (East Kazakhstan region) and «Lam. Tech» LLP (Almaty city). In Nur-Sultan city there is one small enterprise – «Airon-Astana» LLP. Also, the necessary raw materials are imported from nearby countries, mainly from Russia and Belarus.

### Potential supplier of metal parts:

Metallurgical plant «ArcelorMittal Temirtau» JSC (Karaganda region).

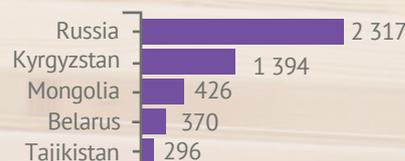
### Chipboard material import in 2019, thousand USD



## POTENTIAL SALES MARKET

In 2019, Kazakhstan exported the main volume of furniture products to Russia, which accounted for 40% of the total export volume. It is worth noting that in 2018, the volume of exports to Russia was 1,493 thousand US Dollars, an increase of 55%.

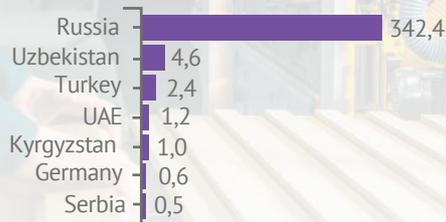
### Main furniture buyers from Kazakhstan in 2019, thousand USD



# FURNITURE PRODUCTION

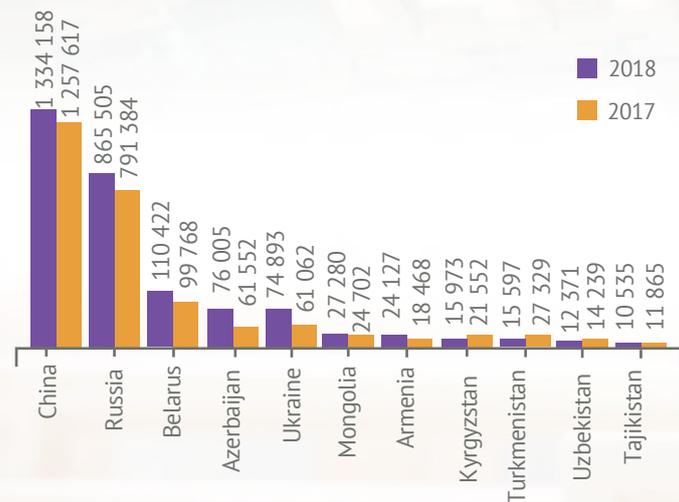
Russia became the main buyer of furniture products in Nur-Sultan city in 2019 (97.1%). In comparison with the previous year, the volume of exports to Russia increased by 63% (exports of Nur-Sultan city to Russia in 2018 – 210.2 thousand US Dollars).

## Furniture buyers from Nur-Sultan in 2019, thousand USD



The volume of imports from neighboring countries is 2.6 billion us dollars, which is 7.4% more than in 2017.

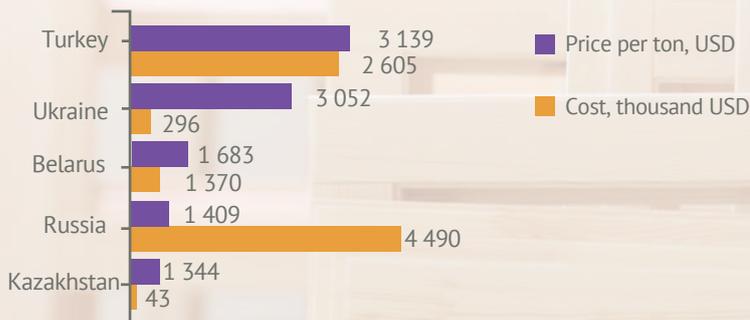
## Furniture import in neighboring countries, thousand USD



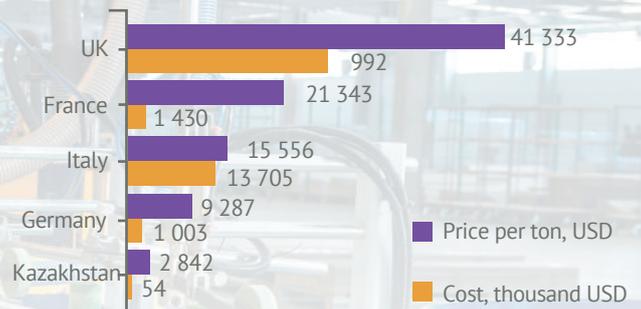
## PRODUCT COST

Kazakhstan has a competitive advantage in the markets of neighboring countries such as Armenia and Azerbaijan due to the price of furniture products.

## Furniture import to Armenia, 2018



## Furniture import to Azerbaijan, 2018



## COMPETITIVE ADVANTAGES

- High demand in the product;
- Potential import substitution and product export;
- Housing construction high temp;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURES

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment); Land
- with a ready-made infrastructure (free land plot rental); Simplified
- procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

**QazIndustry**

- Reimbursement of part of expenses to subjects of industrial and innovative activity;
- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF FURNITURE ACCESSORIES

General Classification of Types of Economic Activity:

22.29 «Production of other plastic products»;

25.99 «Production of other finished metal products not included in other categories».

## PROJECT DESCRIPTION:



Creation of an enterprise for the production of furniture fasteners in the territory of Nur-Sultan city



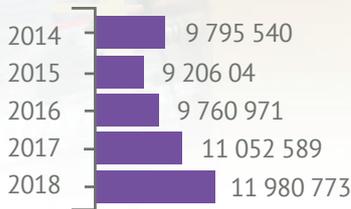
## OUTPUT PRODUCTION:

- Fasteners and accessories for furniture made of plastic;
- Fasteners, accessories and similar products for furniture made of metals.

## WORLD MARKET

The demand for furniture accessories directly depends on the demand for furniture products. The cost of accessories in the furniture is from 15 to 50 %. The dynamics of global demand for furniture accessories in recent years shows a stable growth.

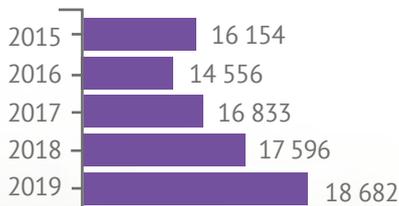
### Furniture accessories import, thousand US dollars



## REGIONAL MARKET

There is no production of furniture accessories in the Republic of Kazakhstan.

### Kazakhstan furniture accessories import, thousand US dollars



## Furniture accessories manufacturers:

**Hettich** is one of the largest manufacturers of furniture accessories in the world (Germany);

**KESSEBÖHMER GmbH** is the world leader in production of furniture accessories for kitchens (Germany);

**Rehau** is a company specializing in the development of energy-efficient systems for construction, solutions for industry and furniture production (Germany);

**INOXA** specializes mainly in the production of kitchen accessories made of metal rod (Italy);

**GTV** is one of the largest European distributors of furniture accessories and lighting (Poland);

**BOYARD** is the largest representative of the furniture accessories market in the Russian Federation.

## RAW MATERIAL BASE

**Metal** – Metal bases of Nur-Sultan city, «ArcelorMittal Temirtau» JSC, AO «Ulba Metallurgical Plant» JSC Ust-Kamenogorsk;

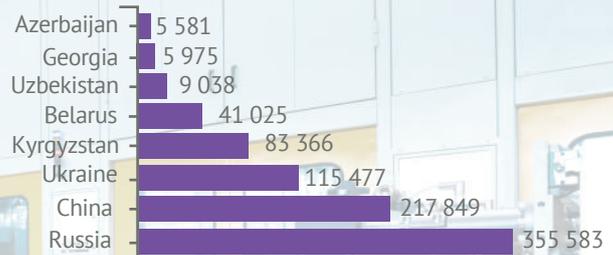
**Plastic** – Domestic manufacturers of plastic products, «Neftekhim Ltd» LLP Pavlodar;

**Wood** – Import from Russia, logging companies from East Kazakhstan region.

## POTENTIAL SALES MARKETS

Nearby countries collectively imported furniture accessories for total amount 834 million US dollars.

## Import of furniture accessories from nearby countries in 2018, US dollars



## Dynamics of import prices for metal furniture accessories by country in 2018, us dollars per 1 ton



## Dynamics of import prices for plastic furniture accessories by country in 2018, us \$ per 1 ton



## COMPETITIVE ADVANTAGES

- Lack of production in the Republic of Kazakhstan;
- Extensive sales market in Nur-Sultan city.

## STATE SUPPORT MEASURES

### Investment preferences

- Exemption from customs duties (0% up to 5 years for import);
- Tax incentives (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land, buildings and structures, etc.);
- Hiring foreign labor.

### Special economic zone preferences

- Tax preferences (CIT, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (gratuitous rent of a salary);
- Simplified procedure for hiring foreign labor (hiring of foreign labor out of quotas).

### Business roadmap - 2025

- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
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- Infrastructure supplying.

### Economics of simple things

- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
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### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF WALLPAPER

General Classification of Types of Economic Activity 17.24 «Wallpaper production»

## PROJECT DESCRIPTION:

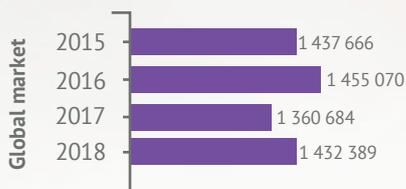
Manufacture construction for production of wallpaper in Nur-Sultan city.



## OUTPUT PRODUCT:

- Wallpaper with a coating of foamed vinyl on a non-woven basis;
- Hot stamping vinyl Wallpaper;
- Non-woven wallpaper for painting.

## Import, thousand US dollars



## REGIONAL MARKET

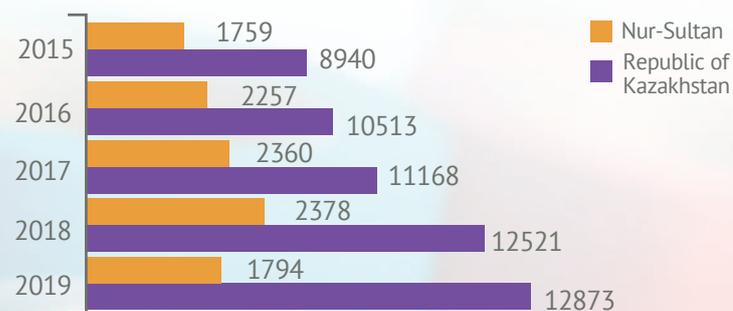
There is no production of wallpaper in Kazakhstan, while there is demand for this type of product, which is offset by imports in Kazakhstan.

## Housing fund

Nur-Sultan	23, 3 million sq. m
Republic of Kazakhstan	387, 7 million sq. m

Over the past 5 years there is a stable increase of housing in Nur-Sultan city. Repairs in residential buildings are made on average every 5-7 years.

## Total area commissioned residential buildings, thousand sq. m



## RAW MATERIAL BASE

**Paper for Wallpaper** – the Kazakhstan market is represented by 137 manufactures, including 5 large and 3 medium-sized enterprises. There are 30 small enterprises in Nur-Sultan city.

**Polyvinyl chloride** – at industrial scale it is represented by manufacturers from Russia, China, Germany and Spain.

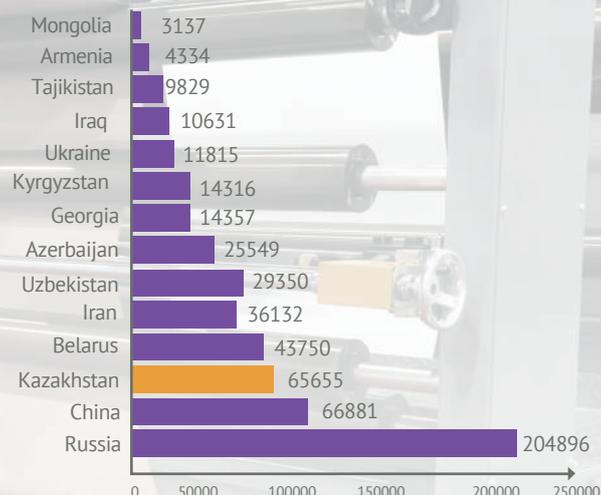
**Plastisol paint** – the market is represented by manufacturers of China and Russia, with stable demand for this type of product, it is possible to start production in Kazakhstan on the basis of manufacturers of paint and varnish products.

**Shrink polyolefin film** – market presented by numerous domestic companies.

## POTENTIAL SALES MARKET

The total volume of imports from neighboring countries in 2018 was more than 400 million US dollars.

## Wallpaper imports by neighboring countries in 2018, thousand US dollars



The major wallpaper consumers on global market are Russia and China. Kazakhstan has geographical advantage to supply those countries, with Kazakhstan's imports in 2018 amounting to 65.6 million us dollars.

## COMPETITIVE ADVANTAGES

- Lack of production in the Republic of Kazakhstan;
- High demand for these product.

## STATE SUPPORT MEASURERS

### Investment preferences

- Exemption from customs duties (0% up to 5 years for import);
- Tax incentives (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land, buildings and structures, etc.);
- Hiring foreign labor.

### Special economic zone preferences

- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (gratuitous rent of a salary);
- Simplified procedure for hiring foreign labor (hiring of foreign labor out of quotas).

### Business roadmap - 2025

- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for working entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things

- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

- Reimbursement of part of expenses to subjects of industrial and innovative activity;
- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF PAINT PRODUCTS

General Classification of Types of Economic Activity:  
20.30 «Production of paints, varnishes and similar coloring substances, printing ink and mastic»

## PROJECT DESCRIPTION



Creation of an enterprise for the production of paint and varnish products in the territory of Nur-Sultan city



### OUTPUT PRODUCT:

- Paints and varnishes based on polyesters;
- Paints and varnishes based on acrylic or vinyl polymers;
- Other paints and varnishes.

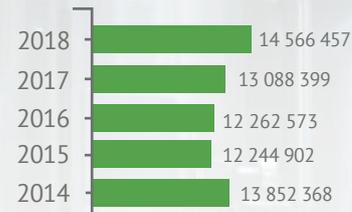
Cumulative imports of neighboring countries in 2018 amounted to more than 1.6 billion USD.

The largest consumers in the global paint market are Russia and China. Kazakhstan has a geographical advantage for deliveries to these countries, while Kazakhstan's imports in 2018 amounted to \$ 66.8 million USD.

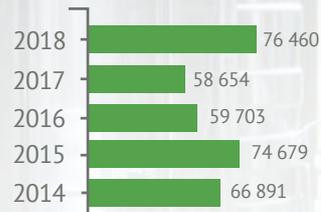
### Import prices for paint and varnish products of neighboring countries for 2018 USD per 1 ton

## WORLD MARKET

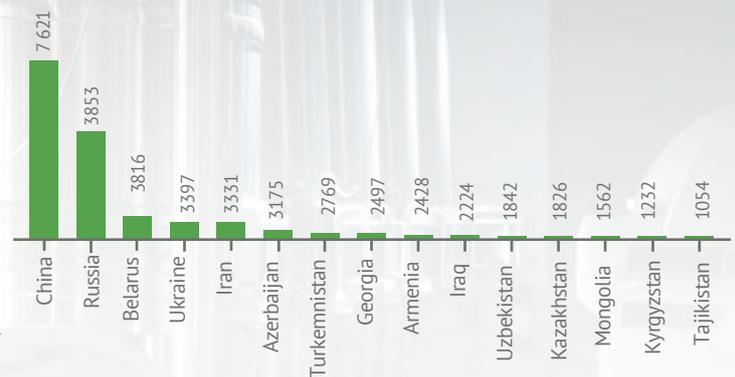
### World market Import of paints, thousand USD



### Import to the Republic Kazakhstan, thousand USD



Kazakhstan has established production of various varnish and paint products, but domestic production does not cover all the needs of the paint market.



## REGIONAL MARKET

Manufacturers of paints - Gaudi Paint (Kazakhstan), PUFAS(Germany), Sniezka (Poland), Alina Paint (Kazakhstan), Marshall (Netherlands), Laca (Russia), TM Raduga (Russia), Alian paint (Kazakhstan), SKIF (Kazakhstan), Almaty paints (Kazakhstan).

## COMPETITIVE ADVANTAGES

- High demand in the product;
- High demand for technological paints;
- Proximity to the markets of China and Russia.

## STATE SUPPORT MEASURES

### Investment preferences

- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences

- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025

- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things

- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through «Kazakhstan Industry andExport Center «OzIndustry» ISC

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market

## RAW MATERIAL BASE

**Thickener** - the market is represented by manufacturers from Russian Federation, Turkey, Poland, Finland, Italy, Spain, Germany, Belarus, Korea and Israel.

**Sodium polyphosphate** - domestic producer in the Zhambyl region ( Group of companies Kazphosphate), import from Russia, Germany, China and the UK;

**Defoamer** - import from Russia, Germany, China, Poland, Turkey, Slovenia and Italy;

**Solvents** - its is planned production launch in the Almaty region, imports from Turkey, Russia, the Netherlands and Germany;

**Propylene glycol** - there are domestic manufacturers, import from Russian Federation, Spain, Germany and China;

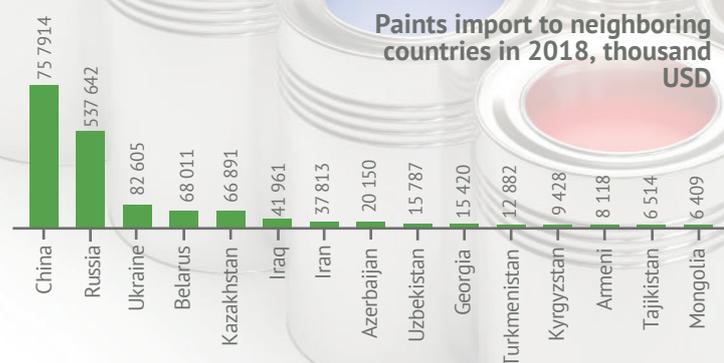
**Titanium Dioxide** - Czech Republic, France, Russian Federation;

**Micromarble filler (calcite)** - domestic manufacturer in the Zhambyl region (Group of companies Kazphosphate), import from Russia, Germany, China and Great Britain;

**Dispersion** - there is production in the Turkestan region, import from Russia, Turkey, Poland, Finland, Italy, Spain,Germany, Belarus, Korea and Israel.

## POTENTIAL SALES MARKETS

### Paints import to neighboring countries in 2018, thousand USD



# PRODUCTION OF PLASTIC PRODUCTS

General Classification of Types of Economic Activity:  
22.23 «Production of construction plastic products»;  
22.21 «Production of plastic sheets, tubes for tires and profiles».

## PROJECT DESCRIPTION:



Creation of an enterprise for production of plastic products in the territory of Nur-Sultan city.

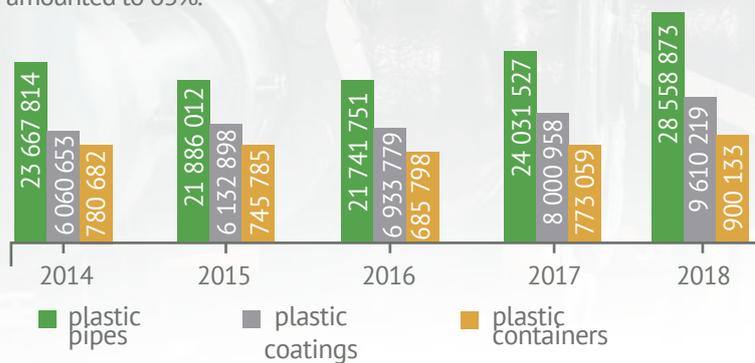


## OUTPUT PRODUCTS:

- Plastic containers;
- Plastic coatings;
- Plastic pipes.

## WORLD MARKET

Dynamics shows that plastic products in the world are in stable demand, with the growth of plastic coatings from 2014 to 2018 amounted to 63%.

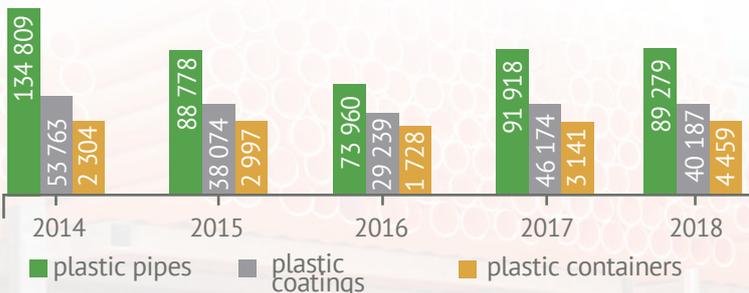


## REGIONAL MARKET

There are a number of enterprises that are generally produce plastic products in Kazakhstan, but they do not cover the inside demand of the republic.

**Major domestic manufacturers** – «Neftekhim Ltd» LLP, Pavlodar, «Aktau fiberglass pipe plant» LLP, «Aktobe non-metallic pipe plant» JSC, «Atyrau polyethylene pipe plant» LLP, «Galaksi» LLP, Almaty, «KazPlast» LLP, Karaganda, «Belem-Plast» LLP, Karaganda, «Petropavlovsk construction materials plant» LLP, «Amitech-Astana» LLP, «PLASTCOM GROUP» LLP.

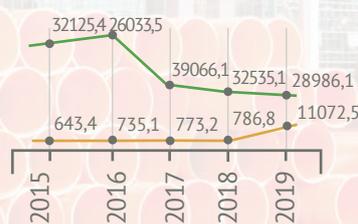
**Import of plastic products in the Republic of Kazakhstan, thousand US dollars**



## Import and export of plastic pipes in Nur-Sultan city



## Import and export of plastic coatings in Nur-Sultan city



## Import plastic reservoirs in Nur-Sultan city



## RAW MATERIAL BASE

**Polypropylene** – «Company Neftekhim LTD» LLP. Import of products are mainly from the Russian Federation and China. A large plant for the production of polypropylene is under construction in Atyrau region. It is planned to complete the construction by 2021, its capacity will be 500 thousand tons per year – it will be the largest production in the world.

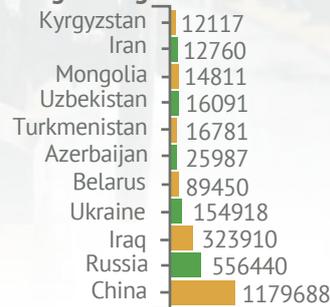
**Polyvinylchloride** – Imports of products are mainly from China and Russian Federation.

**Polyethylene** – Import of products are mainly from the Russian Federation and China, in addition, a project is being implemented in Atyrau region on polyethylene production with capacity of 1.2 billion tons.

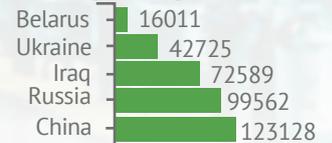
## POTENTIAL SALES MARKETS

The total volume of imports from neighboring countries in 2018 amounted to more than 2.7 billion US dollars.

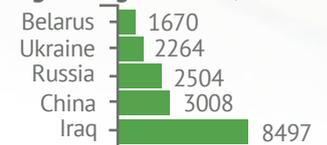
### Import of plastic pipe of neighboring countries in 2018



### Import of plastic coatings of neighboring countries, 2018



### Import of plastic containers of neighboring countries, 2018



## COMPETITIVE ADVANTAGES

- High demand on production;
- Possibility of production of raw materials in Kazakhstan;
- Industry development all over Kazakhstan.

## STATE SUPPORT MEASURES

### Investment preferences

- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences

- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment); Land
- with a ready-made infrastructure (free land plot rental); Simplified
- procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025

- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things

- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

## State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF RUBBER PRODUCTS

General Classification of Types of Economic Activity 22.19 «Production other rubber products»

## PROJECT DESCRIPTION:



Creation of an enterprise for the production of rubber products on the territory of Nur-Sultan city.

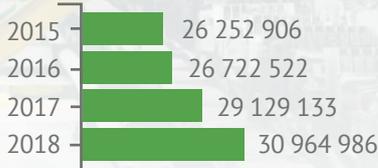


## OUTPUT PRODUCTS:

- Rubber products for the automobile industry;
- Rubber products for construction materials;
- Other rubber products.

## WORLD MARKET

Import in thousands of US dollars

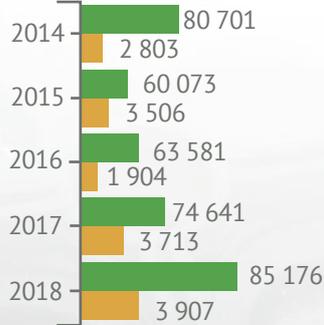


## REGIONAL MARKET

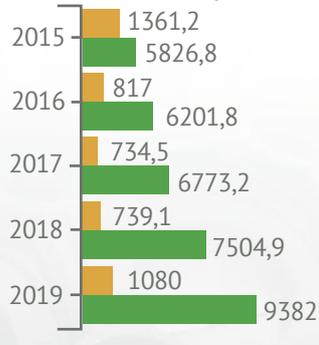
There are a number of enterprises that are generally produce rubber products in Kazakhstan, but they do not cover the inside demand of the republic.

Major domestic manufacturers - «Rezina» LLP, Almaty region; «Elastopolymer» LLP, Turkestan region; «Vostokremstroyontazh» LLP, Ust-Kamenogorsk; «KZRTI» JSC, Karaganda; «KazakhstanRubberRecycling» LLP, Nur-Sultan city.

## Foreign trade of the Republic of Kazakhstan rubber products thousand US dollars



## Import rubber products in Nur Sultan city



■ Import ■ Export

■ Quantity, ton ■ Import, thousand US dollars

## RAW MATERIAL BASE

Synthetic caoutchouc - imports of primary raw materials from European Union countries and Russian Federation, processing by domestic enterprises of «DDEK» LLP Shymkent city; «KZ TRANSIT» LLP, Karaganda city.

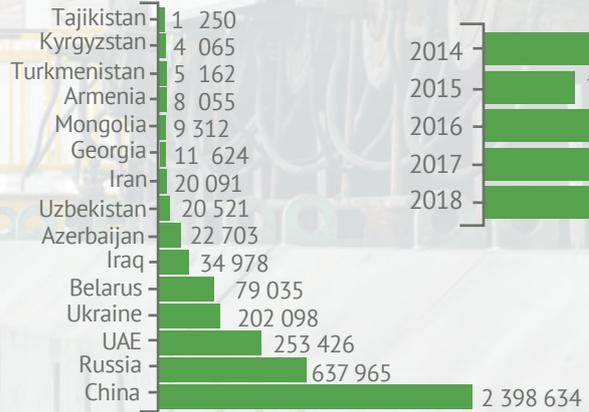
Natural caoutchouc - during the Soviet period, Kazakhstan was a leader in the production of raw materials for rubber products, and has all the prerequisites for the restoration of the industry for growing rubber production in the Southern regions of Kazakhstan.

Rubber crumb - domestic recycling plants of rubber tires - capacity of 40 thousand tons per year is in the Republic of Kazakhstan, capacity of Nur-Sultan city - 12 thousand tons per year - «Kazakhstan Rubber Recycling» LLP. Moreover, this power is not enough to recycle the annual volume of tires requiring recycling.

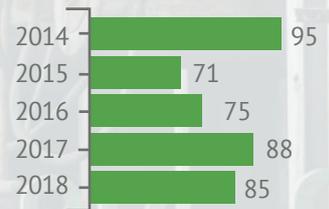
## POTENTIAL SALESMARKETS

The main consumers in the regional market of rubber products are Russia and China. Kazakhstan has a geographical advantage for making deliveries to these countries.

## Imports from a number of countries, in thousands of US dollars



## Dynamics of the cost of 1 ton of products in global market in thousands of US dollars.



The total volume of imports of neighboring countries in 2018 amounted to more than 3 billion US dollars.

## COMPETITIVE ADVANTAGES

- The development of the rubber processing
- industry; Low cost;
- High demand for products.

## STATE SUPPORT MEASURERS

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

## State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» ISC

QazIndustry

- Reimbursement of part of expenses to subjects of industrial and innovative activity:
- to increase labor productivity and territorial clusters development;
  - to promotion domestic processed goods in foreign market;
  - to promotion domestic processed goods, works and services in internal market.

# BEEF PRODUCTION

General Classification of Types of Economic Activity 10.11.0 «Processing and conservation of meat»

## PROJECT DESCRIPTION:



The project involves construction full-cycle beef production with the creation of a reproducer and feedlot sites.



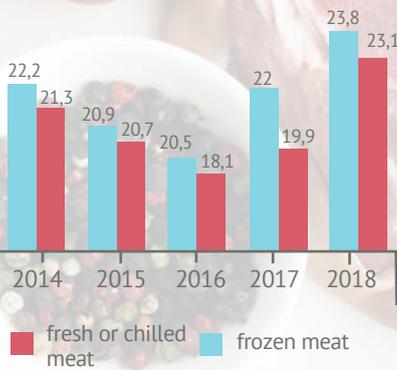
## BACKGROUND

- **Population growth** – the population of the capital grew up to 30% in comparison with 2015;
- **Import substitution** - beef imports in January-November 2019 amounted to 98.9% of the city's consumption;
- **Developed infrastructure.**

## GLOBAL MARKET

Demand on beef is stable and keeps in range of 40-45 billion US dollars.

## Global import of cattle meat, bln US dollars



## Average cost per ton in fresh or chilled condition, in global market - 6 182 US dollars

Leaders in fresh or chilled beef imports:

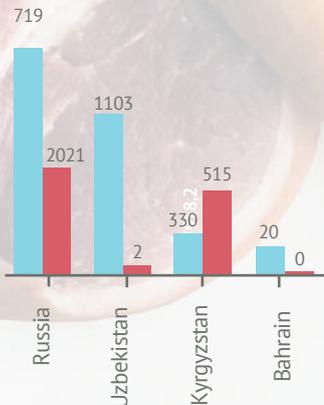
USA (\$ 3,1. billion);  
Japan (\$2.1 billion);  
Germany (\$2 billion). **Average cost per ton in frozen condition, in global market - 4 565 US dollars**

Leaders in frozen beef meat imports:

China (\$4,7 billion);  
USA (\$2.2 billion);  
Hong Kong (\$2.1 billion).

**REGIONAL MARKET** Main sales markets of Kazakhstan meat are Russia, Uzbekistan and Kyrgyzstan.

## Beef export from Kazakhstan in 2018, ton



Nur-Sultan city imports 98.9% of the consumed beef meat in the city. This fact and the steady growth of the population indicate favorable conditions for the creation of production in the capital.

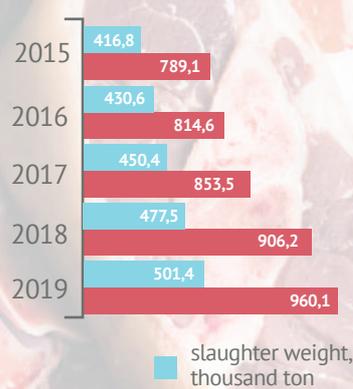
## Dynamics of domestic beef market production in Nur-Sultan city

Indicators	2015	2016	2017	2018	11 months, 2019
Production, ton	79,1	62,7	72,5	59,5	38,9
Export, ton	24,3	0,0	0,0	0,0	134,6
Import, ton	154,1	252,1	614,7	210,9	3 352,8
Internal consumption, ton	233,2	314,8	687,2	270,3	3 391,7
Import share, %	66,1	80,1	89,5	78	98,9

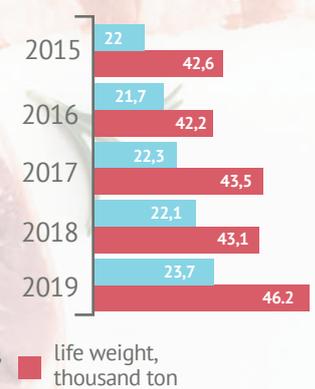
Over the past 5 years beef production in Nur-Sultan city decreased by 46% which considering import volume indicates great potential of meat production development in the city.

## Meat processing plant with production capacity 1,5 thousand tons

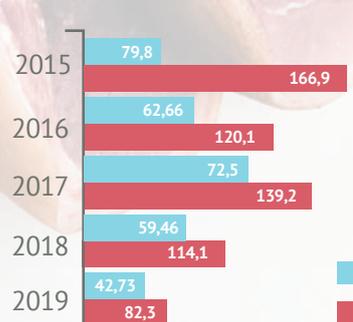
### Production of cattle meat in Kazakhstan



### Production of cattle meat in Akmola region

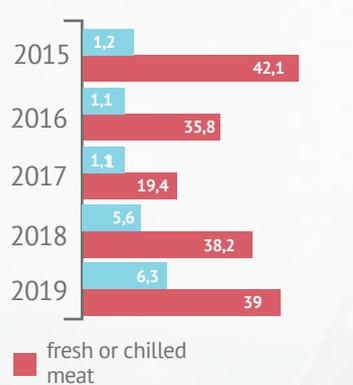


### Production of cattle meat in Nur-Sultan city

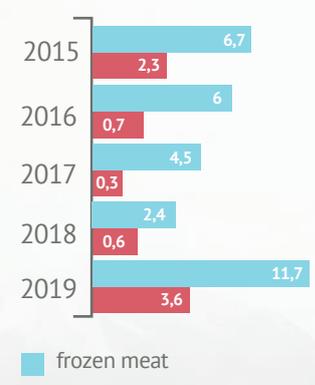


Main suppliers of beef in Kazakhstan are Ukraine and Belarus. Export is mainly to Russia, Uzbekistan and Kyrgyzstan.

### Beef import to Kazakhstan, US billion dollars

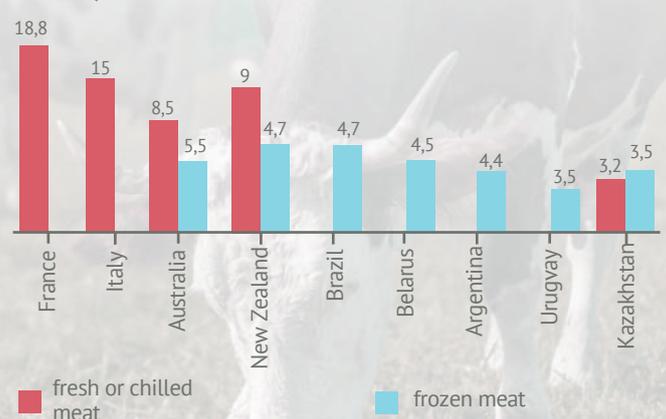


### Beef export from Kazakhstan, US billion dollars



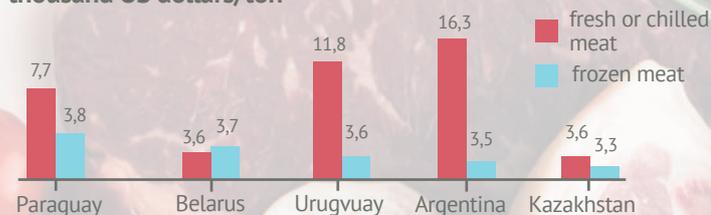
Prime cost of beef exported by Kazakhstan has a price advantage in the global market.

### Import price for beef to China in 2018, thousand US dollars/ton



# BEEF PRODUCTION

Import prices for beef to Russia in 2018, thousand US dollars/ton



## RAW MATERIAL BASE

- Growers foundation on 10 000 animal units;
- Approximate location: Akmola region;
- Total area of grassland in 2018 in Akmola region – 4 483 hectare;
- Feed base-gross harvest of feed crops in Akmola region in 2019 - 42.6 thousand quintals.

Feed balance for wintering in Akmola region in 2018-2019, thousands tons

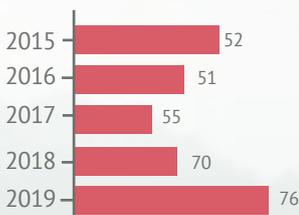
	Dry fodder	Haylage	Silage	Concentrated fodder
<b>Required</b>	1104	141	113	526
<b>Produced</b>	1123	142	104	526
<b>% provision</b>	102	101	92	100

Feeding platform for 5 000 animal units in Akmola region in 2018

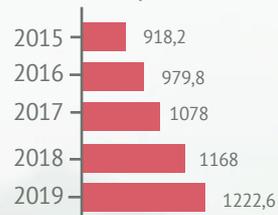


Over the past 5 years, the growth of cattle in Kazakhstan and in the Akmola region amounted to 33% and 46.6%, respectively, which is a favorable condition for the implementation of the project in the form of a growing raw material base.

Livestock of beef steers in the Akmola region, thousand heads



The number of calves for meat production in Kazakhstan, thousand heads

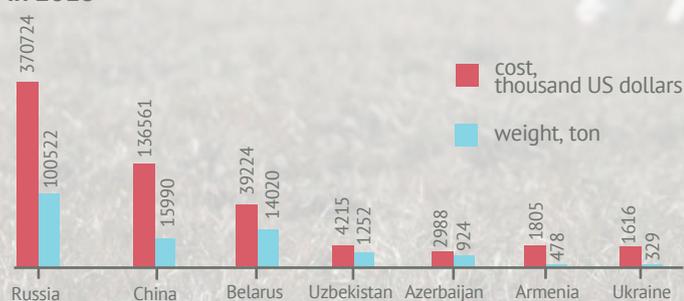


## PRODUCERS

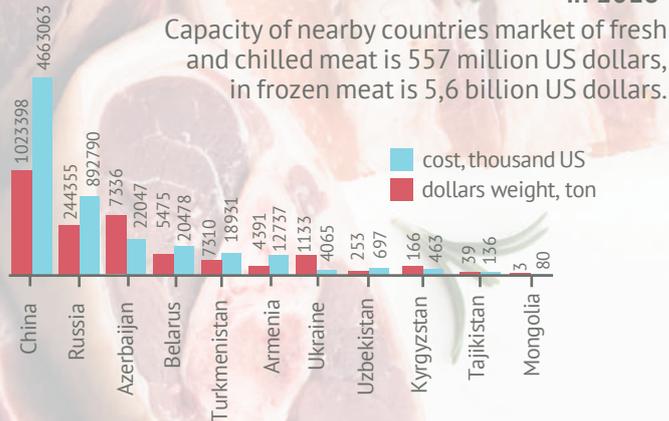
Main producers on beef market in Nur-Sultan are «Tselinnaya plan of delicates» LLP, and «April 2030» LLP, in Kazakhstan are «KazBeef Processing» LLP and «Aktubinsk meat cluster» LLP.

## POTENTIAL SALES MARKET

Beef import in fresh and chilled condition of nearby countries in 2018



Beef import in frozen condition of nearby countries in 2018



## COMPETITIVE ADVANTAGES

- Raw material base availability;
- Potential import substitution and product export;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURES

- **Investment preferences**
  - Exemption from customs duties (0% up to 5 years for import);
  - Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
  - In-kind grants (land plots, buildings and structures, etc.);
  - Attracting foreign labor.
- **Special economic zone preferences**
  - Tax preferences (corporate income tax, land tax, tax on property);
  - Customs preferences (import of raw materials and equipment);
  - Land with a ready-made infrastructure (free land plot rental);
  - Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).
- **Preferences in agro-industrial complex**
  - Creation and expansion of livestock slaughter and meat processing facilities (the share of the return on investment is 25%);
  - Reducing of beef harvesting cost (175 KZT/kg);
  - Purchase of cattle breeding stock (150,000 - 225 000 KZT/per head);
  - Reducing the cost of bulls sold or moved to fattening areas with a capacity of at least 1000 heads at a time (200 KZT / kg live weight);
  - Creation and expansion of facilities for fattening cattle (share compensation on investment is 25%);
  - Purchase of domestic breeding bulls - producers of meat breeds (150 000 KZT / per head);
  - Purchase of imported breeding or purebred breeding stock (225,000 KZT / animal unit);
  - Keeping of the breeding bull-producer of meat breeds, used for the reproduction of the herd (100 000 KZT / per head);
  - Reducing the cost of fattening gobies for feed lots with a capacity of 1000 heads at a time (200 KZT / kg of weight gain);
  - Purchase of machinery and equipment for growing meat farm animals (share compensation on investment - 25%);
  - Special tax treatment for agricultural products manufacturers (the right to reduce by 70% of amounts of corporate income tax, individual income tax, social tax, property tax and vehicle tax).
- **Business roadmap - 2025**
  - Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
  - Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
  - Infrastructure supplying.
- **Economics of simple things**
  - Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
  - Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).
- **State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC**
  - Reimbursement of part of expenses to subjects of industrial and innovative activity:
    - to increase labor productivity and territorial clusters development;
    - to promotion domestic processed goods in foreign market;
    - to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF SAUSAGES AND MEAT PRODUCTS

General Classification of Types of Economic Activity 10.13.0 «Production of meat and poultry products»

## PROJECT DESCRIPTION:



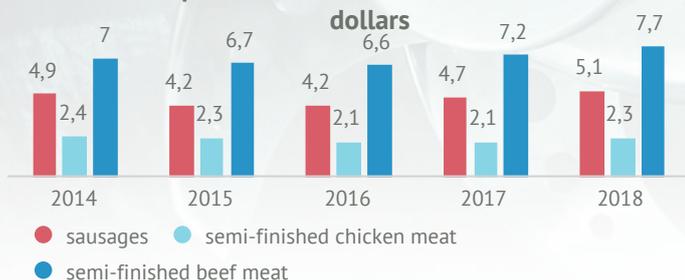
Creation of production of sausages and meat products from meat of cattle and chickens, with a capacity of at least 10 thousand tons per year.



## GLOBAL MARKET

In general, the global demand for sausages and meat products from beef and domestic chickens is a positive trend. Beef products is the most popular.

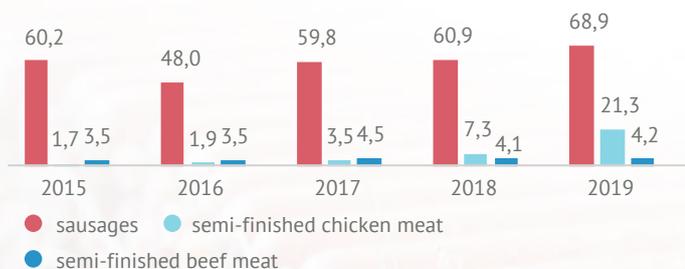
### Import of sausages and meat products in the world, billion US dollars



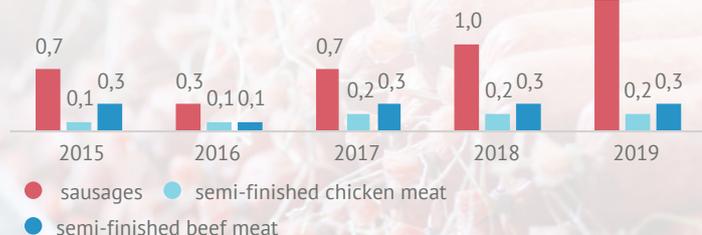
## REGIONAL MARKET

Sausages products are the most preferred product from the presented ones. In 2019, Russia imported about 77% of all sausage products, 79% of all semi-finished meat products from domestic chickens and 81% of beef products to Kazakhstan.

### Import of sausages and meat products in Kazakhstan, billion US dollars

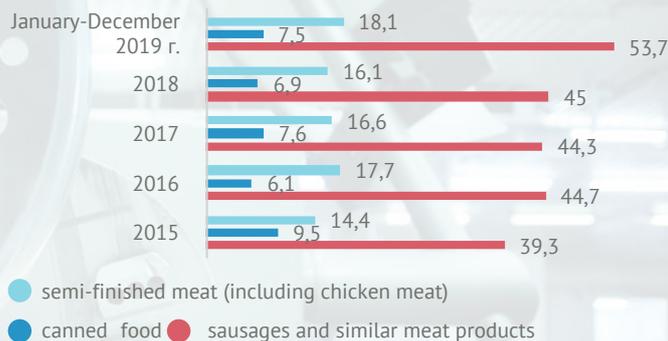


### Import of sausages and meat products in Nur-Sultan city, billion US dollars



According to the Order of the Minister of National Economy of the Republic of Kazakhstan dated December 9, 2016 №503, the rational consumption rate of sausages products is 11 kg per year. Taking into account the population of Kazakhstan (18,653,467 people as of February 1, 2020), it is necessary to produce 205,2 thousand tons of sausage products per year (Nur-Sultan city – 12,5 thousand tons). Based on these calculations and production volumes in Kazakhstan and Nur-Sultan city conclude that the existing capacity is not enough to provide the population with sausage products.

## Sausages and meat products production in Kazakhstan, thousand ton



## Sausages and meat products production in Nur-Sultan, thousand ton



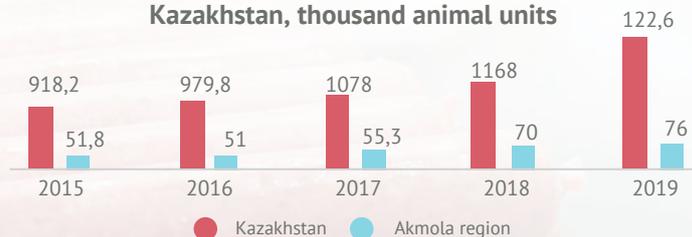
## MANUFACTURERS

In total 180 enterprises in Kazakhstan produce semi-finished meat products, the main part of which is small and medium-sized enterprises. The largest ones are «Becker & K» LLP, «Kubley» LLP, «Rubikom» LLP, «Capital projects LTD» LLP, «Karat» LLP and «April 2030» LLP. 12 companies are operating in Nur-Sultan, of which only one is large, «April 2030» LLP.

## RAW MATERIAL BASE

Over the past 5 years, the growth of cattle in Kazakhstan and the Akmola region amounted to 33% and 46.6%, respectively, which is a favorable condition for the implementation of the project in the form of a growing raw material base.

### Livestock of meat direction in Kazakhstan, thousand animal units



According to the «Union of poultry farmers of Kazakhstan», there are 20 poultry farms in Kazakhstan in the meat direction. The largest are «Ust-Kamenogorsk poultry Farm» JSC (East Kazakhstan region), «Alel agro» JSC (Almaty city), «Alatau-Kus» JSC (Almaty city) and «Makinskaya poultry farm» LLP (Akmola region).

### Number of all bird types in Kazakhstan, thousand animal units



# PRODUCTION OF SAUSAGES AND MEAT PRODUCTS

## POTENTIAL SALES MARKETS

Total import volume of sausages, beef and chicken meat formed at the level of 339 million US dollars in 2018. More than 52% of total volume falls on Russia.

### Import of sausages products by neighboring countries in 2018, million US dollars



\*Ukraine, China, Belarus, Kyrgyzstan, Turkmenistan, Mongolia and Uzbekistan

### Import of poultry meat by neighboring countries in 2018, million US dollars



\*Kyrgyzstan, Armenia, Mongolia, China, Uzbekistan, Turkmenistan and Tajikistan

### Import of beef meat by neighboring countries in 2018, million US dollars

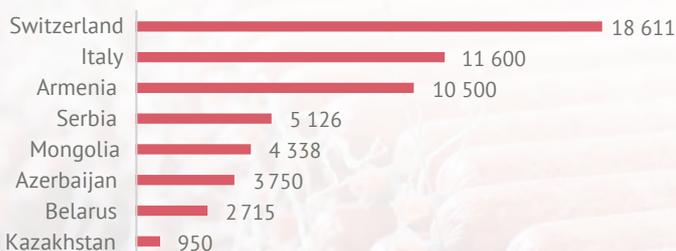


\*Azerbaijan, Kyrgyzstan, Mongolia, Tajikistan, Armenia, Turkmenistan and Uzbekistan

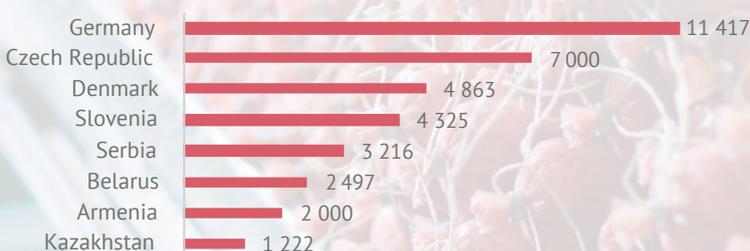
## PRODUCT COST

Kazakhstan product has great price advantage against other exporter-countries in the Russian market.

### Import price of sausage products in Russia in 2018, US dollar per ton



### Import price of poultry meat products in Russia in 2018, US dollar per ton



### Import price of beef meat products in Russia in 2018, US dollar per ton



## COMPETITIVE ADVANTAGES

- Raw material base;
- Great demand on the product;
- Potential import substitution and product export;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURERS

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (Value added tax, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

QazIndustry

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# ADVANCED WHEAT PROCESSING

General Classification of Types of Economic Activity:

- 10.62.0 «Production of starch and starch products»;
- 10.91.0 «Production of ready-made feed for farm animals»;
- 20.14.2 «Production of bioethanol»;
- 20.14.9 «Production of other basic organic chemicals not elsewhere classified»

## PROJECT DESCRIPTION:



Creation of a biotechnological complex for advanced grain wheat processing with a volume of more than 150 thousand tons per year to obtain processed products.



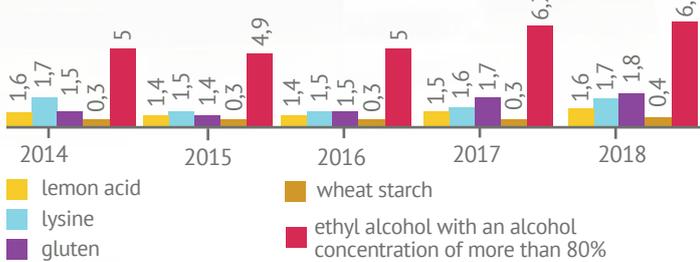
## OUTPUT PRODUCTS:

- Bioethanol (ethyl alcohol with an alcohol concentration of more than 80%);
- Lysine;
- Wheat starch;
- Gluten;
- Lemon acid.

## GLOBAL MARKET

The global market for wheat-processing products characterized by constant growth, of which bioethanol is the most popular product.

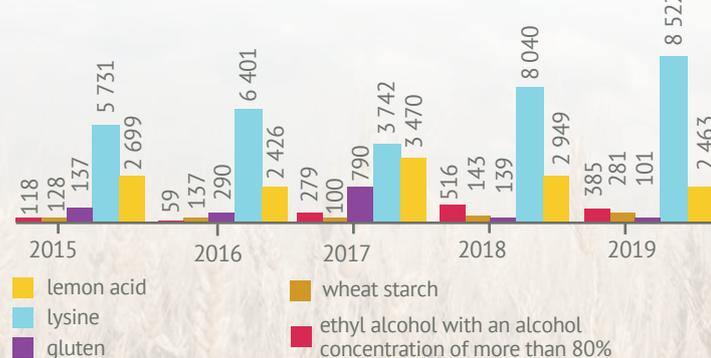
### Import of wheat product processing in global market, billion US dollars



## REGIONAL MARKET

Kazakhstan imported about 12,2 thousand tons products of advanced wheat processing (lysine, lemon acid, bioethanol, wheat starch and gluten) on total amount 11,8 million US dollars in 2019.

### Kazakhstan imports of grain wheat processing products thousand US dollars



## PRODUCERS

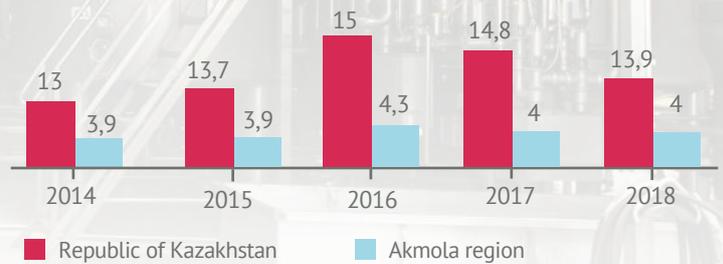
For now, the main producer of advanced wheat processing products in Kazakhstan is «BioOperations» LLP with a capacity of 220 thousand tons of wheat per year.

There are several dozen enterprises specializing in advanced processing today in Russia, however production of such products as amino acids (lysine), vitamins or bioethanol is carried out only by Belgorod premixes plant No. 1 («Priorskoye» National Company) and Tyumen agricultural holding «Anniversary».

## RAW MATERIALS BASE

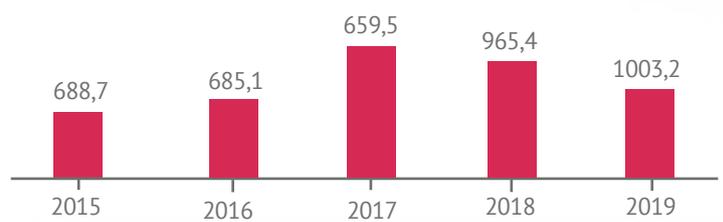
Kazakhstan consistently occupies one of the leading positions on wheat production in the world. According to the results of 2018, gross harvest of wheat amounted to 13.9 million tons. Akmola region is the leader of the republic in terms harvest of wheat (28.6%).

### Gross harvest of wheat, million tons



Exports of wheat and meslin are growing, indicating availability of large stock of raw materials, at the same time, this fact indicates the weak development of wheat processing.

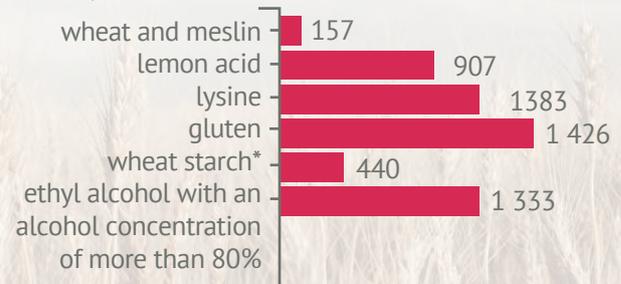
### Kazakhstan exports of wheat and meslin, million US dollars



## POTENTIAL SALES MARKET

In comparison with the export price of wheat, processed products have a significant advantage, in other cases reaching almost 10 times the size.

### Prices for products exported by Kazakhstan in 2018, US dollars/ton



\*Average import price of wheat starch in the world

Total import volume of neighboring countries made more than 390 million US Dollars in 2018.

# ADVANCED WHEAT PROCESSING

Imports of wheat processing products from neighboring countries in 2018, thousand US dollars

	 Bioethanol	 lysine	 wheat starch	 lemon acid	 gluten
China	158 959	3 702	674	6 061	2 515
Turkmenistan	9 542	59	24	409	3
Russia	1 452	111 093	1 975	37 183	5 529
Azerbaijan	784	1 313	6	1 199	9
Armenia	220	221	9	314	255
Belarus	18	14 461	162	1 259	1 512
Kyrgyzstan	2	33	51	326	
Mongolia	1				
Ukraine	1	13 174	559	7 513	2 822
Uzbekistan		3 501	193	1 886	
Tajikistan		64	39	276	

## COMPETITIVE ADVANTAGES

- Raw material base availability;
- Significant demand for products;
- Potential import substitution and product export;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURERS

### Investment preferences

- Exemption from customs duties (0% to 5 years for import);
- Tax incentives (VAT, CIT, land tax, property tax - 0%);
- In-kind grants (land, buildings and structures, etc);
- Attracting foreign labor (IRS).

### Special economic zone preferences

- Tax preferences (CIT, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (gratuitous rent of a salary);
- Simplified procedure for hiring IRS (attraction of IRS out of quotas).

### Preferences in agro-industry

- Partial reimbursement of expenses for equipment purchase for enterprise production expansion of grain crops products advanced processing with capacity of 170 tons or more (the share of reimbursement of investments is 25%).

## Business roadmap - 2025

- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for working entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

## Economics of simple things

- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

## State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

**QazIndustry**

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods in foreign market.

# CONSTRUCTION OF A GREENHOUSE

General Classification of Types of Economic Activity 01.13.2 «Vegetables, seeds and seedlings growing»

## PROJECT DESCRIPTION:



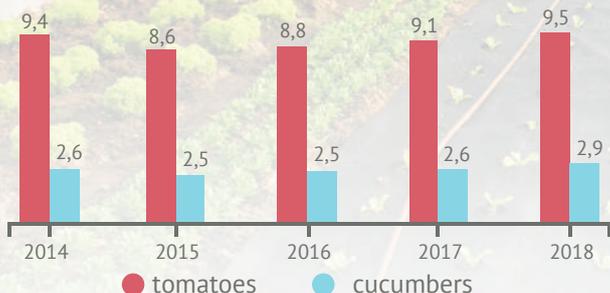
It is considered to create a business for growing tomatoes and cucumbers in covered field conditions.



## GLOBAL MARKET

After a decline in 2015, demand for tomatoes and cucumbers gradually grew and by the end of 2018 exceeded the indicators of 2014.

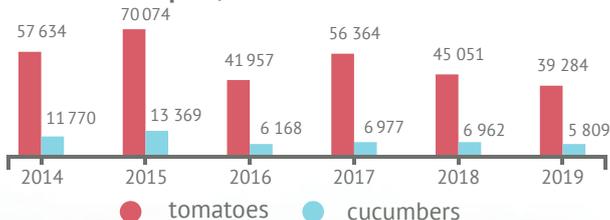
### Global import, billion US dollars



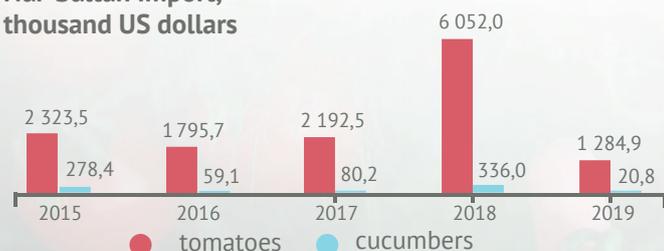
## REGIONAL MARKET

In recent years, the purchase of foreign tomatoes and cucumbers has been declining although it remains at a high level.

### Kazakhstan import, thousand US dollars



### Nur-Sultan import, thousand US dollars

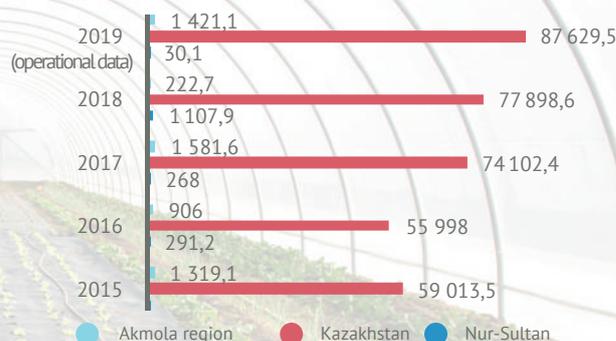


According to the minimum standards of Nur-Sultan city, currently, a minimum of 5.7 thousand tons of tomatoes and cucumbers are required annually (the minimum norm of kg/year for 1 person is 5 kg, the population of Nur-Sultan city on January 1, 2020, is 1,136,008 people). Production covers less than 1% of the required quantity.

### Cucumbers gross harvest, tons



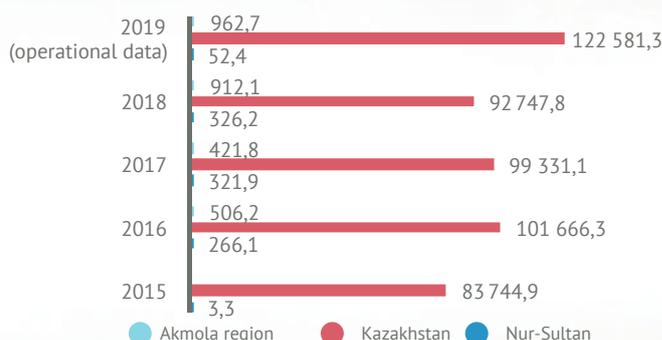
### Cucumbers gross harvest of covered field, tons



### Tomatoes gross harvest, tons



### Tomatoes gross harvest of covered field, tons



## MANUFACTURERS

There are 19 companies engaged in greenhouse farming in Nur-Sultan city, the main producer in Nur-Sultan city is «AstanaEcoStandart» LLP. There are 557 companies are operating in Kazakhstan, the largest greenhouse farms are «Pervomaysky» LLP (Atyrau region), «Agrofirma «Zhana AK Dala» LLP (Turkestan region), «Ecoculture fields» LLP (Almaty region), «Green land Alatau» LLP (Almaty region), «Greenhouse Kazakhstan» LLP (Aktobe region), «Greenhouse-qaztomat» LLP (Pavlodar region) and «Topar greenhouses» LLP (Karaganda region).

## RAW MATERIAL BASE

### Seed producer:

- The scientific and Production Enterprise «INVENT-plus» produces more than 900 names of varieties and hybrids of vegetable and flower crops (Kostanay region, Tobyl city (previous Zatobolsk)).

### Fertilizer producers:

- «KazAzot» LLP produces technical ammonia and ammonium nitrate (Mangystau region, Aktau city, Industry zone 6);
- «KazPhosphate» LLP is engaged in the production of ammophos, superphosphates, sulfoammophos and nigroammophos (Almaty city, Samal-1, bldg1A);
- «Kazagrotumar» LLP – enterprise specialized in organic mineral fertilizer production (Pavlodar region, Pavlodar, Central industry zone 1148);

### Artificial soil substitute producers:

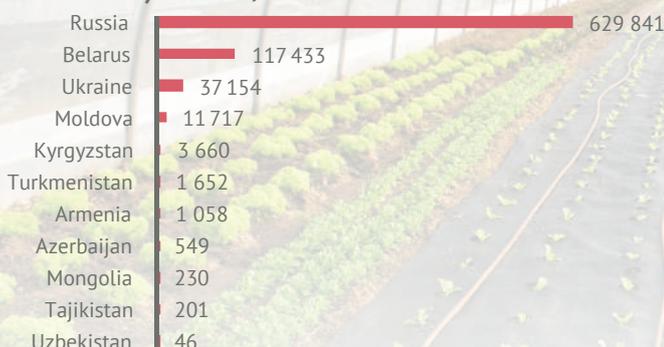
- «TechnoStroyAGRO» LLP supplies coconut mats for greenhouses in the form of pressed plates in a light-stabilized film (Moscow city, Begovoy district, Skakovaya street, bldg17, str1, office 1216, BC «Skakovaya 17»);
- «TECHNO» plant of «TECHNONIKOL» corporation produces stone wool substrates, capacity is 200 thousand cubic meters per year. (Ryazan city, Eastern promzone, bldg. 21, str58).

# CONSTRUCTION OF A GREENHOUSE

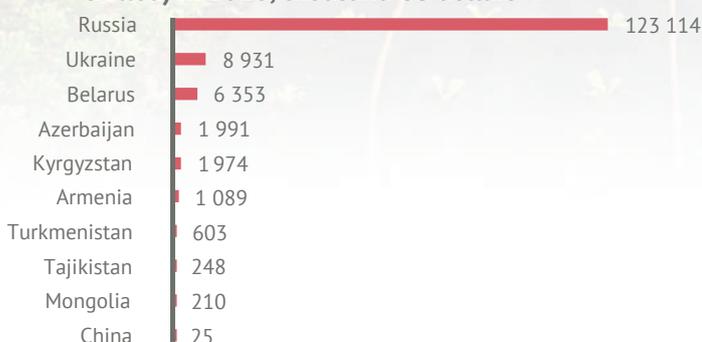
## POTENTIAL SALES MARKETS

The total volume of tomato imports from neighboring countries in 2018 was 803.5 million US dollars or 742.5 thousand tons. Demand for cucumbers in neighboring countries reached 144.5 million US dollars or 151.1 thousand tons.

### Tomatoes volume import (fresh or chilled) in 2018, thousand US dollars



### Cucumbers and gherkin volume import (fresh or chilled) in 2018, thousand US dollars



## PRODUCT COST

Taking into account the average export price of Kazakhstan for the products (the export price for cucumbers is 983 US dollars per ton, for tomatoes – 756 US dollars), we have a serious competitive advantage in the markets of neighboring countries.

### Tomatoes import price (fresh or chilled) of neighboring countries in 2018, thousand US dollars



### Cucumbers import price (fresh or chilled) of neighboring countries in 2018, thousand US dollars



## RATES

- Electricity - 14,5 KZT/kW (without Value added tax);
- Water supply - 195,36 (without Value added tax); Sewerage - 203,06 (without Value added tax);
- Gas transported via distribution networks, liquefied, per 1 kg - 140,56 KZT;
- Heat supply - 3 907,37 KZT /gcal (without Value added tax).

## COMPETITIVE ADVANTAGES

- Price advantage in the markets of neighboring countries;
- Production deficit in the city;
- Potential import substitution and product import;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURES

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (Value added tax, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

QazIndustry

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# TOP SMART SPOT SPRAY SYSTEM

## DESCRIPTION OF THE PROJECT:

Production of artificial intelligence system sensors for spot treatment of fields of various crops, including herbicides.



## COMPETITIVE ADVANTAGE



- The close location of agricultural regions of the republic;
- Saves up to 60% of herbicides;
- Lower government spending on subsidies;
- Relatively low price;
- High efficiency.

## MARKET ANALYSIS

Near the capital there are traditionally agricultural regions such as

- Kostanay region;
- South Kazakhstan region;
- Pavlodar region;
- Akmola region.

### Number of agricultural companies in Kazakhstan:

Field area	Company quantity
1 000 - 10 000	209
10 776	20 000+
10 000 - 20 000	72

- The total sown area in the Republic of Kazakhstan in 2019 was 22 216 964 ha., which is comparable with the area of Almaty region or countries such as the United Kingdom, Romania, Belarus.
- Farmers of the Republic of Kazakhstan purchase herbicides and pesticides for 32 million US dollars.
- State subsidizing farmers for the purchase of herbicides up to 50% of the amount.
- At the moment, in the Republic of Kazakhstan there are 1,376 herbicide spraying devices.

### EXAMPLE OF USING THE SYSTEM

Pilot project showed efficiency up to 80%, Agropark «Ontustik»

## SUMMARY OF PROJECT BENEFITS



- Saves time to refill the tank with herbicides; A «healthier» product by reducing use of herbicides;
- Saving water and fuel when spraying; Reducing environmental damage to soil, water, air.
- Neighborhood with countries where the agro-industrial complex is relatively developed (Russia, China, Uzbekistan).

## STATE SUPPORT MEASURES

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

# READY-BUILD FACTORY

## PROJECT DESCRIPTION:



The project is an industrial area with localized ready-made production enterprises, office space, necessary infrastructure, and service cluster for industrial park function.

## PROJECT CONCEPT

- Area for construction on turnkey basis or land plot lease;
- Territory with ready-made modules from 1,000 sq.m. up to 10,000 sq.m. for rent;
- Offices and premises for rent by service companies;
- Common areas, exhibition hall;
- Closed security perimeter.



## INVESTMENTS

Investments in construction - approximately make up 30 000 KZT per 1 sq. m.;  
The area of the land for construction in the form of in-kind grant is from 5 ha.

## INDUSTRY

- Agro-industry;
- Engineering;
- Construction industry;
- Chemical industry;
- Biotechnology;
- Metallurgy;
- Light industry

## RAW MATERIAL BASE

**Concrete** - Building materials from concrete and its components, take first place in volume in the production of building materials in Kazakhstan;

**Metalwork** - Metalbases of Nur-Sultan city (warehouses and metal processing enterprises), «ArcelorMittalTemirtau» JSC, «Ulba Metallurgical Plant» JSC Ust-Kamenogorsk;

**Sandwich panels** - «Kazakhstan plant of enclosing structures» LLP in Nur-Sultan city, «Nur-Zhas Kurylys» LLP in Almaty city, «PolymerMetall-T» LLP in Kapshagay city, «Alma Grad» group of companies in Ust-Kamenogorsk city, «Z.KZ» LLP in Karaganda city.

## RENTAL MARKET FOR INDUSTRIAL BUILDINGS:

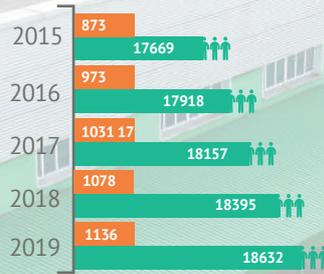
According to real estate sites kn.kz and krisha.kz the volume of industrial space for rent in Nur-Sultan city is 71 354 sq. m. The average cost of renting industrial space in cities of the country is:

Almaty - 1 900 KZT per sq. m. (from 800 to 3,000 KZT); Nur-Sultan - 1,500 KZT per square meter. m. (from 1,000 to 2,000 KZT);  
Atyrau - 1 375 KZT per sq. m. (from 750 to 2,000 KZT);  
Shymkent - 1,250 KZT per sq. m. (from 500 to 2,000 KZT);  
Karaganda - 590 KZT per sq. m. (from 180 to 1,000 KZT);  
Kokshetau - 425 KZT per sq. m. (from 350 to 500 KZT).

## INDUSTRIAL PRODUCTION (million US Dollars)



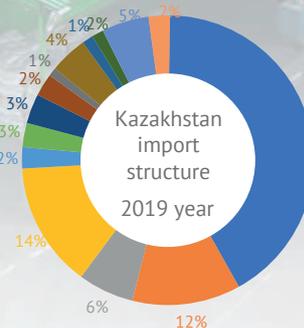
## Population (thousand people)



## Import Volume (million US dollars)



Legend: Nur-Sultan (orange), Kazakhstan (green)



- Machines, mechanisms and equipment
- Base metals and articles thereof
- Mineral products
- Chemical industry products
- Tools and apparatus
- Miscellaneous manufactured goods
- Plant Products
- Wood and wood products
- Weapons and ammunition
- Textile materials and products Pearls, precious metals and stones Stone
- Products
- Food products
- Animal products

## COMPETITIVE ADVANTAGES

- Low cost;
- The possibility of obtaining in-kind grants in the form of a land plot

## STATE SUPPORT MEASURES

### Investment preferences



### TAX

- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

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QazIndustry

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF BASALT FIBRE THERMAL INSULATION

General Classification of Types of Economic Activity 23.99.2 «Production of mineral insulating materials»

## PROJECT DESCRIPTION

Construction of a plant for the production of basalt fiber insulation.

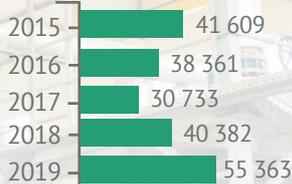
Basalt fibers have a high natural initial strength, resistance to impact aggressive environments, durability, electrical insulating properties made from natural environmentally friendly raw materials.

Products will be in demand in construction industry and energy.



Mineral wool production volumes in Kazakhstan for the last three years have grown by 80%.

### Mineral wool production volumes, thousand tons.



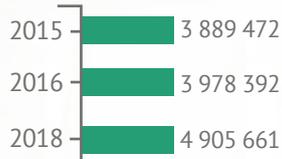
From 2016 to 2019 volumes of mineral wool imports in Kazakhstan grew by 81%, in Nur-Sultan city by 46%. Russia occupies the largest share in the import of these products - 85%. Potential sales markets are Belarus, Ukraine, Russia, Kyrgyzstan.

## PRODUCT

- Thermal insulation plates (frame walls, ventilated roofs, building facades, floors, attics);
- Insulation for sandwich panels.

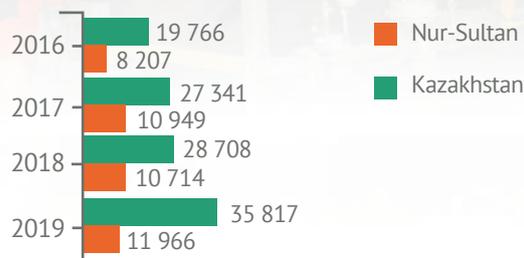
## WORLD MARKET

### World imports of mineral wool, thousand US Dollars



The average annual growth rate of mineral wool over the past 4 years is 8%.

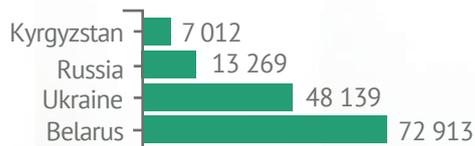
### Import of mineral wool, thousand US dollars



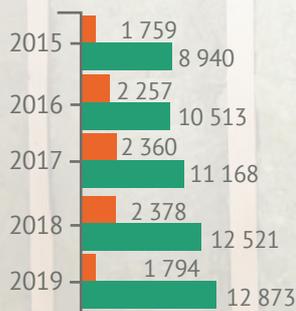
## REGIONAL MARKET

The construction sector is one of the important sectors of economies of the country and the capital, and one of the most attractive investment areas. Volume of construction work and the area commissioned residential buildings in Kazakhstan over the past 5 years have grown by 1.5 times, showing stable growth dynamics. Average annual rate growth of investment in residential housing in the country for the last 5 years amounted to 18.4%, in Nur-Sultan city 16.7%.

### Potential sales markets, tons

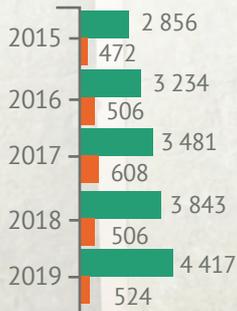


### Total area of commissioned residential buildings, thousand m2



■ Nur-Sultan  
■ Kazakhstan

### The volume of construction works of the Republic of Kazakhstan, billion KZT



### Mineral wool manufacturers in Kazakhstan

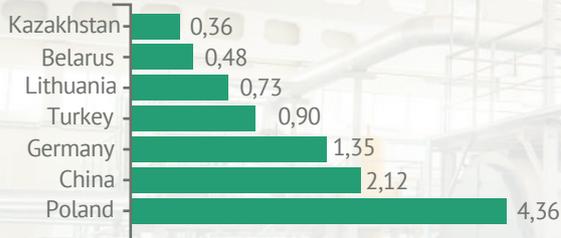
In General, there are 14 enterprises operating in Kazakhstan for production of mineral insulation materials, among them the largest are:

- «MakWool» Company - enterprise for the production of thermal insulation materials based on basalt rocks (Makinsk, Akmola region), 34,000 tons of high-quality thermal insulation per year.
- «Bazalt-A» LLP is in Kandygash city, Aktobe region, the structure includes:
  - Plant for the production of crushed basalt;
  - Plant for the production of mineral plates;
  - Plant for the production of aerated concrete blocks;
  - Branch of «Basalt-A» LLP in Nur-Sultan city.
- Thermal insulation materials plant «ECOTERM» (Temirtau city) - production of heat-insulating materials;
- Plant «IZOTERM» (Oskemen city) - modern basalt based thermal insulation materials fiber, 65,000 tons of products per year.

# PRODUCTION OF BASALT FIBRE THERMAL INSULATION

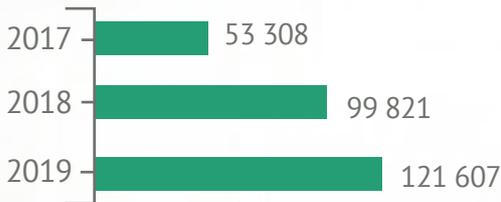
Import price of mineral insulating materials from Kazakhstan has a price advantage in Russian market.

Import price in Russia, 2018, US dollars per kg



Kazakhstan imports over 60% of mineral wool from total consumption in Kazakhstan.

Mineral wool consumption in Kazakhstan, thousand tons



## RAW MATERIAL BASE

### ● Production of stone wool

The highest quality rocks wool obtained from mountain gabbro-basalt rocks, with the insertion of carbonate rocks additives to regulate the acidity modulus.

### ● Deposits of basaltic rocks in Kazakhstan:

Bulandynsky stone quarry, Akmola region ;  
 Deposit of building stone Dubirsay, (West Kazakhstan region);  
 Deposit of building stone (diabases) Akshkolskoye (West Kazakhstan region);  
 Building stone deposit (diabase) Bercogurskoe-3 (West Kazakhstan region);  
 Mamytskoe construction stone deposit (West Kazakhstan region);  
 Building stone (diabase) deposit Sartauskoye-1 (West Kazakhstan region);  
 Sary-Biik porphyrite deposit (East Kazakhstan region).  
 One of the components of stone wool insulation is a binder that holds the fibers together, provides products with specified shape parameters and density.

### ● Types of binder:

**Bituminous binders.** The main producers of bitumen materials in Kazakhstan are: Aktau Bitumen Plant («SP Caspi Bitum» LLP), «Gazpromneft-Bitumen Kazakhstan» LLP, «Pavlodar Petrochemical Plant» LLP.

**Synthetic binders** (phenolalcohols, phenol-formaldehyde, urea resins).

**Composite binders** (binders consisting of several components)

- **Bentonite clay.** Deposits in Kazakhstan: Taganskoe bentonite clay deposit (East Kazakhstan region); Deposit of bentonite clays of the Akkalkansky site (East Kazakhstan region); Andreevskoye bentonite clay deposit (South Kazakhstan region).

## COMPETITIVE ADVANTAGES

- Raw material base availability
- High demand in the product;
- Potential import substitution and product export;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURES

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through “Kazakhstan Industry and Export Center “QazIndustry” JSC

QazIndustry

- Reimbursement of part of expenses to subjects of industrial and innovative activity;
- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF CERAMIC PLATES

General Classification of Types of Economic Activity 23.31 «Production of ceramic coatings and plates»

## PROJECT DESCRIPTION:

Establishment of production ceramic plates in Nur-Sultan city.

## GLOBAL MARKET

Over the past 5 years, the level of demand for ceramic plates in the world has remained at the level of 17 billion US dollars, which means that this product is in demand



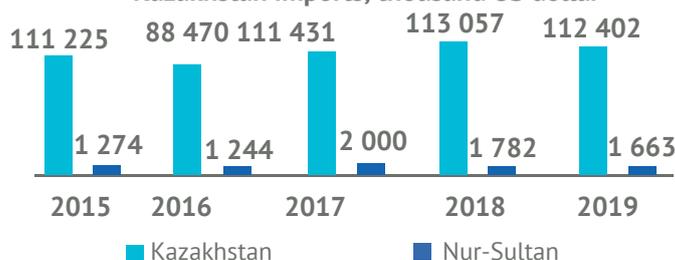
### Global demand, thousand US dollar



## REGIONAL MARKET

Ceramic plates are one of the most popular decoration materials all over the world. China and Italy are leaders in the production of ceramic plates. Export of these two countries makes up 50% of total world exports.

### Kazakhstan imports, thousand US dollar



### Top 10 importer countries to the Republic of Kazakhstan, thousand US dollar



## MANUFACTURERS

There are 2 companies producing ceramic plates in Kazakhstan:

«ZERDE-Ceramics» LLP, Shymkent city;  
«Ceramics» JSC, Aktobe region.

## RAW MATERIAL BASE

Clay, kaolin - Deposits in the Akmola region (Alekseevskoe, Yeltay, etc.).

Quartz sand – «Aktobe Glass» Company, Aisarinskoe field in the North Kazakhstan region, Zhar-As deposit in Akmola region, Kurgaldzhinskoye field in Akmola region, also there are deposits in West Kazakhstan, East Kazakhstan and Pavlodar regions.

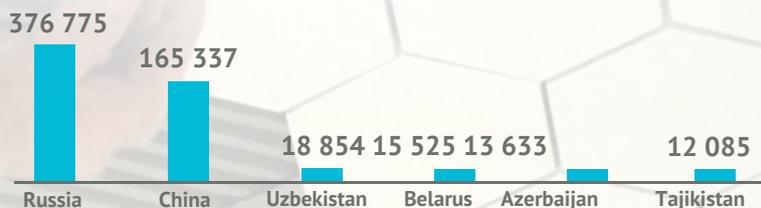
Nepheline, slag, feldspar – Kokshetau deposits - 1 and 2, Zerendinskoye in the Akmola region, as well as deposits in East Kazakhstan and Karaganda region.

## POTENTIAL SALES MARKET

The total demand for ceramic plates from neighboring countries in 2019 amounted to 602.2 million US dollars.

The main buyers of these products are Russia (62%) and China (27%).

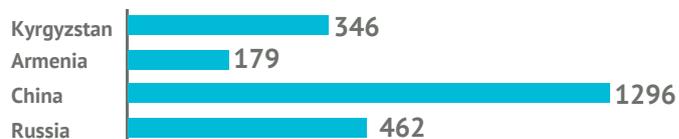
## Import of neighboring countries, thousand US dollars.



## PRODUCTION COST

The average price of Kazakhstan for the export of tiles is 225 dollars per ton, which is quite lower purchase prices of neighboring countries. This fact says about the low cost of our products which is advantage in comparison with the cost of production other countries.

## Import prices, US Dollars per ton



## COMPETITIVE ADVANTAGES

- The proximity of raw materials;
- Lack of production in Nur Sultan city;
- High demand.

## STATE SUPPORT MEASURERS

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap – 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufacturers through «Kazakhstan Industry and Export Center «QazIndustry» JSC



Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF ELECTRODES

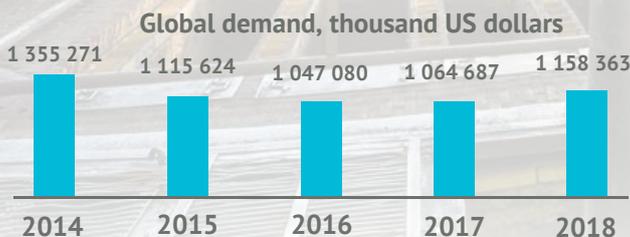
General Classification of Types of Economic Activity 23.90 «Production of carbon and graphite electrodes»

## PROJECT DESCRIPTION:

Creation of an enterprise for the production of electrodes in Nur-Sultan city

### GLOBAL MARKET

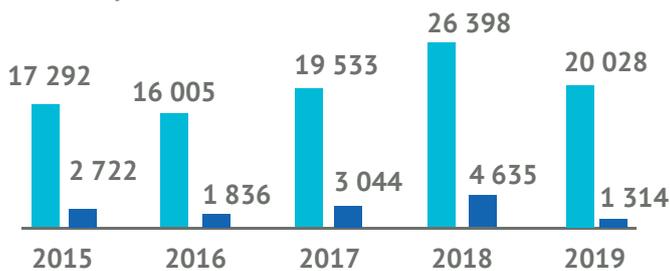
Over the past 5 years, the level of demand for electrodes in the world remains at the level of 1.1 billion US Dollars, which indicates that this product is a demanded product.



### REGIONAL MARKET

The product is in steady demand due to the growing construction of reinforced concrete structures and other facilities where metal welding is required.

#### Import of Kazakhstan, thousand US dollars



■ Republic of Kazakhstan ■ Nur-Sultan

#### ТОП-5 стран-импортеров электродов в Казахстан, тыс. долл. США



### MANUFACTURERS

There are 3 electrode manufacturing companies in Kazakhstan:

- «Electrode CK» LLP – Karaganda city ( 1000 tons per year);
- «Pavlodar electrode plant» LLP (1200 tons per year);
- «Bagul» LLP – Zhambyl region (1500 tons per year).

### RAW MATERIAL BASE

- Welding wire – metal base Nur-Sultan city, «Ulbinsky metallurgical plant» JSC in Ust-Kamenogorsk city, «ArcelorMittal» JSC in Temirtau city;
- Graphite – stocks are presented by deposits of East-Kazakhstan, Karaganda, West-Kazakhstan regions (Akmola, Aktasinskoye, Ayaguz group, Ayaqzhaylau, Baltatereq, Bugetysaiskoye, Kalgutinskoye, Qaraquduqskoye, Qaragailinskoye, Leninskoye, Sarytiganbai, Sya-Qezen, Shalqar);

- Silicates, ferroalloys – «Chemistry and Technology» LLP in Almaty city, «Kislotoupor Kazakhstan» in Almaty city.

### POTENTIAL SALES MARKETS

Total demand on electrodes of neighboring countries in 2019 made 150 million US Dollars. Main buyers of this product are Russia (47%) and China (31%).

#### Import of neighboring countries, thousand US dollars



### PRODUCT COST

Considering that China and Russia are the largest electrode consumers, Kazakhstan has transport advantage against other importer-countries of electrodes to these countries.

#### Import prices per ton, thousand US dollars



### COMPETITIVE ADVANTAGES

- High temps of construction in Nur-Sultan city;
- Lack of production in Nur-Sultan city;
- Proximity to the markets of China and Russia;
- Proximity to raw material base.

### STATE SUPPORT MEASURES

#### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (Value added tax, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

#### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

#### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

#### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

QazIndustry

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF METAL FASTENERS

General Classification of Types of Economic Activity 25.94 «Production of fasteners and threaded products»

## PROJECT DESCRIPTION:



Creation of an enterprise for the production of metal fasteners on the territory of Nur-Sultan city.

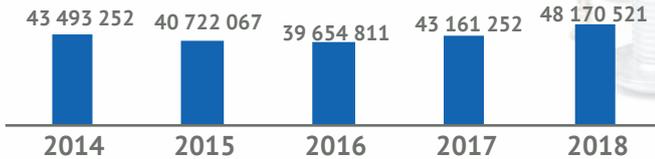


## MANUFACTURED PRODUCT:

- Rivets, washers and similar products without thread;
- Products manufactured on screw cutting machine;
- Bolts, screws, nuts and similar products.

## GLOBAL MARKET

Import, thousand US dollars

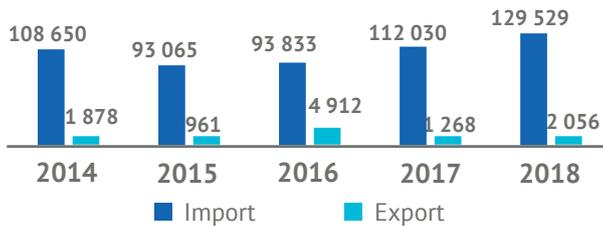


Dynamics shows that fastener products from metal are on stable demand.

## REGIONAL MARKET

Kazakhstan has established production of various fasteners, but domestic production does not cover all the needs of the internal market.

Imports and exports of metal fasteners to Kazakhstan, thousand US dollars



Fastener products manufacturers:

- «Almatinsky metizny plant» LLP;
- «Studbolt Manufacturing», Atyrau city;
- «Semipalatinsky Metizny Plant» LLP;
- «Ferrum-Vtor», LLP, Shymkent city.

## RAW MATERIAL BASE

Wire – metal bases of Nur-Sultan city, «ArcelorMittal Temirtau» JSC, «Ulba metallurgical plant» JSC-Ust-Kamenogorsk city.

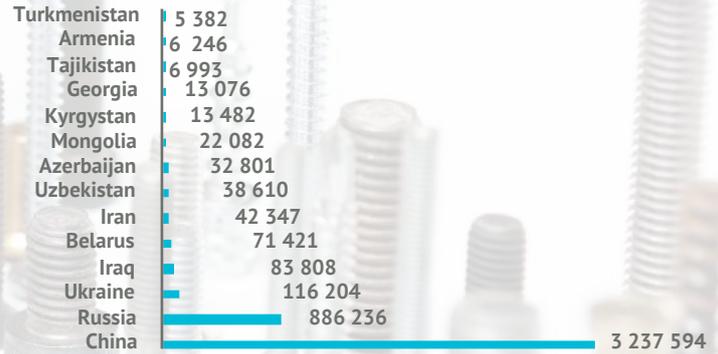
## POTENTIAL SALES MARKETS

The largest consumers in the world market of fasteners are Russia and China. Kazakhstan has a geographical advantage for making deliveries to these countries. Also Nur-Sultan city is the most convenient place for the implementation of this project, as it is located close to sources of raw materials and well-developed infrastructure for exporting to neighboring countries.

Import of fastener products, thousand US dollars



## Fasteners products import of neighboring countries in 2018, thousand US dollars



## COMPETITIVE ADVANTAGES

- Wide range of implementation;
- Proximity to raw material base;
- Low cost.

## STATE SUPPORT MEASURERS

### Investment preferences



- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (Value added tax, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things



- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures through «Kazakhstan Industry and Export Center «QazIndustry» JSC

QazIndustry

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# PRODUCTION OF ELEVATORS

General Classification of Types of Economic Activity 28.22.4 «Production of Elevators»

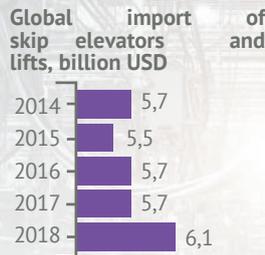
## PROJECT DESCRIPTION

Establishing Elevator production by building a plant with a capacity of at least 200 elevators per year

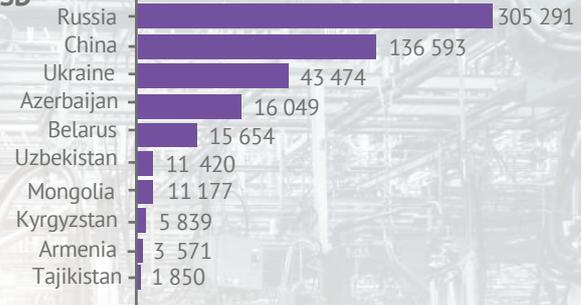


## WORLD MARKET

The last 5 years, the level of demand for elevators and the lifts in the world remain at the level 5.7 billion USD, this fact indicates that this product is demanded goods. The main buyers are Russia (305.3 million USD), Great Britain (293.4 million USD) and Canada (249.8 million USD)



## Import of elevators and lifts to nearby countries, thousand USD



## PRODUCT COST

The average price of Kazakhstan for the export of elevators and lifts is 2,048 USD per ton, which is much lower than the purchase prices of neighboring countries. This fact indicates the low cost of our products which is an advantage in comparison with the cost of products from other countries.

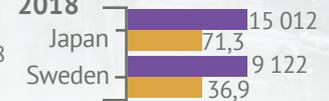
## REGIONAL MARKET

According to the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan data, there were 24,025 elevators, of which 1,684 are subject to repair, and 4,478 require replacement at the end of 2019 in Kazakhstan. 232 elevators were produced by Kazakhstan enterprises, 1 824 were imported. The capital occupied more than half of the import of elevators in the country in 2019 year (54.8%). Over the past 5 years, only in 2017 this indicator dropped below 50%, which suggests that Nur-Sultan city is the largest consumer of elevator building products in the republic. The main supplier of elevators in the end of 2019 was China (57.3% share in the import of elevators in Kazakhstan, and 53.4% share in the import of elevators of Nur-Sultan city

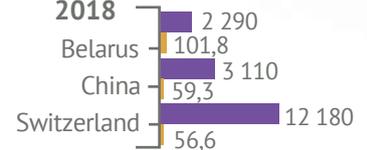
## Import of elevators and lifts to nearby countries, thousand USD



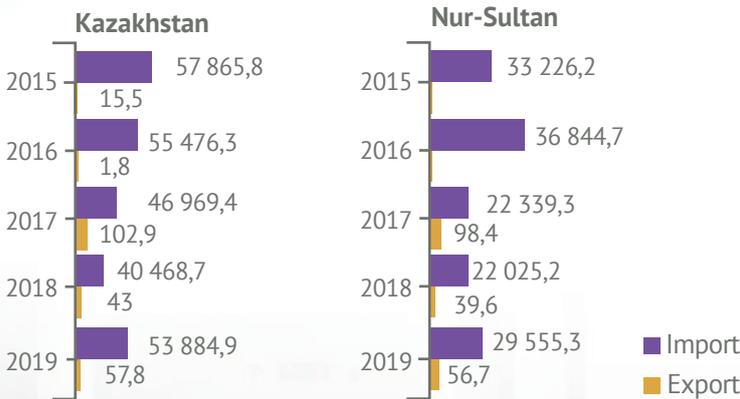
## Main elevators exporters to China, 2018



## Main exporters of elevators to Russia, 2018



## Foreign trade turnover, skip elevators and lifts, thousand USD



## MANUFACTURERS

There are 6 elevator manufacturers in Kazakhstan, of which the largest are «Almatylift» LLP (Almaty), «LGS KAZAKHSTAN ELEVATOR GROUP» LLP (Almaty region) and «Sky express elevator kz» LLP (Akmola region).

In Nur-Sultan in the 2nd quarter of 2020, it is planned to launch a plant for the production of construction lifting machines and mechanisms (self-lifting tower cranes, facade elevators, cargo lifts) «Lashyn Factory» LLP with a capacity of 110 units per year.

## RAW MATERIAL BASE

### Potential supplier of metal parts:

- Metallurgical Complex «ArcelorMittal Temirtau» JSC (Karaganda region).

### Potential suppliers of electrical parts and safety systems:

- «Hengda FUJI Elevator Co. Ltd» is one of the leading manufacturers of elevators, escalators and travelators, as well as components;
- «Mogilevliftmash» OJSC produces more than 130 basic elevator models, spare parts and elevator upgrade kits;
- LGS Elevator Korea Co. Ltd - exports products to more than 50 countries.

## POTENTIAL SALES MARKETS

The total demand for elevators and lifts in nearby countries in 2018 was 550.9 million US Dollars. The main buyers of these products are Russia (55%) and China (25%).

## COMPETITIVE ADVANTAGES

- Low competitive environment;
- High demand in the product;
- Potential import substitution and product export;
- State support for investors and entrepreneurs.

## STATE SUPPORT MEASURES

### Investment preferences

- Exemption from customs duties (0% up to 5 years for import);
- Tax benefits (VAT, corporate income tax, land tax, property tax - 0%);
- In-kind grants (land plots, buildings and structures, etc.);
- Attracting foreign labor.

### Preferences of special economic zones;

- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor. out of quotas).

### Business roadmap – 2025

- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

### Economics of simple things

- Subsidies (rate not more than 15%, subsidy up to 9% of loan interest rates);
- Guarantee (up to 50% on loans up to 3 billion KZT and up to 30% on loans over 3 and up to 5 billion KZT inclusive).

### State support measures for Kazakhstan manufactures and Export Center «Kazakhstan Industry and Export Center «QazIndustry» JSC

Reimbursement of part of expenses to subjects of industrial and innovative activity:

- to increase labor productivity and territorial clusters development;
- to promotion domestic processed goods in foreign market;
- to promotion domestic processed goods, works and services in internal market.

# OUTLET CENTER

## Outlet Center - in the shopping center format

### PROJECT DESCRIPTION:



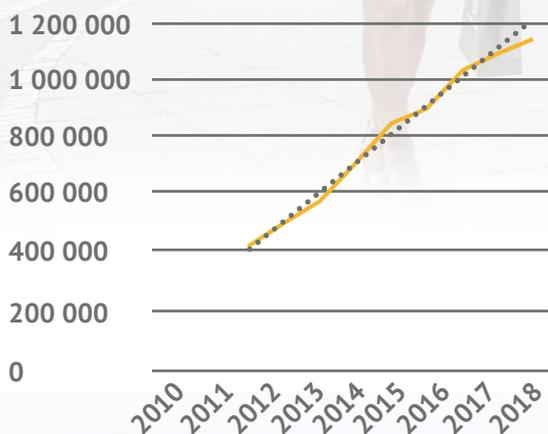
Construction of the largest Outlet Center where brand stores of apparel, shoes, sport items, home products, cosmetics, jewelry etc. with 70% discounts will be located in the country.



### MARKET ANALYSIS

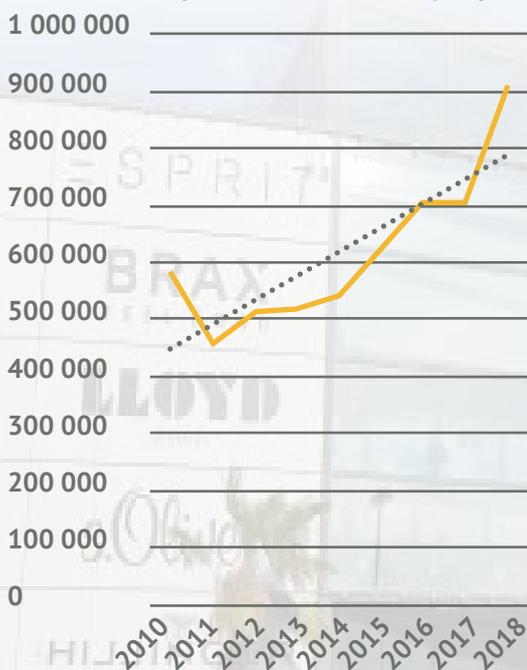
Since 2010, the volume of retail trade per capita in the city has grown rapidly, on average by 13% per year.

Per capita retail sales volume in Nur-Sultan city, KZT



Over the same period, the total retail space increased by 1.5 times.

Retail space in Nur Sultan city, sq.m.



Since 2014, clothing and shoes accounted for about 10% of the total retail trade in the Republic of Kazakhstan.

The share of clothing imports is 80%, and the presence of products from such brands as Calvin Klein, Emporio Armani, Giorgio Armani, Burberry, Valentino, etc. among these clothes indicates the demand for **premium clothing**.

In the capital, retail outlets in the shopping center format are in great demand. So now there are about 15 shopping and entertainment centers in the city.

Average area of such malls is **56 000 sq.m.**

Nº	Mall name	Total area	Opening year
1	Mega Silk Way	140 400	2017
2	Khan Shatyr	127 000	2010
3	Eurasia	80 000	1998
4	Keruen	64 000	2008
5	Astana Mall	51 000	2012
6	Saryarka	39 000	2008
7	Tulpar	36 000	2009
8	Keruen City	34 500	2007
9	Asia Park	34 000	2009
10	Green Mall	27 404	2019
11	Abu Dhabi Plaza	26 000	2019
12	Aruzhan	20 000	2012

Active construction of these shopping centers began after **2007**.

Average time spent in the shopping center: **more than 60 minutes**.

The rent in them is higher than the national average; reaching 33,000 KZT per 1 sq. m., (~80 US dollars against 14 US dollars on average in the Republic of Kazakhstan, more than 5 times).

### COMPETITIVE ADVANTAGE

- Lack of large outlet center in the capital and the country;
- Lack of range of famous brands in the city and country markets.

### PROJECT BENEFITS SUMMARY

- High public awareness about international brands;
- Relatively high income compared to other areas of the country;
- Successful precedents of enter into the local market of such brands as McDonalds, Starbucks, Apple Corp products.

### STATE SUPPORT MEASURES

### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

# SMALL SOLAR POWER PLANTS

## PROJECT DESCRIPTION:

Production of electricity using solar power plants with a capacity of no more than 100 kW for own needs and sale of electricity at a retail price. The station area is 500 sq .m.



## MARKET ANALYSIS

As part of a support for the development of renewable energy in the Republic of Kazakhstan, the «net-consumer», measure adopted, according to which energy supply organizations (ESO) are required to buy 100% of electricity received from private owners of renewable energy at retail prices.

Power stations for legal entities – no more than 100 kW. Below is an analysis of the use of part of the electricity for the needs of the owner of small solar power plants (20%), and the rest – for sale (75%). Only solar panels considered in the analysis because the payback period of wind farms with a capacity of no more than 100 kW is relatively high.

Solar power plants generated electricity of 100 kW	
Unit of measurement	kW
generated electricity in a year	142 405
ready for sale Electricity	114 351
Losses, 5%	7 120
Electricity for sale (75%)	107 231

Economic indicators of Solar power at 100kW	
Unit of measurement	KZT
Amount of paid to energy supply companies for 1 kW per hour by legal entities	16,87
Price of energy supply companies taking into account devaluation	1 808 986
Energy supply companies' paid sum per year	23 310 000
Net income (after payback period)	21 098 127
Income over 25 years	44 582 453
Average income per year (whole period)	1 783 298
Payback term, year	13

## Competitive advantage

- Income of electric power sales of energy supply companies;
- Electricity generating opportunity for own needs;
- These solar power stations can be installed on different enterprises without binding to its activity.

## Project summary

- 100% guaranteed realization of electric power according to the Republic of Kazakhstan legislation;
- Electric power realization at a retail price of energy supply companies;
- Opportunity to use free ecological pure energy;
- Lowering electricity charges;
- Additional income;
- Cooperation with the Republic of Kazakhstan in achieving of «green economics»;
- Comparatively low solar activity;
- Wind power plants of the capacity are paid off during more than 20 years.

## STATE SUPPORT MEASURES

Mandatory purchase of electricity from private producers with renewable energy (netto-consumers) is guaranteed by the Order of the Minister of Energy of the Republic of Kazakhstan dated July 8, 2016 № 309 «On approval of the Rules for the purchase and sale of electricity from netto-consumers».



## Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.

# OPTIMIZATION OF HEATING COSTS

## PROJECT DESCRIPTION:

Investments for 35 mln. KZT in the production of the «Volna 2.0» thermal energy saving system for the further implementation and reduction of the capital consumption by 10%



## MARKET ANALYSIS



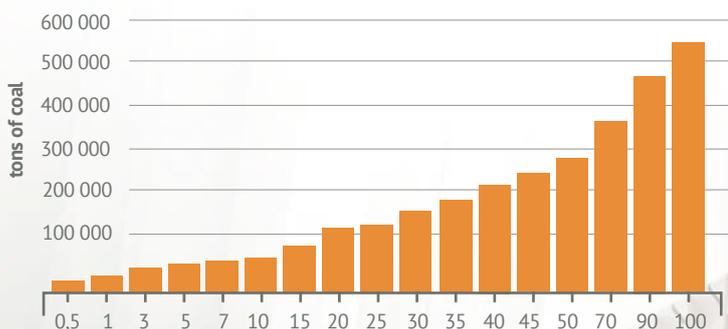
**Thermal energy**  
3,04 million tons



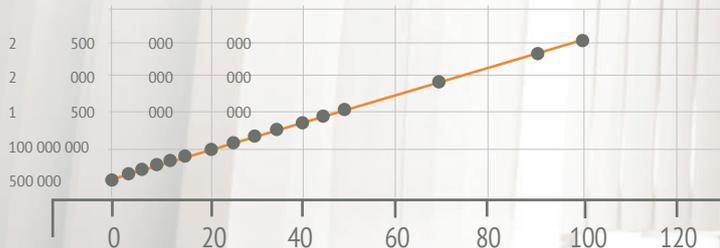
**Electricity**  
0,71 million tons

Total coal supply for heat and electricity generation: 3.75 million tons

## Saving coal for the city per year, ton



## City savings per year, tenge



## System application example

Object name	Nursery Garden
Calculated tariff for heat energy without VAT (KZT/Gcal)	17 712,14
Consumption for 2018-2019	452,875
Start time of the working day (hour)	8:00 a.m.
The end time of the working day (hour)	19:00
Day off Saturday	Yes
Day off Sunday	Yes

## EXPECTED ECONOMY OF ESCO VOLNA 2.0

by calculation (%)	16,6
to Gcal	75,011
in KZT	1 328 606,19

## COMPETITIVE ADVANTAGE



- Relatively low price compared to foreign analogues
- Relatively low system maintenance heating
- Kazakhstan content over 60%
- Experience in implementing the system, including in the capital of the Republic of Kazakhstan

## SUMMARY OF PROJECT BENEFITS



- Reducing city spending on energy purchases (coal, gas), their transportation and storage;
- Reducing household spending on heat in heating period;
- Reduced operating costs for manufacturers in the city;
- Reduction of harmful emissions into the atmosphere.

## STATE SUPPORT MEASURES

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

# OPTOCULUS INNOVATIVE SECURITY SYSTEM

## PROJECT DESCRIPTION:

Production of fiber-optic system sensors for protection of objects and detection of technical failures, including infrastructure ones (mines, pipelines, wells, KOIKI).



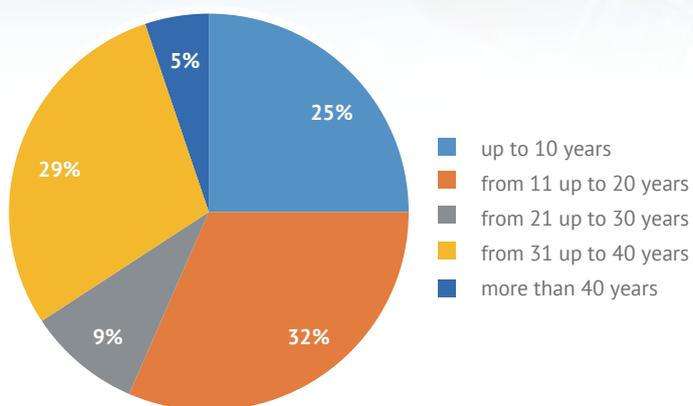
- The sensor-cable does not require connection to power lines or additional means of communication and switching.

## PROJECT BENEFIT SUMMARY

- Service market of vibro-acoustic monitoring has been only formed. By 2025 the market will be more than 2 billion US dollars;
- Domestic product;
- Potential preservation of human life and health;
- Savings by reducing response time to technical problems and other emergencies.

## MARKET ANALYSIS

Age of oil pipelines by a length in Republic of Kazakhstan, %



- More than 43% of Kazakhstan's oil pipelines are older than 20 years, which increases the possibility of leaks due to depreciation.
- There are more than 10 large mining companies operating in Kazakhstan with their own mines, which is also a potential area of application of this system.
- The capital's heating and sewerage systems also includes pipelines that can be serviced by a security system.

## EXAMPLE OF USING THE SYSTEM

- Project on prevention of potential collapses in the mines of «ArcelorMittal Temirtau» JSC and protection of fiber-optic communication lines;
- Project on detection of concentrate congestion in pipes of aluminum plants of ERG group of companies.

## COMPETITIVE ADVANTAGE

- Reliability;
- Low cost;
- Small weight and sizes;
- Resistance to aggressive environments and difficult weather conditions;
- Lack of susceptibility to electromagnetic fluctuations;

## STATE SUPPORT MEASURERS

### Special economic zone preferences



- Tax preferences (corporate income tax, land tax, tax on property);
- Customs preferences (import of raw materials and equipment);
- Land with a ready-made infrastructure (free land plot rental);
- Simplified procedure for hiring foreign labor (attraction of foreign labor out of quotas).

### Business roadmap - 2025



- Subsidies (base rate of National Bank + 5%, of which 6% paid by the entrepreneur, and the difference is subsidized by the state);
- Guarantee (project amount up to 1 billion KZT for existing entrepreneurs, guarantee up to 50%);
- Infrastructure supplying.