

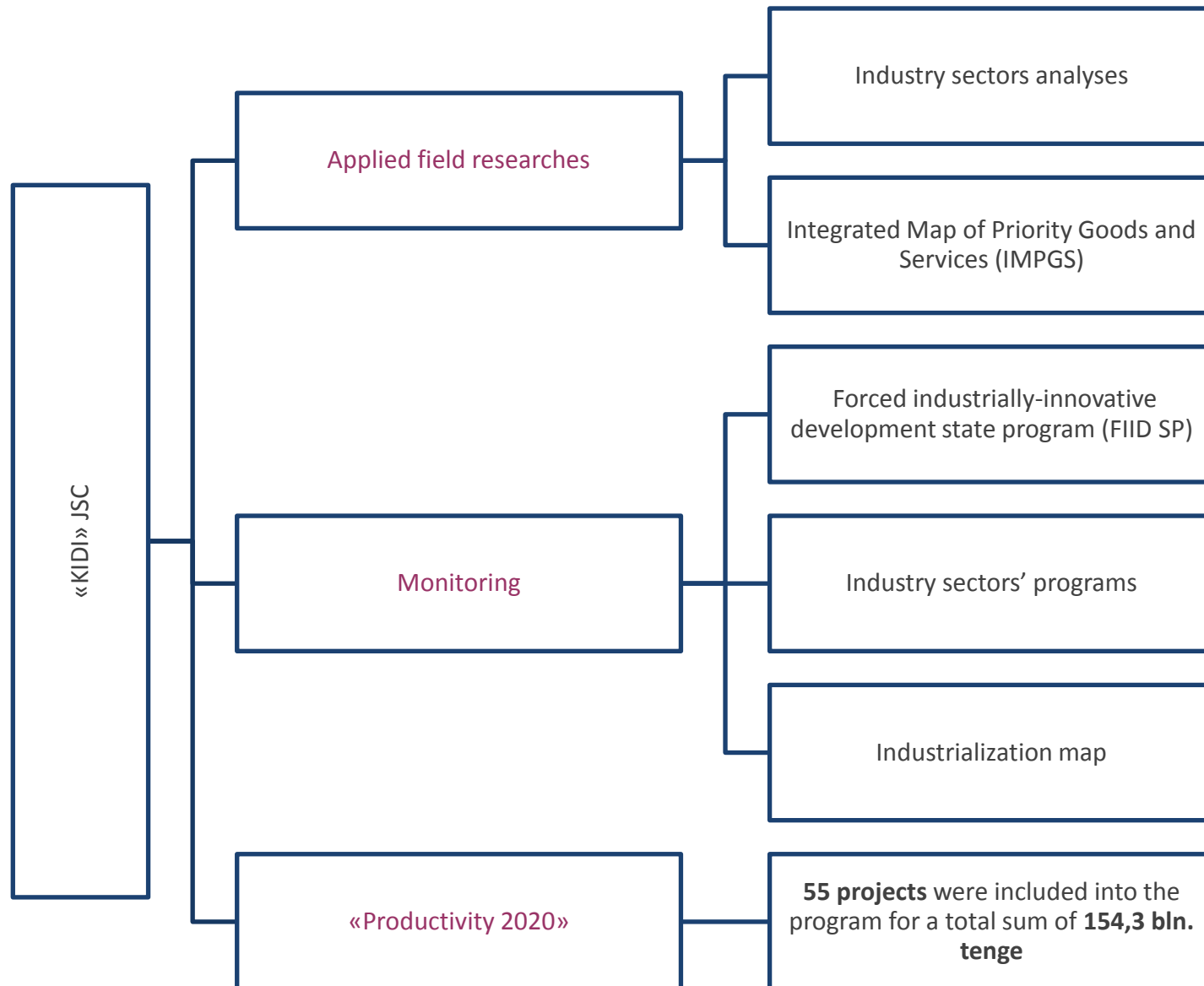


«KAZAKHSTAN INDUSTRY DEVELOPMENT INSTITUTE» JSC



«KAZAKHSTAN INDUSTRY DEVELOPMENT INSTITUTE» JSC

MAIN DIRECTIONS OF COMPANY'S ACTIVITY



MONITORING OF KEY POLICIES:

MONITORING OF KEY POLICIES

Technical regulation

The local content

Innovations
Technological modernization

Investments

Minerals and raw materials
complex

The nuclear industry

Electric power industry

Tourist industry

- Monitoring, analysis, assessment of industry sectors programs realization
- The analysis and forecasting assessment of industry sector program indicators achievement on 2013, 2014 years
- The analysis of indicators and parameters of industrially-innovative development in the cut of regions since 2008 to the current period of 2013
- The analysis of perspectivity and efficiency of key measures of the governmental support
- Handbook granting
 - General indicators of FIID SP
 - Industry sectors
 - Key measures of industry support
 - Indicators of industrially-innovative development of regions

PROJECT OFFICE

MONITORING OF INDUSTRIALIZATION MAP PROJECTS

Project selection

Assessment of project impact

Programs ' monitoring

Project management system

❑ The enterprises:

- Report issuing is carried out electronically
- Direct intercommunication with state bodies on all queries

❑ Ministry:

- Monitoring of projects and whole program
- Direct communication of initiators with the state bodies

❑ Regional administration:

- Application timeframe for participation in FIID SP is reduced
- Absence of administrative barriers to the enterprises
- Direct communication of initiators with the state bodies

❑ The public:

- Informing of the public, mass-media, business of circles
- Open portal

INDUSTRY SECTOR ANALYSES: SYSTEMS ANALYSIS

SYSTEMS ANALYSIS

Mining and metallurgical complex
sector

Machinery engineering sector

Chemical industry sector

Construction and materials
industry sector

Pharmaceutical industry sector

Textile industry sector

□ Industry sectors systems analysis:

- Industry sectors competitive advantages analysis on country competitive advantages parameters system basis
 - Value chain analysis in the industry sectors in which Kazakhstan possesses competitive advantages on the basis of 7 measurements analysis
 - Kazakhstan cluster initiatives realization results analysis
 - Identification of existing clusters and recommendations on their development
 - Recommendations on the Concept of perspective national clusters formation
- Monitoring of integration processes development in Common Economic Space and assessment of their impact on industry sectors of Kazakhstan

AN OUTLOOK: MACHINERY ENGINEERING SECTOR OF THE REPUBLIC OF KAZAKHSTAN



The development of manufacturing the machinery and equipment for mining sector

On the beginning of 2009 the volume of the proved stocks of oil according to BP made 39,6 billion barrels or 6,5 billions of tons that makes 3,2 % from world stocks. Now there are 493 deposits that are known, containing 1225 types of mineral raw materials. The volume of mining industry for 2012 according to operational data has made 10,2 trillion tenge

The development of manufacturing the machinery and equipment for agriculture sector

The main areas of land resources of the country are located in the reserve land (46.7%) and agricultural land (32.6%) Agricultural lands occupy 222.6 million ha or 81.7%. Kazakhstan in 2012 exported 7,459 million of tons of wheat and meslin (a mixture of wheat and rye). In value terms, exports of wheat and meslin in 2012 amounted to 1.599 billion U.S. dollars. Kazakhstan is among the six in world grain exporters list

The development of the automobile components manufacturing

Production market volume for vehicles in 2012 amounted to more than U.S. \$ 3 billion; By 2017 it is planned to go into series production capacity for 300 thousand cars per year At present, the production of automobile components in Kazakhstan is practically does not exist

AN OUTLOOK: MACHINERY ENGINEERING SECTOR OF THE REPUBLIC OF KAZAKHSTAN



The development of the power engineering machinery

The total installed capacity of power plants in Kazakhstan is 18 992.7 MW available capacity - 14 558.0 MW. Currently in Kazakhstan, 41% of the generation capacity of thermal power plants and 68% of generating capacity hydropower plants have worked for more than 30 years. By 2015, the projected production of electricity in the minimum and maximum scenario is 65-86 billion kWh

The development of the special purpose vehicles (road construction)

Kazakhstan's car park has about 5 million vehicles. (3.5 million cars and 1.5 million trucks). By 2015 it is planned to construct, reconstruct and repair about 12 thousand kilometers of roads of national significance, to reconstruct about 10 thousand km of local roads. The total length of railways is about 15,000 kilometers. More than 68% of the total turnover and more than 57% of passenger traffic of the country accounted by the railways

INTEGRATED MAP OF PRIORITY GOODS AND SERVICES

Integrated map of priority goods and services– The list of commodity groups, the goods and services that have strategic competitive advantages to be manufactured in the Republic of Kazakhstan, defined in the view of each priority economic sector and being priorities for the subjects of industrially-innovative activity governmental support

Mining and metallurgical complex sector

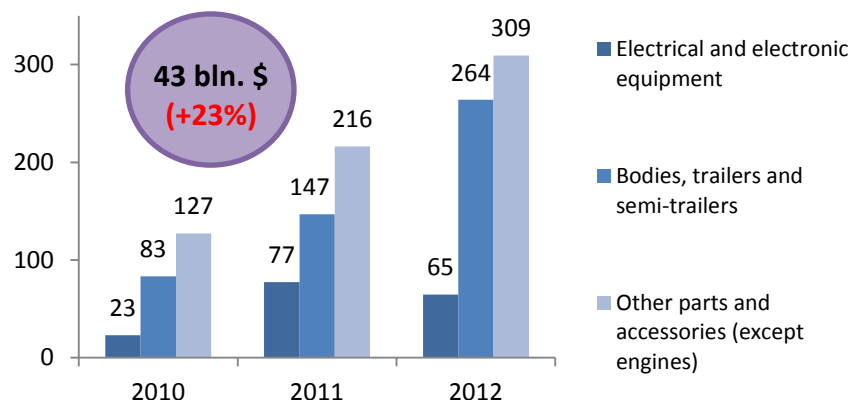
Machinery engineering sector

Chemical industry sector

- Determination of potential list of the goods/commodity of groups at a sixth sign level of Classification of production by economic activities categories
- The goods/commodity of groups manufacture possibility in the republic of Kazakhstan analysis
- Identification of the approved list actuality of the priority goods/commodity of groups
- Development of priority goods/commodity of groups list, regarding actualization of integrated map of priority goods/commodity of groups of industry sectors in the view of manufacture possibility in the Republic of Kazakhstan and recommendations on approved list actualization
- Investment projects realization strategy development on five goods/commodity to groups in the industry sectors, including Passports of projects for potential investors
- Recommendations development on creation of public access to the Integrated map of the priority goods and services and to the strategy of investment projects realization in the form of a graphic map of the country

PRIORITY SEGMENTS OF MACHINE-BUILDING INDUSTRY (RoK)

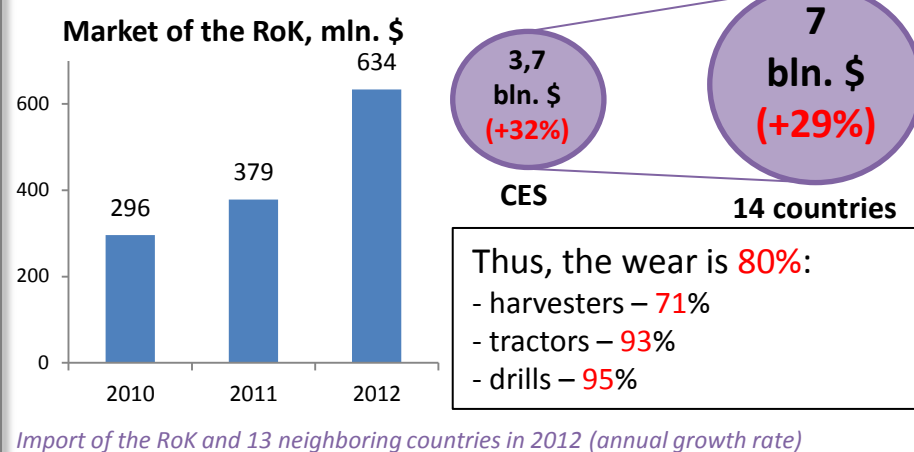
I. Automotive components



1) Import of the RoK and 13 neighboring countries in 2012 (annual growth rate)

2) Market of the RoK, mln. \$

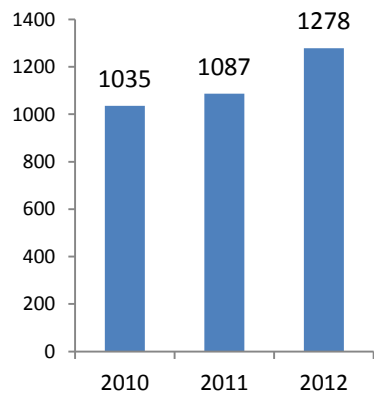
II. Machinery for AIC



Import of the RoK and 13 neighboring countries in 2012 (annual growth rate)

III. Machinery for M&M and special equipment

Market of the RoK, mln. \$

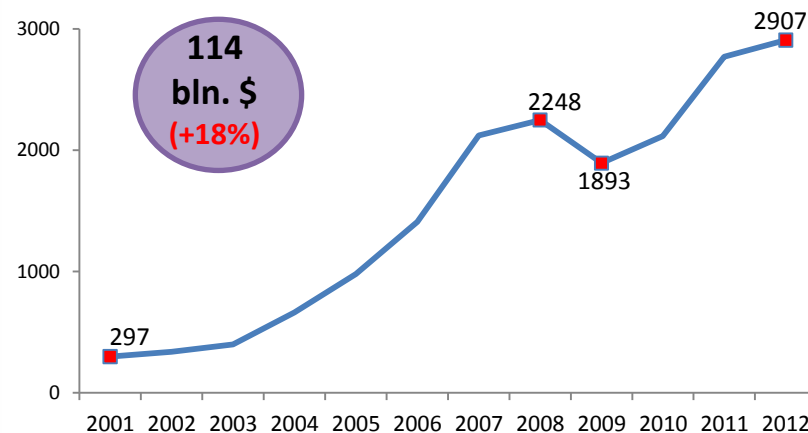


Import, 2012

Kazakhstan	1,2 bln. \$ 16%
CES	11 bln. \$ 28%
CIS	13 bln. \$ 27%
14 countries	23 bln. \$ 20%

* Annual growth rate (2001-2012)

IV. Electrical machinery



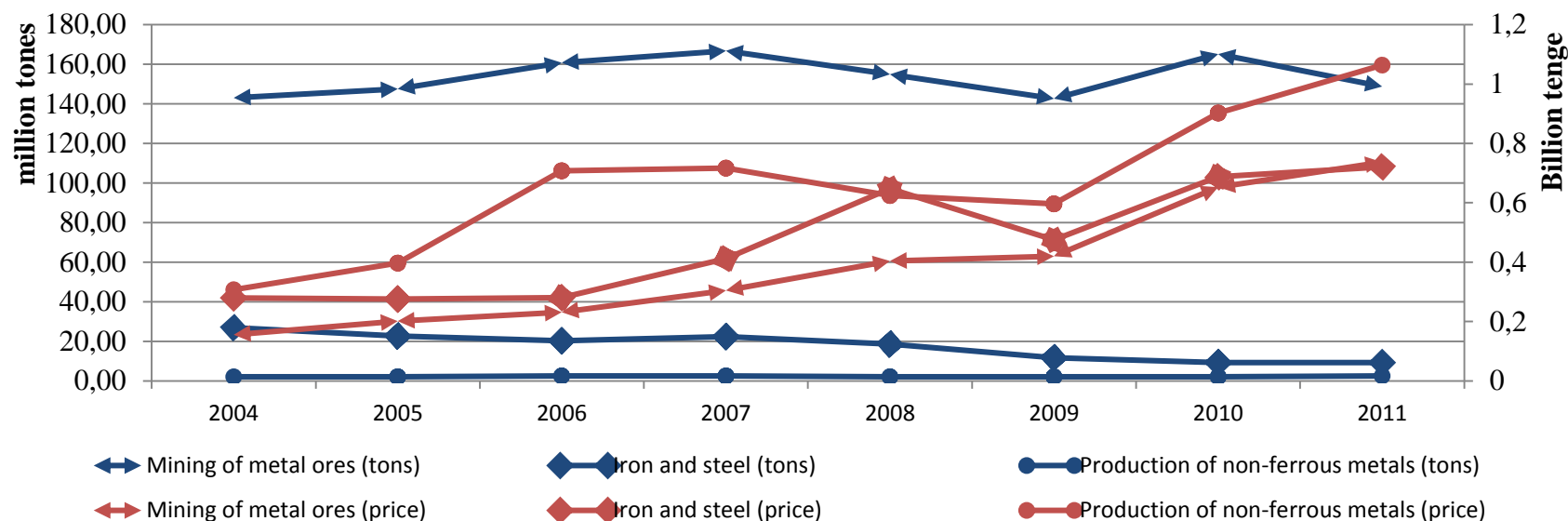
Market share of local manufacturers is 12%

1) Import of the RoK and 13 neighboring countries in 2012 (annual growth rate)

2) Market of the RoK, mln. \$

MINING AND METTALURGICAL COMPLEX

The volume of MMC RK in volume and value terms

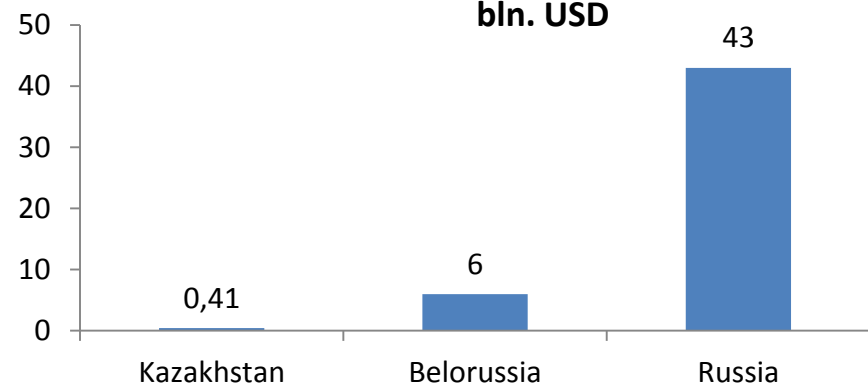


Inventory levels and production of major mineral resources of Kazakhstan

Mineral deposit (unit)	All objets	Stock on 01.01.2011		Production volume in 2010	Backup objects		
		balance A+B+C1+C2	Off-balance sheet		Number of objects	Inventory balance	Off-balance sheet reserves
Gold (kg)	304	2240099,0	451623,0	45285,082	139	245196,6	119908,9
Copper (tonnes)	108	38822,9	10759,8	472,3	34	3567,0	1303,7
Chrome ore (tonnes)	21	378136,1	4262,9	3915,13	8	6344,0	510,0
Iron ore (tonnes)	63	18576080,5	12042473,4	46219,6	20	10453294,5	7905457,7
Manganese ore (tonnes)	36	642097,3	165788,9	3036,5	12	151965,6	11809,2
Molybdenum (tons)	46	1071466,1	982198,2	439,01	22	40098,8	402686,4
Titan (tonnes)	15	24066,3	2230,5	13,299	8	5574,7	1820,0
Nickel (tonnes)	42	2027,6	623,8	0	24	98,2	409,7
Zirconium (tonnes)	10	2157,7	414,2	3,4	6	1256,6	261,3

PRIORITY SEGMENTS OF CHEMICAL INDUSTRY (RoK)

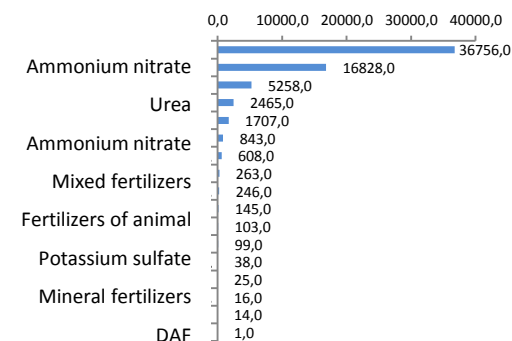
Market size of chemical products in the countries of the Common Economic Space, bln. USD



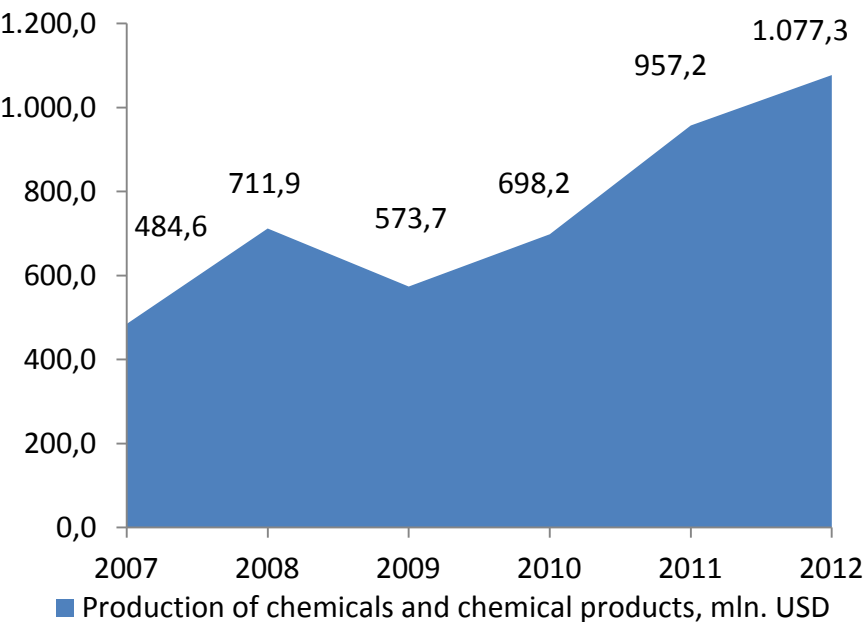
**Agrochemicals.
Fertilizers and
pesticides.**



Fertilizers import to RoK in 2012, th \$



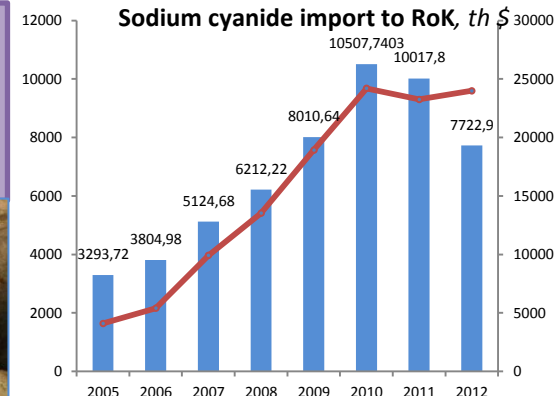
Production of chemical products in Kazakhstan



**Chemicals for
mining industry.
Acids, alkalies, etc.**



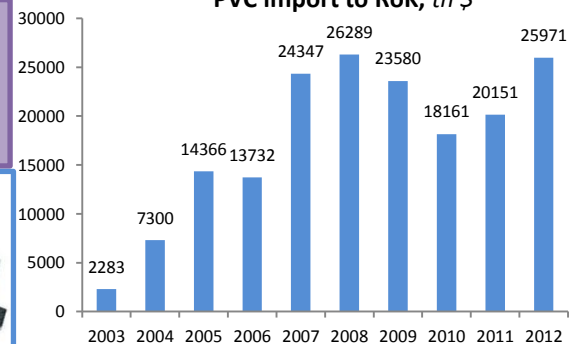
Sodium cyanide import to RoK, th \$



**Chemical products for the
building materials industry.
PVC, polyurethanes,
plasticizers, etc.**

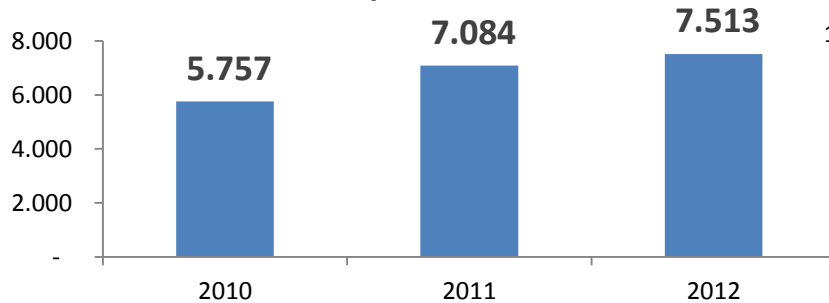


PVC import to RoK, th \$

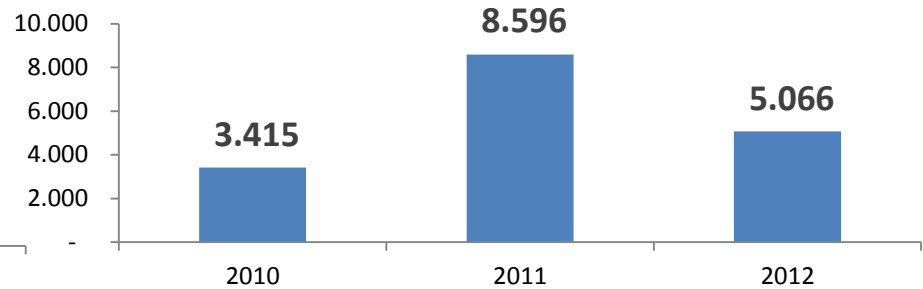


AGRICULTURE DEVELOPMENT

Cattle breeding market volume,
\$ mln.



Crop production market volume,
\$ mln.



In 2011 land under cultivation consisted of **21,2 million hectares**, grain production – **27 million tons**, grain export – **15 million tons**.

Land under cultivation in 2012 consisted of **21,5 million hectares**, that on 1,4% more than in 2011. Land under grain crops have increased concerning 2011 on **45,3 thousand hectares** (on 1,0), under wheat were reduced on 359,5 thousand hectares.

In 2012 for crediting of subjects of agrarian and industrial complex from the Republican budget and other sources it was allocated **95,9 bln. tenge** (=\$ 640 mln.), including **80 bln. tenge** (= \$ 533 mln.)- the budgetary credit. As of December 31st, 2012 it was financed 65,1 bln. tenge (=\$433 mln.), including by purchasing grains under the guarantee of socially-enterprise corporation (SPK) - 13,4 bln. tenge.

PROGRAM OPERATOR «PRODUCTIVITY – 2020»

Expertise assessment

- On the expertise assessment of investment projects results, **55 projects** were included into the Program on the overall sum of **154,3 bln. tenge**, including **4 projects** on the total sum of **6,1 bln. tenge** in the **first half-year of 2013**.

Governmental support:

- Governmental support is provided to:
 - 49 projects** - payment for development/examination of investment project comprehensive plan on total sum of **57,5 million tenge**;
 - 12 projects** – approved by “BRK – Leasing” JSC, **1 project** out of them is financed on total sum of **1,2 bln. tenge**, on **5 of them** leasing financing is opened on total sum of **11, 3 bln. tenge**;
 - 8 projects** - support on management and industrial technologies implementation on total sum of **28,9 million tenge**.

Consulting companies

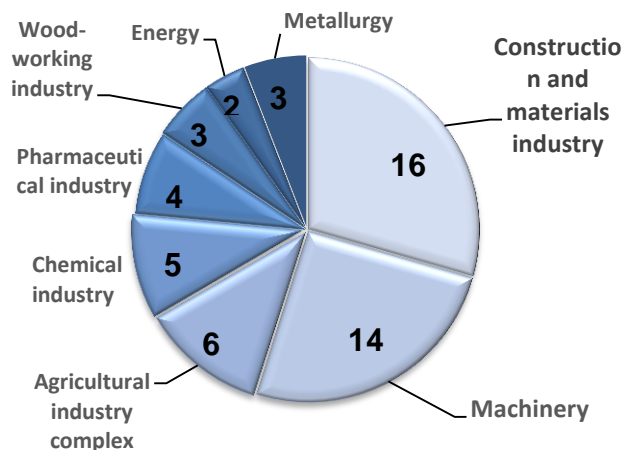
- 46 consulting companies** involved for development or comprehensive plans examination are accredited. They are concentrated in 10 areas of Kazakhstan, as well as in the Russian Federation, Belorussia.

The investment projects included into the Program from the beginning of its realization:

In the regional view:



In the industry sector view:



- «Kazakhstan industry development institute» JSC is ready to become an information and analytical link on support of your companies entrance to Kazakhstan market.



OBRIGADO!