



## KAZAKHSTAN - GERMANY

Nur-Sultan, November 2021

# Foreign Direct Investment from Germany into Kazakhstan



In 1992 an **Agreement on the Protection and Reciprocal Protection of Investments** was signed

nearly **\$6 billion**

Total FDI  
from Germany  
in Kazakhstan  
over **30** years

More than 900 German companies  
successfully operate in Kazakhstan



**SIEMENS**

**BASF**



Cash & Carry

**HEIDELBERGCEMENT**

**KNAUF**

**CLAAS**

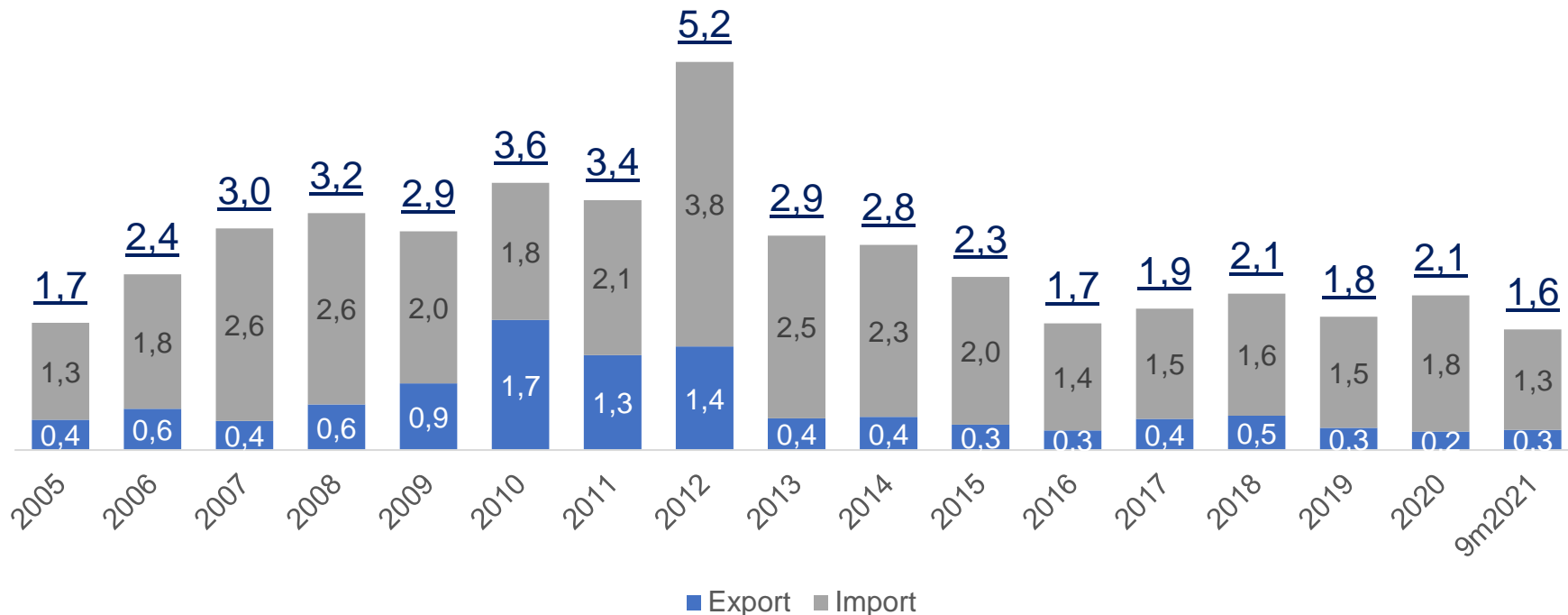
**QUAESTA CAPITAL**

**wilo**

# Kazakhstan – Germany Trade

Over the past 15 years the total volume of mutual trade has reached **\$45 bln**

Trade with Germany, \$ bln



# Kazakhstan's Recent Economic Update

## Covid-19 stimulus package

**\$15 bln.** (9% to GDP)

**Urgent**

**Short-term**

**Systematic**



Social transfers



Access to financing for Business



Tax stimuli



Structural investments

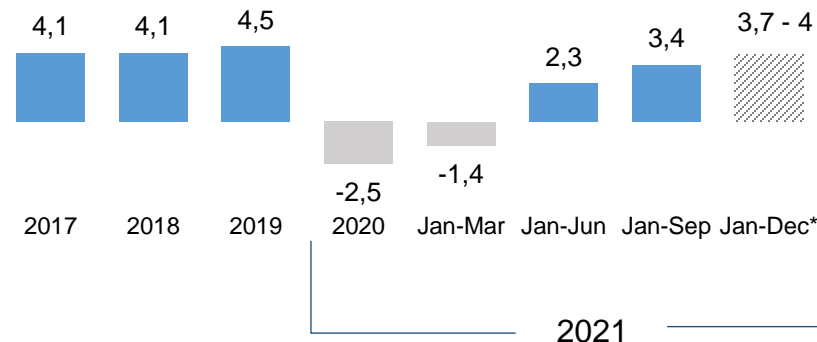


Direct subsidies



Employment initiatives

## Real GDP growth



## Main indicators' dynamics

**Investments**  
(excl. mining, Jan-Oct)

**+14,1%**

**8,5 trln. KZT**

**Exports of processed goods**  
(Jan-Aug, 2021)

**+25,5%**

**\$14 bn.**

**FDI**

(H1 2021)

**+30,4%**

**\$11,1 bn.**

# Sovereign credit rating of Kazakhstan

**MOODY'S**

**UPGRADED THE RATING**

TO **BAA2** LEVEL,  
OUTLOOK «**STABLE**»  
(AUGUST 11, 2021)

**FITCH**

**AFFIRMED THE RATING**

AT **BBB** LEVEL,  
OUTLOOK «**STABLE**»  
(AUGUST 13, 2021)

**S&P**

**AFFIRMED THE RATING**

AT **BBB-** LEVEL,  
OUTLOOK «**STABLE**»  
(SEPTEMBER 5, 2021)

## ANALYSTS' OPINION

- ✓ Fiscal sustainability
- ✓ Effective measures to support the economy
- ✓ Successful implementation of monetary policy
- ✓ Maintaining the stability of the banking sector

# CONTINUOUS IMPROVEMENT OF BUSINESS ENVIRONMENT

## REFORMS TO STRENGTHEN THE BUSINESS ENVIRONMENT



**Strengthening control** over the activities of natural monopoly entities



«**Clean slate**» **regulation**, including revision of requirements, automation of reporting and easing of regulatory control



Implementation of **the principle «1 in 2 out»**, i.e. introduction of a new regulation only with replacement of 2 existing ones



**Approval of sectoral** and **regional standards** for the development of competition



**Reducing the burden** on consumers of electricity services, as well as posting reports of **natural monopolies online**



**Protecting** minority investors

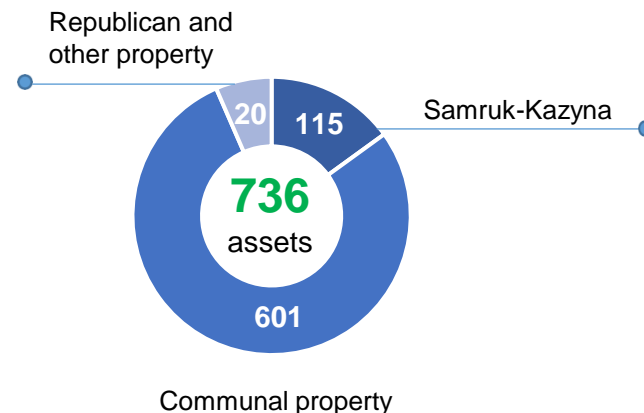


**Settlement** of the legal status of residential buildings



**Securing contracts** in terms of allowing a defendant to choose an appraiser

## Privatization Program



- **IPOs planned for largest SOEs:** Air Astana, Kazakhstan Temir Zholy, KMG, Tau-Ken Samruk
- Access for SMEs to wide **range of services** provided by privatized companies
- Attracting strategic investors and increasing productivity by **45%** by 2025
- **Transfer of assets** worth about **KZT 5 trillion** to a competitive environment
- Reduction of the **state's share** in the economy to **14%** by 2025

# MAIN OBJECTIVES OF NDP 2025



## Proactive and targeted attraction of investment

Working directly with investors every step of the way

Improvement of measures on PPP

**Conclusion of Investment agreements** (tax incentives, land provision, import duty exemption for equipment etc; agreement will remain in force for 25 years)



## Promotion of Kazakhstani exports

Active policy of industrialization

122 projects

\$2.8 billion

Exports increase by \$800 mln

Output increase - by \$2.3 bln



GDP per Capita

\$15 000



Foreign Direct Investment

\$30 bln



Level of Investment to GDP

30%



Non-Commodity Exports

\$41 bln