



INVESTMENT OPPORTUNITIES OF ALMATY CITY



INTRODUCTION

Area: 683,5 sq. km.

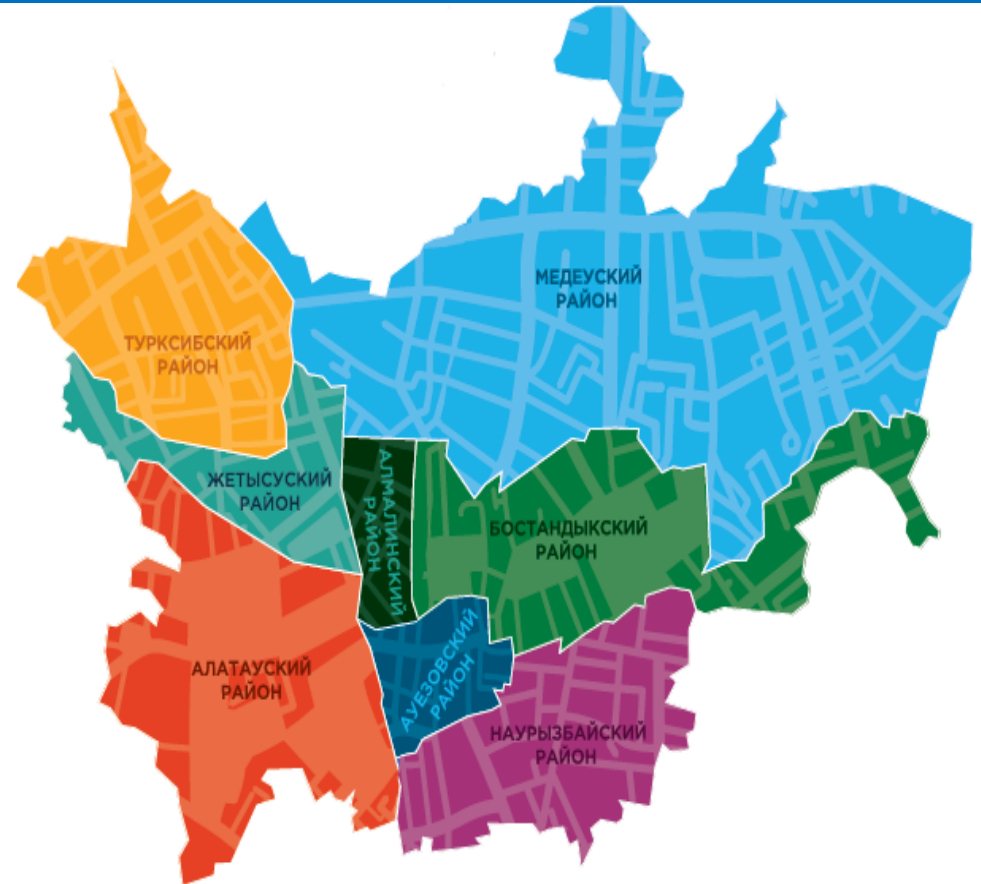
Population: more than 1,7 mln. people or (more than 9% of Kazakhstan citizens)

Ethnic groups: more than 120

Agglomeration: 2,5 mln. people

Location: Almaty is located in the southeast of Kazakhstan, in the foothills of the Ile Alatau mountains, at an altitude of 600-900 m above sea level

Districts: 8 districts in Almaty city

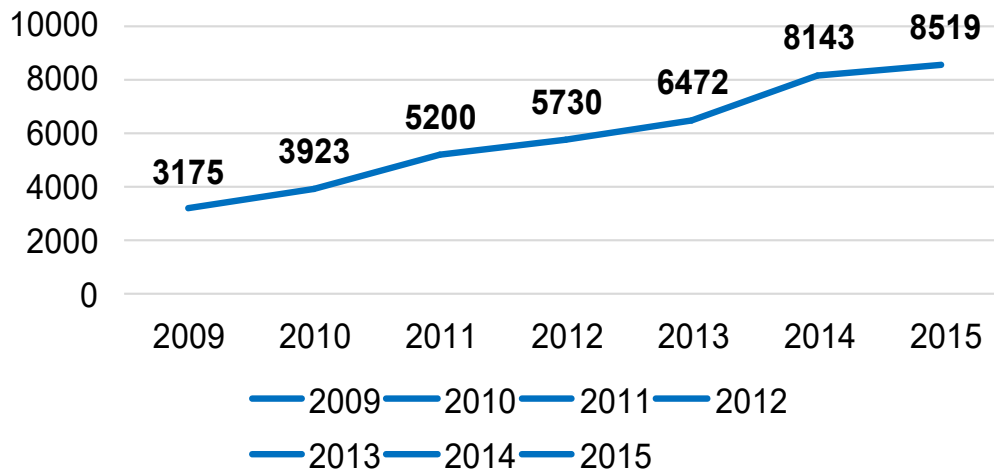


- In Almaty lives more than 130 thousands of student
- the 80% of the market comes to the services, other 20% comes to the industry production
- Average-37 years

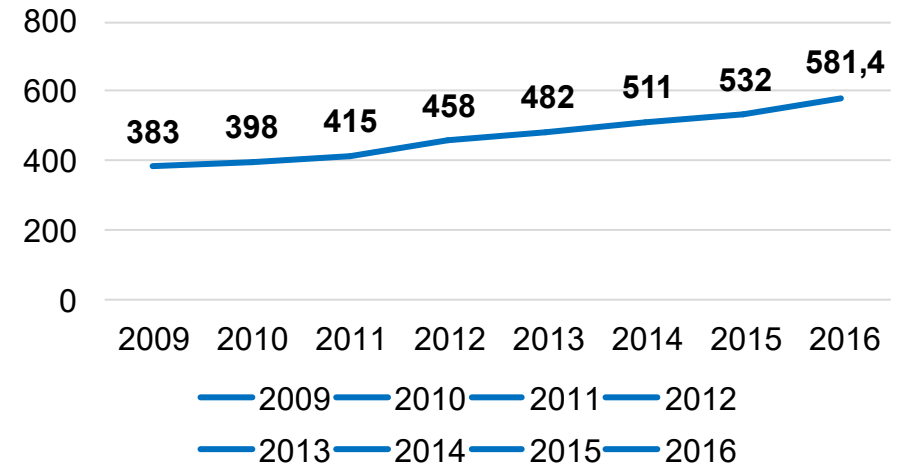


SOCIAL-ECONOMY DEVELOPMENT GRADES OF ALMATY

Volume GRP, bn. kzt



Investment in fixed capital, bn. kzt



➤ Totally in the country, Almaty provides the fifth part of the GDP of Kazakhstan and in spite of the economical crisis the GRP of the city growing annually

➤ 27% of tax revenues;

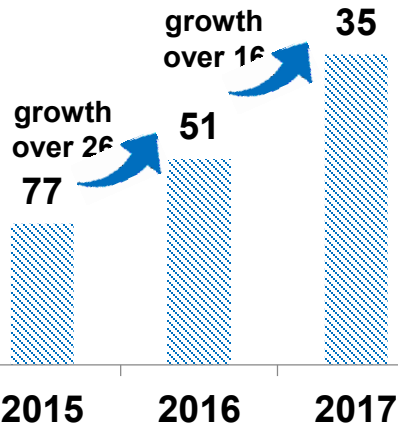
➤ takes 3-d place in Kazakhstan by investment volume;

➤ in 2016 the growth of investments reached – 4,8%.

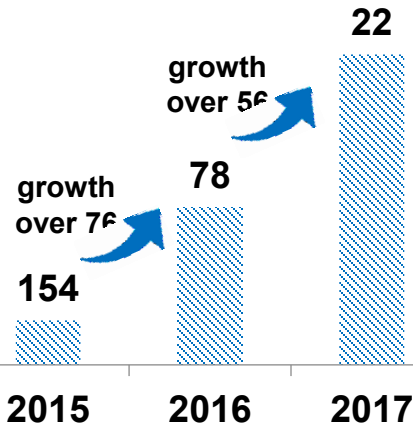


INDICATORS RANKS in «DOING BUSINESS»

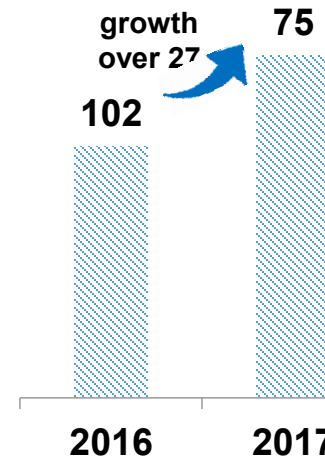
TOTAL RANK



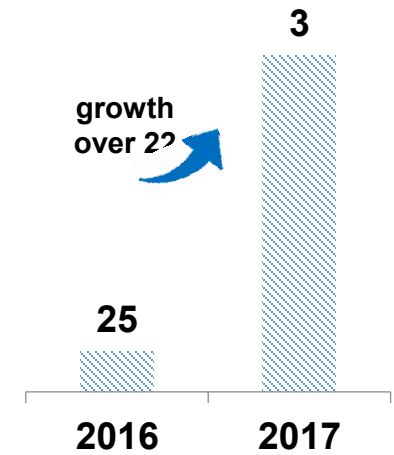
DEALING WITH CONSTRUCTION PERMITS



CONNECT TO THE POWER SUPPLY SYSTEM



PROTECTING MINORITY INVESTORS



CATEGORY	JAPAN	KAZAKHSTAN	RUSSIA	BELGIUM	ITALY	AZERBAIJAN	CHINA
Easy of doing business	34	35	40	42	50	65	78
Starting a business	89	45	26	17	63	5	127
Registering property	49	18	9	131	2	22	42
Protecting minority investors	53	3	53	63	42	37	123
Dealing with construction permits	60	22	115	44	86	127	177
Enforcing contracts	48	9	12	52	108	44	5

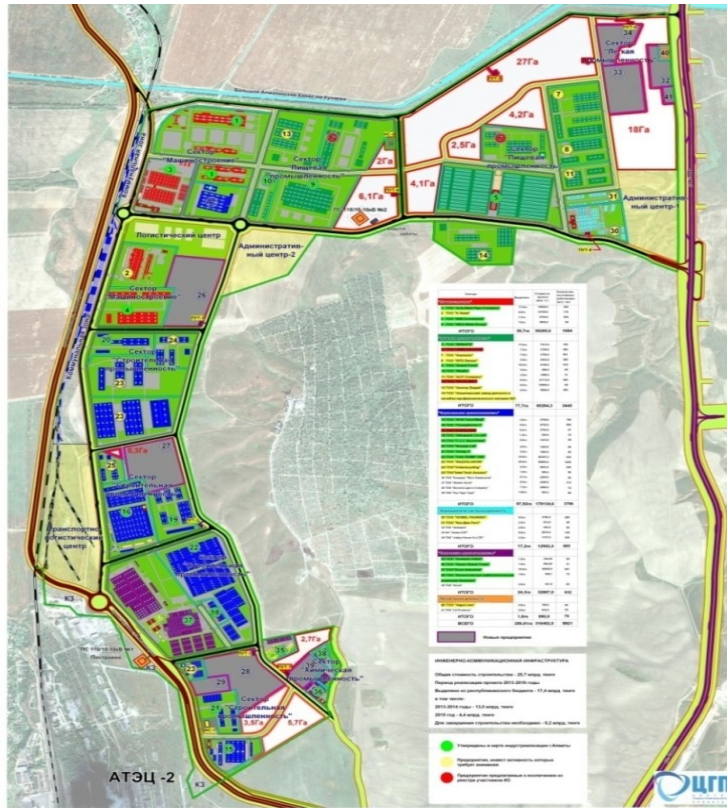
Grant the specification
term of grant shortened
from **14** until **5** days

**ARCHITECTURE-
PLANNING WORK**
term of grant shortened
from **10** until **6** days
**BUSINESS SERVICE
CENTRE**
6000 people got the
services

CREDITS
terms of the
consideration reduced
until **10** days



INDUSTRIAL ZONE



- Territory of industrial zone – 490 hectares
- Allocated for projects implementation – 269,7 hectares
- Occupied – 203 hectares
- Approved – 39 projects
- Jobs – 5026
- Attracting investments – 176,9 млрд. тенге
- Total sum of projects – 192,5 bn. kzt
- 6 of production sectors of the industrial zone are:
(Machinery-producing industry, construction industry, food industry, consumer goods industry, chemical industry, pharmaceutical industry)

- ✓ Possibility of obtaining a land plot with ready-to-use infrastructure;
- ✓ Tax preferences
- ✓ Reimbursement of up to 30% for factory construction
- ✓ Project promotion and informational support from the Almaty Akim and Republic of Kazakhstan Government
- ✓ Convenience in centralized provision of utility services by the management company.



Profitability in FREE ECONOMIC ZONE- PARK OF INNOVATION TECHNOLOGIES participation:








- exemption from corporate income tax (CIT);
- exemption from land tax;
- exemption from property tax;
- exemption from value added tax (VAT) in the realization of consumer goods in production process on the FEZ territory

For this time in FEZ «PIT» 153 companies are registered, among them:

- ✓ 64 companies directly carry out their activities on the territory of FEZ «PIT» (*18 have production areas and 48 of them rents office premises*);
- ✓ 47 companies operates on the principle of extraterritoriality;
- ✓ 42 companies rents premises on the territory of Almaty city.



INVESTMENT PREFERENCES

-  Exemption from corporate income tax (CIT) for the 10 years*
-  Free land
-  Exemption from property tax for the 8 years*
-  Exemption from customs duties in the import of equipment, components, spare parts, raw materials for the period of not more than 5 years
-  Providing the state land lots (max.size of grant consist not more than 30% out of volume investments)
-  Providing the investment subsidies – reimbursement of up to 30% of costs for construction and installation work and purchase equipment*
-  Involvement of IRS without permits for the construction in the period of + 1 year after the project start



INVOLVEMENT OF INVESTMENTS IN ALMATY CITY

INVOLVED BRANDS



June, 2016 the restaurant MacDonal'd's was opened



February, 2016 the hypermarket Karfur was opened



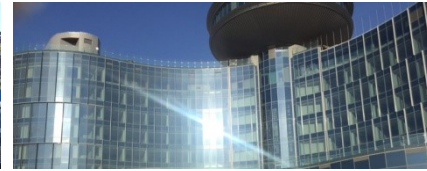
December, 2015 the coffee club Starbucks was opened



WORLD BRANDS



Hypermarket «OBI»
(6,3 bn. kzt,
start-time-September, 2017)



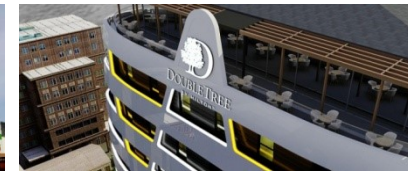
hotel «Kempinski»
(11 bn. kzt,
start-time -April 2017)



hotel «Novotel»
(7 bn. kzt,
start-time -April 2017)



hypermarket «Leroy Merlin»
(7,5 bn. kzt,
start-time -June 2018)



hotel «Hilton»
(7 bn. kzt,
start-time -April 2017)

PLANS



outlet center in clothes, shoes, etc. selling with the sales from 30 until 70%



net of foods markets, supermarkets and hypermarket



net of foods markets, supermarkets and hypermarket

MODERNIZATION

11 out of **57** markets finished the construction of trade centers, **46** will finish the construction until 2022 year

before

after



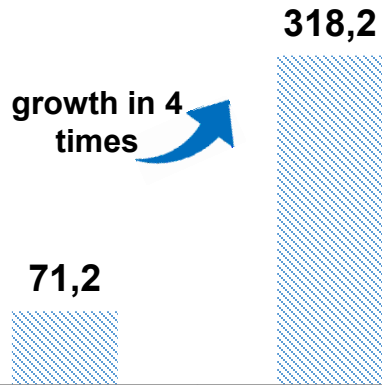
Alatau Market



INVESTMENT INTO FOOD INDUSTRY

INVESTMENTS

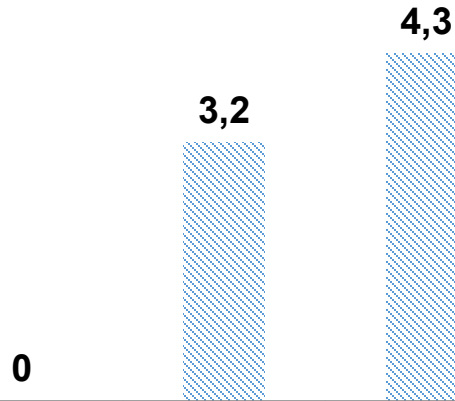
mln. kzt



January, 2016 January, 2017

AGROBUSINESS-2020

bn. kzt



2015 2016 2017

realized
22 projects

in the study of
realization 19

INVESTMENT PROJECTS



oil producing complex

July, 2016-started oil producing complex ЭФКО (11 bn. kzt)



greenhouse «BRB APK»

September, 2016-started the largest greenhouse BRB APK 17 hectares (7,8 bn. kzt)



tea plant «Tea House»

September, 2016-reconstructed the production of tea plant (0,5 bn. kzt)



PEC «MIZAM»

February, 2017 started first queue of the PEC «MIZAM» by the reciprocallly «Rungis» (1,5 bn. kzt)



Farmer-trade center «Mart Village»

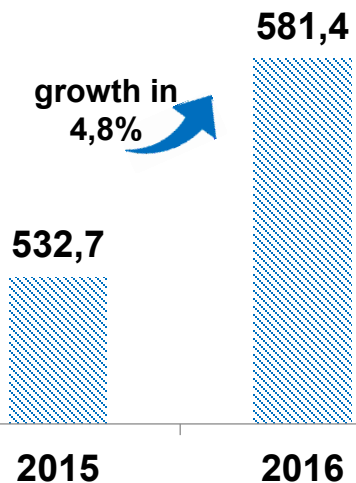
in 2017-will be open farmer-trade center «Mart Village»



INVESTMENTS

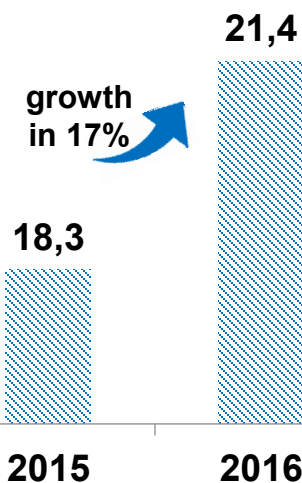
INVESTMENTS IN FIXED ASSETS

bn. kzt



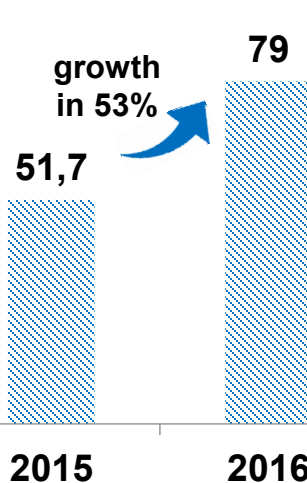
IN PRODUCING INDUSTRY

bn. kzt



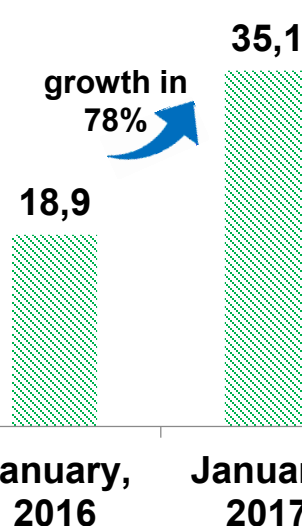
IN FOOD PRODUCTION

bn. kzt



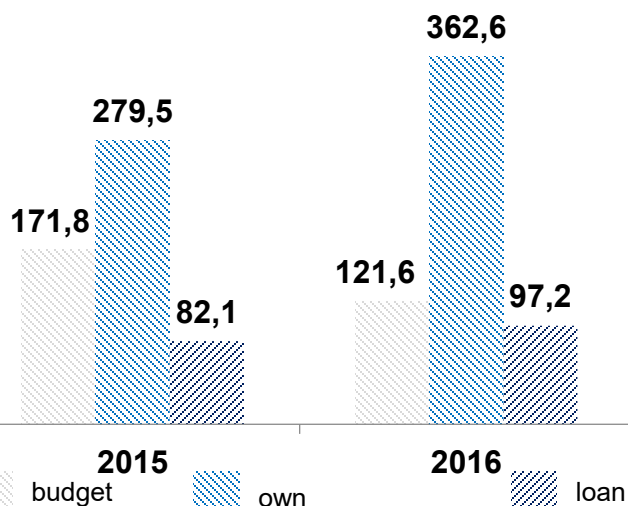
INVESTMENTS IN FIXED ASSETS - JANUARY, 2017

bn. kzt



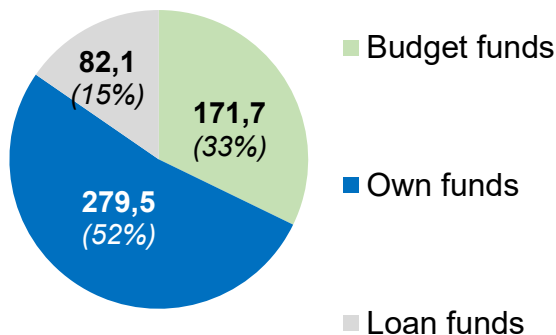
PUBLIC AND PRIVATE INVESTMENTS

bn. kzt



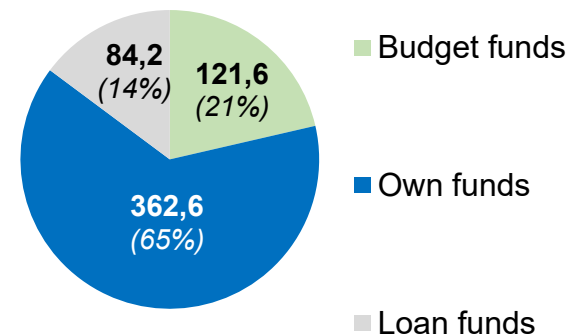
THE STRUCTURE OF INVESTMENTS IN FIXED ASSETS IN 2015

bn. kzt, %



THE STRUCTURE OF INVESTMENTS IN FIXED ASSETS IN 2016

bn. kzt, %

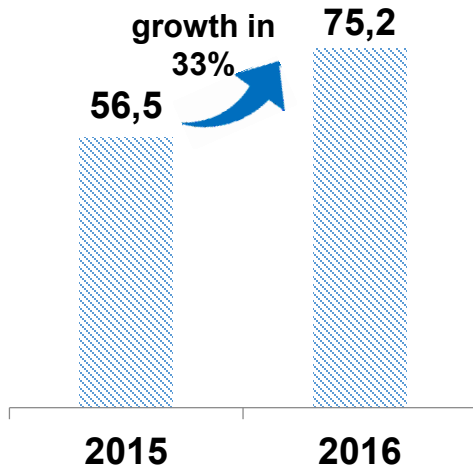




INVESTMENTS

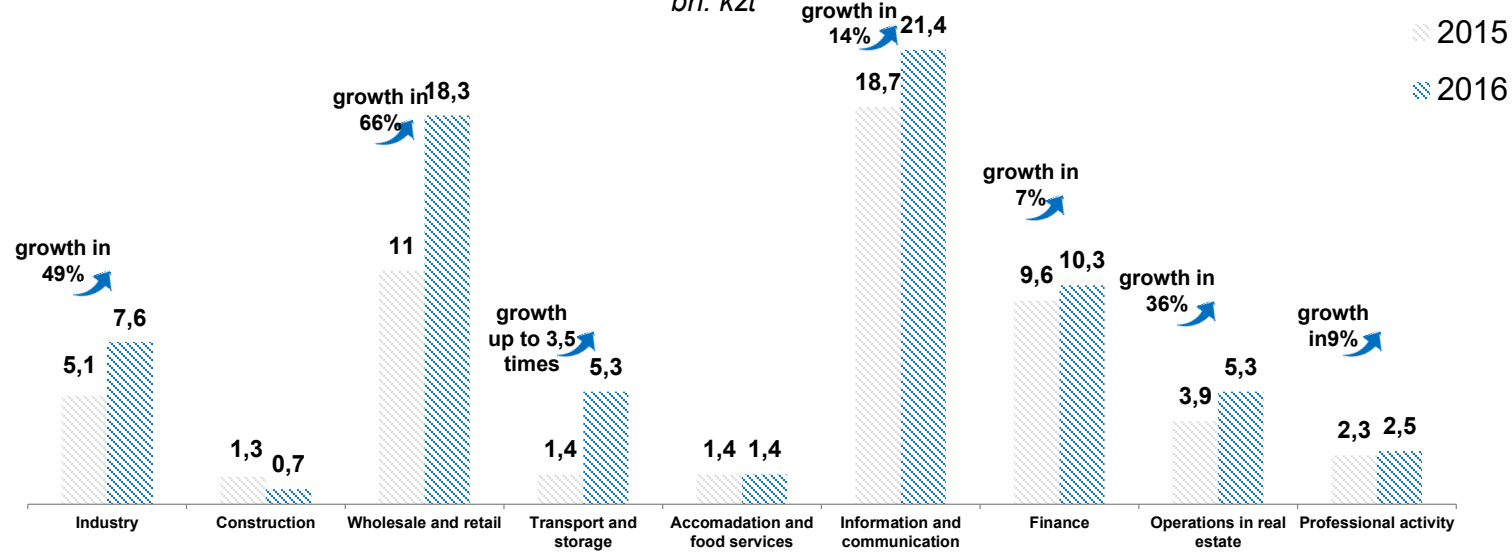
EXTERNAL INVESTMENTS

bn. kzt



EXTERNAL INVESTMENTS BY DIRECTION

bn. kzt





IMPORT REPLACEMENT



The sum of imported products in Almaty consisted 9,3 bn.USD and the export reached – 2,7 bn.USD for the 2016 year. In comparison by 2015 year the import of Almaty city consisted 11,5 bn.USD which is in 2,2 bn.USD more than in last year. The indicator of import is influenced with the devaluation in the country, at certain periods of 2016 oil prices in the world market were not stable. Russia is the main trading partner of Kazakhstan, it takes 33% of the total commodity.

In the purposes of import substitution was prepared 48 priority investment projects for the Almaty city.





ALMATY CITY PRIORITIES INVESTMENT PROJECTS

Projects direction	Projects name
City infrastructure (8 projects)	Modernization of urban water bodies, making of apple orchards, making ethnoaul, a college construction, a student house construction, organization of a wholesale agricultural market, a greenhouse complex construction, organization of a greenhouse.
Food infrastructure (8 projects)	Making of a food logistics complex, making of a lake-commodity fish farm, construction of a jam producing plant, factory for canning of vegetables and tomatoes products, plant for processing of meat products, producing of confectionery products, production of fermented dairy products, production of condensed and uncooked milk.
Production infrastructure (28 projects)	Clothes and footwear manufacture, bags and suitcases manufacture, manufacture of paper products, pharmaceutical production, production of disposable medical products, cosmetics production, production of the filters for the cleaning liquids and gases, air-conditioners production, assembly of computers and printing machines, production of monitors and TV, household chemical production, production of lids and packaging products, production of pipes, fixers production, assembly of refrigerators and washing machines, production of elevators and escalators, production of boilers for the heating, production of equipment for working with soil and stone, polycarbonate production, transformers production, production of stop valve and cables, trailers and containers production.



ALMATY CITY PRIORITIES INVESTMENT PROJECTS

Projects direction	Projects name
Transport infrastructure (3 projects)	Construction and operation of the line of easy-rail transport (high-speed tram), construction of the bus station «Western» and «Eastern»
Education sphere (16 projects)	Reconstruction of kindergartens, construction of kindergartens, reconstruction of a children's music school, construction of a school.
Healthcare sphere (9 projects)	Construction and reconstruction of hospitals and polyclinics, construction of a pediatric and rehabilitation center.
Nature-managing sphere (3 projects)	Improvement of parks
Sport sphere (2 projects)	Construction of sports complexes, construction of playgrounds



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