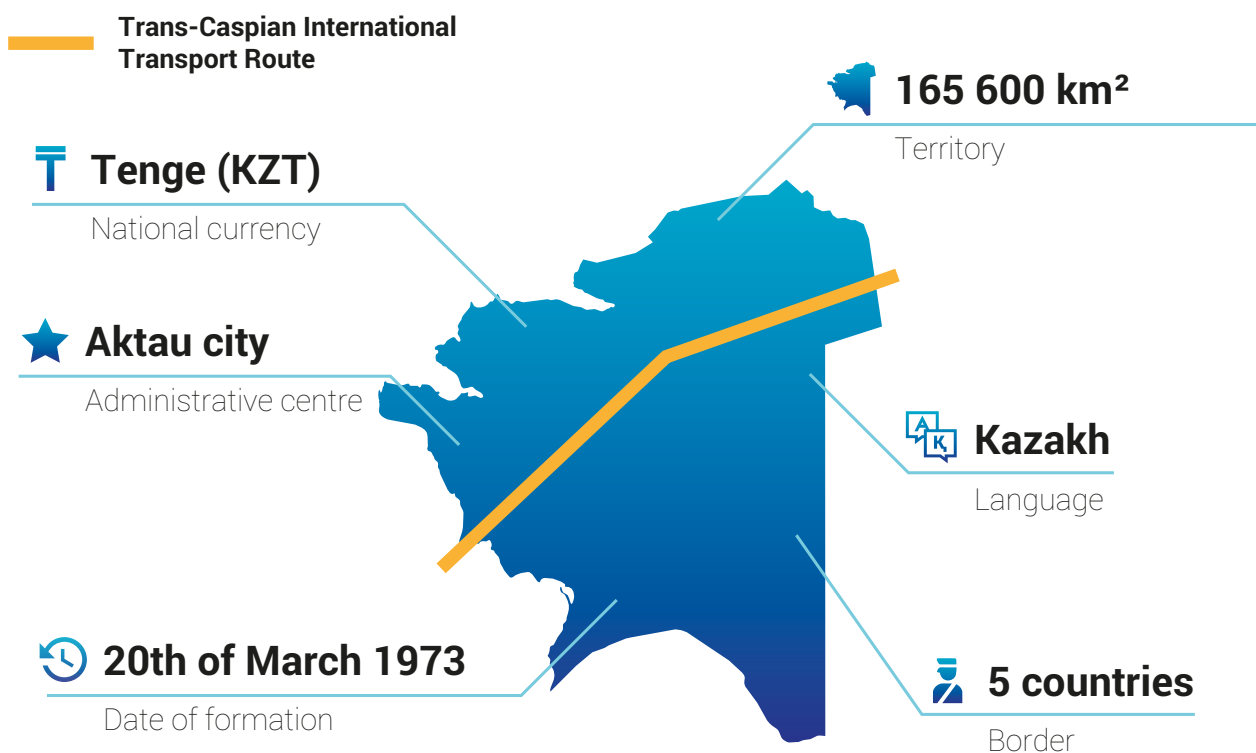


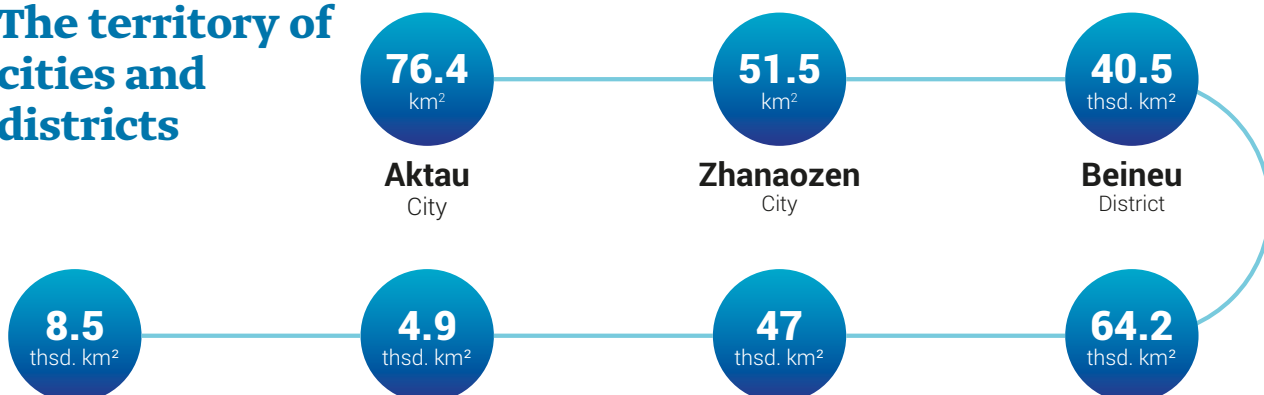
Akimat
of Mangystau region

Investor guide

Mangystau region

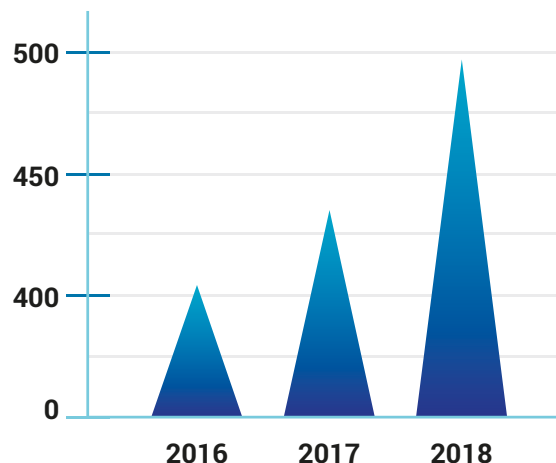


The territory of cities and districts



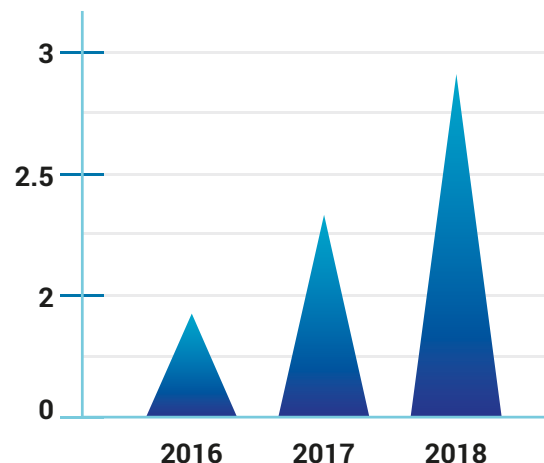
Fixed investments

thsd. tenge



Volume of industrial production

mln. tenge



Foreign trade indicators

mln. US dollars

Turnover	Export	Import	Year
5 470	5 032	438	2018
4 416	4 212	204,5	2017
3 709	3 480	229	2016

Natural resources of Mangistau region

Hydrocarbon crude



Solid minerals



Inert materials

Wall stone – 298 565.41 thsd. m³
 Sand-gravel mix – 87 827.56 thsd. m³
 Construction sand – 12 537.37 thsd. m³
 Concrete clay – 4 312.7 thsd. tons

Agloporite and expanded clay raw materials – 24 492.83 thsd. m³
 Chalk – 202 603.35 thsd. tons
 Table salt – 4 783.695 thsd. tons
 Gypsum – 5 266 thsd. tons

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PRIORITY DEVELOPMENT FIELDS



Tourism of Mangystau Region

During the summit of the Caspian littoral states, held last year in Aktau, **the states noted the transparency of the Kazakhstan coast water and the high potential of the region for the development of tourism.**

The development of tourism in the Mangystau region is one of the promising areas of the region. By the end of 2018, more than 240 thousand tourists from other regions and foreign countries arrived in the region. More than 212 thousand people of these 240 thousand are residents of the country, and 28 thousand people are not residents

The great interest, both among local and foreign tourists, are cultural monuments of the Kazakh people and natural attractions. Also the ancient Kazakh customs and traditions are well preserved in the region.

Beach tourism along the coast of the Caspian Sea from the city of Aktau to the ferry complex Kuryk. This territory is convenient for development because there is a direct accessibility to all the necessary engineering infrastructure, a developed leisure infrastructure of the city of Aktau, medical facilities and an international airport capable of receiving aircraft of any type.

Ethnic, cultural and ecological tourism.

In this segment, the Mangystau region has a high tourist potential, with 362 holy places and 13000 historical monuments under the protection of the government. In order to popularize the open-air museum on the international arena, in November 2017, the Akimat of Mangystau region filed an application at the UNESCO headquarters to create the Mangystau Geopark natural site and include it in the UNESCO Global Geoparks list.

Pilgrimage to the holy places of Beket-ata and Shopan-ata. This direction shows the increase in the number of pilgrims

from year to year. Growth is directly related to the improvement of road transport infrastructure to the holy places.

The length of the coastline of Aktau is 63 km, of which 27 km is a zone intended for the development of a seaside resort (beach tourism), which is a total of 544.2 hectares.

A detailed planning plan has been developed for the coastal zone. Currently there are 29 recreation centers with a total capacity of 4968 people.

According to calculations, until 2030, it is planned to build 12 new hotel complexes with a total capacity of 1,000 people, reconstruct existing and build new recreation centers in a total of 70 bases with a capacity of 11,500 people, and hostels with a capacity of 500 people will operate at various levels. As a result, the total peak allocated capacity will be 18 thousand people per day. In recalculation for the period of the swimming season, the zone is capable of receiving more than 350 thousand guests (about 2.0 million bed-nights).

It is very important to note that the Kazakh business believed in the prospects for the development of tourism and began to actively invest.

By the end of 2025,
the number of tourists
visiting our region
will increase
to 400 thousand per year,
and **after 2030 this level
will reach more than
700 thousand tourists
per year.**

Considering the huge potential
of the Mangystau region, potential investors
are encouraged to actively participate in
the implementation of the following projects:

- construction of year-round
hote complexes on the shores
of the Caspian Sea
- construction of year-round motels
- construction of ethno-auls
- construction of water parks
- construction of parks
and shopping centers

We offer various investment preferences
and will assist in providing a platform
on the Caspian Sea for the development
of the hotel, beach and wellness business.

**We are open for mutually beneficial
cooperation for the development
of your business and guarantee
comprehensive support with favorable
conditions for the implementation of your
projects in the Mangystau region.**

5204 beds

Total capacity of registered
82 bed places in the region
in 2018

63 km

The length of the coastline of Aktau

544.2 hectares

is a zone intended for the development
of a seaside resort (beach tourism)

The “Geopark Mangistau”

Includes 21 objects:

- the two underground mosques
“Sultan-epe” and “Shakpak-ata”
- geological fallen land “Zhygylgan”
- canyons and mountains “Sherkala” and “Ay-
rakty”, “Valley of Castles”, “Kokala”
- oases “Akmysh” and “Samal”
- town of “Kyzylkala”
- three museums “Murin-zhyrau”,
Ethnographic Museum, muse-
um of T.G. Shevchenko
- historical and cultural complex “OtpanTau”
- the valley of the balls “Thorysh”
and others

Transport and logistic development in Mangystau Region

The Mangystau region has a **powerful transit, transport, logistics and infrastructure-service potential of international importance** as a border region of the Republic of Kazakhstan, entering the multinational system of the Caspian region.

Two international transport corridors "TRACECA" and "North-South" connecting Eastern Europe with Central Asia and Northern Europe with the countries of the Persian Gulf pass through the territory of the region.

Today the export cargo of not only our state, but also other countries that prefer this transport route passes through the only sea gate of the country. Therefore, the development of a transport and logistics hub in the region is a priority.

The trans-Caspian route through Kuryk provides efficient logistics for the delivery of goods from China, Central Asia - Uzbekistan, Kyrgyzstan, Tajikistan, and the Ural-Siberian region of Russia to Turkey and Europe, which will allow Kazakhstan to increase revenues from transit traffic to 5 billion by 2020 dollars a year. The ferry complex is focused on transshipment of grain, oil products, fertilizers, chemicals and other goods to the neighboring states of the Caspian region.

The capacity of the Aktau Sea Port includes a grain terminal with a capacity of 700,000 tons, with a one-time storage of 25,000 tons, a ferry complex with a capacity of 2.0 million tons, 3 universal berths for general cargo with a throughput of 2.5 million tons, and 6 oil-loading berths capacity of 12.5 million tons.

The ports are located at the intersection of several international transport corridors and is an important link of the multimodal logistics chain being created, which also includes the dry port of the Khorgos-Eastern Gate FEZ, connected to Aktau via a railway line that allows the transportation of dry goods, crude oil and oil products from Kazakhstan and Central Asia, through ports to the countries of the Transcaucasus, the Persian Gulf and the Russian Federation from east to west, from north to south and back in the direction of Iran, Turkey, Russia, Azerbaijan, Turkmenistan and Europe 12 months a year and 24 hours a day.

The convenient geographical location of the ports allows reducing the time and cost of transportation, which will increase export flows through the Caspian Sea by 30%.

Aktau International Airport is rightfully ranked third in the Republic of Kazakhstan in terms of traffic. The airport serves Kazakh and foreign airlines that fly to 8 domestic and 16 international destinations. **From Aktau through Moscow, Istanbul, Baku and Kiev you can get anywhere in the world.**

Rail transport in the Mangystau region **operates in 5 domestic areas:** Astana, Almaty, Atyrau, Aktobe, Beyneu; **and 2 international destinations:** Uzbekistan, Turkmenistan.

Today the region
is provided with
a quality road by
92%

By the end of 2021
it is planned
to additionally
put into
operation 490 km
of the highway.

today the **region can offer potential
investors a platform with direct access
to the sea** to participate in projects such as:

- Construction of logistics centers for warehousing and cargo handling
- Construction of a sea terminal for general cargo and containers
- Organization of industrial production for servicing offshore oil and gas projects
- Ship repair
- Oil terminal services
- Construction of the bus station in Aktau
- Construction railway. station in Aktau
- Update of the bus fleet area
- Reconstruction of the Aktau highway - Fort Shevchenko 5/43

**24 700 000
tons per year**

total capacity
of **3 seaports**
in Mangystau Region

\$5 032 mln.

exports amounted
in 2018

\$438 mln.

imports amounted
in 2018

Over the
past decade,
investments in the
development
of the transport
and logistics
system
in Kazakhstan
amounted
to **\$30 billion.**

Industry of Mangystau Region

The region occupies the second place in the republic

(according to the results of 2018) in terms of industrial production.

The following data speaks about the importance of the industrial sector in the economy of the country and the region: **about 20% of the population of the region is employed in industry, the industry's share in the GRP structure is about 50%** (2017 – 59.1%, 2016 – 49.1%).

In the industrial structure of the region (Table 1), the main part is occupied by the mining and quarrying, whose share in the year 2018 was 87.5%, including the extraction of crude oil and natural gas – 77.6%.

Indicators of industry for 2016-2018

Source: Committee on Statistics of the Republic of Kazakhstan

Economic sector	Production volume bln. KZT			IAV %			Specific gravity %		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Total industry	1888.3	2316.2	2947.9	97.3	100.9	100.4	100	100	100
Mining and quarrying	1613.8	2037.1	2581.2	97.3	100.5	100.1	85.5	88	87.5
Manufacturing industry	149	146.6	228.4	106.6	106.1	112	7.9	6.3	7.7
Power supply	106.6	112.2	120.2	85.8	99.3	105.7	5.6	4.8	4.1
Water supply	18	20.1	17.9	73	103	102.1	1	0.9	0.6

Mining industry

development of the oil and gas sector

The main oil and gas fields (Kalamkas, Karazhanbas, Zhetybai, Uzen, North Buzachi, Karakuduk, Dunga, Arystanovo, Tasbulat, etc.) areas are located in the Tupkaragan, Mangistau, Karakiya districts and the city of Zhanaozen, where such large companies as AO Mangistaumunaigas, AO Ozenmunaygaz, AO Karazhanbasmunai, LLP Karakudukmunai, FC Buzachi Operating LTD and others producing the major share of crude oil.

Dynamics of the oil and gas industry

Source: Committee on Statistics of the Republic of Kazakhstan

The share of the oil and gas industry in total industrial output

76,7% —————> 77,6%

in 2017 in 2018

Crude oil production

17 954 —————> 18 031

Thsd. tons Thsd. tons

in 2017 in 2018

Measures are being taken to expand the resource base through exploration. On the territory of the region, JSC NC KazMunayGas has 16 sites for geological exploration, including 9 prospective sites with total reserves of 3 billion 406 million tons of oil equivalent (5 of which are located at sea).

In accordance with the State program of industrial-innovative development for 2015-2019, as well as within the framework of the implementation of the Development Strategy of the National Cluster for the extraction and processing of oil and gas, petrochemical, related engineering and services for the oil and gas industry, it was decided to establish in Mangistau the subcluster "Services for the oil and gas industry".

Manufacturing Development

The basis of the region's manufacturing industry is the chemical industry, engineering, the production of refined petroleum products, the production of other non-metallic mineral products, and the metallurgical industry

The largest volume of manufacturing industry falls on the city of Aktau, large and medium-sized enterprises of the industry are concentrated here.

Share in industry structure



The volume of production and the share of industries in the structure of the manufacturing industry

Source: Committee on Statistics of the Republic of Kazakhstan

Economic sector	Production volume bln. KZT		IAV %	
	2017	2018	2017	2018
Machinery	31.7	27	119	111
Chemical industry	22.4	24.2	106.3	97.5
Manufacture of other non-metallic mineral products	33.1	88.8	104.5	97.5
Production of refined products	21.7	27.6	142.4	123.8
Metallurgical industry	4.3	4.7	156.5	130.6
Manufacture of finished metal products, except machinery and equipment	17.1	39	111.5	137.9
Light industry	2.5	2.6	94.1	107.2
Pharmaceuticals	0.093	0.13	146.1	74.4

Machinery

In machinery for the period 2017-2018, **an increase in production by 11% is observed.**

Oil and gas machinery is developed in the region, and in connection with the development of the Kazakhstan sector of the Caspian Sea, ship repair production has been developed. The competitive advantages of the industry are proximity to the projects of subsoil users, the presence of highly qualified personnel, the presence of an adequate network of vocational education institutions.

The main enterprises of the industry: Aktau Machine-Building Plant LLP, Kaskor-Mashzavod JSC, Saga-Atash LLP, Aktau Transformer Plant LLP, Aktau Oil Service Company LLP, etc.

In 2015, the the production of screw pumps, the project initiator – KUDU Industries Kazakhstan LLP.

In 2018, a workshop for the production and complex maintenance of electric submersible submersible pump units (Schlumberger LLP) was commissioned.

The main types of products and services: high-tech oil and gas equipment, including mud pumps and spare parts for them, repair of ships and oil and gas equipment. Manufacture of finished metal products, except machinery and equipment (metalworking industry).

Metallurgical industry

The main enterprises of the industry are JSC “ArcelorMittal Tubular Products Aktau” (production of steel spiral-seam pipes of large diameter), LLP Kazakhstan Pipe Traders (Tenaris).

In 2018, after reconstruction and modernization, the metallurgical plant Aktau Steel LLP for the processing of black scrap was put into operation.

Production of refined products

The main enterprises of the industry: : JV CASPI BITUM LLP, Kazakh Gas Processing Plant LLP (KazGPZ LLP). **The main products are:** oxidized road bitumen, liquefied hydrocarbon gases.

The design institute of JSC NIPIneftegaz is implementing the project “Construction of a plant for the production of chemicals” in Munayli district. Currently under construction and installation work. The deadline for the implementation of the project is 12/31/2019.

Manufacture of finished metal products

except machinery and equipment

The main enterprises of the industry are focused on the production of metal structures intended for offshore oil operations at KSKM.

The volume of production of the industry in 2017 compared to 2015 **increased by 8 times**. The growth in the industry's output is due to the fact that since October 2016, the large enterprise Ersai Caspian Contractor LLP has begun to fulfill orders for the manufacture of metal structures within the framework of the Future Expansion Project Tengizchevroil LLP, based on a memorandum signed in 2013 between the akimat of Mangystau region and Tengizchevroil LLP.

Also, since the end of 2016, within the framework of the regional industrialization map (the second five-year plan), the project "Construction of a pipe-cutting plant with gas-tight compounds of premium class" has been implemented. Kazakhstan Pipe Traders LLP (Tenaris).



Chemical industry

The volume of production and volume index for 2015-2017 show a tendency of growth.

The main enterprise, KazAzot JSC, is a large enterprise in the Republic of Kazakhstan for the production of nitrogenous mineral fertilizers (over 90% of the total production of nitrogenous mineral fertilizers in the Republic of Kazakhstan).

The main products: ammonium nitrate, ammonia liquid, nitric acid. For the period 2012-2015, the main program of the plant was modernized and reconstructed, advanced technologies were introduced in the enterprise within the framework of the State Program of Forced Industrial-Innovative Development at the enterprise.

As part of the Business Support Card for 2015-2019, the company continues to implement the project of production modernization.

In December 2016, the launch of the project "Construction of a gas piston power plant" took place. Its capacity is 38.9 MW with steam generation. The launch of this facility will reduce the cost of the electric and heat supply of the plant, which contributes to cost reduction and increase the competitiveness of domestic products both in the domestic and foreign markets. Thus, the 2nd stage of the production modernization project has been completed, the 3rd stage of the project is planned to start in 2019 (the project's feasibility study is being developed).

The next stage of development of KazAzot JSC is the implementation of an ambitious project — "Construction of a new ammonia / urea or other advanced gas processing complex". For these purposes, in 2011, the company acquired a complex of surface facilities of the gas field "Shagyrly-Shomyshty" located in the territory of the Beyneu district. In 2014, the company received a contract for subsoil use and the launch of this field; in 2015, production of natural gas began. In 2017, the feasibility study for the project for the construction of a deep gas processing complex within the framework of the obtained contractual obligations for subsoil use was completed.

Construction industry and production of building materials

More than 100 enterprises of the construction industry of various forms of ownership function in the region, including the production of other non-metallic mineral products — about 25 companies, in other sectors of the mining industry — more than 70 enterprises, in the production of rubber and plastic products — about 20 enterprises.

The main enterprises of the industry: Caspian Cement LLP, Mangistau Road Building Materials Plant JSC, Temirtas-1 LLP, Management of Production Enterprises LLP, Karyertau LLP, Sroy-Detal LLP.

Main products: reinforced concrete products and structures, metal structures, cement, lime, ready-mixed concrete, mortar, building stone, crushed stone, building sand, gravel, plastic polyethylene pipes, windows, doors, etc.

As part of the implementation of the state program of industrial-innovative development of the Republic of Kazakhstan (stage 1 and 2) and the development of special economic zones in the region, more than 10 projects in the construction industry have been implemented:

- Caspian Cement LLP
- Caspian Tas Zhol LLP
- Aktau Keramzit LLP
- Sirius Kazakhstan LLP
- Aktaupolymer LLP
- Caspio Plast LLP
- house-building factory DSK-Aktau LLP
- house-building factory KIS-Aktau LLP
- house-building factory DSK Karaoykurylys LLP
- house-building factory DIS LLP

Light industry

The volume index of the industry for 2015–2018 **shows a growth trend**

The main enterprises of the industry: Zhanarys LLP, Zhamal-ai LTD LLP, UPP KOS LLP

The main products are: special protective footwear, special protective clothing for law enforcement agencies, textiles, special clothing for the oil and gas industry, and consumer goods.

In order to expand production, Zhanarys LLP is implementing the project “Construction of a garment factory” in Munaily District. The cost of the project is 250 million tenge, jobs are 300 people, the construction period is 2017-2018.



Agriculture in Mangystau Region

All types of animal husbandry activities in the Mangystau region, except for camel breeding, **have the lowest indicators in Kazakhstan.**

The volume of agricultural production in the GRP of the Mangystau region amounted to 14 billion tenge in 2017.

Agriculture Mangystau region, mainly represented **by livestock and crop production**, the proportion of which is 78% and 17%, respectively. In the period from 2013 to 2018, an increase in the volumes of crop and livestock production is observed. The average annual growth rate of crop and livestock production was 12% and 9%.

Crop production is mainly represented by two types of crops: **the cultivation of vegetables and melons and gourds**, whose share is 45% and 54%, respectively. The average annual growth rate of growing vegetables and melon crops in the period from 2013 to 2018 was 3% and 10%, respectively.

Animal husbandry in the region is represented by 4 types of activity: **camel breeding, sheep and goat breeding, horse and other ungulate breeding and cattle breeding**. The share of these types of activities is 11%, 72%, 13% and 4%, respectively. The average annual growth rate of these activities for the period from 2013 to 2018 was 4%, 1%, 5% and 5%, respectively.

The relief of the region is diverse. The northern half is occupied by the Caspian lowland, the central part is the Mangystau peninsula and the deepest depression in the CIS is the Karagiye depression. In the south - west is the Kendirli - Kayasanskoe plateau, in the south - the Karynzharyk depression. The east of the region is occupied by the Ustyurt plateau.

The climate is continental and extremely dry. The average temperature in January is 7 °C, in July +27 °C (on some days the maximum temperature exceeds +40 °C). The average annual rainfall is up to 150 mm.

At the beginning of the 50s, nine groundwater deposits were discovered in the depths of Mangystau, among them two contain valuable mineral waters that have healing properties. In addition to them, more than a dozen deposits with unapproved reserves are used in the region. This suggests that Mangystau is rich in underground water sources that are able to meet the needs of the region.

In the region, cattle breeding, including sheep, horse and camel breeding, has traditionally been kept all year round on natural pastures with the use of deep brackish groundwater from tubular and mine wells.

The main volumes of livestock products are produced in household and peasant farms. More than 50% of the population of the region lives in rural areas and livestock.

the agricultural sector in Mangistau region is a niche for business, since

75%

of food and agricultural **products are imported** into the region from other regions and countries.

The soil and climatic conditions of the region allow agricultural enterprises to grow a large range of crops and engage in farming. **At the same time, there are no medium and large complexes for processing agricultural products in the region.**

In this regard, the region has great potential for development:

- greenhouses
- poultry farms
- fish farming
- feed shops
- cattle breeding
- processing and preserving of meat products
- food supply
- the cultivation of seafood

15.8 billion ₸

the gross agricultural output
in January-December 2018

2.9 billion ₸

in crop production

12.9 billion ₸

in animal husbandry

Mangistau has a favorable geographical position

it borders with 5 countries, in the west — by sea with the Russian Federation, Azerbaijan and Iran, in the south — with Turkmenistan and in the east — with Uzbekistan. There is Aktau International Airport, Aktau International Sea Trade Port and Kuryk Port.

All this allows potential investors to export goods to other countries.

Healthcare of Mangystau Region

in 2017, **the provision of beds per 10,000 population** of the Mangystau region compared to 2012 decreased by 36.4%, reaching 41.9 per 10 thousand people.

This figure is 23% lower than in Kazakhstan, where it was 54.8 per 10 thousand people.

Mangystau region is one of the dynamically developing regions of Kazakhstan in socio-demographic terms. For the period from 2013-2018. the population of the region increased by 13.2%. **As of January 1, 2019, the population of Mangystau Oblast was 678,224 people.**

The average annual population growth over this period was 3.2%, and if this growth rate is maintained, by 2022 the population is projected to be 753,900 people.

The implementation of the Prospective Health Infrastructure Development Plan for the Mangystau Oblast for 2018-2020 has been launched. The development strategy of hospital organizations is based on optimization, outpatient organizations – on a network downsizing.

EPP envisages the construction of 26 healthcare facilities, including 7 hospital and 19 primary health care organizations.

Optimization of hospital organizations until 2025 will lead to a decrease in the number of hospitals from 20 to 11, an increase in beds from 2,624 to 3,030. TB dispensary, 5 regional hospitals.

Based on the conducted marketing analysis, the following conclusions can be made that in the Mangystau region in the future:

- dynamic and steady growth of the region's population,
- projected population increase high rates of population growth in rural areas, especially in the suburbs of the regional center,
- a high birth rate in the region,
- dynamics of decrease in mortality of the

population, high rates of natural population growth,

- increase in life expectancy at birth, a tendency to increase the incidence of the population, including in neighboring regions,
- low compared with other regions, the average national indicator, and indicators in other countries, including the Russian Federation, the EU, the OECD, the number of beds available, with a trend towards a reduction in the total hospital fund in the region,
- the presence in the regional center of the only multi-regional hospital, in the absence of other multidisciplinary and single-industry hospitals subordinated to the Ministry of Health of the Republic of Kazakhstan,
- a tendency towards a more intensive work of the beds of the regional hospital against the background of a tendency towards an increase in the urgency of hospitalizations, a reduction in the average hospital stay of patients and a prolongation of the waiting times for planned hospitalizations.

Urological, nephrological, cardiological, angiosurgical, general surgical, neurological, profiles of of the Mangystau Regional Hospital

work both in planned and in emergency mode.

The urgency of hospital admissions has exceeded 70%.

In Aktau there is the only multi-profile Mangystau regional hospital, which was commissioned in 1989.

There are no other multi-stationary organizations in the city, such as urban and ambulance services. There are also no single-industry hospitals, such as ophthalmologic, cardiac, etc.

Potential investors are invited to consider the opportunity to participate in the implementation of the following projects:

- construction of a multi-profile city hospital with 300 beds in the 34 microdistrict of Aktau
- construction of modular substations of the Mangystau regional ambulance and emergency station

29.79

per 1 000 population

The region has one of the highest birth rates in the country, with a national indicator of 21.65.

“Progressive” type population

According to statistical data, as of 01.01.2017, the proportion of people over 60 years old was 6%, The process of aging of the population is not pronounced and dominates the young and reproductive age.

1 billion KZT

Spend over for medical services abroad

Medical tourism

The geographical features and nature of the region, a rich historical heritage and beach season, as well as proximity to countries with major tourist flows, **will contribute to the optimal development of medical tourism.**

Power supply in Mangystau Region

In the region there are 4 electricity generating enterprises with an installed capacity of 1,462 MW.

Today, all the settlements of the Mangystau region are electrified on the whole by 100% and connected to the centralized power supply.

In the region there are 4 electricity generating enterprises with an installed capacity of 1,462 MW, of which Group Independent LLP with a capacity of 2 MW is in the field of renewable energy sources.

The largest energy producing enterprise in the region and the energy supplying organization is MAEK-Kazatomprom LLP.

Today, the company provides the region with electricity, and the city of Aktau and its surrounding areas with drinking water and thermal energy.

At the same time, work is underway on the implementation of 5 projects in the field of renewable energy sources with a total capacity of 105.6 MW and 1 project in the traditional sector with a capacity of 30.4 MW.

According to the Comprehensive Plan for the Development of Electric Networks in the Mangystau Oblast, by 2021 electricity shortages are expected.

In addition, in the near future, MAEK-Kazatomprom LLP is facing the inevitable withdrawal of worn-out generating equipment.

The existing lines of communication of the Mangystau energy center with the Unified Energy System of the Republic of Kazakhstan are low-power and have a length significantly greater than the allowable effective values for this voltage class. Considering the above, the indicated overhead lines can be used only for mutual emergency backup of power units (100 MW), and not for a permanent power supply..

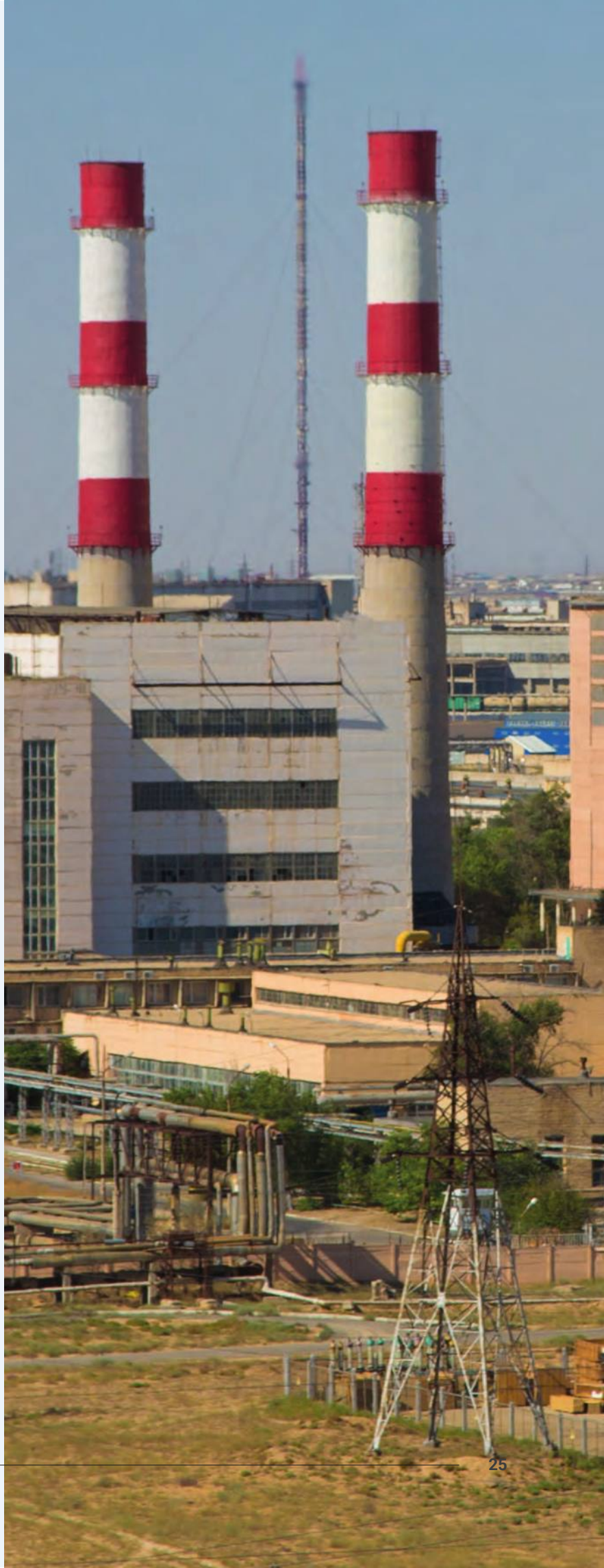
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Considering the above, the indicated overhead lines can be used only for mutual emergency backup of power units (100 MW), and not for a permanent power supply.

In this regard, it is necessary to introduce new generating capacity, namely:

- Construction and operation of a combined-cycle gas turbine unit with a capacity of 250 MW at the site of MAEK-Kazatom-prom LLP.
- Construction of a wind power plant in with. Beineu power 20 MW.
- Construction of a solar power station in a. Shetpe Mangistau district with a capacity of 20 MW.



Water supply in Mangystau Region

Today, water supply of Mangystau region is provided from four sources.

Centralized water supply system

As of January 1, 2019, the provision of centralized water supply to rural settlements in the region is 69%, 40 of the SNP out of 58 DPR. By the end of the year, this figure will reach 75.8%, 44 SNPs out of 58 SNP (Baskuduk, Sarga, Eset, Tolep).

In 2018, 2 projects for the centralized water supply of Borankul villages in the Beineu district and Mangystau-4 in the Munayli district, totaling 1.6 billion tenge, were commissioned.

In 2019, it is planned to complete the construction of 15 projects for centralized water supply of settlements for a total of 11.5 billion tenge.

In 2020, 2 centralized water supply projects for Mangystau-5 and Kyzyltobe, Munayli district, totaling 2.9 billion tenge, will be completed.



The deficit
in drinking water is
45 000 m³/day,
and taking into
account the growth
rate of the population
until 2025, it will be
95 000 m³/day.

In this regard, the construction
and modernization of existing enterprises
are being worked out:

- Construction and operation of a
desalination plant with a capacity
of 50,000 m³ / day in s. Kuryk.
The project is implemented by
Safbon Beltway Consortium (PRC).
The amount of investment is 37
billion tenge.
- Construction of a desalination
plant produced water of 17,000 m³
per day. The project is implement-
ed by Kazakhstan Water Solution
Company LLP. The investor is
CITIC Envirotech Ltd (PRC). The
amount of investment is 22.2
billion tenge.
- Construction and operation
of a desalination plant with a
capacity of 50,000 m³ / day in Ken-
derli. The project is implemented
by the company Zhon Mao Group
(PRC).

**137 000 m³
per day**

total water consumption in 2018 at
peak times

51 000 m³/day

100% | MAEC-Kazatomprom LLP

20 000 m³/day

90,9% | OZK LLP

54 000 m³/day

100% | KazTransOil JSC (Volzhskaya water)

12 000 m³/day

100% | underground water deposits

Caspian Desalination Plant

It is planned to increase the capacity
of the existing plant in stages by 10 thousand
m³ / day during 2019-2020 and another
15-20 thousand m³ / day during 2020-2023.

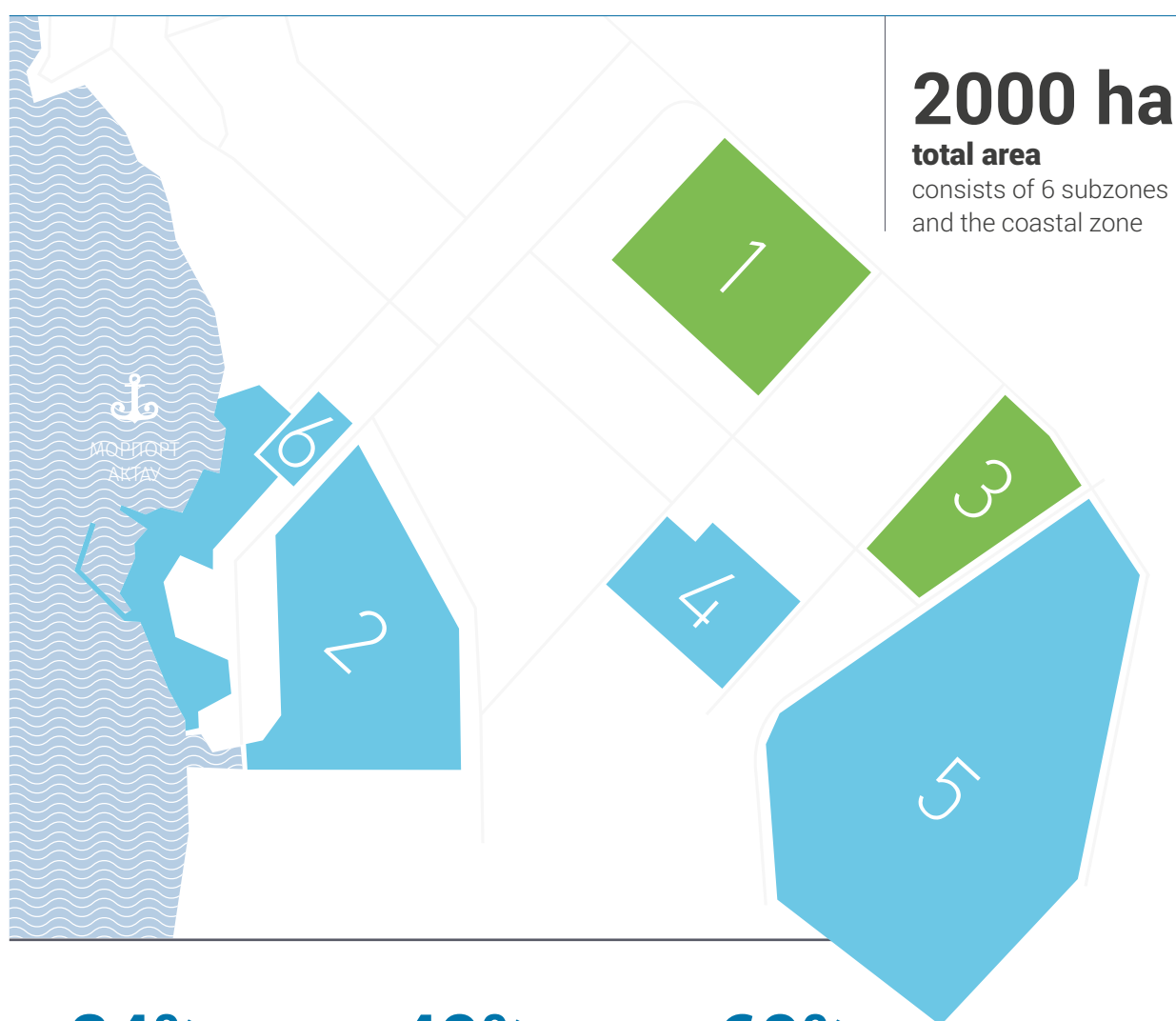
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BUSINESS DEVELOPMENT INSTITUTES



Special Economic Zone "Morport Aktau"

**24%****usable area —****492.8 ha**

except the territory
for infrastructure—
371,3 ha

40%

**Free
usable
area —
147.71 ha**

60%

**Allocated
to participants —
223.59 ha**

14 activities

- the production of household electrical appliances
- the production of leather and related products
- production of chemical products
- manufacture of rubber and plastic products
- production of other non-metallic mineral products
- metallurgical industry
- manufacture of finished metal products
- the production of machinery and equipment
- production of petrochemical products
- production of basic pharmaceutical products and preparations
- warehousing and auxiliary transport activities
- production of electric motors, generators, transformers, electrical distribution and control equipment
- manufacture of electrical wiring and electrically conductive devices
- construction and commissioning of facilities intended directly for the implementation of priority activities within the design and estimate documentation

SEZ in numbers

- 27** Registered Members
- 98** billion KZT investments in SEZ projects
- 301** billion KZT production volume
- 60** billion KZT foreign investment
- 1100** Job places

Tax and customs preferences

- 0%** Corporate Income Tax
- VAT on imported goods
- Customs duties
- Land tax
- Rent for land
- Property tax

Utility benefits

1. **Electricity** AktauEnergoSbyt LLP
2. **Drinking water** MAEK-Kazatomprom LLP
3. **Sewage** State Enterprise “Caspian Zhylu, su arnasy»
4. **Gas supply** KazTransGaz Aimak JSC

Industrial zone

There are 20 industrial zones (IZ) in Kazakhstan. Of these, the Mangistau industrial park operates in the Mangystau region.

Industrial Park Mangistau LLP is a subsidiary of JSC SEC Caspian.

JSC SEC Caspian is an operator for attracting industrial zone participants, a working body for accepting applications and documents from business entities wishing to implement an Investment Project in the Industrial Zone on the principle of one window.

The main objectives

- assistance to accelerated development of private entrepreneurship in the field of industry;
- optimization of costs for the creation and development of the infrastructure of new industries;
- increase production efficiency;
- ensuring employment of the population.

The main activities

- rent
- property management
- provision (transportation) of services.

The infrastructure of Industrial Park Mangistau LLP is involved in the provision of energy transit services (electricity, process water, gas-filled diesel fuel and gas), industrial wastewater treatment and access roads for uninterrupted operation.



Benefit for entrepreneurs

- no need to bear the capital costs of the organization of production (construction or purchase of premises)
- reduction of terms in preparation for the implementation of projects
- the possibility of obtaining energy from a single source (Industrial Industrial Mangistau LLP is a transmission company)
- the ability to exclude the costs of auxiliary processes (accounting, lawyer, security, electrician, AHO).

Privileges

The management company provides preferential terms for the payment of lease payments for the object:

- for category "B" discount — 50%,
- for category "C", the discount is 100% for the period of construction and installation work, for a period of not more than 6 months from the date of conclusion of the lease (sublease) contract of the object.

IZ in numbers

189 ha

The area of the land

231 000 m²

Total number of areas

5 000 m³/day

Capacity of sewage treatment plant

11 464 m

The length of the railway tracks,
railway connection with the station Mangyshlak

12 km

Length of roads

112 MW

Installed power

69 920 m³

Tank farm for the storage
of petroleum products



Public Private Partnership

Types of PPP

Contract PPP

Life cycle contracts

design construction
and operation

Research and Development contracts

development of new
technologies and the creation
of start-up companies

Leasing contract

lease – purchase

Service contracts

modernization and service

Institutional PPP

Joint venture

- alternative to quasi-state capitalization from the budget
- private and state partner form together “equity”
to attract debt financing
- State partner exit mechanism

Activities

- advisory support of local PPP projects, including concession projects;
- examination of the concept of local PPP projects, tender documentation of local PPP projects and a draft PPP contract in the framework of local public-private partnership projects, including the introduction of appropriate changes and (or) additions to them;
- economic expertise of a feasibility study of local budget investment projects, as well as projects planned for financing through targeted development transfers and loans from the republican budget;
- economic expertise of budget investments planned for implementation through state participation in the authorized capital of legal entities (financial and economic justification) at the expense of local budgets;
- consulting services in the negotiation process between PPP subjects;
- attracting investment in the economy of Mangystau region;
- interaction with government agencies, international and public organizations, as well as potential investors on PPP issues;
- holding round tables, meetings, road shows (presentations), networking (participation in industry conferences and forums, exhibitions), investment marketing and other events;
- development of the concept and draft of the PPP contract on a private financial initiative.

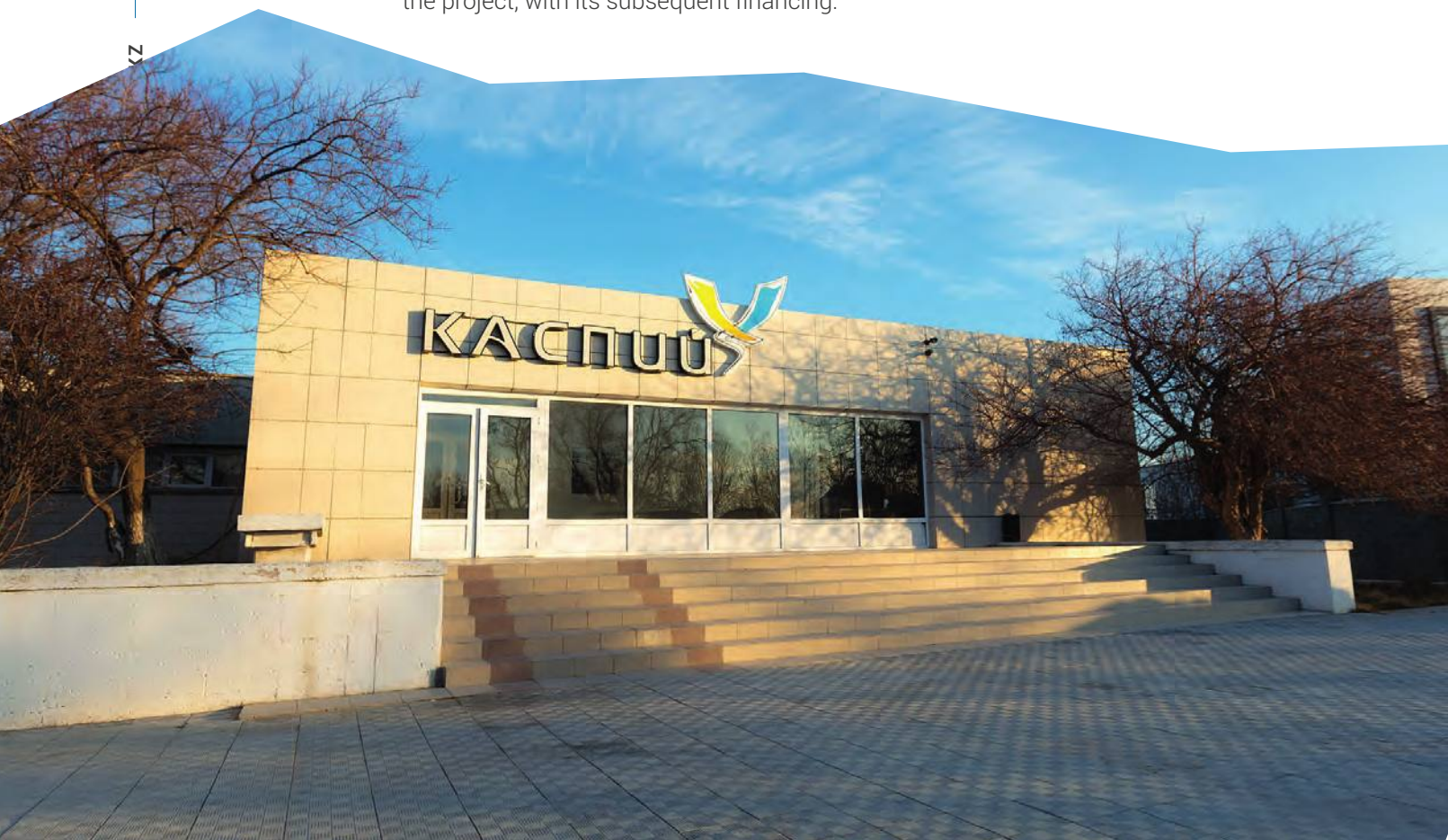
Subject participation forms quasi-public sector in PPP projects

1. Equity participation in PPP projects through the establishment of legal entities or the acquisition (disposal) of shares (shares in the authorized capital) of legal entities.
2. Transfer of exclusive rights to intellectual property.
3. Service support, including technology transfer services, innovation support, consulting, engineering, training and staff development.
4. Provision of technology parks, business incubators, special economic and industrial zones.
5. Construction, creation, reconstruction, modernization and (or) operation of facilities.
6. Export promotion, etc.

Social Enterprise Corporation "Caspiy"

Mechanisms of participation of JSC "SEC" Caspiy " in investment projects

- participation in the project and its financing on the basis of a joint venture agreement (simple partnership, consortium) with a Partner.
- participation in the project as a financing organization without using the mechanisms of joint activities and / or joining the shareholders, participants of the legal entity directly implementing the project.
- participation in the project through the incorporation of the Company in the composition of the shareholders, participants of the legal entity directly implementing the project, with its subsequent financing.



Activities

- creation of a single economic market based on the cluster approach;
- creating a favorable economic environment for attracting investment and innovation;
- participation in the development and implementation of investment projects;
- participation in the development and implementation of programs aimed at the development of the social sphere;
- implementation of investment, social and infrastructure projects;

Priority industries

- activities in the agro-industrial complex energy projects
- exploration, extraction, processing of minerals, including common ones
- development of transport infrastructure
- development of tourism

Criteria when participating in an investment project

- economic efficiency of the project;
- development of non-commodity sector;
- social significance of the project;
- creation of competitive, export-oriented industries based on public-private partnerships;
- introduction of new and improvement of existing technologies;
- creation of industries for the production of new types of high-tech and high-tech products.

Chamber of Entrepreneurs of the Mangistau Region

Activities

- representation and protection of the rights and legitimate interests of entrepreneurs
- conducting public monitoring of entrepreneurial activity, business conditions in the regions
- participation in government programs to support and develop entrepreneurship
- support domestic production and increase the share of local content in the procurement of organizations
- training, retraining, advanced training, certification and certification of personnel, the development of technical and vocational education
- stimulation of foreign economic activity of business entities
- attraction of investments and diversification of the economy.

Entrepreneurs Service Center "Mangystau"

Activities

- search and attraction of potential investors (creation of a dialogue platform (negotiations, presentations; participation in forums, events);
- consulting support for investors (advice on legislation, on measures of state support);
- holding a forum of investment projects and round tables;
- providing translation services when accompanied by a potential investor;
- development of a business plan with translation into a foreign language;
- organizing meetings with government agencies;
- support in obtaining permits;
- assistance in the provision of land;
- assistance in the provision of documents for a construction permit;
- assistance in the provision of the act of commissioning;
- assistance in the granting of work visas.

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for increased productivity

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for export-oriented
and existing enterprises-exporters
of non-primary sector
of the economy

MEASURES
OF STATE

SUPPORT OF BUSINESS



Agrobusiness-2020

The program for the development of agro-industrial complex in the Republic of Kazakhstan

Implementation dates: 2013–2020.

The purpose of the program: the creation of conditions for improving the competitiveness of subjects of the agro-industrial complex

Participants: subjects of the agro-industrial complex, agricultural producers of Kazakhstan.

The program operators are the Ministry of Agriculture of the Republic of Kazakhstan, the KazAgro National Management Holding JSC and its subsidiary, KazAgroFinance JSC.

Performers of the program: akimats of regions, cities of Nur-Sultan and Almaty.

The program provides 4 directions:

1. Financial rehabilitation of the subjects of the agro-industrial complex - restructuring, refinancing and financing the financial obligations of agricultural producers.
2. Increasing the economic affordability of goods, works and services for agribusiness entities will provide agricultural producers with a wider
3. access to the necessary commodities and means for more efficient development of the agro-industrial complex.
4. The development of state support systems for agricultural entities will help agricultural producers to develop phytosanitary and veterinary safety in order to ensure well-being in the field of livestock and crop production.
5. Improving the efficiency of state regulation systems in the agro-industrial sector will improve the methods of state participation in the development of the agricultural sector and will provide comprehensive support to agricultural producers.

Financial support tools

1. Funding loans of subjects of the agro-industrial complex.
2. Subsidizing loans to agribusiness entities.
3. The program of support for entrepreneurs creating granaries.
4. Organization of meat processing complexes with the production of block meat and lumpy cuts in vacuum packaging.
5. The program of support for entrepreneurs engaged in deep processing of grain.
6. Creating a network of feedlots with a developed infrastructure.
7. Organization of production for the assembly of agricultural machinery.
8. Development of production offruit and vegetable, industrial and oilseeds using irrigation systems.
9. Networking and development of existing vegetable stores.
10. Creating a network and development of existing greenhouses.
11. Networking and development of existing poultry farms.
12. Creating a network and development of existing dairy farms.

SCHEMES AND CONDITIONS OF MICRO-PROGRAM FOR EACH DIRECTION:
WWW.MGOV.KZ/PROGRAMMA-AGROBIZNES-2020

Government support for increased productivity

Program is carried out on the basis of the State Program of Industrial-Innovative Development of the Republic of Kazakhstan and is aimed at modernizing the existing and creating new competitive industries, as well as service support for business entities.

Objective: to increase the competitiveness of industrial enterprises in priority sectors of the economy by increasing labor productivity.

Program participants: operating enterprises operating for at least 1 year in priority sectors of the economy in accordance with the Annex to the Program.

Program Administrator Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan.

Operators of the program: JSC "Kazakhstan Institute for the Development of Industry", JSC "DBK-Leasing".

Measures of state support to increase productivity:

1. Subsidies for payment of long-term lease financing.
2. Assistance in paying for the development or expertise of a comprehensive investment project plan.
3. Innovative grant, etc.

MORE INFO:

**WWW.BAITEREK.GOV.KZ | WWW.KIDI.GOV.KZ
WWW.KDBL.KZ**

Financial support tools

1. The provision of long-term lease financing for a period of 10 years, the interest rate — 5%.
2. Assistance in payment of expenses for the development and / or examination of a comprehensive plan of an investment project (payment of expenses in the amount of 50%, but not more than 7.5 million tenge is envisaged).
3. Cost recovery to improve the competence of the enterprise.
4. Cost recovery for the improvement of technological processes.
5. Cost recovery to improve the efficiency of production organization.
6. Cost recovery for the development of the Strategy and the Road Map for the development of the territorial cluster.

Business

Road Map 2020

Unified program of support and development of business

Implementation dates: 2015–2019.

Program Goal: Ensuring Sustainable and Balanced Growth regional entrepreneurship, as well as maintaining existing and creating permanent jobs.

Participants: small and medium businesses operating in priority sectors of the economy, entrepreneurs opening a business or wanting to expand the existing one.

Program operators: Baiterek National Managing Holding JSC and its subsidiaries (financial support), National Chamber of Entrepreneurs (non-financial support operator).

Participants: population with entrepreneurial initiative and existing entrepreneurs. Part of this direction will be implemented by the National Chamber of Entrepreneurs Atameken.

The program provides 4 directions

1. Support for new business projects: for beginners and existing entrepreneurs implementing or planning to implement their own projects in small and single-industry towns and in the countryside. Does not contain any industry restrictions.
2. Sectoral support: for entrepreneurs engaged in priority sectors of the economy, as well as manufacturing industries, identified by the second SPIID five-year plan.
3. Reduction of currency risks: for entrepreneurs engaged in priority sectors of the economy, as well as manufacturing industries, identified by the second five-year plan of the SPIID.
4. Providing non-financial support measures

Main implementation tools

Support for new business projects:

1. Subsidizing interest rates on loans / leasing transactions.
The amount of subsidies is 10% per annum of the interest rate on the loan / leasing.
2. Partial loan guarantee.
Amount of guarantees: for start-up entrepreneurs – up to 85% for loans up to 20 million tenge. For existing enterprises – up to 50% on loans up to 180 million tenge.
3. Provision of state grants.
The maximum amount for one entrepreneur is up to 3 million tenge.

Industry support:

1. Subsidizing interest rates on loans / leasing transactions.
The amount of subsidies: for priority sectors – 7% per annum of the interest rate, for projects of Kazakhstan commodities manufacturers – 10% per annum of the interest rate.
2. Partial loan guarantee.
Guarantee amount: for priority sectors – up to 50% for loans up to 360 million tenge, for projects in the manufacturing industry – up to 20% for loans up to 1.850 million tenge.

Comprehensive support system for export-oriented and existing enterprises-exporters of non-primary sector of the economy

Recipients of state support: Kazakhstan companies of small and medium business, current and potential exporters.

Program Administrator: Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan.

Operators of the program: KAZAKH INVEST JSC and Export Insurance Company KAZAKH EXPORT JSC.

Measures of state support for exporters:

1. Analytical and informational support.
2. Increasing the export potential of enterprises.
3. Promotion of goods to foreign markets.
4. Financing trade export operations.
5. Reimbursement of exporters costs.

MORE INFO:

**WWW.EXPORT.GOV.KZ | WWW.INVEST.GOV.KZ
WWW.KECIC.KZ**

Financial support tools

1. Reimbursement of 50% of the costs associated with the promotion of domestic processed products and services to foreign markets.
2. Insurance of the exporter's credit
commercial risks — up to 80% the amount of incurred losses, political risks — up to 80% of the amount of incurred losses
3. Export and trade financing under the SPIID
financing rate: CIRR (Commercial Interest Reference Rate) + 2% per annum, up to 1 year, the maximum amount of one deposit is 150 million tenge

Non financial support tools

1. Service support for export.
2. Reference and information services.

Regulatory Framework

in the sphere of investment activities

1. Business Code of the Republic of Kazakhstan
2. Land Code of the Republic of Kazakhstan
3. Tax Code of the Republic of Kazakhstan
4. Code of the Republic of Kazakhstan "On Customs Regulation in the Republic of Kazakhstan"
5. Law of the Republic of Kazakhstan "On Special Economic and Industrial Zones"
6. Law of the Republic of Kazakhstan "On Public-Private Partnership"
7. State program of industrial-innovative development of the Republic of Kazakhstan for 2015-2019
8. State program of support and development of business "Business Road Map 2020"
9. Rules for granting investment subsidies
10. Rules for accepting, registering and considering an application for the provision of investment preferences
11. Rules for including projects in the industrialization map and business support maps of the regions
12. Priority activities for investment projects and model contract
13. Terms and conditions for issuing and (or) renewing permits for employers to employ foreign labor, as well as for internal corporate transfers
14. Rules for issuing invitations, approving invitations for entry of foreigners and stateless persons to the Republic of Kazakhstan, issuing, canceling, restoring visas of the Republic of Kazakhstan, as well as extending and shortening their terms
15. Rules for issuing an application for an investor visa for persons who are non-residents of the Republic of Kazakhstan and carry out investment activities in the territory of the Republic of Kazakhstan

Government authorities and organizations responsible for attracting investments

Akimat of Mangystau region

130000, Aktau, 14 md., Bld. one
Office: +7 (7292) 315365
fax: +7 (717) 275 4080
e-mail: info@mangystau.gov.kz
www.mangystau.gov.kz

Industrial-innovation development department of Mangystau region

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e-mail: t.yedigeyev@mangystau.gov.kz
uiir.mangystau.gov.kz
mangystauinvest.kz

Regional branch

JSC "NC" Kazakh Invest"

130000, Aktau, 14 md., Bld. one
Phone: +7 (7292) 314366
E-mail: a.tumyshev@invest.gov.kz

JSC "NC" SEC "Caspiy"

130000, Aktau, 4 "A" md, building No. 19
Phone: +7 (7292) 535353
E-mail: info@caspiy.kz
caspiy.kz

"SEZ" Seaport Aktau "JSC

130000, Aktau, industrial zone No. 5, subzone No. 3
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