



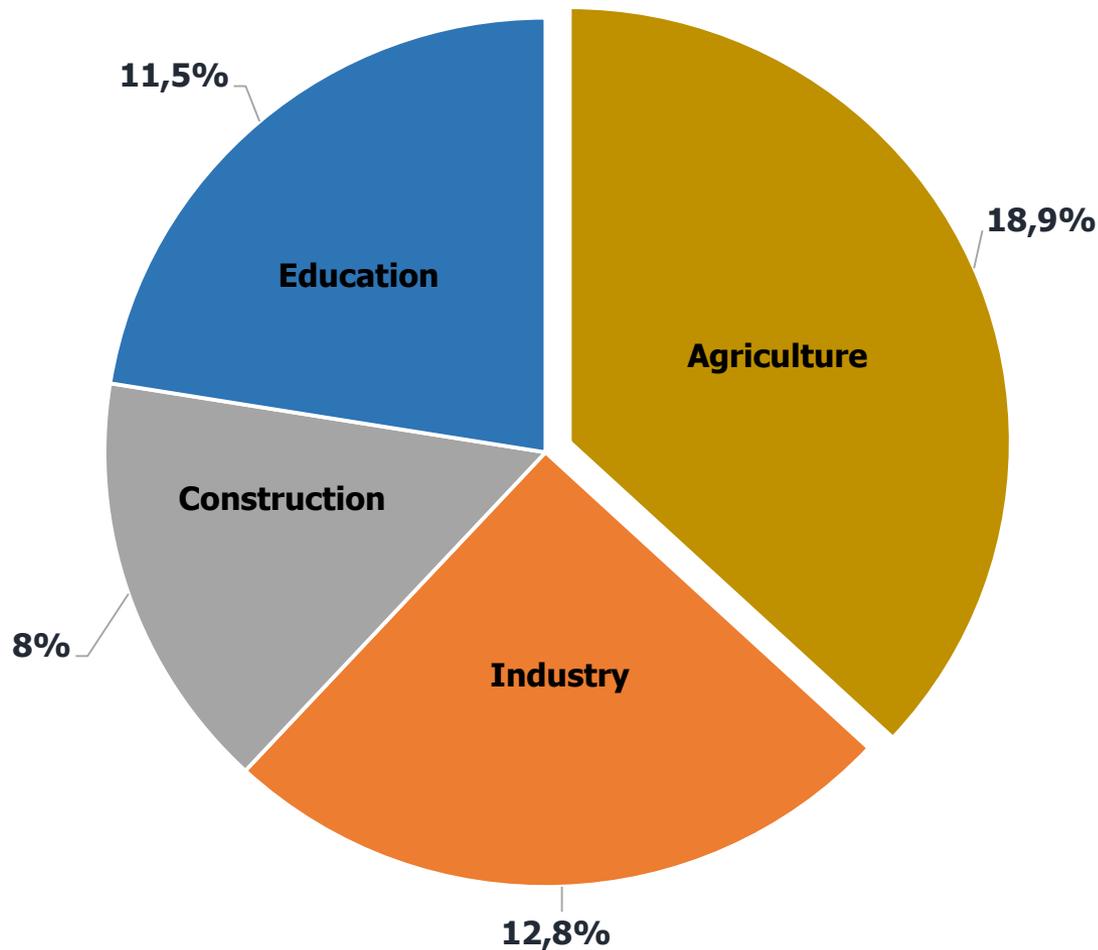
## Ministry of Agriculture of the Republic of Kazakhstan



# Agribusiness Investment climate

**Astana, 2015**

# The employed population by the types of economic activity in 2014

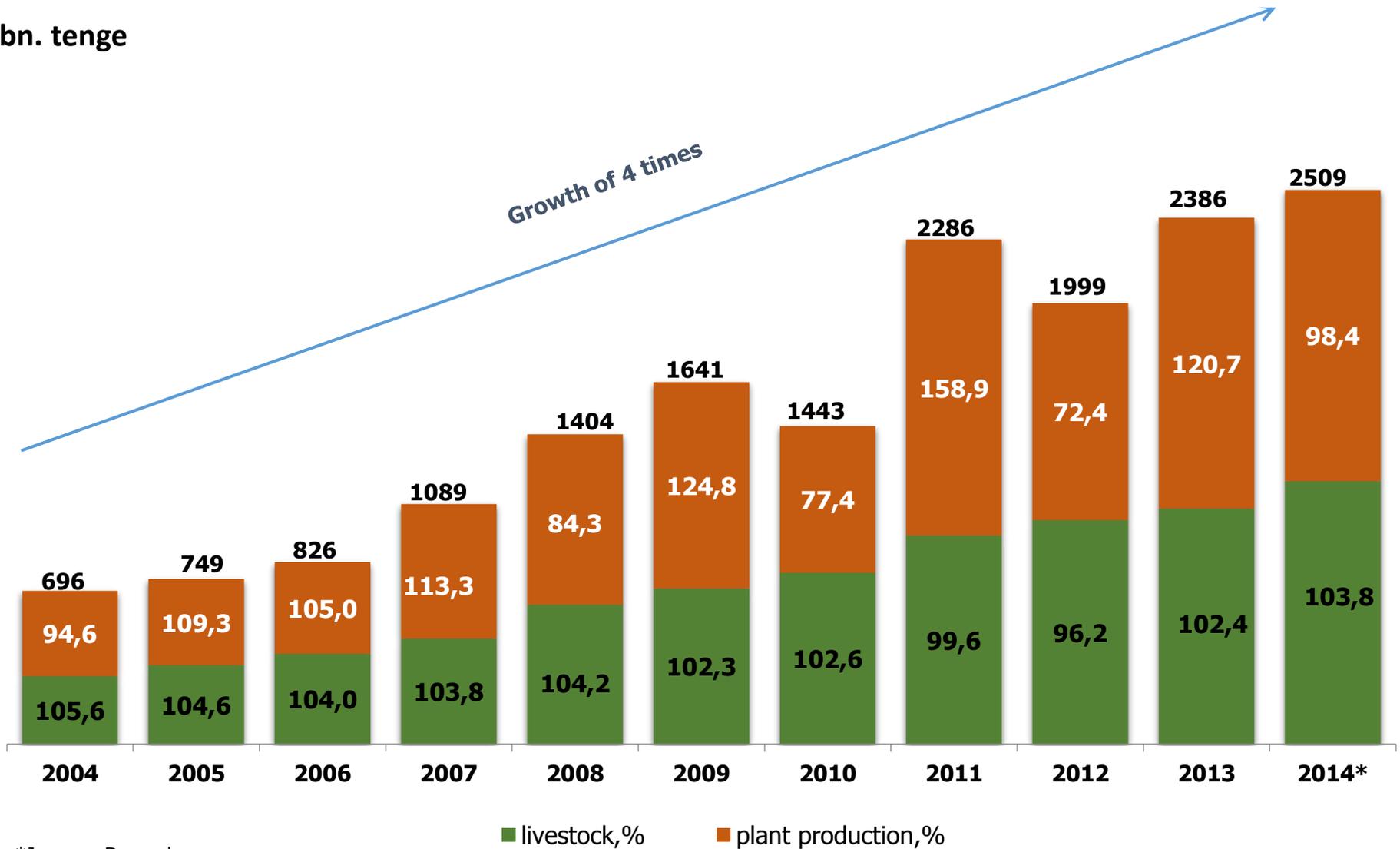


The proportion of the employed population of the total population residing in the Republic of Kazakhstan is 48,9 %



# Gross agricultural product

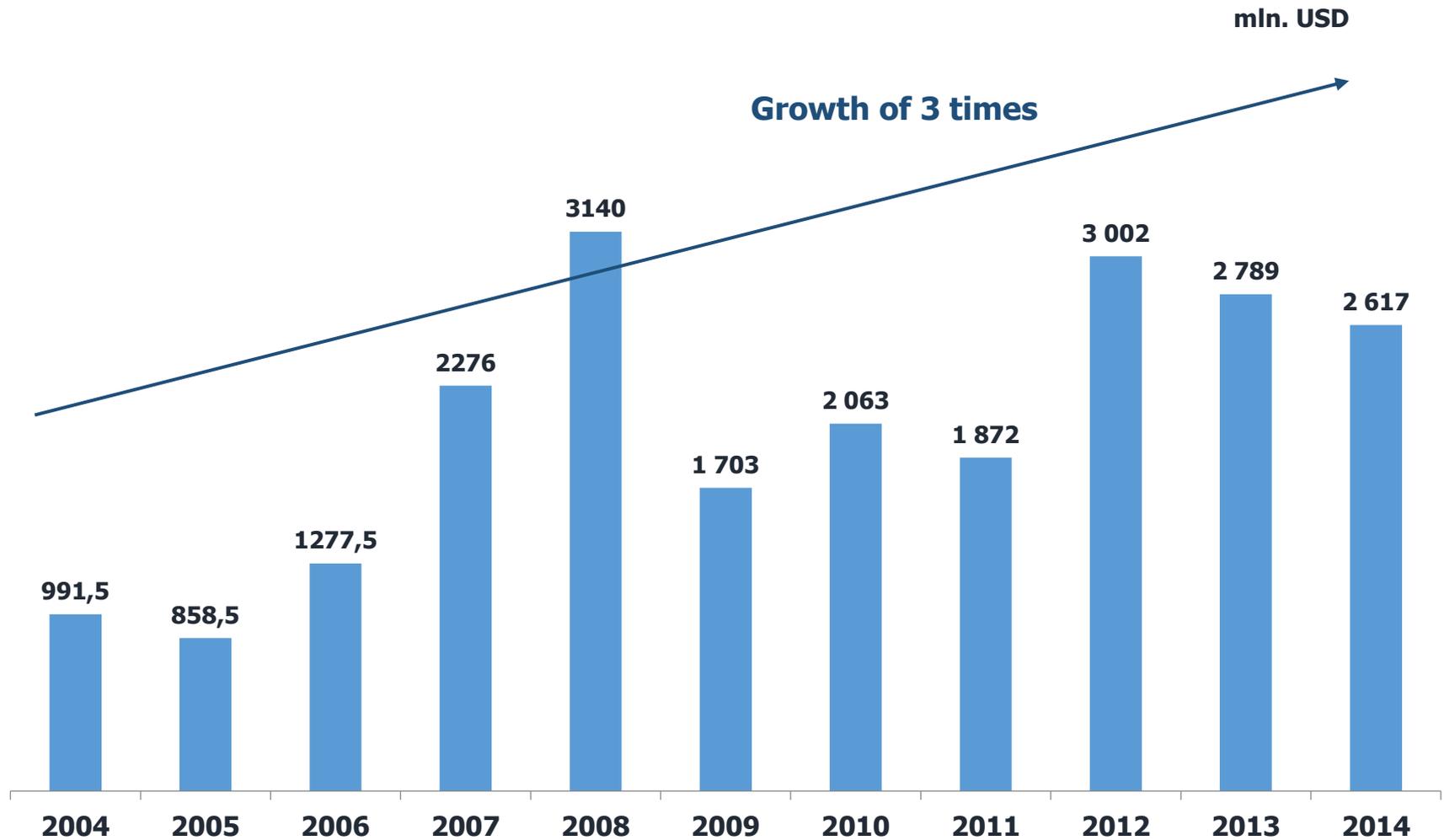
bn. tenge



\*January-December

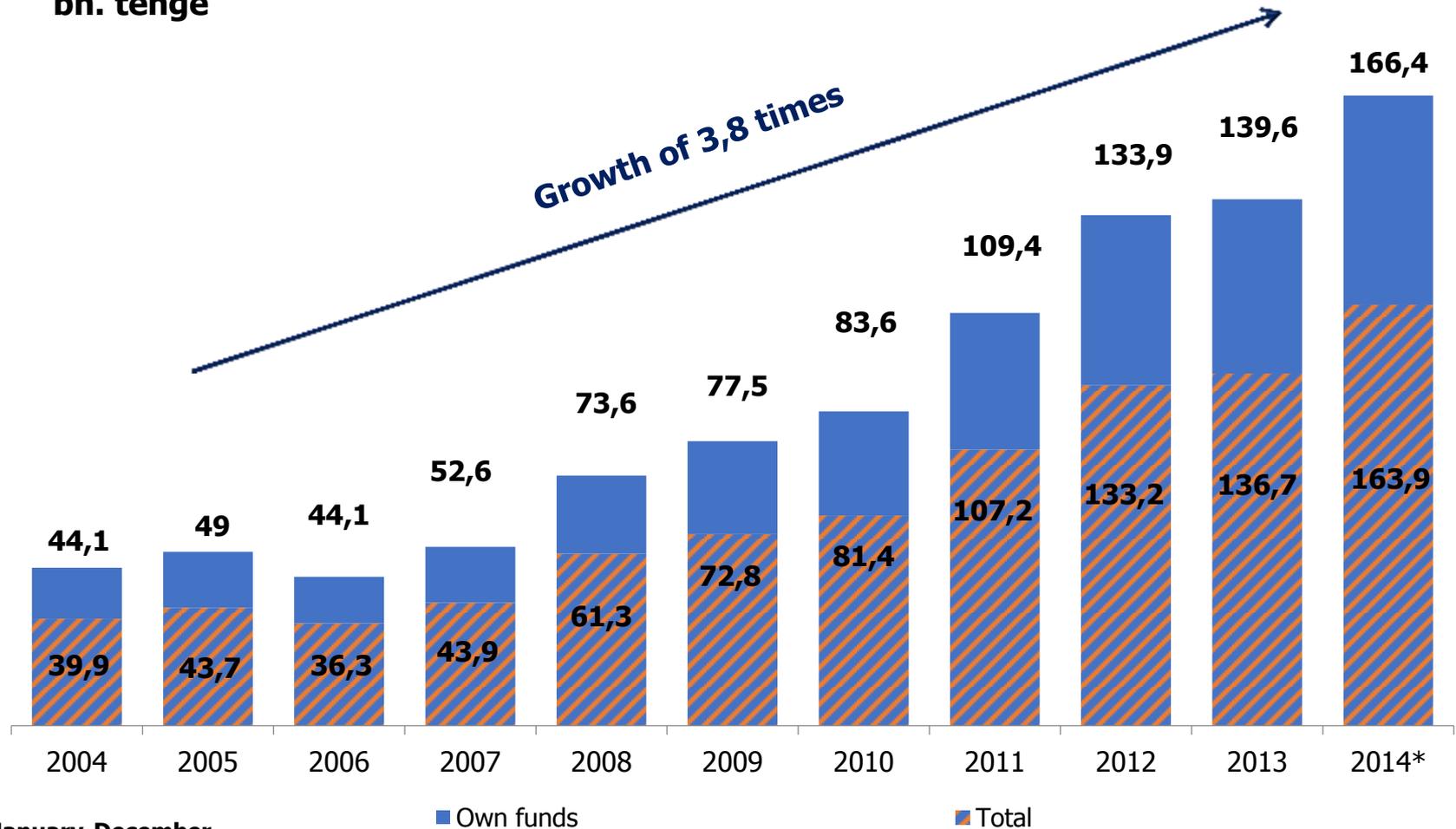


# Export of agricultural products



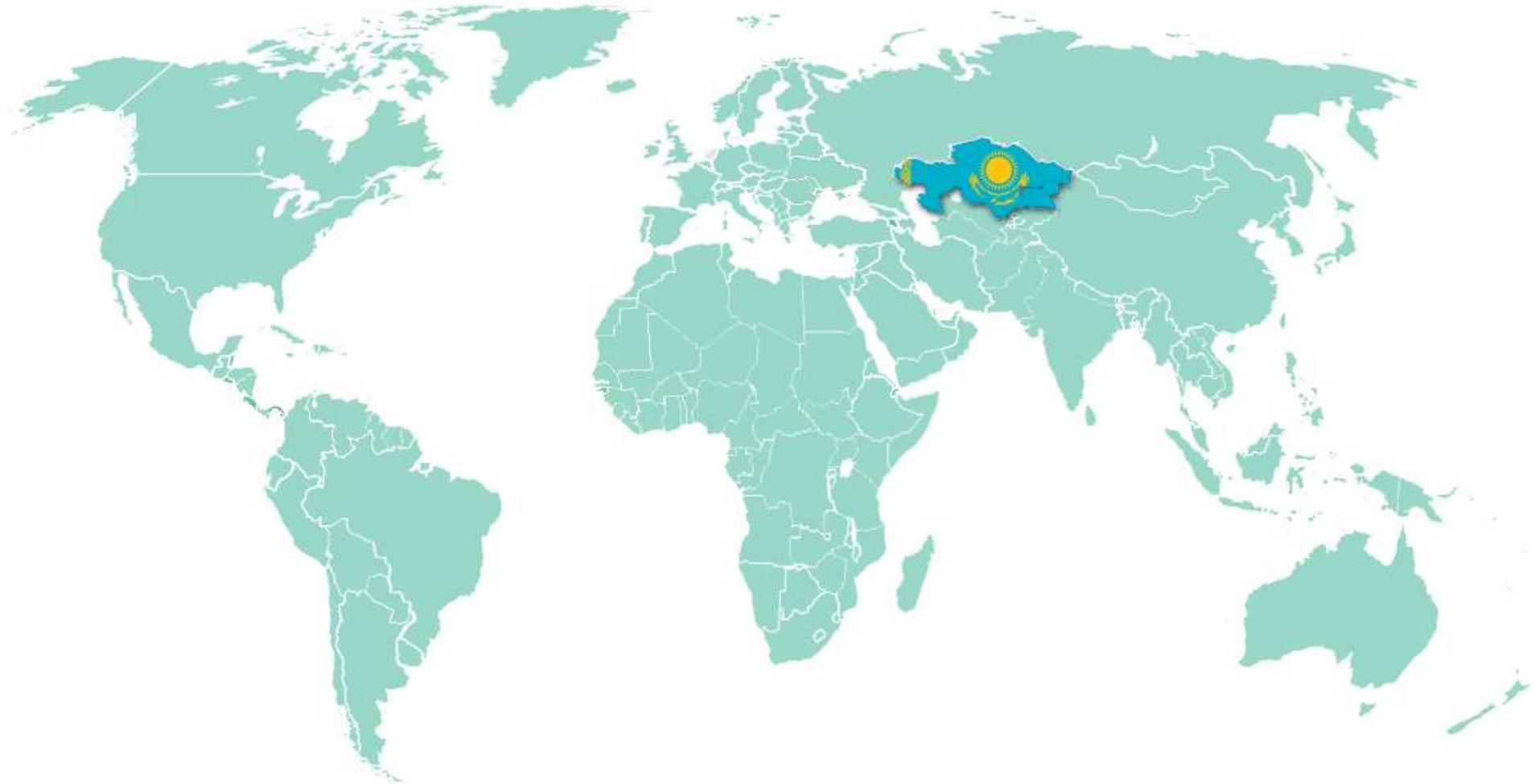
# Fixed capital investments in agriculture

bn. tenge

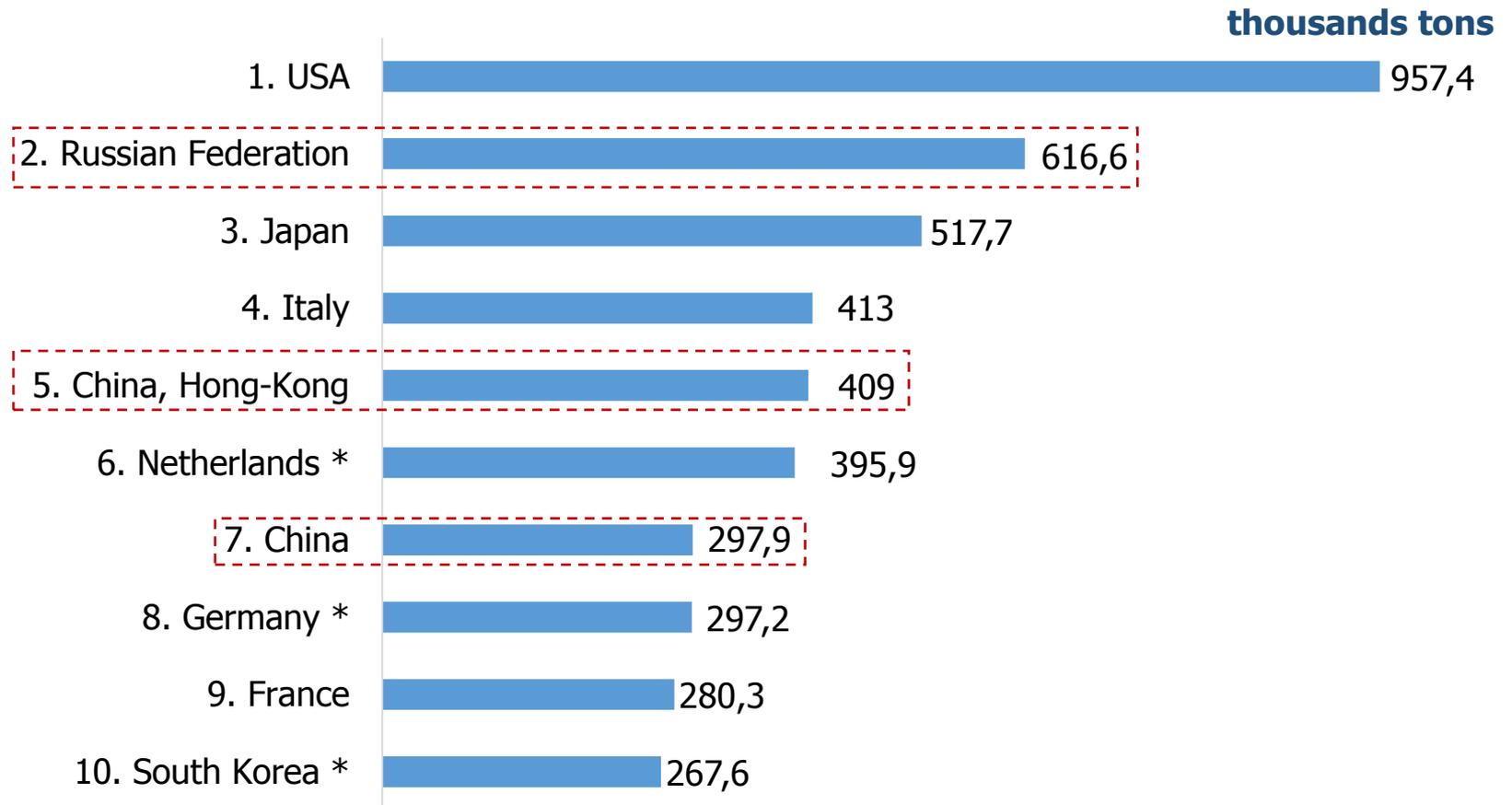


# Kazakhstan takes the 9<sup>th</sup> place in the world by territory

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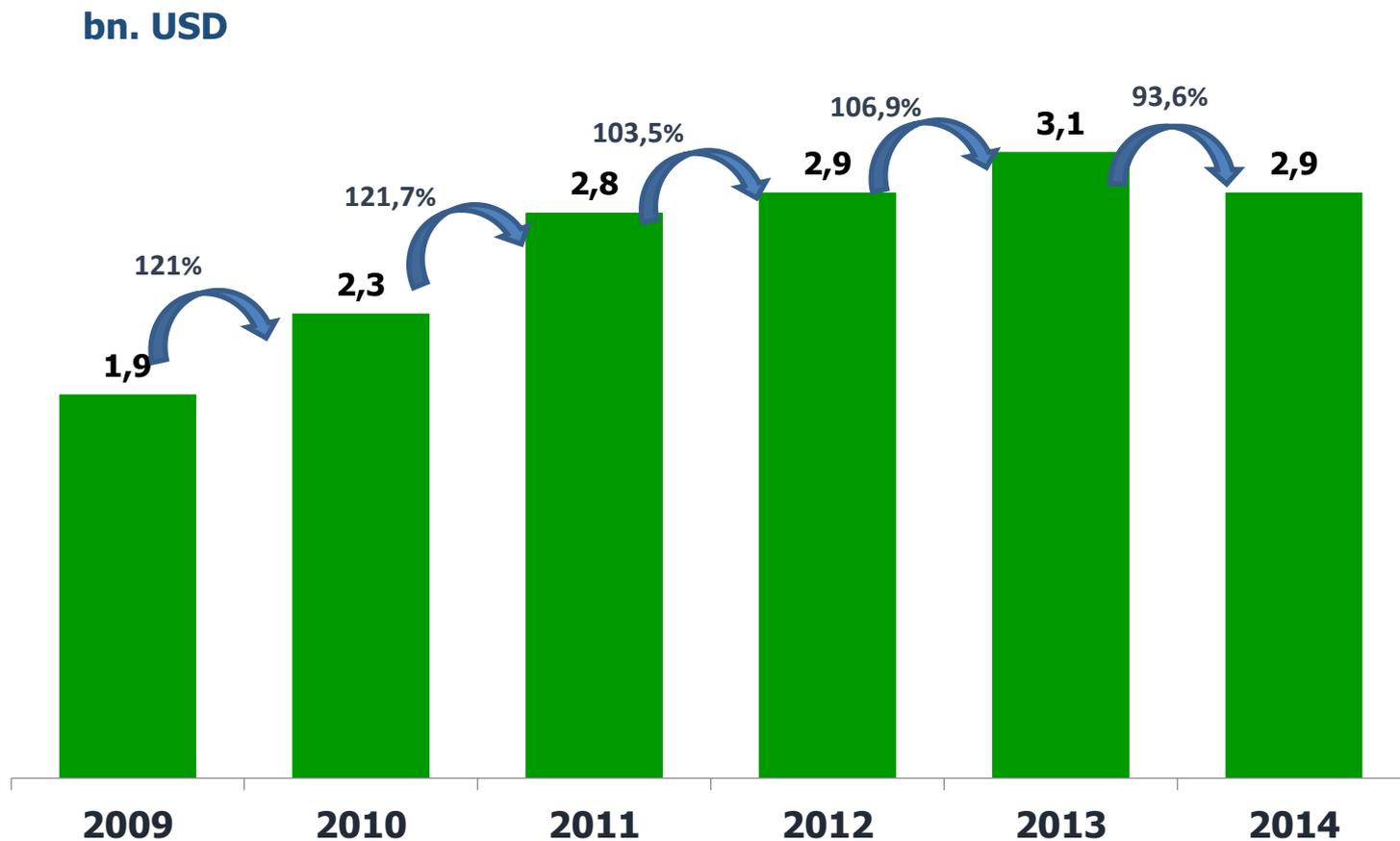
# The largest importers of beef in 2014



\* Data for 2013



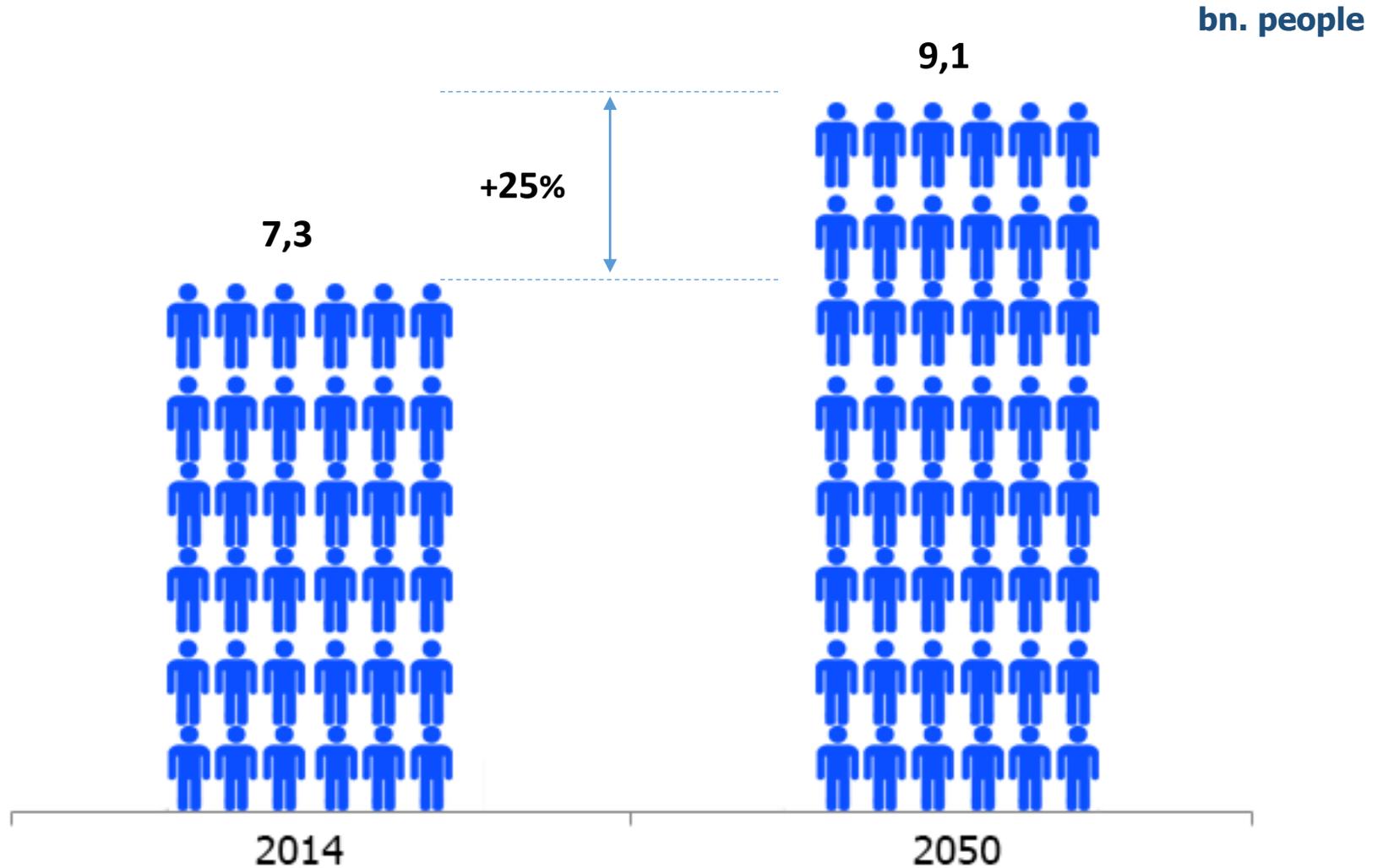
# Import of processed agricultural products



- **Population growth**
- **Exhaustion of the world's agricultural potential**



# Population growth



# Exhaustion of the world's agricultural potential



# Local prerequisites

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- 1. Political stability**
- 2. Market mechanisms of agricultural sector functioning**
- 3. Investor protection**
- 4. A favorable tax climate in the agricultural sector**
- 5. Land use conditions for foreign companies**
- 6. Advantages of EEU**
- 7. New instruments of state support in the agricultural sector**
- 8. Kazakhstan's accession to the WTO**



# World Bank «Doing Business» ranking

**17**  
**KAZAKHSTAN**

49 - Russia  
60 - Belarus  
68 - Germany  
95 - France  
122 - Japan

**PAYING TAXES**



**25**  
**KAZAKHSTAN**

100 - Russia  
94 - Belarus  
51 - Germany  
17 - France  
35 - Japan

**PROTECTING MINORITY INVESTORS**



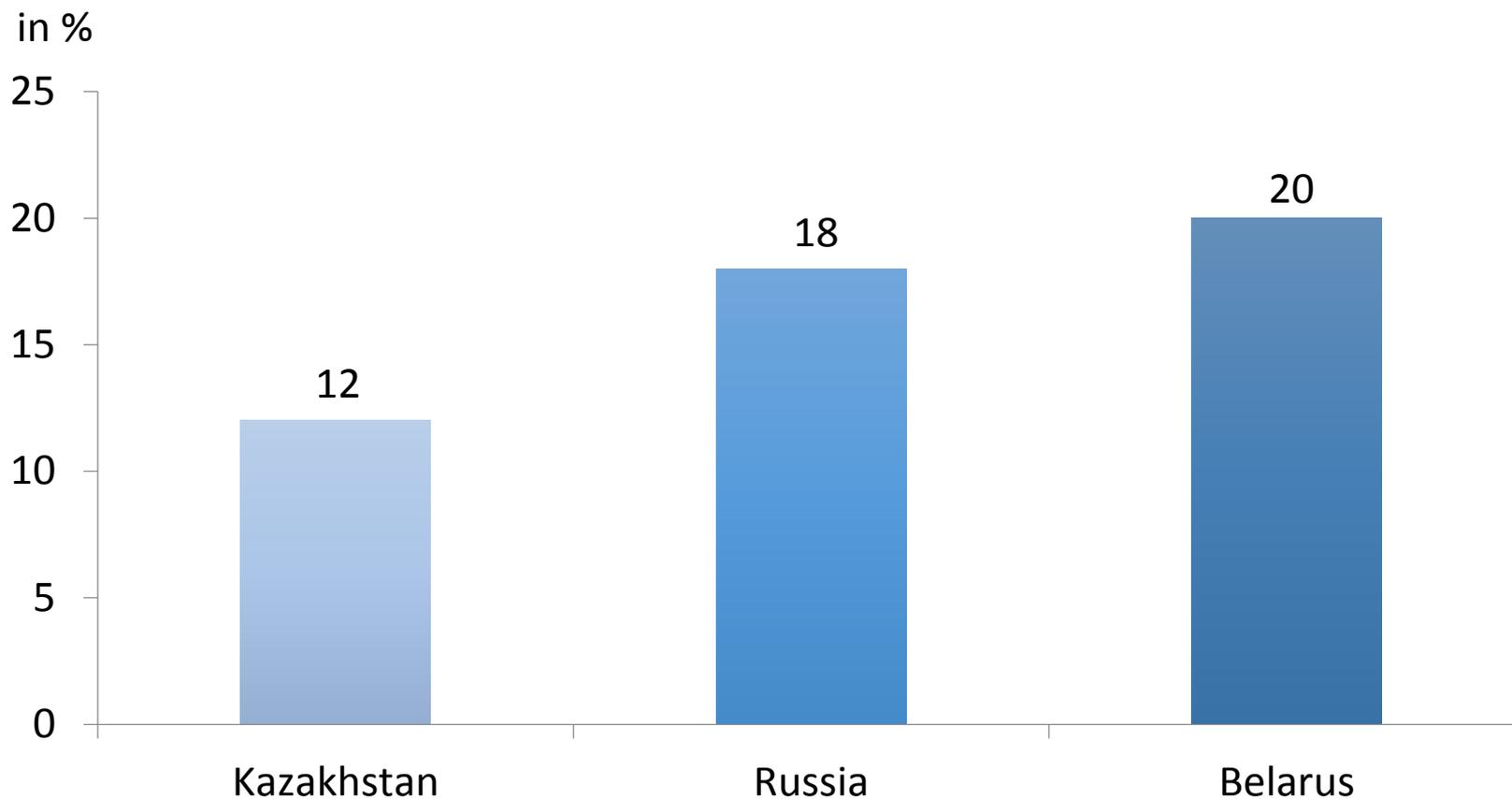
**55**  
**KAZAKHSTAN**

34 - Russia  
40 - Belarus  
114 - Germany  
28 - France  
83 - Japan

**REGISTERING PROPERTY**



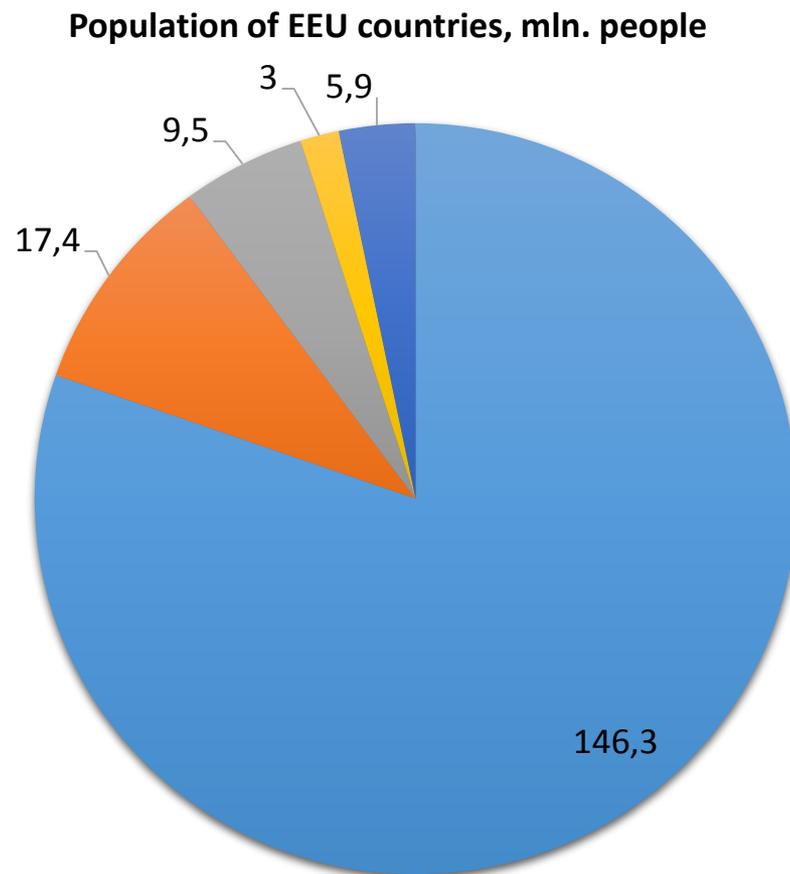
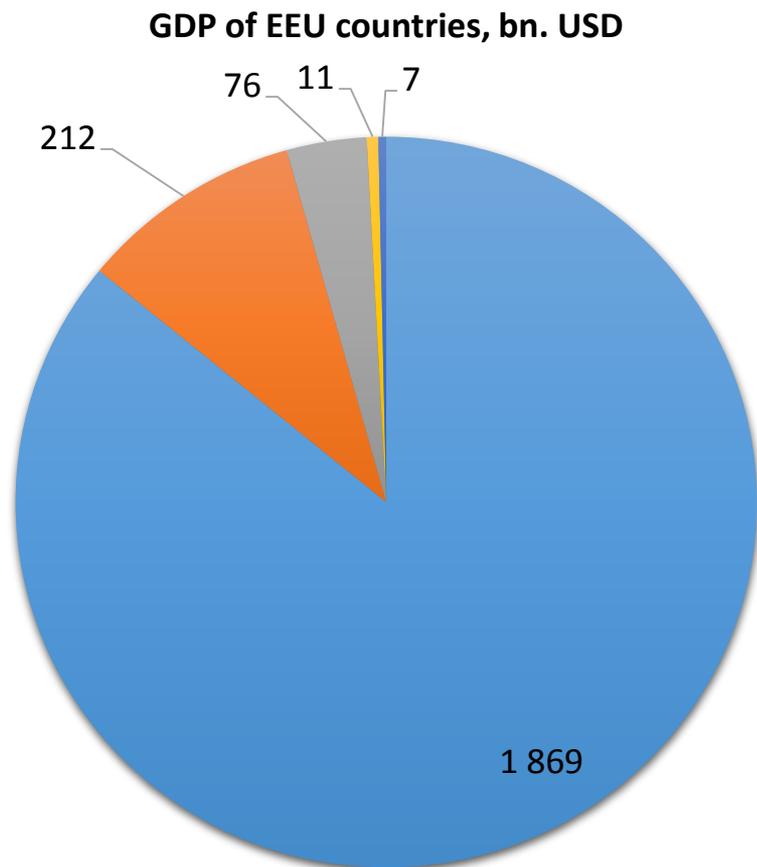
## The amount of VAT in the Customs Union countries



### **Increase of agricultural land usage lease terms for foreign companies from 10 to 25 years**



# The main macroeconomic indicators of Eurasian Economic Union countries in 2014



■ Russia ■ Kazakhstan ■ Belarus ■ Armenia ■ Kyrgyzstan



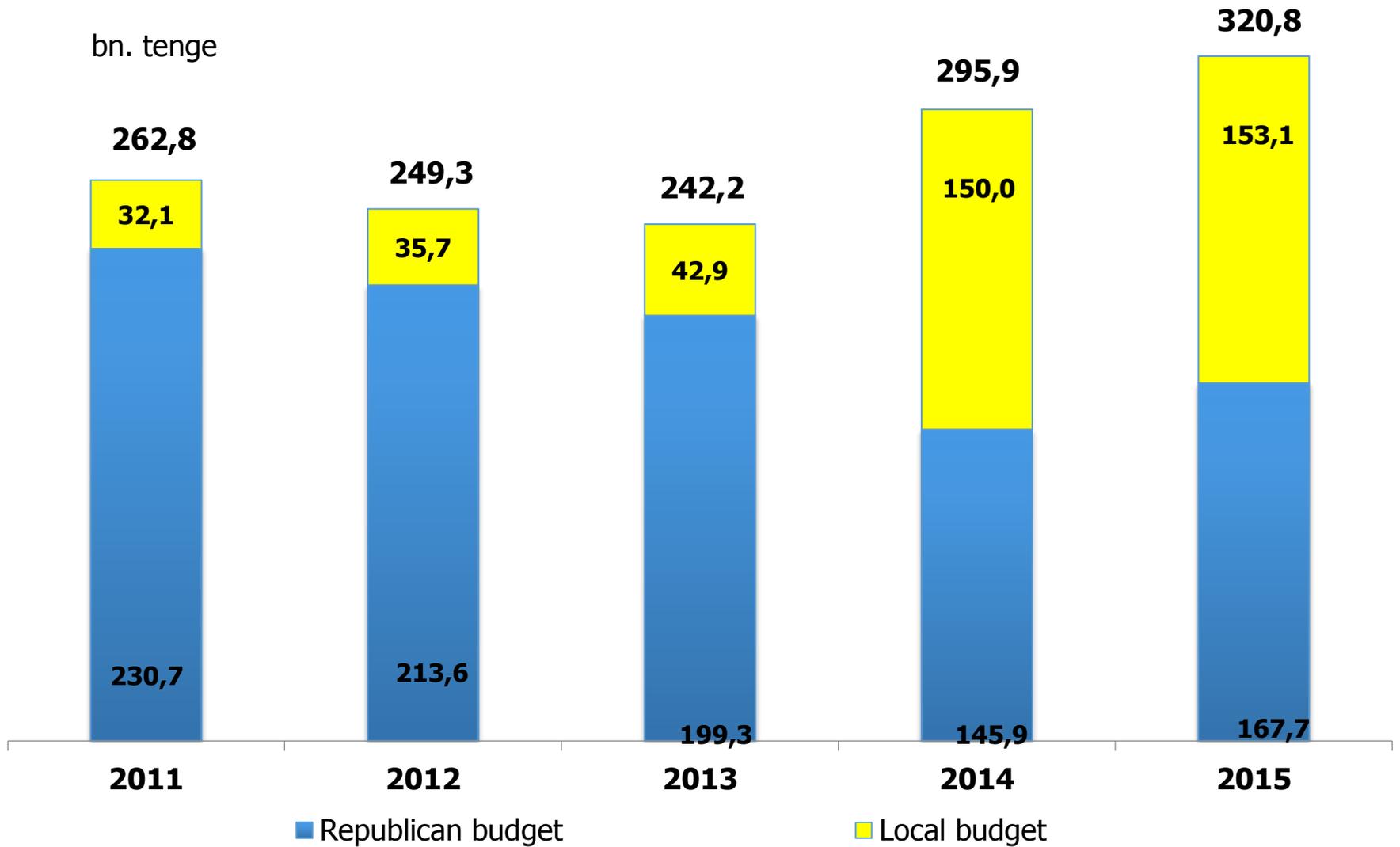
# The forthcoming Kazakhstan accession to the WTO

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bn. tenge



## The cost of support to agriculture



## A list of projects with foreign partners

№	Name of project	Productivity	Transnational partner	The project cost, bln. tenge
<b>meat processing / feedlots</b>				
1	«Eurasia Agro Holding» LLP (East Kazakhstan region)	17 thousand tons of processed meat per year	Austrex (Australia), Industria Lavarazione Carni Ovine (Italy), Naba Carni (Italy) (deep processing of meat of sheep and horses)	11,2
2	"Umut" LLP (Almaty, Pavlodar, South Kazakhstan, East Kazakhstan, Karaganda regions)	10 thousand tons of processed meat per year	-	12,0
3	"Moyynkum agro" LLP (Zhambyl region)	5 thousand tons of processed meat per year	-	3,0
4	"Dairy history" LLC (Aktobe region)	5 thousand tons of processed meat per year	Gesellschaft fur Schlacht und Fordertechnik (Germany) (manufacturers of equipment for the processing of beef)	10,81
<b>TOTAL for meat processing / feedlots</b>				<b>37,0</b>
<b>poultry farms</b>				
5	"Tehno kus" LLP (Akmola region)	20 thousand tons of meat and meat products per year	International company "Tehno" (Ukraine) (production of equipment for poultry and swine)	12,0
6	"Ustkamenogorskaya Poultry" LLP (Akmola region)	50 thousand tons of meat and meat products per year	"Aitas Group» LLP, Stork (Australia), Hatshtek, Naihaus, Mavitek, Ishido, Challer (Holland) (production of equipment for poultry), the World Bank - 12%, European Bank for Reconstruction and Development - 12%, Citic Kazyna Investment Fund - 12%	37,0
7	«Capital Projects» LLP (Akmola region)	20 thousand tons of meat and meat products per year	-	13,4
<b>TOTAL for poultry farms</b>				<b>62,4</b>



## A list of projects with foreign partners

№	Name of project	Productivity	Transnational partner	The project cost, bln. tenge
<b>production of milk / milk processing</b>				
1	"Kaiyndy" LLP (Almaty region)	3,000 head of cattle, 100 tons of processing per day	The German company «Agrial» (Germany) (meat, vegetables, fruits production)	8,5
2	«Milker» LLP (Aktobe region)	1280 head of cattle, 60 tons of processing per day		7,3
3	"Agrotrade Trading" LLP (Akmola region)	3000 head of cattle, 50 tons of processing	International company «Megli»	8,0
<b>TOTAL for production of milk / milk processing</b>				<b>23,8</b>
<b>TOTAL for livestock</b>				<b>123,2</b>
<b>production of fat-and-oil products</b>				
1	"EFKO« Group of companies (North Kazakhstan region)	Processing 145.0 thousand tons of oilseeds per year, producing 55.0 thousand tons of vegetable oils per year	"EFKO« Group of companies (Russian Federation)	17,0
2	"EFKO« Group of companies (Almaty region)	Soybean processing up to 350 thousand tons per year	"EFKO« Group of companies (Russian Federation)	9,6
3	«Oil extraction factory -NKR» LLP (North Kazakhstan region)	570.0 thousand tons of oilseeds		18,0
<b>TOTAL for production of fat-and-oil products</b>				<b>44,6</b>
<b>deep processing of grain crops</b>				
1	"Nomad" LLP (Karaganda region)	Processing of 54.7 thousand tons of grain per year		7,8
2	"Verny Capital" LLP (Almaty region)	Processing of 100.0 thousand tons of grain per year		18,5
<b>TOTAL for deep processing of grain crops</b>				<b>26,3</b>
<b>TOTAL for plan production</b>				<b>70,9</b>
<b>TOTAL for livestock and plan production</b>				<b>194,1</b>



**Location:** East Kazakhstan region, Ayaguz

**The essence of the project:** A cluster in sheep production: construction of meat-packing factory with deep processing, the creation of feedlot sheep, leather processing and washing hair for the further exporting.

**Productivity:** 17 thousand tons of processed meat per year

**Project cost:** 11.2 billion tenge



## Measures to improve the investment climate

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**Removing restrictions on turnover of agricultural land**

**Improving the legislation in the field of grain**

**Improving the legislation in the field of seed production**

**Revising the tariff for irrigation water**

**Automating the process of subsidies in the agricultural sector**

**Improving the legislation on agricultural cooperation**



## Removing restrictions on turnover of agricultural land

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- Simplification of procedures and conditions for the acquisition of agricultural land in private ownership;
- Removing the restrictions on land transactions in the secondary market;
- Simplification of the procedures for changing the category of land;
- Simplification of the procedures for transferring the land into mortgage;
- Shortening the registration of transactions with land.



**The introduction of electronic grain receipts to increase the trust and investment attractiveness of the grain receipts**



# Improving the legislation in the field of seed production

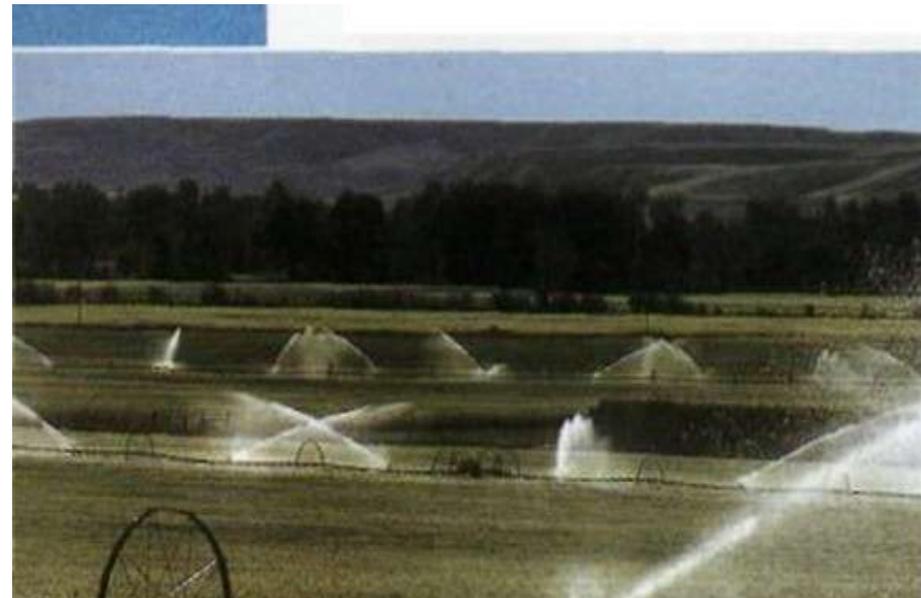
The transition from the authorization status of the State register of breeding achievements to the recommendation status.



# Improving the tariff policy in irrigation systems

**Establishment of fair tariff which enables return on investment**

**Ensuring sustainable and rational use of irrigation water**



# Automating the process of subsidies in the agricultural sector



## + Advantages of automation

1. Minimizing contact between the service provider and customer;
2. Speeding up the process of obtaining subsidies;
3. Increasing the transparency of the process of obtaining a subsidy.



# Draft Law "On Agricultural Cooperation"

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1. **Lifting the prohibition on the distribution of profits;**
2. **One law instead of five;**
3. **Special tax regime for agricultural cooperatives;**
4. **Subsidizing the cost of the audit of agricultural cooperatives.**



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# Thank you for attention!

