

Current trends in Kazakhstan investment and business climate



As EUROBAK Chairman, it is my great pleasure and privilege to welcome you to the latest edition of World Monitor. In my short introduction, I would like to share some thoughts on current trends in the Kazakhstan investment and business climate.

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Since gaining independence in 1991, the Kazakhstan government has concentrated its efforts on developing its immense mineral wealth, creating favourable conditions for foreign investors, and ultimately ranking highly among the most developed countries in the world. Arguably, because of this, Kazakhstan stands out as the largest recipient of foreign investment in the region, with more and more investors beginning to see the country as an attractive destination for direct investment. The huge inflow of international investment into the country has increased the development of its oil and gas sector, with the proceeds being distributed between developing the country's infrastructure and various other non-energy sectors.

After such significant progress in rebuilding its economy during the 1990s, the government has somewhat shifted its investment priorities. Greater emphasis in recent years has been put on diversifying the economy and creating incentives for investment in sectors such as tourism, agriculture, consumer goods, construction, the ecology and information technology, to name a few. In 2003 the Kazakhstan President signed a law On Investments, setting forth

the legal and economic principles behind boosting investment; establishing equality between foreign and domestic investors; guaranteeing investors' rights and defining measures for the governmental support of investment. Importantly, the law also discusses investment preferences, such as customs duties and tax incentives for anyone setting up in the priority sectors listed above.

An excellent example of the progress Kazakhstan has made in its efforts to attract investment to the country, is its overall 49th placing in the World Bank's Ease of Doing Business rankings, far higher than any of its immediate neighbours and trade competitors such as China and the CIS countries. Worthy of special note, is the country's 10th place in the Protecting Investors category.

While of course there is still room for improvement in the investment and business climate in Kazakhstan, it is definitely becoming easier and ultimately more rewarding to invest and do business in Kazakhstan, and as such we at EUROBAK look forward to playing our role in that development and the further diversification of the economy.