



Highlights of Kazakhstan

1 September 2021

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The Economic Section of the Embassy of the Kingdom of the Netherlands in Kazakhstan intends to distribute this newsletter as widely as possible among Dutch institutions, companies and individuals from the Netherlands. The newsletter summarises economic news from various Kazakhstani and foreign publications and aims to provide accurate information. However, the Embassy cannot be held responsible for any mistakes or omissions in the bulletin.

AGRICULTURE

Export quotas for some agricultural products

Since August 23, Kazakhstan has banned the export of oats and rye, hay and silos. From September 1, the export of soft wheat (of 5th grade quality) and meslin, barley, meal and cake (sunflower, soybeans, rapeseed, cotton, flaxseed) is prohibited for 6 months. The Ministry of Agriculture noted that this measure is necessary to meet the needs of the domestic market. Comment: It also shows that Kazakhstan is not (yet) fully committed to free trade. Export restrictions like these contributed to the world food price crisis in 2008.

Source: [APK Inform](#)

Increase in agricultural production

In January-July 2021, the gross output of products and services in agriculture, forestry and fisheries increased by 2.4% compared to the same period last year, amounting to €4 bln. The main growth occurred in crop and livestock production.

Source: [APK Inform \(Ukraine\)](#)

ENVIRONMENT

Renewable energy auctions 2021

Auctions will be held from 8 to 12 November 2021. 200 MW of the following power plants will be built:

- solar - 20 MW;
- wind - 50 MW;
- hydro - 120 MW;
- biogas - 10 MW.

The exact schedule can be found [here](#). Local and foreign investors are invited to participate. If you have any questions, please contact vie@korem.kz or 8 (7172) 982-972, 982-970.

Increased air pollution from industrial enterprises

The volume of emissions of pollutants from stationary sources into the air in 2020 amounted to more than 2.4 mln tons, which is 1.7% less than in 2019 (probably due to Corona-restrictions). The share of emissions from industrial enterprises is however increasing every year. In 2016, they accounted for 80.8% of emissions, in 2019 - 85.8%, and in 2020 - 86.6%. At the same time, more than half of the harmful substances are in the Pavlodar oblast – 723.000 tons and the Karaganda oblast - 627.700 tons.

Source: [Energyprom \(Kazakhstan\)](#)

ENERGY & NATURAL RESOURCES

ArcelorMittal Temirtau will increase investments in social stability, safety and ecology

This company, registered in the Netherlands, will invest at least €2.5 bln on modernization over the next 10 years. It is planned to overhaul the coke-chemical and blast-furnace production, converter and rolling shops, replace and repair boilers, build and launch new coke oven batteries. In addition, an extensive analysis will be conducted to assess the entire production cycle for safe, environmental and social sustainability with the involvement of independent experts.

Source: [Kazakhstanskaya Pravda](#)

Oil production will return to pre-pandemic levels in 2022

This will depend on the coronavirus situation. Deloitte believes that vaccination campaigns and efforts to contain coronavirus mutations will have a significant impact on

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the oil market: if vaccines prove effective against viral mutations, the global economy will continue to recover, and oil consumption will return to pre-pandemic levels as early as next year. KPMG adds that after that in the short term, a surplus of oil is possible, but in general, investments in oil production have declined. Therefore, the oil price is expected to rise in the more longer term.

Source: [Vedomosti \(Russia\)](#)

Dutch companies among top-3 biggest taxpayers

According to the State Revenue Committee, the largest taxpayers in the first half of 2021 are:

1. Tengizchevroil – €1.6 bln. An oil production company engaged in the development of the Tengiz field. Shareholders: Chevron 50%, Exxonmobil 25%, KazMunayGaz 20%, LukArko 5%.
2. Karachaganak Petroleum Operating B.V. – €430 mln. It is a consortium of oil and gas producing companies developing one of the largest gas condensate fields in the world, Karachaganak. Shareholders: Royal Dutch Shell (Netherlands, UK) 29.25%, Eni (Italy) 29.25%, Chevron (USA) 18%, Lukoil (Russia) 13.5%, KazMunayGas 10%.
3. Mangistaunaygas - €167 mln. The company is developing 15 oil and gas fields. Shareholder: Mangystau Investments B.V., created as a result of the merger of KazMunayGas and China National Petroleum Corporation - CNPC.

Source: [LS \(Kazakhstan\)](#)

MACRO-ECONOMICS & FINANCE

Foreign investment to grow

According to the Agency for Strategic Planning and Reforms, foreign direct investment will grow to €26 bln by 2025. To attract foreign funding, the country plans to increase the level of protection of investors' rights, improve infrastructure, and increase transparency in the regulation of investment activities. It is also planned to simplify the visa regime.

Source: [LS \(Kazakhstan\)](#)

Kazakhstan increases trade with the EU

By the end of the first half of 2021, Kazakhstan exported goods worth €9 bln to the EU, which is 3.5% more than in the same period in 2020.

Kazakhstan has increased supplies to 16 countries of the EU. Among them are the Netherlands, Portugal, Spain, France, Sweden, Poland, Czech Republic, Slovakia and Slovenia. The volume of exports to Belgium, Ireland, Austria, the Baltic countries decreased.

Total imports also increased by 5.8% to €2.3 bln. Import from 15 EU countries increased: Portugal, Belgium, Germany, Sweden, Estonia, Malta, Bulgaria, etc. Meanwhile, there was a decrease from countries such as Ireland, France, Netherlands, Czech Republic and others.

Source: [LS \(Kazakhstan\)](#)

Eurasian Development Bank predicts 4% economic growth

Kazakhstan's GDP grew by 2.2% in the first half of 2021. The bank believes that by the end of the second quarter, the country's economy has already reached pre-pandemic levels. Further recovery in consumer demand is expected in the second half of the year. By the end of 2021, the bank forecasts GDP growth of 4.0%.

Growth is expected to accelerate in 2022–2023 as new capacity is commissioned and sanitary restrictions are gradually lifted. The resumption of international passenger traffic and the return to full functioning supply chains will lead to an intensification of

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international trade in goods and services and will stimulate foreign investment. According to EDB estimates, GDP growth in 2022 and 2023 will accelerate to 4.4% and 5.0%, respectively.

Source: [Kapital \(Kazakhstan\)](#)

Moody's upgrades Kazakhstan's credit rating to stable

In the report of Moody's Investors Service (Moody's), the rating forecast for Kazakhstan was raised from positive to stable. Moody's believes that Kazakhstan's sovereign balance sheet and credit profile are robust in line with comparable ratings at Baa2. The country's wealth is expected to "continue to grow and continue to exceed public debt levels for the foreseeable future, and credible improvements in the macroeconomic policy framework that contribute to external stability continue."

Moody's expects Kazakhstan's economy to grow 3.5 to 4% this year and 4 to 4.5% in 2022.

Source: [Astana Times](#)

The population of Kazakhstan has reached 19 mln

According to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms, on June 20, 2021, Zhania Azamatkyzy was born in the Almaty oblast, who became the 19 millionth citizen of Kazakhstan. Since independence (1991), the population has increased by 2.5 mln people (+15.5%).

Source: [Astana Times](#)

TRANSPORT & COMMUNICATIONS

LinkedIn is available again

Earlier, the Ministry of Information and Social Development accused LinkedIn of violating the law by advertising online casinos and creating fake accounts and therefore blocked the site in Kazakhstan. LinkedIn recognized the demands of the Kazakh side as reasonable and removed illegal content from the Internet resource. After that, access was restored. LinkedIn was blocked from July 26 to July 29.

Source: [Profit \(Kazakhstan\)](#)

Kuryk seaport will expand shipment capacity

It is planned to expand the port's capacity throughput by 1.5 to 2 million tons by 2022-2023. Investors will be invited to implement the project.

The port on the Caspian Sea in the Mangistau region was commissioned in December 2016 and began operations in March 2017. Kuryk subsequently became a key link in the country's transformation into a Eurasian continental transport and logistics hub. The throughput capacity of the railway berth is 4.1 million tons per year. On average, a full ferry processing cycle is 6-8 hours for a single-deck ferry and 10-12 hours for a double-deck ferry, which allows handling up to 5-8 ferries per day. Ferries can carry up to 54 railroad cars. Kuryk specializes in the transportation of grain, oil products, fertilizers, chemicals and other types of cargo.

Source: [Astana Times](#)

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