
Kazakhstan New Economic Policy **Nurly Zhol**

Aliya Aralbayeva, December 2014

NURLY ZHOL

New Economic Policy Nurly Zhol, announced on 11 November during the Kazakhstan President's latest State-of-the-Nation Address

New Policy is an action plan on implementation of the development strategy Kazakhstan-2050

Introduces number of specific measures aimed at recovering and improving country's economy

Release of 1 trillion tenge (approx \$ 5.5bln) to support economic growth and employment in 2015

Nurly Zhol - Path to the Future

Infrastructure Development Plan

ZHOL - ROAD

Road Construction

Long-investment projects will be realised by using PPP schemes

Major projects:

China and Western Europe

Astana and Almaty

Astana- Ust-Kamenogorsk

Astana- Atyrau

Almaty - Ust- Kamenogorsk

Almay – Ust-Kamenogorsk

Karaganda – Jezkazgan – Kyzylorda

Atyrau – Astrakhan

BAKAD - Big Almaty Ring Highway

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Marine infrastructure projects in Western Kazakhstan: Kuryk Ferry Complex

Development of industrial infrastructure. Government to continue infrastructure in SEZs, new industrial zones for SMEs and tourism infrastructure.

Development of energy infrastructure. Construction of high voltage lines in the direction of Ekibastuz-Semey-Ust-Kamenogorks and Semey-Aktogay-Taldykorgan- Almaty

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Housing, utilities infrastructure, water and heat supply

Development Banks projects (eg. EBRD: Aktau Water Heating project, EBRD Water supply project in Shymkent region)

Development of Housing infrastructure – plan to built more rent-to-buy affordable housing

Development of Social infrastructure – schools, hospitals, kindergartens, museums

Support of SMEs - 4500 new jobs; affordable lending to small and medium businesses

Anticipated changes in Subsoil Law (1/2)

1) Waiver of state pre-emptive right will be required for fields of strategic significance only (i.e. for non-strategic assets approval lasts 20 business days instead of 70).

2) Simplifying obtaining exploration right procedures. First come – first served . Rent annual increase. Typical contract. No LC in staff and GWS.

Anticipated changes in Subsoil Law (2/2)

- 3) Auction for subsoil use right – who proposed the biggest subscription bonus will win (currently – (1) subscription bonus and (2) payments to regional social development)
- 4) Fixation period for physical volume – 6 months, for financial obligations – 3 months (now – 1 month).
- 5) Exclusion of economic and ecological expertise for draft subsoil use contracts and feasibility study for draft project documents (i.e. shortening approval time).

Thank you for your attention!

Aliya Aralbayeva, Counsel
aaralbayeva@gratanet.com
+44 (0)79 49 288 456