

KAZAKHSTAN ENTERS TOP FIFTY WORLD ECONOMIES FOR DOING BUSINESS, CONTINUES MARCH UP WORLD BANK'S RANKINGS

Kazakhstan's business climate has improved dramatically in 2011, climbing 11 places in the World Bank's Doing Business rankings to enter the top 50 world economies for the first time.

The World Bank's Doing Business Report 2012, released today, showed that Kazakhstan has moved up 11 places to 47, with strong progress in protecting investors and paying taxes. The success continues a steady trend for Kazakhstan, the world's fastest reformer in last year's rankings, when it rose 15 places to 58.

Commenting on the report, Prime Minister Karim Massimov said: "The World Bank's report shows our ongoing programme of business reform is working. We are more open to foreign investors than ever before. We are also building an environment in which small and medium enterprises will flourish – as they are at the heart of our drive to build a diverse, resilient and sustainable future economy.

Kazakhstan has had twenty years of economic success, but in today's tough financial times, it is the Government's responsibility to continually improve the business environment and maintain the march up the rankings."

The rise comes as the Kazakh economy prepares for the implementation of the Customs Union's Common Economic Space on 1st January 2012, which will permit the free movement of capital, goods and labour between Kazakhstan, Russia (Rank: 120) and Belarus (Rank: 69). The ranking makes Kazakhstan by far the easiest place to do business in a rapidly growing consumer market of 165 million people.

Key report data:

- Kazakhstan **moved up 34 places** in the category on protecting investors, reaching **10th in the world**, due to improvements in regulating the approval of transactions between interested parties and making it easier to sue directors in cases of prejudicial transactions between interested parties.

- Kazakhstan **rose from 26th to 13th** in the world for paying taxes, with a simple payment system and low tax rates to encourage SME growth.
- Kazakhstan maintained its position in the **top 30 world economies** for registering property (29) and enforcing contracts (27).
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Notes to editors

1. World Bank Doing Business Report

The Doing Business Project provides objective measures of business regulations and their enforcement across 183 economies and selected cities at the subnational and regional level. The project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Kazakhstan's Country Report:

<http://www.doingbusiness.org/data/exploreeconomies/kazakhstan>

The full World Bank Doing Business Report 2012:

<http://www.doingbusiness.org/~//media/FPDKM/Doing%20Business/Documents/Annual-Reports/English/DB12-FullReport.pdf>

2. Kazakhstan's Economic story

Sustained success:

- In the past decade, Kazakhstan's economic growth has more than doubled. Growing at an average annual rate of 8-9%, it is one of the ten highest performing economies in the world.
- The monthly wage of a Kazakh worker has increased an incredible 45 times since 1994, now standing at an average of \$600 per month. Poverty rates have reduced fourfold in 10 years.
- The economy is on track to grow by up to 7% this year, with an average of 7% growth forecast for the years 2011 – 2015.

- Kazakhstan's foreign trade surplus grew by more than one third in the past year, to \$11.6 billion in the first quarter of 2011, from \$8.1 billion in the same period in 2010.
- Exports rose 36% year-on-year to \$18.3 billion in January-March 2011. Imports also rose, by 26%, to \$6.8 billion during the same period.
- Kazakhstan will celebrate its 20th anniversary of independence on 16th December.

Encouraging diversification and investment:

- As a result of the Government's diversification strategy, Kazakhstan's manufacturing industry grew by almost one fifth in 2010, with overall industrial growth standing at 10%.
- Almost 700,000 small and medium-sized businesses now employ more than 2.5m Kazakh workers and represent more than 30% of GDP.
- By 2014, the Government plans to implement 294 investment projects worth \$55.5 billion.
- 11 investment projects totalling \$5 billion will be implemented in Astana in the next five years in different sectors such as infrastructure and high-tech space projects. Two economic zones have already been established in the city.
- Kazakhstan is investing heavily in infrastructure; the New Silk Road will cut the time it takes to travel from Europe to China by 45 days. Investors will benefit not only from Kazakhstan's rich potential but from easy access to a region of huge geostrategic importance.

Sources: Government of Kazakhstan, Economist Intelligence Unit, World Bank, Reuters, Bloomberg,