

**16<sup>th</sup> International Business Conference**  
**Innovation as the basis for economic**  
**diversification. Business dialog**

**Role of RFCA in development of Russia-  
Kazakhstan economic relations**

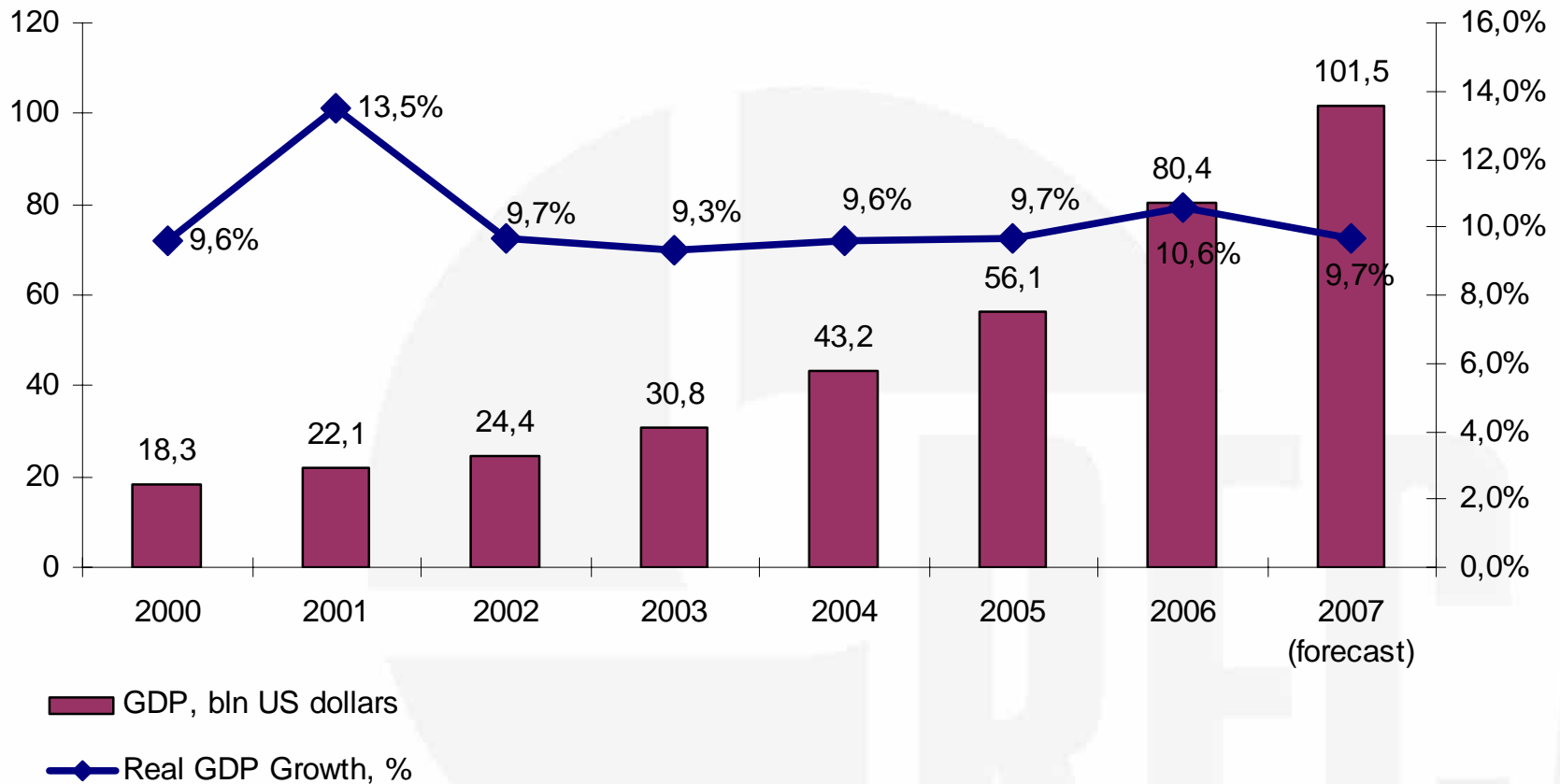


November 6, 2007

Tokyo, Japan

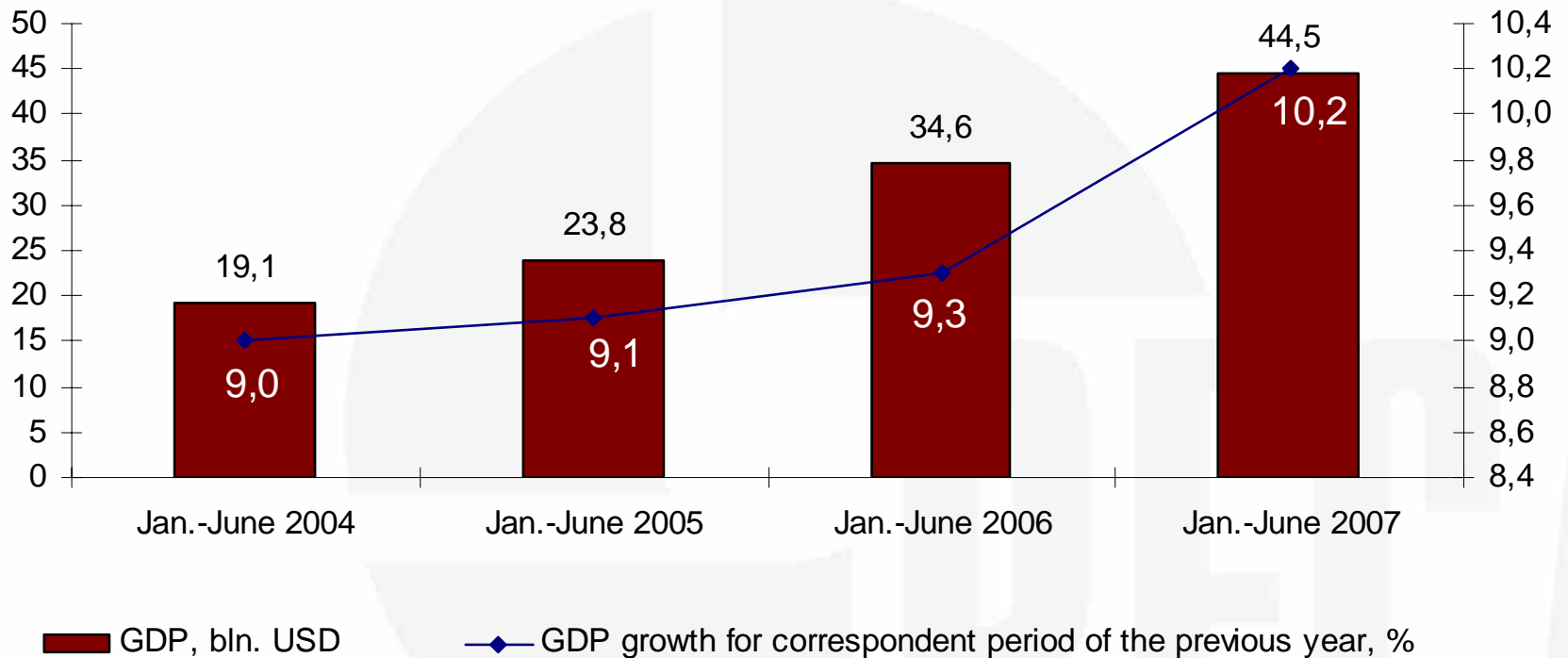
# Kazakhstan Macroeconomic Development

In 2006 the real GDP totaled more than 80 billion US dollars



# GDP Volume

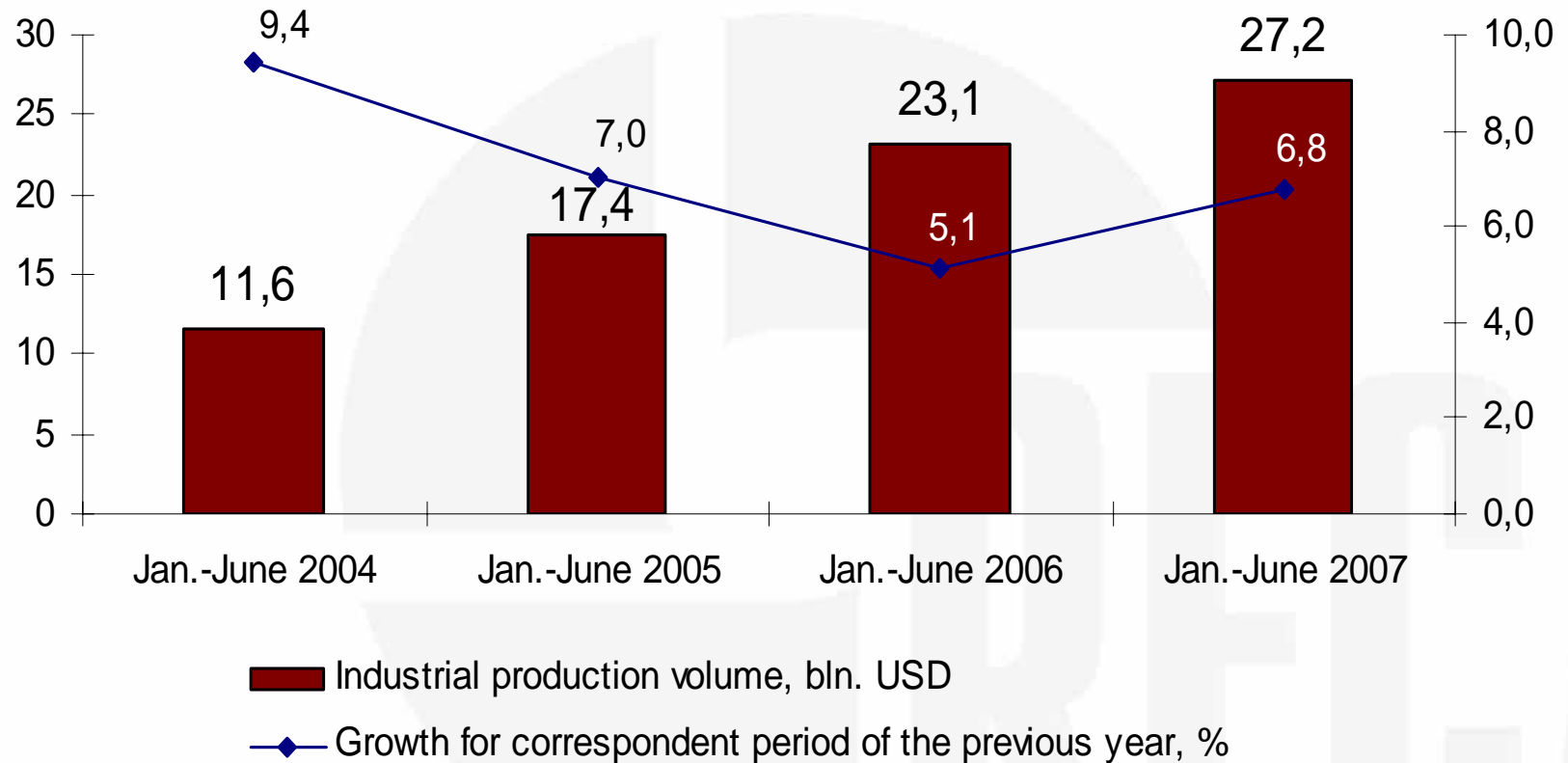
## GDP volume



Source: Agency of Statistics RK

# Industrial Production of Kazakhstan economics

## Industrial production



Source: Agency of Statistics RK

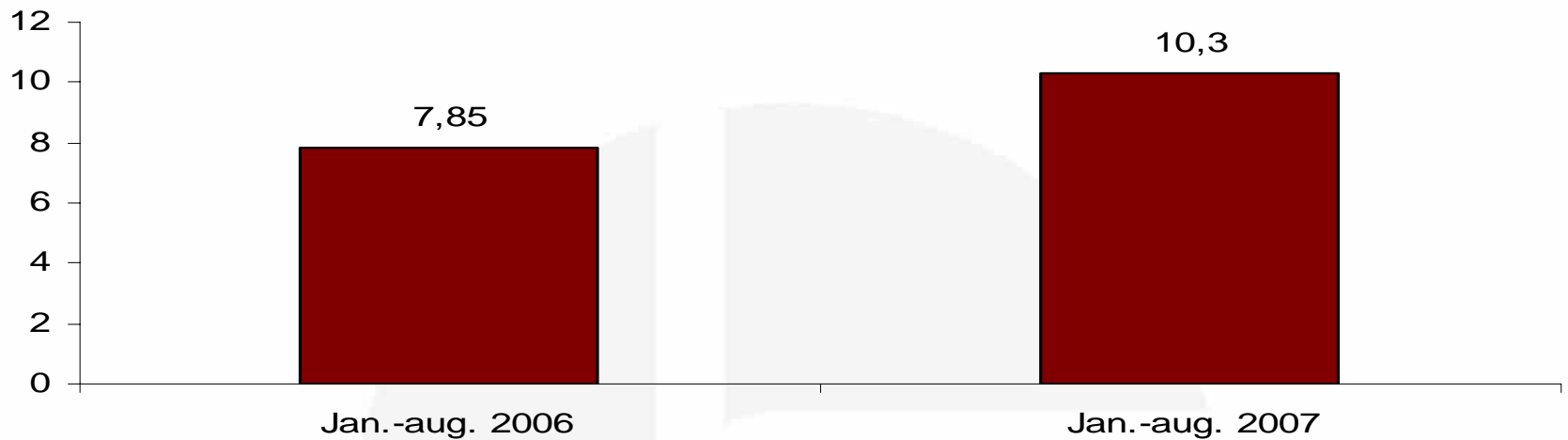
## Russia-Kazakhstan Economic Relations

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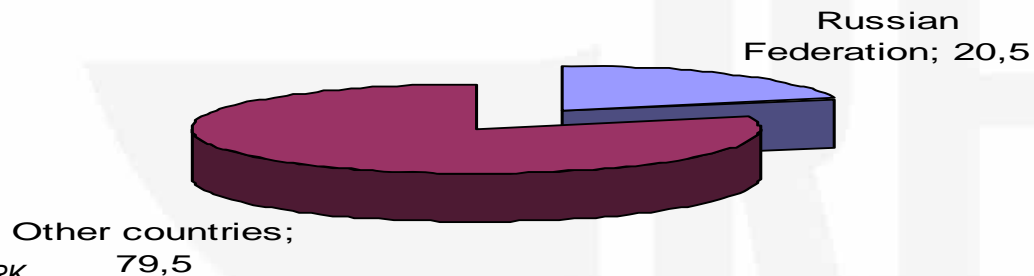
- Russia is a first-rate economic partner of Kazakhstan (20% of total foreign commodity turnover)
- 2 300 companies in Kazakhstan operate with Russian participation
- Volume of Russian investments is more than USD 2.5 billion
- Volume of Kazakhstani investments is USD 8 billion
- Kazakhstan Top 3 banks already have their offices in Russia
- Eurasian Development Bank was established
- It is planed to create Eurasian Bankers' Club

# Turnover volume between Kazakhstan and Russian Federation

Turnover volume between Kazakhstan and Russia, bln. USD



Share of Russian Federation from January to August 2007



# Strategy for Industrial and Innovation Development

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- Kazakhstan economy was diversified on 7 sectors:
  - Food industry
  - Oil & Gas machinery
  - Tourism
  - Textile industry
  - Metallurgy
  - Transport and logistics
  - Construction materials

## Regional Financial Centre of Almaty city

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- Factors that determined establishment of RFCA:
  - ✓ Dynamic development of financial sector;
  - ✓ Stable growth of financial services share within GDP;
  - ✓ Growth of internal accruals;
  - ✓ financial capital expansion abroad
  
- On June 5, 2006 the Law of RK «On Regional Financial Centre of Almaty city» was accepted
  
- Agency of the Republic of Kazakhstan on regulation of the activities of the regional financial center of Almaty city was created



## RFCA Results

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- RFCA Development Program until 2010 was approved
- 3-year Development Strategy of KASE was accepted to transform it into a public company
- International Advisory Board was formed to advise on further strategy of RFCA
- Recognizability effect of RFCA was achieved due to successful marketing strategy
- Construction of a massive financial complex has started (on 50 hectares of land, comprising 1.5 million m<sup>2</sup> for office premises)
- Negotiations with the leading rating agencies were conducted and a decision on establishment of the National Rating Agency was made

## RFCA planned Activities

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- Establishment of other necessary financial structures:
  - ✓ Securities Market Institute
  - ✓ Clearing House
  - ✓ Investors' Insurance Fund
  - ✓ Individuals' Investments Guarantee Fund
  - ✓ Media Holding
  
- Attraction of Issuers and Investors
- New Listing requirements
- Corporate Governance

## Incentives and Preferences in RFCA

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- Simplified visa procedures for foreign citizens coming to work in RFCA
- Simplified listing procedures
- Tax incentives for investors
- Tax incentives for brokerage companies
- Compensation of audit costs
- Dispute settlement between the RFCA participants through a Specialized Financial Court

A background image showing a group of business professionals in a meeting. Two hands are reaching towards each other in the center, suggesting a handshake or agreement. The scene is brightly lit, likely from a window in the background.

**Thank You for Your Attention!**

 WELCOME TO  
**RFCA**

The logo consists of a stylized 'R' shape formed by two overlapping semi-circles, one red and one grey.

**[www.rfca.kz](http://www.rfca.kz)**