

Kazakhstan

KEY FACTS

Official name: Kazakstan Respublikasy (Republic of Kazakhstan)

Head of State: President Nursultan Äbishuly Nazarbayev (Nur Otan) (from 1990; re-elected 3 Apr 2011)

Head of government: Prime Minister Serik Nyghmetuly Akhmetov (appointed 24 Sep 2012)

Ruling party: Nur Otan (National Democratic Party) (NDC) (since 1999; re-elected 15 Jan 2012)

Area: 2,717,300 square km

Population: 16.68 million (2012)

Capital: Astana (seat of government) (renamed 1998; formerly called Akmolá; inaugurated as the new capital 1997); Almaty (formerly Alma Ata, commercial capital)

Official language: Kazakh

Currency: Tenge (T) = 100 tein (introduced Nov 1993)

Exchange rate: T153.36 per US\$ (Jul 2013)

GDP per capita: US\$11,773 (2012)*

GDP real growth: 5.04% (2012)*

GDP: US\$196.42 billion (2012)*

Labour force: 8.12 million (2010)

Unemployment: 5.12% (2012)*

Inflation: 5.12% (2012)*

Oil production: 1.73 million bpd (2012)

Natural gas production: 19.70 billion cum (2012)

Balance of trade: US\$11.83 billion (2012)*

* estimated figure



Kazakhstan is one of the world's biggest 20 oil producers. For Western Europe Kazakhstan is of strategic value for the simple reason that it supplies four of the EU's major countries – Austria, France, Italy and the Netherlands – with enormous amounts of oil. Additionally, in 2013 the United Kingdom (UK) had its own reason for cosying up to Kazakhstan: its strategic location along a transport route that was vital for Britain to ship military materiel home from Afghanistan in the run up to the withdrawal of troops by 2015.

Interests rather than alliances

In June 2013 David Cameron became the first UK premier to visit Kazakhstan, producing the inevitable photographs of two leaders with little in common but their countries' interests. Kazakh President Nursultan Nazarbayev's portrait was unlikely to grace the Downing Street mantelpiece on Mr Cameron's return. Mr Cameron was well aware that Nazarbayev was, as described by the *Guardian*, 'a seasoned autocrat who has been in power for more than 20 years and who likes to win elections with 95 per cent of the vote or more. He brooks no dissent or opposition and muzzles media outlets that dare question the wisdom of his rule.'

The *Guardian* goes on to report that in Kazakhstan 'dishonest elections have become the norm, opposition parties are not

registered, independent media are shut down and inconvenient politicians are convicted by tame courts and jailed' according to an opposition politician, Amirzhan Kosanov.

Kazakhstan ranks a lowly 130 out of the 174 countries surveyed in the Transparency International 2012 *Corruption Perceptions Index*. Predictably, the Astana government denies abusing political freedoms and human rights. Despite Mr Nazarbayev's claims that in Kazakhstan 'the glass of democracy is half or three-quarters full', the country's prisons tell a different tale. One opposition leader, Vladimir Kozlov, could be found serving a seven-and-a-half year term for allegedly fomenting violence and plotting President Nazarbayev's overthrow. The charges against Mr Kozlov were related to the industrial unrest in Kazakhstan's oil-rich west in 2011, when an energy workers' strike turned violent and 15 demonstrators were killed by armed police. Not one for reasoned responses, President Nazarbayev had responded with predictable brutality.

Kazakhstan's record on human rights, as reported by the US based Human Rights Watch (HRW), is pretty miserable, but chief cheerleader and former British prime minister, Tony Blair, who negotiated a multimillion-dollar deal with Mr Nazarbayev to 'advise on governance', bravely endeavours to paint a different

picture. The Kazakhstan President's own get out of jail card has been his helpful approach to co-operation in the Afghanistan conflict, which appears to have trumped other less positive considerations.

Nazarbayev likes to strut the world stage posing as an elder statesman and he has won kudos from the international community over his nuclear non-proliferation efforts (Kazakhstan voluntarily gave up nuclear weapons at independence) and his amenable attitude towards security co-operation with the West over Afghanistan.

The economy slows

According to the Asian Development Bank in its 2013 *Asian Development Outlook*, after 2 years of strong recovery, Kazakhstan's economic growth slowed to 5.0 per cent in 2012 from 7.3 per cent in 2010 and 7.5 per cent in 2011. The service sector was again the main source of growth, while the contributions of agriculture and industry fell to their lowest levels in 15 years. Services, which generate more than half of gross domestic product (GDP), rose by 9.8 per cent, reflecting more than 14 per cent growth in retail and wholesale trade and smaller gains in communications, transport and hotels and restaurants. Professional services rose by 16.2 per cent and public services by 12.2 per cent. Agriculture contracted by 17.8 per cent, mostly from poor harvests. Severe drought almost halved grain output from the record high harvest in 2011, despite major investments and producer subsidies. Industrial production grew only marginally, by 0.5 per cent, compared with 3.7 per cent in 2011, reflecting weak growth in mining (0.2 per cent versus 1.3 per cent in 2011) and manufacturing (0.7 per cent versus 6.2 per cent in 2011), the latter reflecting a decline in metallurgical production. In the broad mining sector, crude oil output declined by 1.4 per cent, while coal extraction grew by only 1.7 per cent and natural gas by 3.1 per cent. Construction expanded by 2.9 per cent (about the same as in 2010 and 2011), again benefiting from state-led projects under a programme to accelerate industrial and innovative development and incentives for residential construction.

On the demand side, consumption expanded by 11.4 per cent in 2012 with public consumption growing more quickly than private consumption. Growth in net exports slowed to 10.0 per cent, as imports grew much more rapidly than exports. Fixed capital investment grew by 3.8 per cent, up from 2.8 per cent in 2011,

reflecting faster growth in investments by small and medium-sized enterprises. Inflation slowed from 8.3 per cent in 2011 to a post-independence low of 5.1 per cent, reflecting a dramatic slowdown in food prices, mainly for grain products, to 4.5 per cent from 11.9 per cent in 2011 and a smaller decline in inflation for non-food goods, to 4.3 per cent from 5.4 per cent in 2011. Prices for services rose by 6.8 per cent, as in 2011, including double-digit increases for transport, telecommunications and postal services. Inflation accelerated somewhat beginning in August but remained moderate over the full year. The 12-month (December over November) rate decelerated to 6.0 per cent from 7.4 per cent in December 2011.

Fiscal policy was more expansionary in 2012, as the deficit in the budget expanded to 3.0 per cent of GDP from 2.1 per cent in 2011. Receipts reached 15.5 per cent of GDP, including 4.6 per cent (US\$9.2 billion) in transfers from the sovereign wealth fund, the National Fund of the Republic of Kazakhstan (NFRK), down somewhat from total receipts of 16.1 per cent of GDP in 2011. Expenditure amounted to 18.5 per cent of GDP, up from the 18.2 per cent recorded in 2011. The adoption of several new social programmes, including measures to develop small towns and build affordable housing, helped boost expenditures.

At the end of September 2012, public external debt stood at US\$30 billion, or 15 per cent of GDP, 3 percentage points of which was government and government-guaranteed debt, the other 12 points being the debts of state-owned enterprises. Including the domestic debt of state-owned enterprises, estimated at 10–12 per cent of GDP, and that of the government and National Bank of Kazakhstan (central bank), estimated at 12.2 per cent of GDP, total public sector debt approached 37–39 per cent of GDP.

Monetary policy was eased in 2012, reflecting slower inflation. The central bank gradually reduced the policy interest rate from 7.5 per cent in February to a post-independence low of 5.5 per cent in August of 2012. Broad money growth slowed to 7.9 per cent from the 15.0 per cent seen in 2011, reflecting slower currency expansion and a decline in corporate deposits. The increased need for budget financing raised interest rates on short-term government notes to 2.14 per cent from 1.63 per cent in 2011. The tenge exchange rate fluctuated within the range of T147.8–T150.5 per US\$1, with an average rate of T149.1 for the year, depreciating from T146.6 in 2011 as the central bank avoided major interventions in the market. However, the real effective exchange rate against a basket of 34 currencies appreciated by 5.2 per cent.

KEY INDICATORS

Kazakhstan

	Unit	2008	2009	2010	2011	2012
Population	m	15.78	16.20	15.43	16.67	*16.68
Gross domestic product (GDP)	US\$bn	135.60	109.30	138.40	178.30	*196.42
GDP per capita	US\$	8,719	7,019	8,883	10,694	*11,773
GDP real growth	%	3.2	1.2	7.3	7.5	*5.0
Inflation	%	17.2	7.3	7.4	8.3	*5.1
Unemployment	%	6.6	6.6	5.8	5.5	*5.4
Industrial output	% change	1.9	0.4	8.3	–	–
Agricultural output	% change	-6.2	13.2	-11.6	–	–
Oil output	'000 bpd	1,554.0	1,682.0	1,757.0	1,841.0	1,728.0
Natural gas output	bn cum	30.2	32.2	33.6	19.3	19.7
Coal output	mtoe	58.8	51.8	56.2	58.0	58.8
Exports (fob) (goods)	US\$m	71,970.8	43,961.1	60,837.9	22,116.7	92,065.9
Imports (fob) (goods)	US\$m	38,452.0	28,773.9	31,956.5	10,290.8	*47,359.3
Balance of trade	US\$m	33,518.8	15,187.3	28,881.4	11,825.9	*44,706.6
Current account	US\$m	6,978.0	-3,405.0	1,756.0	13,600.0	*8,971.0
Total reserves minus gold	US\$m	17,871.5	20,719.8	25,222.7	33,490.5	*22,131.5
Foreign exchange	US\$m	17,870.1	20,179.6	24,692.1	32,939.5	*21,600.3
Exchange rate	per US\$	120.30	147.36	147.36	145.99	*150.44
* estimated figure						

The banking sector was still beset by problems, despite efforts by the government and the central bank to improve the situation. The percentage of non-performing loans has been growing since 2009, climbing to 37 per cent by the end of 2012 from 35 per cent a year earlier. A fifth of banks were losing money, with the largest losses at BTA Bank, which was nationalised in 2009 and underwent a second restructuring of its external debt in 2012. Several banks applied for assistance from the central bank's distressed assets fund established in April 2012. Some of the largest created subsidiaries to deal with non-performing loans, which have made many banks risk averse, prompting them to invest excess liquidity in short-term government securities and central bank notes. This has suppressed rates on these assets.

The current account surplus diminished to 4.3 per cent of estimated GDP from 7.2 per cent in 2011, as faster growth in imports shrank the trade. The services deficit expanded by US\$1.3 billion, or 20 per cent, while outward transfers tripled to US\$1 billion from US\$0.3 billion in 2011. The deficit in the capital and financial account, including errors and omissions, narrowed to about US\$11.5 billion from US\$13.3 billion in 2011, largely reflecting a better position for short-term capital. Net foreign direct investment (FDI) grew by 40 per cent to US\$12.7 billion from US\$9.1 billion in 2011, as investments abroad contracted from US\$4.6 billion to US\$1.4 billion and inward FDI rose modestly, from US\$13.7 billion to US\$14.2 billion. A net US\$16.7 billion outflow on portfolio investments was largely explained by the US\$14 billion rise in the NFRK's foreign assets and the almost US\$1 billion decline in Kazakh banks' debt liabilities – and possibly a significantly greater decline with troubled BTA Bank debt amortisation.

The central bank's gross international reserves rose during the first half of 2012 but fell from August, as the central bank used part of its reserves to replenish the NFRK, ending the year at US\$28.3 billion, or US\$1.1 billion less than a year earlier. NFRK assets grew steadily, totalling US\$57.8 billion at the end of 2012. Total external debt – more than half owed by local subsidiaries to their parent multinational firms – was estimated at 67.3 per cent of GDP at the end of September 2012, marginally down from 70 per cent a year earlier. The country's net foreign position, including balances in the NFRK, contracted by US\$1.7 billion and stood on

1 January 2013 at US\$11.9 billion. The ADB forecast GDP to grow by 5.2 per cent in 2013 and 5.6 per cent in 2014, largely reflecting higher domestic demand, including investment spending under the industrialisation programme and the more active investment of NFRK assets. Some US\$1.5 billion of NFRK assets were to be lent to the national oil company KazMunaiGas in 2013 and US\$2.5 billion more in 2014. Economic performance will also depend on demand from Kazakhstan's major trading partners: the European Union, Russian Federation and People's Republic of China. Production from the Kashagan project, postponed again in 2012, was expected to begin in the second half of 2013 with limited scope before expanding in 2014 to boost oil exports.

Hydrocarbons

Kazakhstan has been an oil producer since 1911, although for much of that time it formed part of the USSR. It has the second largest oil reserves as well as the second largest oil production among all the former Soviet republics; only Russia has more. Since the mid-1990s and with the help of major international oil companies, by 2003, according to the US government Energy Information Administration (EIA), Kazakhstan's production reached more than one million barrels per day (bpd). Rising natural gas production over the past decade has both boosted oil recovery (as a significant volume of natural gas is reinjected into oil reservoirs) and also decreased Kazakhstan's reliance on natural gas imports. Natural gas development has lagged behind oil due to the lack of domestic gas pipeline infrastructure linking the western producing region with the eastern industrial region, as well as the lack of export pipelines.

Kazakhstan's current production is dominated by two giant fields: Tengiz and Karachaganak, which produce about half of Kazakhstan's total output. The newly-started Kashagan field will also play a major role in Kazakhstan's oil production in the coming years. Kazakhstan's oil production reached 1.61 million barrels per day (bpd) in 2012; available data for 2013 indicate that production in Kazakhstan will be slightly higher for the year at 1.64 million bpd. In 2012, Kazakhstan's net total liquids exports totalled nearly 1.4 million bpd. Oil destined for export markets is delivered by pipelines to the Black Sea via Russia, by barge and pipeline to the Mediterranean via Azerbaijan and Turkey, by barge and rail

to Batumi, Georgia on the Black Sea, and by pipeline to China.

Most of Kazakhstan's natural gas reserves are associated gas that is located in just four fields: Karachaganak, Tengiz, Imashevskoye and Kashagan. In January 2013, the *Oil and Gas Journal* estimated Kazakhstan's proven natural gas reserves at 85 trillion cubic feet (tcf). Natural gas production in Kazakhstan is almost entirely associated gas. Most of Kazakhstan's natural gas reserves are located in the west of the country, with 77 per cent of total natural gas reserves located in four fields: Karachaganak (46 per cent), Tengiz (12 per cent), Imashevskoye (7 per cent) and Kashagan (12 per cent), according to Wood Mackenzie.

Risk assessment

Politics	Poor
Economy	Fair
Regional stability	Fair

COUNTRY PROFILE

Historical profile

1854 The Russian garrison town of Verna, now Almaty, was established. Russian and Ukrainian peasants were brought in to settle the Kazakh lands and the first industrial enterprises were set up.

1916 A major anti-Russian rebellion was suppressed, with about 150,000 people killed and more than 300,000 fleeing abroad.

1917 After the October Revolution in Russia, the Russian ruler, Lenin, gave the peoples of Central Asia the right of self-determination.

1920s–30s Kazakhstan was granted autonomous status as part of the USSR in 1920. Soviet nationalities policy under the direction of Joseph Stalin saw Soviet rule enforced from Moscow by Red Army troops who put down Muslim revolts throughout Central Asia after the Russian civil war. Industrialisation and collectivisation of agriculture began. One million mainly nomadic Kazakhs died of starvation in the central government's campaign to enforce permanent settlements and build collective farms.

1930s–40s Kazakhstan was granted full Soviet Socialist Republic status in 1936. The country was transformed into a major producer of non-ferrous metals, coal and oil, as well as a region of developed agriculture.

1940s–50s Koreans, Crimean Tatars, Germans and others were forcibly moved to Kazakhstan. The first nuclear test explosion was carried out in 1949 at Semipalatinsk in eastern Kazakhstan.

1950s–60s Russian President Nikita Khrushchev's 'Virgin Lands' scheme began.

It brought agriculture to much of the Kazakh steppe and made the Kazakhs a minority in their own republic, as Russian and Ukrainian settlers were sent to run the collective farms. In 1961, the first manned spacecraft took off from Baykonur cosmodrome in central Kazakhstan.

1986 Riots in Almaty over the replacement of Dinmukhamed Kunayev (an ethnic Kazakh) with Gennady Kolbin (an ethnic Russian) as head of the Kommunisticheskaya Partiya Kazakhstana (KPK) (Communist Party of Kazakhstan) were the first signs of ethnic and nationalist unrest in Central Asia.

1989 Nursultan Nazarbayev, an ethnic Kazakh, was appointed leader of the KPK. Kazakh was declared an official language and Russian a language of inter-ethnic communication.

1990 Kazakhstan's Supreme Soviet appointed Nazarbayev as the country's first president and declared state sovereignty.

1991 Nazarbayev won uncontested presidential elections. President Nazarbayev had supported Gorbachev's efforts to keep the Soviet Union intact and Kazakhstan was the last Soviet Republic to declare full independence. Kazakhstan joined the Commonwealth of Independent States (CIS), an association which grew out of the remnants of the Soviet Union. The President signed a decree closing the Semipalatinsk nuclear testing ground.

1992 Kazakhstan became a member of the UN.

1993 A programme of national privatisation began.

1994 The first multi-party parliamentary elections were held for a full-time professional legislature, the Kenges (parliament). Results returned a predominantly pro-Nazarbayev assembly. Kazakhstan signed an economic, military and social co-operation treaty with Uzbekistan and Kyrgyzstan.

1995 President Nazarbayev dissolved parliament following a ruling by the Constitutional Court that the 1994 parliamentary elections were invalid. The president's term of office was extended to 2000 and a referendum endorsed the introduction of a new constitution.

1996 Uzbekistan, Kazakhstan and Kyrgyzstan agreed to create a single economic market.

1997 Oil agreements were signed with China. Kazakhstan's capital was moved from Almaty to Akmola, formerly known as Tselinograd.

1998 The new capital was renamed Astana. The constitution was amended to extend the presidential term from five to seven years and to remove the upper age limit for a president.

1999 In early presidential elections Nazarbayev was re-elected after his main

rival was barred from standing.

International observers claimed there were serious irregularities in the parliamentary elections. An attempt by ethnic Russians in north-east Kazakhstan to form a separate state failed.

2000 A law was passed granting Nazarbayev life-long powers and privileges. Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan (formerly the Customs Five) established the Eurasian Economic Community (EEC). Internal security and border controls were increased following incursions by Islamic militants from Kyrgyzstan and Uzbekistan.

2001 The country's first major pipeline running from the large Tengiz oil field to the Black Sea was opened. Nazarbayev purged the government of officials accused of joining the newly formed Qazaqstannyn Demokratiyalık Tandau (QDT) (Democratic Choice (of Kazakhstan)) reform movement. Pope John Paul II paid his first visit to Kazakhstan. Tajikistan, China, Russia, Kazakhstan, Kyrgyzstan and Uzbekistan formed the Shanghai Co-operation Organisation (SCO) and agreed to fight ethnic and religious militancy, while promoting investment and trade.

2003 A bill allowing private ownership of land was passed. Russia, Ukraine, Kazakhstan and Belarus signed an economic union treaty.

2004 A deal was signed with China on the construction of an oil pipeline to the Chinese border. Nazarbayev's Otan (Fatherland) party was re-elected in the Majlis elections; international observers considered them flawed.

2005 Nursultan Nazarbayev was re-elected president. Democratic Choice was ordered by the supreme court to be dissolved because it had encouraged protests against the parliamentary election results.

2006 Galymzhan Zhakiyanov, one of the founders of Democratic Choice, was released from prison. Asar (All Together), the small political party of President Nazarbayev's daughter, merged with the president's ruling party, Otan; two other small parties merged with Otan, which was re-named Nur-Otan (Fatherland's Ray of Light).

2007 Karim Masimov replaced Daniyal Akhmetov as prime minister. The constitution was amended so that a president may serve an unlimited number of terms. The ruling Nur-Otan won early parliamentary elections and ratified the constitution.

2008 Newly elected Russian president, Dmitry Medvedev, made his first state visit to Kazakhstan and obtained agreement that Kazakhstan-produced oil should be routed through Russia to the energy hungry markets in Europe.

2009 President Nazarbayev offered to site a nuclear fuel bank on Kazakh territory.

2010 At the beginning of the year, the Organisation for Security and Co-operation in Europe (OSCE) elected Kazakhstan, its first ex-Soviet republic, to take the chair as president. Talks between the IAEA and Kazakh authorities on siting a low enriched uranium fuel bank began in January. A lawsuit was filed in the UK, by a subsidiary of the Russian company, Polyus, which had bought a 50.1 per cent share of KazakhGold for US\$254 million, claiming that the previous owners, a prominent Kazakh family, the Assaubayevs, had inflated the assets of the goldfield. The claim demanded US\$450 million in compensation. While the court case was on-going, the UK-assets of the Assaubayevs were frozen. Export of wild caviar began again, but under a strict quota agreement.

2011 In January, the lower house of parliament voted to hold a referendum to extend the term in office of President Nazarbayev until 2020. The constitutional court dismissed the grounds for the referendum. President Nazarbayev, who had not supported the referendum, called early presidential elections in April, in which four candidates took part. The incumbent Nursultan Nazarbayev (Nur Otan) won 95.55 per cent of the vote and the three other candidates won less than 2 per cent each. Observers from the OSCE declared that there had been a lack of transparency and competition in the vote. In July the upper house of parliament agreed to hold a referendum on extending President Nazarbayev's term in office. In November, the presidents of Russia, Belarus and Kazakhstan signed an agreement to set targets for setting up an internal market, the Eurasian Union, by 2015. 2012 On 1 January a Eurasian Commission began an oversight role for integration of the internal market. Parliamentary elections were held on 15 January, with seven political parties competing. Nur Otan, led by President Nazarbayev, won a majority of the seats (83 out of 108); the opposition Ak Zhol won eight seats and the communist party seven. Turnout was 75.4 per cent. International monitors considered the elections failed to meet basic democratic principles. In September, Kazakhstan, Russia and Kyrgyzstan signed an agreement to build the Kambarata-1 hydroelectric power plant. The power station will be built in Upper Naryn (in Kyrgyzstan) and is due to be completed in 2020. On 24 September, Prime Minister Masimov resigned and Serik Akhmetov was appointed as his replacement. On 8 October, the most prominent opposition political figure and leader of the unregistered political party (Alga!), Vladimir

Kozlov was sentenced to seven and a half years in jail on charges of orchestrating unrest among oil workers. Kozlov claimed the accusations were politically motivated. 2013

Political structure

Constitution

On 21 May 2007 amendments to the constitution were approved by parliament. Some presidential power was transferred to parliament, whereby it now influences the formation of government, the constitutional court and the central election committee. The number of Majilis (lower house) members was increased to 154: 98 deputies by proportional representation (with 10 per cent reserved for women), nine seats exclusively reserved for ethnic representatives. Elections for the Majilis are to be five-year terms. The president can now become involved with political parties during his time in office. Parliament voted to allow President Nazarbayev an exception from the two-term restriction and allow him to stand for a third term, while presidential terms will be reduced from seven years to five, from 2012. The majority parliamentary party will determine the government. State funding of political parties was introduced for parties that received over 7 per cent of the popular vote in previous elections. Political candidates may only use specifically allocated election funds but media coverage will be granted to all candidates. The role of the Senate (upper house) will assume full powers when the Majilis is in recess. The president shall appoint 15 senators (instead of seven). The power and independence of the judiciary was increased.

Independence date

16 December 1991

Form of state

Secular democratic republic

The executive

The power of the executive was redistributed in 2007. The president is elected for seven years (to be reduced to five-year terms from 2012). The prime minister and the Council of Ministers are appointed by the president and approved by parliament.

National legislature

The bicameral parliament consists of the Majilis (lower house) with 77 members, of which 67 are popularly elected in single seat constituencies and 10 are elected from party lists, members serve four-year terms; the Senate (upper house) has 39 members, as each regional legislature elects two members as their representative senators (32 in total) and the remaining seven senators are appointed by the president; members serve six-year terms. All

former presidents and *ex officio* members are senators for life.

Legal system

The legal system is based on the civil law system. The country has a Supreme Court (44 members), and a Constitutional Council (seven members).

Last elections

3 April 2011 (presidential); 15 January 2012 (parliamentary).

Results: Presidential: Nursultan Äbishuly Nazarbayev (Nur Otan) won 95.55 per cent of the vote, Ghani Qasymov 1.94 per cent, Zhambyl Akhmetbekov 1.36 per cent, Mels Eleusizov 1.15 per cent; turnout was 89.99 per cent.

Parliamentary (lower house): Nur Otan (National Democratic Party) (NDC) won 80.99 per cent of the vote (83 seats out of 108), Ak Zhol (Democratic Party) (DP) 7.47 per cent (eight), Communist People's Party (CPP) 7.19 per cent (seven); four other political parties each won less than 2 per cent and failed to win any seats. Turnout was 75.4 per cent.

Next elections

2016 (presidential); 2016 (parliamentary)

Political parties

President Nazarbayev's ruling party, Otan (Fatherland), merged with the small Asar (All Together), Civic and Agrarian parties in 2006, and was re-named Nur-Otan (Fatherland's Ray of Light). The defunct Civic Party and Agrarian Party had jointly contested the 2004 election as the Agrarian and Industrial Union of Workers Bloc.

Ruling party

Nur Otan (National Democratic Party) (NDC) (since 1999; re-elected 15 Jan 2012)

Main opposition party

Ak Zhol (Democratic Party) (DP)

Population

16.68 million (2012)

About 29 per cent of the population is under 14 years; 64 per cent 15–64; 7 per cent over 65.

Last census: February 1999:

14,953,126

Population density: Six inhabitants per square km (one of the most sparsely populated countries in the world) (2010). Urban population 59 per cent (2010 Unicef).

Annual growth rate: -0.2 per cent, 1990–2010 (Unicef).

Ethnic make-up

Kazakh (Qazaq) (45 per cent, principally in the south), Russian (36 per cent, principally in the north), Ukrainian (5 per cent), German (4 per cent), Uzbek (2 per cent), Tartars (2 per cent), Uighur (1 per cent), Korean (0.6 per cent).

Religions

Muslim (47 per cent), Russian Orthodox (44 per cent), Protestant (2 per cent) and

other (7 per cent). Kazakhstan is officially a secular state along Turkish lines. Kazakhs are predominantly Islamic (Sunni), while Russians belong to the Orthodox Church. Islam, not of a fundamentalist nature, is strongest in the countryside. North American and European evangelical organisations are very active throughout the country.

Education

Although the 99 per cent literacy rate claimed by the Soviet authorities for Central Asia was exaggerated, particularly in rural areas, education in Central Asia surpasses that of neighbouring countries to the south.

Primary education starts from the age of six and lasts for four years followed by basic secondary education for five years and general secondary, which is not compulsory, lasting for another two years. Secondary professional education is offered in special professional or technical schools, lyceums or colleges and vocational schools. The Academy of Sciences in Almaty is the republic's principal college of higher education. Several private institutions offering higher education have been licensed. The Academy of Sciences is the republic's principal college of higher education.

All classes are now officially conducted in Kazakh, but many schools have been allowed to continue teaching in Russian after strong Russian protests. The argument is somewhat academic, however, as most educated Kazakhs converse in Russian and all ethnic groups are eager to learn English. Plans to introduce the Latin script, bringing the republic closer to Turkey, are unlikely to be realised for some years.

Literacy rate: 99 per cent adult rate; 100 per cent youth rate (15–24) (Unesco 2005).

Compulsory years: Six to 15

Enrolment rate: 89 per cent, total primary school enrolment of the relevant age group, including repetition rates (World Bank estimates 1994–2000).

Pupils per teacher: 18 in primary schools.

Health

Kazakhstan's healthcare system is highly decentralised with a separate development model for every region. Public funds available for reforming the system are limited and do not cover the basic needs of the population, including access to primary healthcare services.

The healthcare services sector consists of public and private providers, including hospitals, offices and clinics of medical doctors, other specialised healthcare facilities and health insurance providers. The number of public hospitals has fallen leaving 63.8 beds available per 10,000

people. This reduction corresponded to a growth of small out-patient facilities (so-called family healthcare units); with the network numbering 1,752 facilities. The number of private hospitals has increased by over 30 per cent since 2000. More than half of private clinics and hospitals concluded contracts with regional healthcare departments to provide certain medical services to be paid from regional state budgets.

In the Semipalatinsk area in northern Kazakhstan, a former nuclear testing area, cases of cancer and birth defects are widespread. During the Soviet era, the military tested the local population before and after nuclear tests to assess the consequences of exposure to radiation. The high levels of plutonium in the soil stem from the numerous tests and cause, among other things, immune-deficiency which is passed from generation to generation.

Respiratory diseases are the most common illnesses because of the republic's myriad environmental problems. Improved water sources are available to 91 per cent of the population. Funds to provide improved water supplies to over 500,000 people, in four regions of Kazakhstan, was jointly provided by the Asian Development Bank (ADB), the Islamic Development Bank and the government – US\$34.6 million, US\$9.5 million, US\$20.9 million respectively. The average per capita investment for water services is US\$125 for surface facilities such as construction of pumping stations and treatment facilities and US\$90 for groundwater services, including repairing pipes, sewage and wastewater drainage. In 2009, hygiene and sanitation education programmes were run along with the infrastructure programme and works.

HIV/Aids

HIV prevalence: 0.2 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 61 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 2.6 births per woman, 2010 (Unicef); maternal mortality 70 per 100,000 live births (World Bank).

Child (under 5 years) mortality rate (per 1,000): 19 per 1,000 live births (WHO 2012); 4.2 per cent of children aged under five are malnourished (World Bank).

Head of population per physician: 3.54 physicians per 1,000 people, 2003 (WHO 2006)

Welfare

The former Soviet Union developed an extensive welfare system, but price liberalisation has rendered pensions, unemployment benefit and money paid out

to single parent families virtually worthless. Most Kazakhstanis hold down two or three jobs and rely heavily on privately grown food. The government has said it intends to cushion low-income groups from the heaviest blows of economic reform, but is under pressure not to stretch the budget for fear of hyperinflation. Kazakhstan has emerged as a role model in pension reform in the Commonwealth of Independent States (CIS). In January 1998, a pay-as-you-go (PAYG) system was replaced with a privately managed and fully-funded system (similar to that introduced by Chile in the 1980s). Under the new system, employees pay a compulsory 10 per cent of their wages into a personal retirement account. This is in addition to existing pension liabilities funded through a 15 per cent payroll tax which will be cut to 5 per cent by 2009. The reform initially increased the pension fund deficit, as the state had to make up for the contributions that were diverted to the private funds. In 1998, the World Bank approved a US\$300 million loan to support the government's efforts to finance the transition to a fully-funded pension system by financing part of the estimated 1.7 per cent of GDP fiscal deficit. Nevertheless, the programme is regarded as highly successful, with participation levels and the yields on investments remaining high.

By the end of 2001, the assets accumulated in Kazakhstan's pension funds reached T182.5 billion (US\$1.2 billion). At the same time, the share of state pension funds fell from 39 per cent to 32 per cent over 2001. On the other hand, the minimum capital required to invest in private pension funds doubled in 2000 to T180 million (US\$1.2 billion), leading to the merger of private funds with stronger institutions, and the share of private funds grew to 68 per cent in 2001.

Main cities

Astana (capital, estimated population 425,806 in 2012); Almaty (commercial capital, 1.4 million), Shymkent (476,066), Taraz (427,469), Karaganda (421,250), Pavlodar (360,050), Öskemen (349,713), Semey (311,687).

Languages spoken

Kazakh (Turkic) is only spoken by around 40 per cent of the population. Russian is the language of inter-ethnic communication, spoken by two-thirds of the population and used in everyday business.

Official language/s

Kazakh

Media

Although the constitution guarantees freedom of the press, private owned and opposition media outlets are subject to

harassment and censorship. Presidential prerogative includes his private life, health and financial dealings being designated state secrets and criminal charges can be incurred for 'insulting' the president and public officials. The government has control of most printing presses and transmission facilities for radio and television.

Press

According to government statistics, there are 990 privately owned newspapers and 418 privately owned magazines. Most are supportive of the government with members of President Nazarbayeva's family owning some of the largest circulating newspapers.

Dailies: There are several daily and weekly newspapers in both Russian and Kazakh including: *Kazakhstanskaya Pravda* (www.kazpravda.kz), *Karavan* (www.caravan.kz), *Ekspress-K* (www.express-k.kz), *Vremya* (www.time.kz), *Liter* (www.liter.kz) and *Zhas Alash* (www.zhasalash.kz).

Business: In Cyrillic, *Delovaya Nedelya* (www.dn.kz), *Panorama* (www.panorama.vkkz.com) are Russian-language publications. The US-based news agency EIN News (www.einnews.com) also provides business and economic news, in English.

Broadcasting

A law was introduced in 2002 requiring that at least 50 per cent of all television and radio broadcasts must be in the Kazakh language other languages include Russian and Chinese. The Turkish Radio and Television Corporation (TRT) also broadcasts programmes for Kazakhstan.

Radio: Kazakh Radio is state-run, private stations including Europa Plus (www.europaplus.kz) with a nationwide network, Khabar Hit FM and Russkoye Radio-Aziya are owned by President Nazarbayeva's daughter. Other, private stations include Radio 31 (www.31.kz/radio31), Radio Tekc (www.radiotex.net) and Auto Radio (www.avtoradio.kz).

International radio networks including the BBC (www.bbc.co.uk/worldservice) and Radio Free Europe (www.rferl.org) are available.

Television: Of there are five television channels available all are either government owned by family members of President Nazarbayeva. The state-run Kazakh TV has two channels. The Khabar news agency owns Khabar TV (www.khabar.kz), Yel Arna (for cultural programmes) and Caspionet (www.caspionet.kz) a satellite station. KTK (www.ktk.kz) is a commercial channel. Other private stations include Channel 31 TV (www.31.kz), Alma TV, the first cable TV station in Almaty and Perviy Kanal Evraziya a local channel. Imported US TV programmes are popular.

National news agency: Kazinform

Other news agencies:

Interfax-Kazakhstan: www.interfax.kz

Economy

Kazakhstan's economy is characterised as being resource-rich, with a large oil fund (US\$38.7 billion in 2011, 22 per cent of GDP). Proven oil reserves were 30 billion barrels at the end of 2011, with production of 1.8 million barrels per day. Proven natural gas reserves were 1.9 trillion cubic metres (cum), with production of 19.3 billion cum in 2011, of which 11.4 billion cum was shipped via pipelines to Russia (for onward sale to the European energy market). It also has large deposits of coal, 33.6 trillion tonnes, with production of 58.8 million tonnes oil equivalent.

Kazakhstan remains an attractive destination for foreign direct investment, which was US\$12.9 trillion in 2011 (and never fell below US\$10 trillion during the global economic crisis). The principal challenge for Kazakhstan in the latter stages of the global recession was the impact of the fall in world commodity prices, particularly oil, on its economy.

GDP growth remained positive despite falling from 8.9 per cent in 2007 to 3.2 per cent in 2008 and further still to 1.2 per cent in 2009. As global production and trade picked up growth rebounded to 7.3 per cent in 2010, as was estimated to have been as high at 7.5 per cent in 2011.

There is a largely domestically-owned banking system and external debt at almost 100 per cent of GDP, of which 40 per cent is internal company debt within the mining and hydrocarbon sectors. Agricultural products include dairy goods, leather, meat, wool and grain (Kazakhstan is the seventh-largest producer of wheat in the world, typically producing 15–16 million tonnes per annum). However in 2012, adverse weather conditions caused a fall in wheat harvests estimated by up to 52 per cent.

In 2010 Russia launched a customs union with Belarus and Kazakhstan, looking to further integrate with the former Soviet bloc. The customs union plans a single currency in the next ten years.

External trade

In 2009 Kazakhstan was still in negotiations to join the World Trade Organisation (WTO). It belongs to the Eurasian Economic Community (EurAsec or EAEC), which was set up in 2000 to promote a customs union between its six member states (Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan) and, among other objectives, to introduce a standardised currency exchange and rules for trade in goods and service. The EAEC evolved out of the Commonwealth of

Independent States (CIS) Customs Union and has begun the process of merging with the Central Asian Co-operation Organisation (CACO). On 19 October 2011, a free trade agreement (FTA) was signed by Russia with seven of its former Soviet republics: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova and Tajikistan. The FTA must be ratified by all relevant parliaments before its instigation in 2012.

On 18 November 2011, the presidents of Russia, Belarus and Kazakhstan signed an agreement to set targets for setting up an internal market, the Eurasian Union, by 2015. A Eurasian Commission will begin an overseeing role for integration on 1 January 2012.

Kazakhstan has plentiful natural resources, including oil and gas, coal, copper, silver, uranium and zinc, all of which are export commodities. Around 50 per cent of all exports is oil, which provides 30 per cent of GDP. As the manufacturing sector is underdeveloped imports are dominated by capital and consumer goods.

Imports

Principal imports include machinery and equipment (over 40 per cent), typically for the extractive industries; vehicles, machinery, iron and steel, appliances and electronic products and fuel.

Main sources: Russia (38.4 per cent total in 2012), China (16.8 per cent), Ukraine (6.6 per cent)

Exports

Principal exports are dominated by primary products including oil and oil products (over 50 per cent), ferrous metals (around 25 per cent), chemicals, machinery, grain, wool, meat and coal.

Main destinations: China (17.9 per cent total in 2012), Italy (16.8 per cent), The Netherlands (8.1 per cent).

Agriculture

Agriculture contributes approximately 8.5 per cent to GDP and employs a quarter of the working population.

Kazakhstan's farming area constituted 16 per cent of the former Soviet Union's farm land. The cultivation of the 'Virgin Lands' in the north during the Soviet period introduced a high level of mechanisation and Kazakhstan used to provide around 14 per cent of Soviet grain.

There are still many problems in the agricultural sector, including weaknesses in input supply (such as fertilisers), poor incentives for farm production and failure to restructure farm enterprises. Privatisation is proceeding slowly. Small-scale private farming has been introduced in the south, while production in the north remains more centralised. While agricultural land may be leased long-term, attempts to

introduce private land ownership is unpopular.

Irrigated land in the south and east produces fruit, vegetables, sugar beet, rice, tobacco, mustard and natural rubber.

Wheat, cotton and oilseeds are the main crops produced. Dairy farming, horse breeding and sheep breeding are also undertaken.

In the north-eastern part of Kazakhstan cold water fish are found in the River Ob catchment area, including the Altai Mountains drainage of the Irtysh River, mountain rivers of the Tien Shan range and in Lake Balkhash, which has a mix of cold water and temperate water fish stocks. The fishing of streams and rivers is largely unmanaged, but considerable effort has been put into maintaining reasonably high fish catches in some lakes and reservoirs. Kazakhstan has concentrated largely on the exploitation of indigenous fish stocks. The typical annual fish catch is over 31,000mt.

Forest and other wooded land account for a small part of the total. Forests cover around 12.1 million hectares, which has increased by an average of 2.22 per cent per annum.

The increasing demand for forest products is met by imports, mainly from the Russian Federation.

Industry and manufacturing

The share of industry, including mining, in GDP in 2004 was estimated at 39.5 per cent. The sector grew by 10.6 per cent in 2004.

Kazakhstan inherited a well-developed industrial base from the Soviet era. The principal activities are in minerals, petrochemicals, food processing, machinery and light industry.

Tourism

Kazakhstan is a huge country with varied terrain that includes the Altay Mountains, glaciers, the Taiga coniferous forests, deserts, lakes and the world's largest dry steppe region. It can offer visitors adventure holidays, including mountaineering, trekking and fishing. However, tourist facilities in general are underdeveloped and require visitors to organise their own tours. Attractions include the Silk Road and the former capital of Almaty as popular destinations for visitors.

In 2010, over 90 per cent of all foreign visitors were on business trips and of domestic travellers, 57 per cent were on business trips and around 40 per cent were visiting family and friends.

Travel and tourism has the potential for greater contribution to GDP than the 5 per cent it typically provides. Employment in the sector accounts for only 4.5 per cent (373,100 jobs) of total employment.

Environment

The Aral Sea was subject to a loss of up to 50 per cent of its water, dropping by up to 19 metres, due to the overuse of water from the two main rivers which fed into it. A UN study published in 2004 reported that there was no possibility of restoring the water and the need must be on preserving what is left. A World Bank funded project to build, reconstruct and rehabilitate waterworks along the river Syr Darya has reversed the damaged in the northern section of the sea. A sluice will be installed to supply water to the parched southern section.

Plans are underway to improve irrigation in the farmland around the sea.

Potentially, revenue may be earned from the sale of hydroelectric power.

A meeting was held in April 2009 to determine water sharing between Tajikistan, Kyrgyzstan, Uzbekistan, Turkmenistan and Kazakhstan failed, as negotiators were unable to find a trade in water for energy and hydrocarbons. Tajikistan and Kyrgyzstan hold around 80 per cent of the water in the Aral Sea but suffer from lack of electricity during freezing winters, while the remaining three states downstream are semi-arid and need water for their cotton industries and agriculture.

Mining

Mining contributes around 15 per cent to GDP and employs 8 per cent of the workforce.

Rich in mineral resources, Kazakhstan produces some 40 per cent of the world's chrome ore, second only to South Africa. There are also important deposits of iron ore, nickel, cobalt, vanadium, titanium, copper, lead, wolfram, zinc, gold, silver, tin, tungsten, molybdenum, uranium (Kazakhstan overtook Canada and Australia as the world's biggest uranium miner in 2009), cadmium, bismuth, pyrophyllite, barite, phosphorites, magnesium, phosphorous, asbestos, rare earths and sizeable manganese deposits in eastern and northern Kazakhstan. There are significant bauxite reserves in southern Kazakhstan.

Hydrocarbons

Kazakhstan is believed to have the world's largest untapped oil and gas reserves. Since the 1990s the government has concentrated its efforts on attracting foreign investment to the hydrocarbons sector. Upstream production is funded by foreign oil companies in association with the government. However, in 2007 an amendment was passed into law whereby the government could unilaterally break contracts with oil companies, either by forcing a renegotiation of contracts or the outright termination of contracts. The new law was seen as a move to stimulate greater

urgency for production and a greater return on royalties.

There were 30 billion barrels of proven oil reserves in 2011, with production at 1.84 million barrels per day (bpd). Production in the country's main oil field, Tengiz, is expected to double and an additional 1 million bpd is anticipated from the Kashagan field (the largest outside the Middle East), as long as construction in vital infrastructure is maintained. Around 75 per cent of production is exported and accounts for around a quarter of GDP.

There are three major refineries, at Pavlodar, Atyrau and Shymkent, all largely owned by the state and lacking in any significant foreign direct investment, so that by 2010 their joint capacity had fallen below commercially recorded levels.

Oil from the Tengiz oilfield was first pumped down the Caspian Pipeline Consortium (CPC) pipeline in 2001. The oil was sent to a Russian marine terminal on the Black Sea near Novorossiysk. This effectively stopped Kazak hydrocarbons from becoming a direct competitor to Russian oil and gas. In 2010 CPC shareholders agreed a further investment of US\$4.5 billion to increase capacity to 1.5 million bpd. The US and Europe had originally been negotiating to build a pipeline beneath the Caspian Sea to avoid Russia altogether. There is another pipeline supplying oil to China, jointly owned by the China National Petroleum Corporation (CNPC) and KazMunaiGas.

Kazakhstan had proven natural gas reserves of 1.9 trillion cubic metres in 2011 and produced 19.3 billion cubic metres, an increase of 9.6 per cent on the figure for 2010. The largest gas field is Karachaganak in the north. The gas reserves in the Tengiz and Kashagan fields are almost entirely 'associated gas' produced by drilling for oil and as the country has insufficient pipeline infrastructure excess production that is not exported or used locally is being re-injected into crude oil bore holes to maintain pressure for oil extraction. Eventually, this gas can be recovered, when commercial exploitation is viable. In the meantime Kazakhstan is the world fifth-largest flarer of excess gas.

The government targeted the sector for expansion – the country became a net exporter of natural gas as late as 2008. Distribution in 2008 was divided, with natural gas from the northern Karachaganak fields being exported to Russia, via the Karachaganak-Atyrau pipeline, while gas from the other fields is used domestically or exported via the Baku-Tbilisi-Ceyhan pipeline to Europe. Kazakhstan has Central Asia's largest reserves of recoverable coal, of 33.6 trillion tonnes in 2011, the majority of which is the higher quality anthracite. Production

in 2011 was 58.8 million tonnes of oil equivalent (toe), an increase of 4.5 per cent on the 2010 production level. Russia is a major importer of Kazak coal.

Coal is the largest domestic source of energy (62.9 per cent in 2011); production is hampered by the lack of investment in new and existing mines. Many of the high-cost underground coalmines have been closed, and the more competitive open (surface) mines are owned and operated by international energy companies.

Energy

Total electricity generating capacity was 17.4GW in 2007. Of the 71 power plants in operation, coal accounted for 49.8 per cent of primary energy, followed by natural gas at 29.6 per cent, with 17.6 per cent from oil and 3 per cent hydropower. The sector is faced with large amounts of inefficient or redundant equipment and needs considerable investment if it is to reverse the decline in output and halt the frequent power stoppages experienced since the 1990s. There are government plans to renovate 23 power stations and build 22 new ones by 2015 in order to develop a reliable electricity grid to supply growing economic needs.

Kazakhstan closed down its only nuclear station in 1999 and government plans for constructing a new 1,500MW nuclear power plant in the south-east near Lake Balkash remain long-term.

Financial markets

Stock exchange

Kazakhstan Stock Exchange (KASE)

Banking and insurance

The National Bank of Kazakhstan was given powers, from late 2007, to undertake measures to strengthen regulations and improve corporate governance over banks as they were restructured and recapitalised. Nevertheless the banking system was still caught up in the crisis and the International Monetary Fund (IMF) said in 2009 that, since 2007, total losses to the banking system had been US\$40 billion (in foreign debt). In October 2009 the state news agency Interfax reported that the total net loss to the banking system between January–September 2009 was T2.8 trillion (about US\$19 billion). In October 2009 the government secured a deal with creditors of the Alliance Bank for US\$4 billion of gross debt in exchange for equity in the Alliance Bank's reconstruction.

Central bank

National Bank of Kazakhstan

Time

Western Kazakhstan: GMT plus four hours
Central Kazakhstan, Astana: GMT plus five hours

Eastern Kazakhstan, Almaty: GMT plus six hours

Geography

Kazakhstan, in Central Asia, is a landlocked country but with a coastline on the Caspian Sea, (the largest lake in the world). It is the second-largest country in the region, extending some 1,900km (1,200 miles) from the Volga river in Europe, in the west, to the Altai mountains, in the east, and about 1,300km (800 miles) from the Siberian plain in the north to the Central Asian deserts in the south. Kazakhstan's 2.7 million square km are equivalent to the size of Western Europe and comprise rolling steppes to the north, desert to the south and part of the western edge of the Tien Shan mountains to the south-east.

Kazakhstan is bordered by the Russian Federation to the north, China to the east, Kyrgyzstan, Uzbekistan and Turkmenistan to the south. In the south-west there is almost a 1,000km coastline on the Caspian Sea. Half of the Aral Sea lies within Kazakhstan, the other half in Uzbekistan.

Hemisphere

Northern

Climate

The temperature varies greatly from temperate steppe in the north to desert in the south. Temperatures in southern Kazakhstan average minus 3 degrees Celsius (C) in January and 29 degrees C in June. Average temperatures in Almaty range from minus 5 degrees C to 35 degrees C. Rainfall averages 200–300mm per annum in the north of the country and 400–500mm in the south.

Dress codes

Not overly formal during business hours, although women must dress modestly. Formal wear may be expected when visiting the theatre or attending a dinner party. Shorts should not be worn except in a sporting environment.

Entry requirements

Passports

Required by all visitors, valid for six months beyond intended length of stay.

Visa

Required by all, except nationals of CIS countries and Turkey. Business visas are issued after an invitation from a local company has been registered with the consular department of the Ministry of Foreign Affairs in Kazakhstan. When authorised, the host company obtains a reference number which is forwarded to the applicant who submits the application form along with a business letter of intent, a full itinerary and an undertaking of financial responsibility for expenses incurred by the representative. Details can

be obtained from the consular section of the nearest embassy.

Tourist visits over five days require registration by the local authorities on arrival.

Currency advice/regulations

There are no restrictions on the import and export of local currency. Import of foreign currency is allowed subject to declaration on arrival; export is limited to amount declared.

Customs

A customs declaration form must be completed on arrival and retained until departure. Items for declaration are articles intended for personal use (currency, jewellery, cameras, computers, etc), which must be exported when leaving. It is advisable to keep receipts for goods purchased locally.

Prohibited imports

Military weapons and ammunition, illegal drugs, pornography, live animals, photographs or printed material detrimental to the image of Kazakhstan, loose pearls or anything carried for a third party.

Health (for visitors)

Mandatory precautions

Vaccination certificates are required for yellow fever if travelling from an infected area. For stays over one month and applications for visas for stays over three months, an AIDS certificate is required.

Advisable precautions

It is advisable to be in date for the following immunisations: polio (within 10 years), tetanus (within 10 years), typhoid fever, TB, hepatitis A, tick-borne encephalitis. Anti-malarial precautions advisable. Any medicines required by the traveller should be taken by the visitor, and it could be wise to have precautionary antibiotics if going outside major urban centres. A travel kit including a disposable syringe is a reasonable precaution. Water precautions recommended: water purification tablets may be useful or drink bottled water. Rabies is a health risk.

Hotels

Advisable to book at least a month in advance through Intourist or other specialist travel agents. There are many luxury Western-style hotels in Almaty. Gratuities are becoming more customary, particularly in international hotels.

Credit cards

More widely accepted than anywhere else in Central Asia; as well as being welcomed in shops and hotels, they can be used for cash advances.

Public holidays (national)

Fixed dates

1–2 Jan (New Year), 8 Mar (Women's Day), 22 Mar (Nauryz Meyrami/Traditional Spring Holiday/Persian New Year), 1 May (Unity Day), 9 May (Victory Day),

30 Aug (Constitution Day), 25 Oct (Republic Day), 16 Dec (Independence Day).

Variable dates

Eid al Adha

Working hours

Banking

Mon–Fri: 0930–1730.

Business

Mon–Fri: 0900–1800.

Government

Mon–Fri: 0900–1730.

Shops

Mon–Sat: 0900–1700.

Electricity supply

220V AC.

Social customs/useful tips

Kazakhstanis are very hospitable and courteous. It is best to book appointments for meetings in the morning. Cancellation, even at the last minute, is fairly common. Russian is the everyday business language. Business and politics are intertwined, with negotiations and deals often 'arranged'.

Security

It is unwise to venture out on the streets alone at night. Dress inconspicuously as wealthy-looking foreigners can be a target for muggers.

It may be preferable to travel by intercity bus rather than train, as robberies are making rail travel increasingly hazardous.

Getting there

Air

Almaty is the principal gateway to the country and well-served, with the most developed air routes through Turkey and Russia.

National airline: Air Astana.

International airport/s: Almaty International (ALA), 10km north-east of the city; hotel, car hire, duty-free shops, cafeterias. Atyrau International (GUW), 8km west of the city; bank, post office, restaurant, car hire. Astana (TSE), 17 km south of the city; facilities include duty-free shop and restaurant. Buses and taxis connect to the city centre.

Other airport/s: There are fifteen other airports.

Airport tax: None

Surface

Road: There are generally good international road connections to the surrounding countries. The north-east area is well served by roads to the Urals and the North Caucasus.

The Regional Road Corridor Improvement Project, estimated at US\$18 billion, to improve Central Asian roads, airports, railway lines and seaports and provide a vital transit route between Europe and Asia was agreed, on 3 November 2007. Six new transit corridors, between

Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan and Uzbekistan, of mainly roads and rail links, will be constructed, or existing resources upgraded, by 2013. Half the costs will be provided by the Asian Development Bank and other multilateral organisations and the other half by participating countries.

Rail: A railway line was completed in 1991 between Almaty and Urumchi in China. There are also rail connections to Russia, Kyrgyzstan and Turkmenistan. A new railway line is being built to connect Iran and Turkey with Kazakhstan.

Foreign visitors should use caution when travelling by train, other than the Almaty-Moscow line, as violent crime against westerners is on the increase.

Main port/s: Aktau (formerly Shevchenko) on the Caspian Sea is the main oil port and trans-shipment centre.

Getting about

National transport

Air: There are fifteen domestic/local airports located around the regions that are served by scheduled internal flights. It should be noted that maintenance procedures for aircraft on internal flights may not conform to internationally accepted standards.

Planes and helicopters can be chartered for nominal prices provided you have a good local contact.

Road: Primary and secondary roads are of poor quality, particularly in desert and semi-desert regions. However, the Oral region is well served by road links to the Urals, European Russia and the North Caucasus. Road transport is subject to cancellation and delay. Passengers are advised to travel in groups. Petrol supplies are adequate. Kazakhstan has 189,000km of paved and gravelled roads, 108,100km of unpaved roads and 80,900km of earth roads.

Buses: There are regular bus services between all the main cities.

Rail: Rail links are extensive but slow. There are 14,460km of railway, excluding industrial lines, in Kazakhstan. The Turksib railway connects Almaty with the Trans-Siberian line to the north at Novosibirsk, while the principal rail connection with Moscow runs through Chimkent and Uralsk.

City transport

Taxis: Unless Russian or Kazakh is spoken, ensure any taxi taken is booked through the hotel reception desk and that the price is agreed beforehand.

Buses, trams & metro: Swift and cheap trolley-bus and bus network in Almaty.

Car hire

A national driver's licence with an authorised translation or an international driving permit is required.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling code (IDD) for Kazakhstan is +7, followed by area code and subscriber's number:

Almaty	327	Shimkent	325
Aktau	329	Taldykorgan	328
Astana	317	Uralsk	311
Karaganda	321	Ust-Kamenogorsk	323
Leninsk	336	Zhambyl	326
Petropavlovsk	315	Zhezkazgan	310

Useful telephone numbers

Police: 02

Fire: 01

Ambulance: 03

Chambers of Commerce

Almaty Chamber of Commerce and Industry, 45 Tole bi Street, Almaty 480091 (tel: 620-301; fax: 611-404; e-mail: alcci@nursat.kz).

American Chamber of Commerce in Kazakhstan, 531 Seifullina Prospect, Almaty 480091 (tel: 587-938; fax: 587-939; e-mail: information@amcham.kz).

East Kazakhstan Chamber of Commerce and Industry, PO Box 177, 3 Novatorov Street, Ust-Kamenogorsk 492000 (tel: 265-310; fax: 267-247; e-mail: cci@ustk.kz).

Kazakhstan Union of Chambers of Commerce and Industry, 26 Masanchi Street, Almaty 480091 (tel: 920-052; fax: 507-029; e-mail: tpprkaz@online.ru).

North Kazakhstan Chamber of Commerce and Industry, 112 Mira Street, Petropavlovsk 642015 (tel: 460-568; fax: 465-443; e-mail: tpp@petropavl.kz).

Semipalatinsk Chamber of Commerce and Industry, 92/22 Abai Street, Semipalatinsk 490050 (tel/fax: 627-887; e-mail: tpp@relcom.kz).

South Kazakhstan Chamber of Commerce and Industry, 31 Tauke khan Street, Shimkent 486050 (tel: 211-405; fax: 211-403).

West Kazakhstan Chamber of Commerce and Industry, 67 Kuibyshev Street, Uralsk 417000 (tel: 504-440; fax: 513-537; e-mail: zktpp@kaznet.kz).

Banking

ATF Bank, 100 Furmanov Str, 480091 Almaty (tel: 503-765; fax: 501-995).
Bank Centercredit, 100 Shevchenko Street, 480072 Almaty (tel: 634-605, 680-140; fax: 507-813).

Central Asian Bank for Co-operation and Development, 115-a Abay Ave, Almaty (tel: 422-737; fax: 428-627).

Demir Kazakhstan Bank, 61A Kurmangazy Street, 480091 Almaty (tel: 508-550, 508-527; fax: 508-525).

Export-Import Bank of Kazakhstan, 118 Pushkin Street, 480021 Almaty (tel: 622-815, 633-767, 634-300; fax: 631-985).

Halyk Savings Bank of Kazakhstan; 97 Rozybakieva St, 480046 Almaty (tel: 509-991; fax: 679-738).

Kazkommertsbank, 135 Gagarin Avenue, 480060 Almaty (tel: 585-101; fax: 585-281; internet site: <http://www.kkb.kz>).

Temirbank, 68/74 Abay Ave, 480008 Almaty (tel: 587-888; fax: 590-529; e-mail: board@temirbank.kz; internet site: <http://www.temirbank.kz>).

Central bank

National Bank of Kazakhstan, 21 Koktem-3, 480090 Almaty (tel: 504-631; fax: 506-090; e-mail: info@nationalbank.kz).

Stock exchange

Kazakhstan Stock Exchange (KASE), www.kase.kz

Travel information

Aeroflot, 111 Zhibek Zhola Street, Almaty (tel: 390-594).

Air Kazakhstan, 59 Mira Street, 480003 Almaty (tel: 335-518; fax: 335-506).

Flight information (24 hours) (tel: 541-555).

Intourist, Hotel Ostrar, Gogolya 65, Almaty (tel: 330-045, 330-076).

Almaty Airport, Mailin Street 2B, 480040 Almaty (tel: 571-300; fax: 571-281).

Astana International Airport, PO Box 1968, 473026 Astana (tel: 333-709; fax: 333-741).

Kazakhstan Tourist Agency, 22 Kosmonautov Street, 480083 Almaty (tel: 390-318; fax: 390-257).

Travel Bureau, Hotel Irtysh, Uliisa Abai 97, Semipalatinsk, Almaty (tel: 447-529, 447-531).

National tourist organisation offices

Department of Tourism, 4 Republic Square, Almaty 4860065 (tel/fax: 620-030; e-mail: dep_tour@nursat.kz; internet: www.kaztour.kz).

Ministries

Ministry of Agriculture, 49 Abai Street, 473000 Astana (tel: 323-763; fax: 324-541).

Ministry of Culture, Information and Public Accord, 22 Beibitshilik Street, 473000 Astana (tel: 322-495; fax: 326-203).

Ministry of Defence, 49 Auezova Street, 473000 Astana (tel: 337-845; fax: 337-892).

Ministry of Economy and Trade, 2 Beibitshilik Street, 473000 Astana (tel/fax: 333-003).

Ministry of Education and Science, 83 Kenesary Street, 473000 Astana (tel: 322-540; fax: 326-482).

Ministry of Employment and Social Security, 2 Manasa Street, 473000 Astana (tel: 153-602; fax: 341-270).

Ministry of Energy and Mineral Resources, 37 Beibitshilik Street, 473000 Astana (tel: 337-133; fax: 337-164).

Ministry of Finance, 60 Republic Avenue, 473000 Astana (tel: 334-186; fax: 280-321).

Ministry of Foreign Affairs, 10 Beibitshilik Street, 473000 Astana (tel: 327-669; fax: 327-667).

Ministry of Internal Affairs, 4 Manasa Street, 473000 Astana (tel: 343-601; fax: 341-738).

Ministry of Justice, 45 Pobeda Street, 473000 Astana (tel: 391-213; fax: 321-554).

Ministry of Natural Resources and Environmental Protection, 81 Karl Marx Street, 475000 Kokshetau (tel: 54-265; fax: 50-620).

Ministry of State Revenues, 48 Abai Avenue (tel: 326-951; fax: 326-963).

Ministry of Transport and Communications, 49 Abai Street, 473000 Astana (tel: 326-277; fax: 321-058).

Prime Minister's Office, 11 Beibitshilik Street, 473000 Astana (tel: 320-985; fax: 152-028).

Other useful addresses

Atomic Energy Agency, 13 Republic Square, 480013 Almaty (tel: 637-626; fax: 633-356).

Board for Investment Projects, Department of Transport, Room 124, Gogol Str 86, 480091 Almaty (tel: 323-661, 324-769; fax: 322-679, 324-449).

Business Communication Centre, 89 Michurina Street, Almaty 480059 (tel: 476-803, 347-549; fax: 347-798).

Centre for Economic Reforms, 4 Republic Square, Almaty (tel: 621-836).

Committee for the use of Foreign Capital, 152 Bogenbai Batyr, 3rd Floor, Ablay Khan Street 97, 480091 Almaty (tel: 627-326; fax: 696-152).

Kazakh Centre of Business Co-operation 'Atakent', 42 Timiryazev Street, Almaty 480058 (tel: 473-113; fax: 509-238).

Kazakh Embassy (USA), 1401 16th Street, NW, Washington DC 20036 (tel: (+1-202)-232-5488; fax: (+1-202)-232-5845; e-mail: kazakh@intr.net).

Kazakhgas, 521 Seifullin Street, Almaty (tel: 324-288; fax: 325-442).

Kazakhstan Caspishelf, 211 Mukhanov Street, Almaty (tel: 416-034; fax: 416-430).

Kazakhstan Commerce (import-export), Zhibek Zholy 64, 480002 Almaty (tel: 333-871; fax: 331-483).

Kazakhstan Foreign Trade Organisation, v/o Kazakhintorg, Gogolya 111, Almaty (tel: 328-381).

Kazakhstanmunaigas (oil and gas refining), 458 Seifullin Street, Almaty (tel: 695-800; fax: 626-630).

Kazakh Academy of Sciences Engineering Institute, 80 Bogenbay Batyr Street, Almaty 480100 (tel: 541-281; fax: 695-769).

Kazakhstan Stock Exchange, Ulitsa Timipiazeva 42, Almaty (tel: 441-043; fax: 447-809).

Kazakh State TV and Radio, Ulitsa Mira 175, Almaty (tel: 633-716).

Kazchrome Transnational Corporation, 56 Kunaev Street, Almaty, 480002.

KazMunayGaz, 142 Bogenbai Batyr Street, 470091 Almaty (tel: 626-080; fax: 695-405).

Kazpisrom (a joint-stock company representing food producers), 92 Internatsionalnaya Street, Almaty (tel: 629-482; fax: 628-652).

Kaztag (state news agency), 77 Ablai Han Street, Almaty (tel: 625-037).

Kazvetmet (represents metal producers), 111 Gogol Street, 480003 Almaty (tel: 622-318; fax: 328-488).

Market Economy Group (privatisation committee), President's Office, Government House, Almaty (tel: 621-022).

State Property and Privatisation Committee, Ministry of Finance, 36 Auezov Street, 473024 Astana (tel: 334-397; fax: 320-937).

Union of Manufacturers and Businessmen, 4/450 Republic Square, Almaty (tel: 622-307; fax: 665-490).

National news agency: Kazinform
10 Beibitshilik Street, 010000 Astana (tel: 717-232-7567; email: subs@inform.kz).

Other news agencies:
Interfax-Kazakhstan: www.interfax.kz

Internet sites

Kazakhstan local navigator:
<http://reenic.utexas.edu/reenic/countries/kazakhstan/kazakhstan/html>

Kazakhstan government website:
<http://www.president.kz/>