



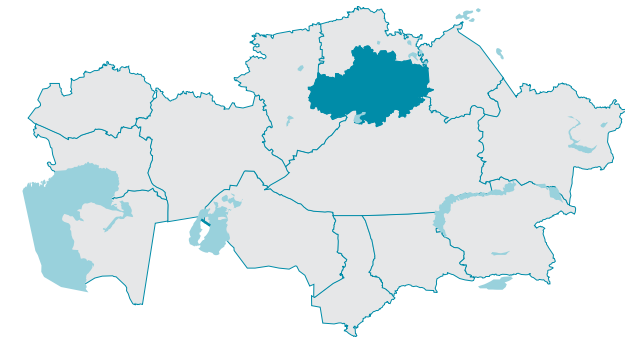
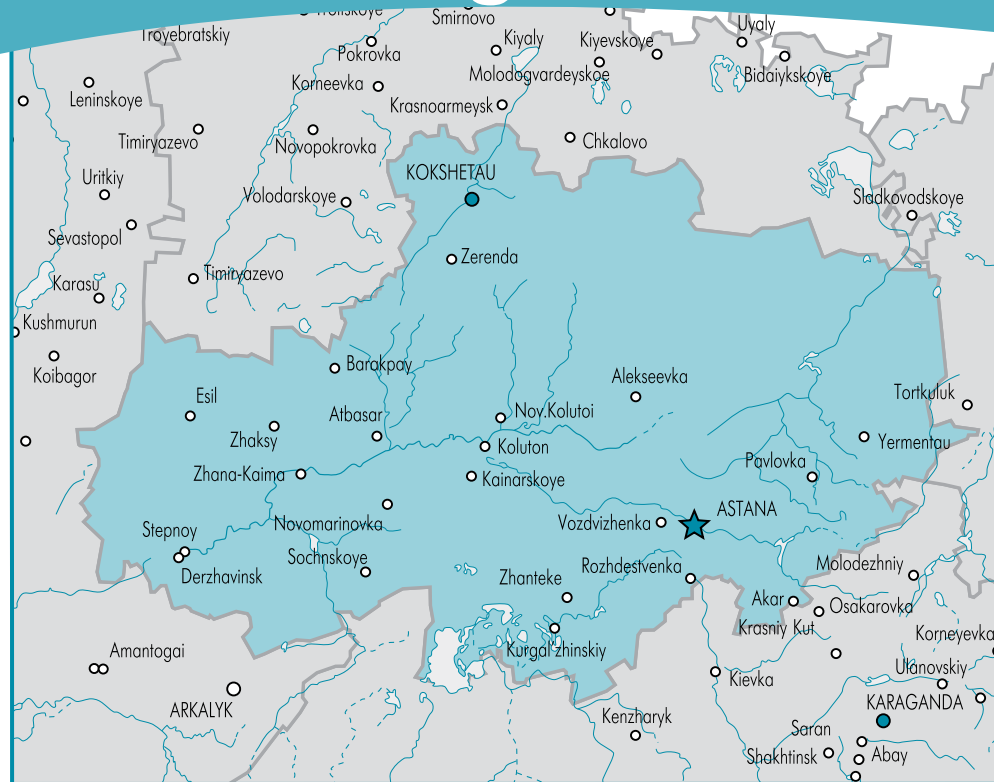
INVESTOR'S ATLAS 2006

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Akmola Region



Total area: 146,000 sq.km
Population: 746,700
Administrative center: Kokshetau

Administrative Divisions

The administrative centre is Kokshetau, which was founded in 1824. At the beginning of 2003, 131,400 people lived there. The region contains ten towns, 14 villages, 17 rural districts and 712 auls (settlements). The urban and rural populations respectively form 65% and 35% of the total. Kokshetau is 270 km from Astana.

Climate

Harsh continental climate with hot summers and cold winters. Average January temperature: -16 to -18 °C, and +19 to +21 °C in July. Annual precipitation: 250-400 mm.

Mineral Resources

19 mineral ore deposits and 155 non-metallic deposits are located in the region, including 13 gold mines (including the Vasilkovskoye goldmine, which is one of the largest in the world), four uranium, one titanium, one antimony, two ornamental stone, six coal, six limestone, 14 mortar sand and 16 building stone deposits.

There are also 24 groundwater springs, many of which can be used for spa therapy.

Natural Resources

The Kokshetau Mountains, covered with birch and coniferous vegetation, are located in the north of

the region; the highest peak is Kokshe mountain (947 metres). The Yerementau Mountains, featuring birch and aspen forests, are located in the east of the region (Akdyn, 899 m).

However, the bulk of the territory is steppes with fescue and feather grass spreading over the Silevinskaya and Atbasarskaya plains. The Teniz-Korgaldjinskaya depression is situated in the southwest of the region.

A state reserve has been created near the freshwater Lake Korgalzhyn (330 sq. km) and the saline Lake Teniz (1,162 sq. km), in the fescue and feather grass steppe. The boggy shores of these

lakes are the northernmost nesting place of the pink flamingo.

In addition, many other large saline and freshwater lakes are located in the region. The Vyacheslavskoye and Siletinskoye water reservoirs have been constructed on the Ishim River (1,719 km within Kazakhstan) and Sileti River (407 km).

There are other large rivers in the region such as the Nura (978 km) and Kulanotpes (364 km).

Tourism

The following types of tourism are being actively promoted in the region as a whole:

- ecological;
- health;
- cultural;
- business; and
- hunting.

Prospects for Tourism Development

The resort of Shchuchinsk-Borovoye is known for its highly developed facilities for health, sports and cultural tourism. Altogether there are 46 sanatoriums in the area. Children's health farms and resorts are concentrated in the picturesque vicinity of Lake Katarkol.

The leader in organising rest and recuperation for children is the Baldauren Republican Centre for Health and Education. More than 20 are currently under construction. The major tourism projects completed in 2005, conforming to all modern resort standards and requirements, include Hotel Alem, Bereke Burabai Ltd, Kokshetau Park & Hotel, and Kokshetau Resort Ltd.

The following resorts are already operational: Zhumbaktas Holiday Hotel, Edem Hotel, and

the Tulpar health and fitness centre. Two national parks, several museums, boating stations and a recreation centre cater for the enjoyment of tourists.

Several firms in Shchuchinsk provide facilities for mountain tourism. Visitors can hire mountaineering equipment for rock climbing, together with the services of an alpinist instructor. Among the local challenges are the rocky heights of Okzhetpes and the Devil's Slide.

All the health farms and sanatoriums, as well as the tourism firms based in the area, cooperate closely with local and foreign tour operators. They provide a full range of services needed by tourists and guests visiting the region of Akmola Oblast.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$617.5m (10.7% of the national total). Crops accounted for 64.4% and livestock products 35.6% of the national agricultural output.

There are 4,970 farms, 40 production cooperatives, 27 joint-stock companies, and 654 partnerships in the region.

Crop Farming

Arable land occupies 4,003,800 ha (21.7% of the total arable land in the country).

In 2005, the gross crop yield (after additional treatment) amounted to 2,965,500 tonnes (21.6% of the national total). The wheat yield averaged 830 kg/ha,



potato 12,530 kg/ha, vegetables 13,900 kg/ha, and sunflower 350 kg/ha.

The largest farms in terms of crop output are Stepnoye (\$2.2m), Rodniki (\$2.1m), and Kumkuduk (\$1.7m).

Livestock

The region's nature makes it possible to develop livestock farming intensively, since pastures occupy about 50% of the farmlands.

In 2005, the Akmola farms had 403,700 head of cattle (7.4% of the national total), 276,400 head of sheep and goats (2%), 85,200 head of horses (7.3%), and 2,600,000 head poultry (9.7%). Pigs numbered 90,500 (6.9%).

Farms produced 443,900 tonnes of milk (9.4% of the national output) and 600 tonnes of wool (2%).

The largest livestock farms in terms of output are Tsesna-Astykh, Agrotsentr Astana and Ardager.

Industry

In 2005, the oblast's gross industrial production totalled \$521.7m (1.3% of the national figure). The key industry was processing (75.0%), with electricity, gas and water production and distribution accounting 16.2%, and mining 8.8%.

There are 391 large and medium-sized enterprises in the region.

The mining industry saw an impressive increase in 2005. This sector is basically represented by gold mining companies. The largest enterprises are Kazakhaltyn (\$27.9m or 5.4% of the oblast's industrial production) and the Vasilkovsky Mining and Processing Plant (2.5%). Kazakhaltyn produced 1,910 kg of gold, out of 2,818 kg produced in the Akmola region. The production of uranium compounds by the Stepnogorsk Mining

and Chemical Plant increased by 3.3 times and reached 1,206 tonnes.

Mechanical engineering is also developing well (35.8% of the oblast's industrial production). The largest enterprises are the Stepnogorsk Bearing Plant producing bearings for railway transport (\$79.8m or 15.2% of the oblast's industrial production), Baiterek-A (\$32.8m), the Shchuchinsk Railcar Repair Plant Burabai (\$15m), and the new enterprise Kamaz Engineering (8.8%), which, in 2005, produced 70 buses, 144 lorries and 8 vehicle trailers. The companies providing maintenance services for Kazakhstan Temir Zholy saw an increase in production by 1.5-2 times. Other mechanical-engineering companies are involved in production of medical equipment, aviation equipment and spares, metering units, etc.

In 2005, some projects to upgrade production were implemented. As a result, the capacities of processing plants increased and new jobs were created. The Kokshetau Milk Processing Plant launched production of dry whole milk, with an expected annual output of 960 tonnes. Tolkyin Bidai (Yerementau district) commissioned a new sausage workshop with an annual capacity of 190 tonnes and Kamenka & Co (Sandyktau district) commissioned sausage and potted meat workshops with a daily capacity of 0.5 tonnes.

The food sector accounts for 19.7% of the oblast's industrial production. The largest enterprise in this sector is Kokshetauminvody bottling mineral water and soft drinks (3.3% of the oblast's industrial production).

A number of projects to advance the construction sector were implemented.

- Dostyk Granit was commissioned, which became the first ammonite-cartridging plant in the region.

- The Makinsk Construction Materials Plant launched a project to produce foamed concrete blocks with an annual capacity of 200,000 m³.
- In Kokshetau, Astana Nedvizhimost commissioned a reinforced concrete production plant with an hourly capacity of 30 m³.
- The Bektas Group and Musa Impex commissioned new road metal plants in Tselinograd district (with an annual capacity of 500,000 m³) and Yerementau district (640,000 m³), respectively.

The region is implementing the nationwide Industrial-Innovative Development Programme. Work is in the pipeline to complete the reconstruction of mechanical engineering enterprises, improve the range of products and implement new technologies. Thus, in 2005, Tynys started production of polyethylene pipes (10-250 mm in diameter) for gas and water pipelines. The Makinsk Casting Plant implemented a project to commission an induction unit to melt high-alloy steel, cast iron and non-ferrous metals. This project enhanced the range of mold castings made of cast iron and steel as well as the quality of products and significantly improved the company's output.

Foreign Trade

In 2005, exports and imports totalled \$184.8m (0.7% of the national figure) and \$281.2m (1.6%), respectively. The trade deficit reached \$96.4m.

Investment

The investment in fixed capital amounted to \$287.4m (1.6% of the national total). These funds were invested mainly in the agriculture (22.4%), real estate, leasing and service sectors (19.4%),

public governance (11.1%), mining (15.4%), and the manufacturing industry (9.5%).

The main sources of investment were as follows:

companies' own funds (70.5%);

loans (13.3%);

national and local budgets (12.8% and 2.2%, respectively); and

foreign investment (1.2%).

New Tendencies in Investment Activities

Three business incubators and eight business centres are functioning in Akmola Oblast.

Measures to create a building materials cluster are in the pipeline, including:

- building a brickworks on the basis of the Simferopol and Yelenov deposits (Ashina-Tas);
- building a perlite factory on the basis of the Turgai deposit of vitrosit feedstock (Vitrrophyre);
- building a mineral paints factory on the basis of the Farforozavod deposit (Akkerege); and
- building a cement factory on the basis of the Koksorsk chalkstone deposit (Vostochno-Energeticheskaya Kompaniya).

Foreign Capital

There are 58 enterprises with a foreign shareholding in the oblast. They employ 7,074 people. The amount of products and services produced in 2005 was worth \$129.5m.

Exports and imports by joint ventures and foreign companies totalled \$111.9m and \$80.9m, respectively. Thus, the trade surplus stood at \$31m.

The largest enterprises with a foreign shareholding are Kazakhaltyn and the Vasilkovsky Min-

ing and Processing Plant (gold mining), Kamaz Engineering (vehicle production), and OKAN-ISOT Inc. (construction).

The following investment projects were accomplished in 2005:

- projects by the Kazakhaltyn Mining and Metallurgical Plant resulted in the production of Dore alloy, a higher quality product. The company completed the construction of two heap-leaching facilities at the Aksu and Bestobe mines and two cyanide-processing plants at the Aksu and Zhalymbet mines, all at the cost of \$27.1m. Having commissioned these plants, the company may now use new technology to process low-content ores that were worthless earlier;
- the Saga Creek Gold Company has started operating a gold mine at the Uzboi deposit. The company produces crude gold by heap leaching. At present, the company is constructing a cyanide-processing plant in Stepnogorsk to improve the quality of the gold produced; and
- Kamaz-Engineering has started assembling motor vehicles. From its start to the present, the company has assembled 169 Nefaz buses, 787 Kamaz trucks and 8 trailers, for a total amount of 4.8 billion tenge.

Communications

Akmola Oblast is a major transport corridor between China, Central Asia and Russia. The telecommunications sector comprises cellular, trunk, paging and internet providers. The road and railway networks are 7,892 km and 1,836 km long, respectively. There is only one airport in the oblast (Kokshetau).

Power Engineering

The major power companies in Akmola Oblast are the Akmolinskaya Power Grid Company (the average annual load factor 60%) and Kokshetau Energo (19.2%).

In 2005, the following rates were set:

electricity (for enterprises) \$0.026 per kWh

water:

cold water \$0.19 per m³

hot water \$0.7 per m³

Banking

Eleven branches of second-tier banks and 13 insurance companies operate in the oblast.

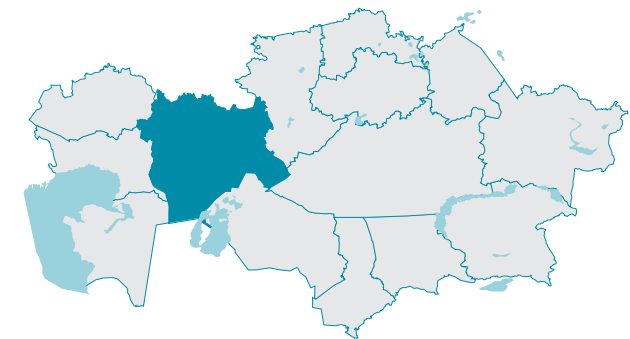
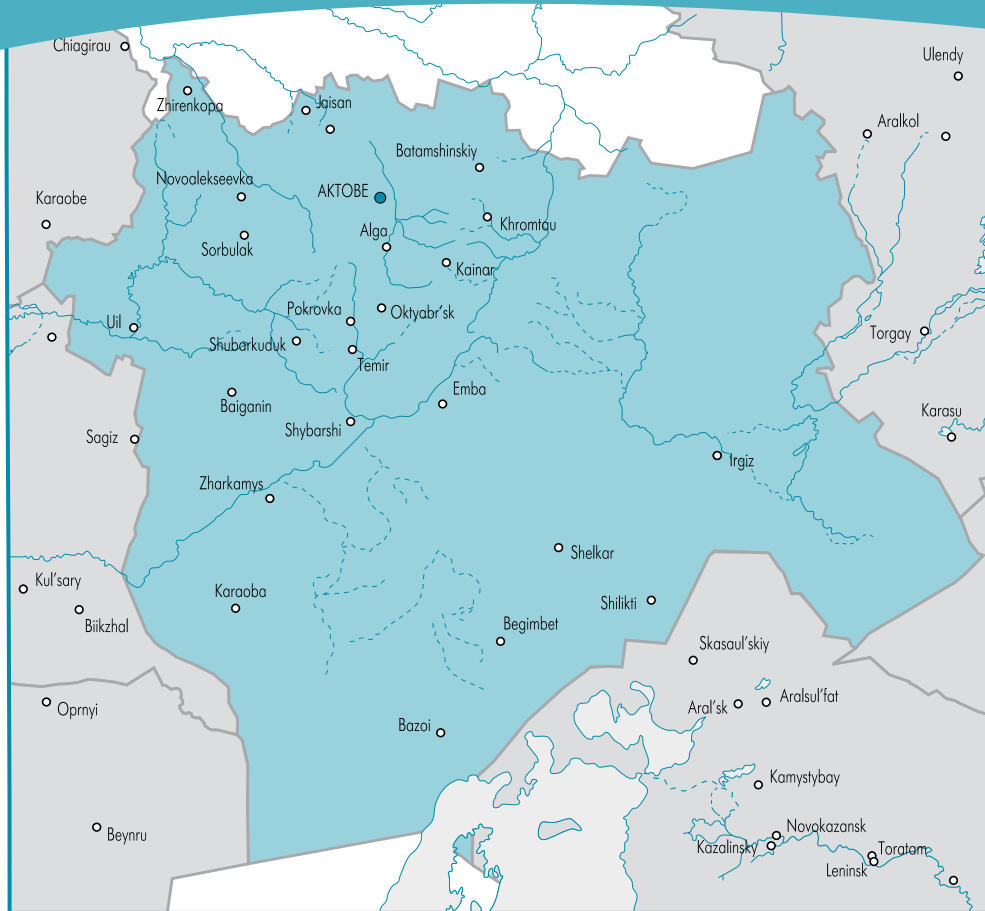
Employment

The labour force in Akmola Oblast amounts to 418,100 people (5.3% of the national total), of whom 33% have secondary vocational education, 14% higher education (including undergraduates), and 53% primary or secondary education. The number of employed is 380,700 (5.2% of the national total). Most of them work in the agricultural and forestry sector (45.1%), trade and repair of automobiles (6.7%), education (9.5%), industry (9.0%), and transport and communications (8.8%). The average monthly nominal wage is \$171.1 (67% of the national level). The number of unemployed is 37,400 (5.8% of the total in Kazakhstan).

Education

There are eight institutions of higher education and 22 colleges in Akmola Oblast. In 2005-2006, local colleges prepared 1,051 specialists predominantly specialising in economics, law and the humanities.

Aktobe Region



Total area: 300,600 sq.km
Population: 686,700
Administrative centre: Aktobe

Administrative Divisions

The administrative centre is Aktobe, which is situated on the Ilek River. The city was founded in 1869. It is home to over 41% of the region's population. The region contains eight towns, 12 rural districts and 441 auls (settlements). The urban and rural populations respectively represent 55% and 45% of the total. Aktobe is 1,678 km from Astana.

Climate

Harsh continental climate. Average January temperature -15 to -16 °C, +22 to +25 °C in July. Annual precipitation: 125-350mm

Mineral Resources

The Aktobe region has unique mineral and raw material resources. It is the only chrome producer in Kazakhstan and its chrome reserves are the largest in the world (over 400 million tonnes). The region accounts for 40% of the proved titanium reserves and 55% of the proved nickel reserves in the country. So far, 79 mineral ore fields have been explored there, including gold, silver, cobalt, copper, zinc and nickel deposits, etc. Some 10% of the nation's proved hydrocarbon reserves are situated in the Aktobe region. 19 hydrocarbon fields are under development, Zhanazhol and Kenkiyak being the largest. There are also 122 fields containing non-

metallic mineral resources, including phosphorites (9), coal (2), asbestos (8), gypsum (2), bituminous rocks (5), glass-making sand (1), hard clay (2), and 91 groundwater springs, three of which are used for spa therapy.

Natural Resources

The major part of the region's territory consists of rolling plains, with just the north being surrounded by the southern spurs of the Urals. The main rivers are the Torgai (825 km), Oiyl (800 km), Zhem (712 km), irgyz (593 km), and Or (314 km). There are over 150 small saline lakes, which, when dry, form alkaline land. Feather-grass and forb steppes are

situated in the north-west of the region, which is a semi-desert with grass and pseudo-steppe vegetation in the north-east, and a sagebrush alkaline desert with several sand massifs in the south.

Tourism

The region features unique natural sites that rank among the specially protected territories and historic monuments of Kazakhstan.

The Aidarlyash axial section

This unique geological section is located in Khromtau district. As a result of the movement of the earth's crust, forty layers dated to 290-350 million years ago have been squeezed out and turned horizontally on the bank of the Aidarlyash River.

Zhamanshin meteor crater

The crater formed as a result of the impact of a gigantic meteorite one million years ago is located in Irgiz district. The energy released from the explosion made a crater 700 metres deep and 5.5 km in diameter, surrounded by a mound varying in width from 1.5 to 3 km.

The Turgai State Nature Reserve

The Turgai Reserve was established in 1967 in Irgiz district. It occupies a total area of 348,000 ha. The reserve is home to 29 species of mammals, 11 species of fish and 170 species of birds, 30 of which are included in the IUCN Red List of endangered species in Kazakhstan.

Abat Baitak Mausoleum (dated 14th-15th centuries)

The mausoleum is located in Kobdin district. The legend says that Abat Batyr, the son of Assan Kaigy, was buried here. The monument is included in the country's Cultural Heritage Programme and is now undergoing restoration.

Tourism Development Prospects

A climate with distinct seasons, a diversity of landscapes and amazing views of mountains, steppes and pine forests together with pure rivers and heal-

ing springs all combine to make development of the following tourism trends highly promising:

- extreme;
- sports; and
- ecological tourism.

There are particularly good prospects for the promotion of educational and archaeological tourism thanks to the presence of numerous burial mounds, cult monuments and places linked with the lives of outstanding historical figures such as Kobylandy Batyr, Monke Bi, Assan Kaigy and Abulkhair Khan. Add to this some exciting archaeological findings and a rich background of legends.

Agriculture

In 2005, the Aktobe Oblast's gross agricultural output amounted to \$206.3m (3.6% of the national total), of which livestock products accounted for 76.2% and crops 23.8%.

There are 5,477 farms, 85 production cooperatives, eight joint-stock companies, 251 partnerships and three state-owned farms in the region.

Crop Farming

Arable land occupies 823,000 ha (4.5% of the total arable land in the country).

In 2005, the oblast's gross crop yield (after additional treatment) amounted to 220,700 tonnes (1.6% of the national total).

The wheat yield averaged 470 kg/ha, potato 11,540 kg/ha, vegetables 14,690 kg/ha, and sunflower 150 kg/ha.

The largest crop farms are Stepnoye (\$2.2m), Rodniki (\$2.1m), and Kumkuduk (\$1.7m).

Livestock

The region's nature makes it possible to develop livestock farming intensively, since pastures occupy about 94.3% of the farmlands.

In 2005, the Aktobe Oblast's farms had 396,300 head of cattle (7.3% of the national total), 872,400 head of sheep and goats (6.1%), 61,900 head of horses (5.3%), and 15,100 head of camels (11.7%).

The number of pigs and poultry was 90,500 (6.9%) and 949,700 (3.6%), respectively.

Farms produced 269,000 tonnes of milk (5.7% of the national output) and 1,700 tonnes of wool (5.8%).

The largest livestock farms in terms of output are Ramazan and Stepnoye.

Industry

In 2005, the region's industrial production totalled \$3,655.3m (9.2% of the national figure). The key industry was mining (78.2%), with processing accounting for 17.2%, and electricity, gas and water production and distribution 4.6%.

There are 279 large and medium-sized companies in Aktobe Oblast.

Twenty-six large and medium-sized industrial enterprises were launched after rehabilitation in 2005 and created 1,510 jobs.

The year 2005 saw an industrial growth thanks to the development of existing and launching new enterprises. Oil production increased by 10.2% against the last year and reached 7,990,100 tonnes, gas by 24%, (2,280.3 m³), chromite ore by 8.9% (3,581,200 tonnes), and ferroalloys by 3.9% (382,800 tonnes).

Mining plays the key role in the region's economy. In 2005, its output increased by 39.5%. The largest enterprise in the region is CNPC-Aktobemunaigaz, an oil and gas producer. In 2005, it shared 46.8% of the oblast's industrial output having produced 5,833,000 tonnes of oil (73% of the region's oil production) and 1,783,400 million m³ of gas (78.3%).

In processing, the total output amounted to \$629.5m, which is \$125m more than in 2004. The main contributor to this growth was the Aktobe Ferroalloy Plant owned by Kazchrome. In 2005,

the plant's production was worth \$314m (50% of the oblast's processing output) or 382,800 tonnes of ferroalloys. Donskoi GOK is the only company which mines chrome ore in Kazakhstan (5.9% of the region's industrial production).

The Aktobe Chromium Compound Plant manufactures chromic salts (1.7%) and is one of the largest enterprises in the country. It produced 21,300 tonnes of chromium oxide or 98.6% of the national total.

The Aktobe Petroleum Equipment Plant, a producer of equipment for the oil and gas sector, and Aktyubrentgen, a manufacturer of photofluorographic equipment, represent the region's mechanical engineering.

The light industry's output totalled \$1.33m. The region manufactures garment, knitted goods, and working clothes.

The food industry production totalled \$124.4m. Against 2004, this sector saw an increase almost in all areas of food production. The production of meat, by-products, sausages, confectionery, flour, dairy products and vegetable oil grew. The region is self-sufficient in flour, bread and bakery, and mineral water.

The manufacture of building materials is also developing successfully. In 2005, the production of building materials totalled \$38.8m (an increase by 6.6% against 2004). The output of refractory ceramics increased by 52%, custom concrete by 10.5%, silica bricks by 3.4%, and lime by 18.6%.

Foreign Trade

In 2005, the oblast's exports and imports totalled \$3,453m (12.4% of the national figure) and \$1,165.8m (6.7%), respectively. The trade surplus reached \$2,287.2m.

Investment

Investment in fixed assets amounted to \$1,385.5m (7.6% of the national total). These funds were main-

ly invested in mining (55.4%), processing (14.5%), and transport and communications (15%).

The main sources of investment were as follows:

- companies' own funds (65.1%);
- national and local budgets (13.5%);
- loans (7.0%); and
- foreign investment (14.4%).

The following investment projects were constructed in 2005:

- an oil refinery (Lad);
- a mini oil refinery (Batys Oil Gas);
- a plant to produce sterilised and pasteurised milk and sour milk products packed in plastic bottles (Ice); and
- a non-metallic pipe plant (Aktobe Non-Metallic Pipe Plant).

New tendencies in investment activities

The Aktobe Regional Industrial Technology Park was established in the region with the help of the Akimat.

A building materials cluster is being created.

The following major industrial projects were commissioned in 2005:

- a plant to produce pipes and pipe fittings reinforced with polyester fibreglass (Hobas Pipes Kazakhstan);
- a plant to produce small concrete products using the semi-dry vibrocompression process (Mart);
- a concrete plant (Zhiger);
- lines to produce welded I-beams and laminated sandwich panels (the Aktobe Metal Structures Plant);
- a red brick factory (Karamai Service); and
- a plant to produce cubic crushed aggregate (the Aktobe Mednaya Company).

Foreign Capital

There are 219 companies with a foreign shareholding in the oblast, of which 34% are involved in trade, 11% in construction, and 9% in transport and telecommunications. These businesses employ 32,419 people. The amount of products and services produced in 2005 was worth \$3,051m.

Exports and imports by joint ventures and foreign companies totalled \$2,964.3m and \$579.6m, respectively. Thus, the trade surplus stood at \$2,384.7m.

The largest enterprises with foreign shareholding are CNPC-Aktobemunaigaz, Kazakhoil Aktobe, KKBK Velikaya Stena, Intergas Central Asia, Kazchrome, and the Aktobe Chromium Compound Plant.

The following investment projects were accomplished in 2005:

- constructing plants to produce pellets and concentrate low-grade chrome ore (Donskoi GOK, Kazchrome).

Communications

The telecommunications sector is represented by cellular, trunk, paging and internet providers.

Aktobe Oblast borders Russia, which is a favourable geographic factor. The length of rail and motor roads in the region totals 1,309 and 6,167 km, respectively. Aktobe has an international airport hosting regular and charter flights.

A 684-km transcontinental motor road running from Samara to Shymkent connects Europe with Central Asia.

The Bukhara-Ural gas pipeline with a designed capacity of 56 billion m³ per year runs for 1,175.2 km within the region and transports gas from Central Asia to Russia and further on to Europe. Another gas pipeline, the 232-km Zhanazhol-Kandyagash-Aktobe launched in 1999, supplies petroleum gas to region's population centres.

The 411-km Zhanazhol–Kenkiyak–Bestamak–Orsk oil pipeline has an annual capacity of 7.7 million tonnes and transports regionally-produced oil to the Orsk Refinery in Russia.

The cornerstone of the transportation system is railways providing freight and passenger services in four directions and interstate transit traffic.

The air transport is represented by a branch of Euro-Asia Air, the Aktobe International Airport, a branch of Kazaeronavigatsiya, and Aero (pest control).

Aktobe International Airport's is capable of servicing 10 aircrafts of any type hourly. The airport features Boeing 737s, Boeing 767s, A-310s, and even Boeing 747-400s, the largest commercial airliner. The actual number of passengers the airport served in 2005 amounted to 57,200 people.

The following investment projects were accomplished in 2005:

- The 402.8-km Khromtau–Altynsarin railway is a direct connection between Astana and Aktobe (bypassing the territory of Russia) that reduces the railway travel time by ten hours;
- The commissioning of the 80-km Zhem–Zhanazhol pipeline enhanced the volumes of oil products transported from the Zhanazhol oilfield;
- A section of the Karabutak–Komsomolskoye–Kostanai Oblast's border road is now at the completion stage. This 444-km section connects West Kazakhstan with central and northern regions of the country;
- The Kenkiyak–Zhanazhol oil pipeline was commissioned by CNPC-Aktobemunaigaz; and
- The Zhanazhol-KS13 gas pipeline is being constructed by CNPC-Aktobemunaigaz.

Power Industry

The region's energy sector includes the 135-MW power plant operated by Kazchrome, the 75-MW Aktobe cogeneration plant, and the 56-MW Zhanazhol gas-turbine power plant. A deficit of electric power amounted to 120-150 MW and was covered by importing power from the Russia's Unified Energy System.

In 2005, power suppliers set the following rates:

<i>electricity</i>	<i>\$0.052 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.19 per m³</i>
<i>hot water</i>	<i>\$11.25 per m³</i>

The following facilities were commissioned:

- a 15.7-km power line from the Zhanazhol field with a capacity of 620 kW (CNPC-Aktobemunaigaz);
- a 75-km Kenkiyak–Alibekmola–Emba overhead transmission line with a capacity of 110 kW (Kazakhoil Aktobe); and
- the reconstructed Zharkamys–Oimaut power lines.

New power generators are being designed. Among them are:

- a 40-MW gas-turbine power station operating on the associated gas of the Alibekmola oilfield (Kazakhoil Aktobe);
- a 45-MW gas-turbine power station operating on the associated gas of the Zhanazhol oilfield (CNPC-Aktobemunaigaz);
- a 40-MW gas-turbine thermoelectric power station in Aktobe (SK Baizhomart); and
- a 140-MW thermoelectric power station operating on the brown coal of the Mamyt deposit (Kyzylkainmamyt).

A pilot project to construct a 100-MW cogeneration gas-turbine power station in Kandyagash will be implemented under the strategy of the state-private partnership with the help of pension funds (\$67.7m). The North Kazakhstan–Aktobe interregional power line will be commissioned in 2006. The cost of this project is \$116.7m.

Therefore, by 2010, commissioning of new power generators will allow for energy production enhancement by more than 300 MW, which will provide for the needs of Aktobe Oblast (up to 1,000 MW) and help the region become fully independent.

Banking

There are 27 branches of commercial banks and nine insurance companies in Aktobe Oblast.

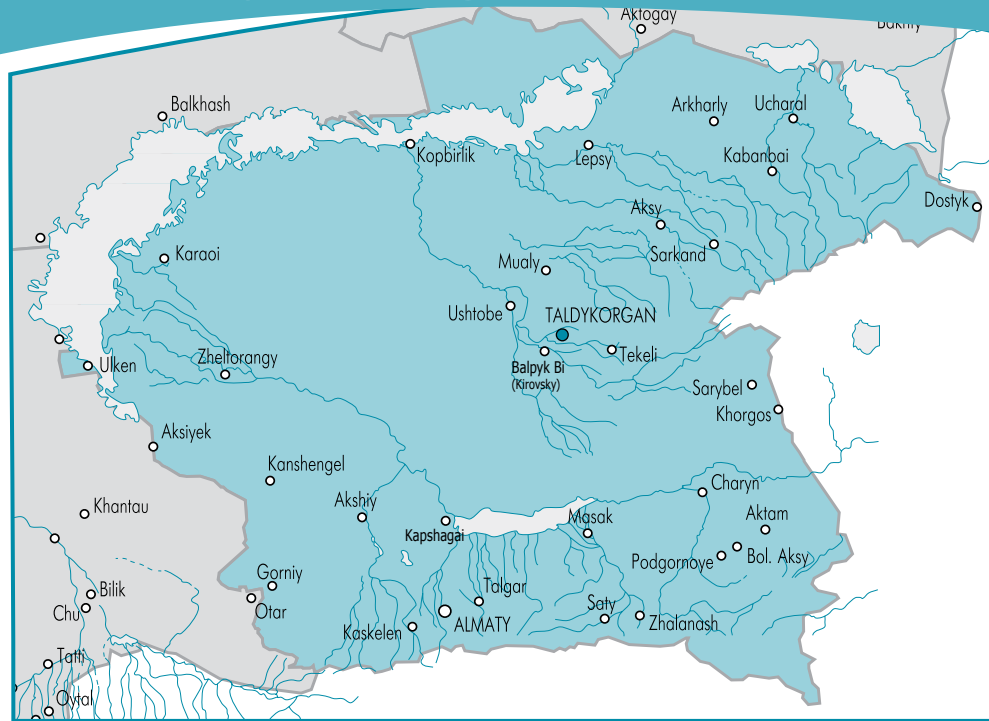
Employment

The labour force in Aktobe Oblast amounts to 372,900 people (4.7% of the national total), of whom 50% have secondary or primary education, 27% secondary vocational education, and 23% higher education (including undergraduates). The number of employed is 338,600 (4.7% of the national figure). Most of the region's population work in agricultural, hunting and forestry businesses (16.6%), industrial enterprises (6.3%), and in the field of education (5.2%). The average monthly nominal wage is \$262.2 (102.3% of the national level). The number of unemployed is 34,300 (5.4% of the national figure).

Education

There are 13 institutions of higher education and 20 colleges in Aktobe Oblast. In 2005-2006 the institutions of higher education prepared 6,596 graduates. The colleges prepared 3,030 graduates in various specialities.

Almaty Region



Total area: 224,000 sq.km
Population: 1,603,800
Administrative centre: Taldykorgan

Administrative Divisions

The administrative centre is Taldykorgan, which is situated on the Karatal River and was founded in 1944. The region has 10 towns, 16 rural districts and 234 auls (settlements). The urban and rural populations respectively form 29,6% and 70,4% of the total. Taldykorgan is 1,480 km from Astana.

Climate

Harsh continental climate; a milder climate in the mountain foothills areas. Average January temperature down to -15 °C in the plain area, -8 °C in the foothills; up to +25 °C and +16 °C respectively in July. Annual precipitation in the plains up to 300mm, in the foothills and mountains up to 1000mm.

Mineral Resources

There are 27 metalliferous deposits in the region, including gold (35), lead and zinc (7), copper (2), silver (12), tungsten (1) and uranium (3). Boguty and the Karagaily-Aktas are proven tungsten ore deposits. There are also reserves of molybdenum, tin and mercury. The region has 172 deposits of common minerals. Significant reserves of ornamental stone have been discovered, principally granite (the Zhalpaktas and Kapal-Arasan deposits), gabbro (the Degeres, Aidarlinsk and Zhola-man deposits), and marble (the Ekpedinskoye, Aschibulak and Konyrole deposits).

There are 51 groundwater springs, many of which are used for spa therapy purposes. The Alma-Arasan hot spring water is similar in its chemical

composition to French mineral waters of the Pyrenean type (Aix les Bains, etc.).

Natural Resources

Several rivers flow through the region, including the Ili (815 km within Kazakhstan), Lepsy (417 km), Karatal (390 km), Aksu (316 km), Tentek (200 km) and Yrgaity (69 km). The Kapshagai water storage reservoir (with an area of 1847 sq. km and fresh water reserves totalling 28 billion cu m) has been constructed on the Ili River, the Bartogai water storage reservoir (area 14 sq. km, freshwater reserves 320 million cu m) on the Shilik River, and the Kurtinskoye water storage reservoir (area 8.3 sq. km, freshwater reserves 120 million cu m) on the Kurty River. There are several large lakes

in the region, including the Balkhash (18,200 sq. km), the eastern part of which is saline, the Alakol (2,650 sq. km), Sasykol (736 sq. km) and Zhala-nashkol (36.6 sq. km). Riparian forests and reed grass grow on the flood-plains and lakeshores with alkaline meadowland soils. The mountains have various zones of vegetation determined by altitude.

The Zailiisky Alatau, Kungei Alatau, and Ket-penRanges are situated in the southern part of the region, with the Zhetysu Alatau and Dzungarian Gate in the south-east. There are a number of conservation areas and national parks.

Tourism

On the whole, there are more than 100 routes and programmes covering the following types of tourism:

- educational;
- ecological;
- ornithological;
- health and health improvement;
- ethnographic, etc.

Mountaineering and climbing tourism is highly popular in the region. The routes to the mountain summits and passes have been developed since the early 1930s and are widely used by numerous foreign travellers from different countries. There is an international alpine camp located under the Khan Tengri peak.

The Almaty region enjoys considerable tourist potential and great opportunities for internal and external tourism development. The region features numerous health resorts, sanatoriums, camps, guest and hunting lodges. A total of 41 tourist organisations operate in the region.

Almaty oblast is the leader in terms of quantity and attractiveness of its showplaces. It includes several state nature parks, notably

- Altyn Emel;
- Ile Alatau;
- Charyn;
- Almaty State Nature Reserve; and
- Alakol State Reserve.

The Altyn Emel, the largest Kazakhstan natural park, is situated among the southern branches of the Dzhungar Alatau ridge with a total area of 520,000 ha. The park features unique natural sites and ancient cultural monuments that present great interest in terms of ecotourism: The Singing Dune, the moonlight landscape of the Aktau Mountains

and the Besshatyr mounds. The Singing Dune is a rare phenomenon encountered on the right bank of the Ili River: when the sand moves on the surface of the dune it emits the sound like organ music. The dune is 80 metres high and three kilometres long. The park features many animal species included in the IUCN Red List, such as dziggetai (Mongolian horse), Persian gazelle, black stork, golden eagle, snake eagle, bearded vulture, and so on.

The Ile Alatau National Park has plenty of natural sites of unique environmental, scientific and aesthetic value. Among them are the Chin Turgen spruce forest preserved since the Ice Age, the Big



Almaty Lake, the fierce and noisy Kairak and Medvezhy waterfalls, bizarre and silent stone “glaciers” in the snow-capped valleys of the Archarly and Ozernaya rivers, the majestic and almost inaccessible Tuyuksu, Dmitriyev and Constitution glaciers.

The Charyn Canyon located in the Charyn National Nature Park, is justly referred to as one of the most picturesque valleys in the world. It reminds visitors of the Grand Canyon in Colorado, USA. Thousands of tourists come to see the unbelievably diverse and bizarre forms of rocks that look like towers of different sizes. Another unique natural monument of the park – the Aspen Grove – occupies an area of 5,014 ha and is famous for the Sogdian Aspen trees. The Charyn Aspen Grove is the only place in Kazakhstan where this kind of tree can be found.

The region is perfectly suited for promoting mountaineering and climbing tourism. The Zailiysky and Dzhungar Alatau ridges, the Central Tjan Shan with the highest peak in the country – Khan Tengri (7,010 m) – provide unequalled opportunities in terms of climbing.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$793.7m (13.8% of the national total). The oblast is the second largest agricultural producer in Kazakhstan after Kostanai oblast. Almaty oblast's agriculture is well balanced: crop production shares 49.4% and livestock production 50.6% of the gross agricultural output.

There are near 44,000 farms, 225 production cooperatives, 47 joint-stock companies, 349 partnerships, and 27 state-owned farms in Almaty oblast. In addition, above 321,400 households engage in livestock and poultry production and crop farming.

Crop Farming

Arable land occupies 884,300 ha (4.8% of the total arable land in the country). Most of this land (496,600 ha) is used to grow crops. However the oblast's gross crop yield ranks only fourth in the country (7% of the national yield) totalling 979,700 tonnes, almost a half of which is wheat. The crop yield averaged 2,040 kg/ha (more than twice the national average). The oblast is one of the country's largest producers of soybean (99.4% of the national output), tobacco (80.4%), white beet (95.6%), corn (62.4%), potato, and vegetables.

In 2005, the yield of white beet was 347,100 tonnes from about 16,300 ha. The yield is fully processed by the oblast's five sugar refineries.

In 2005, 65,300 ha of land yielded 269,700 tonnes of corn (feed grains) or 26.1% of the national total. The largest harvests of corn feed grains were gathered in Panfilov (33.2%), Enbekshikazakh (34.9%), and Uigur (12.7%) districts. The largest farms in terms of output are Khilnichenko & Co. (\$1.338m), Maitobe (\$0.69m), and Aldabergenova (\$0.673m), which engage in growing grain, feed corn, potato, etc.

Growing of apple and other fruits is one of primary concerns in the oblast. Fruits are produced from 16,700 ha of land in total. During the four recent years more than 865 ha have been allotted for gardens and 500 ha for vineyards. Twenty-four apple sorts are being grown. In the foothills of the Zailisky Alatau the most popular sorts are Aport, Golden Delicious, Zarya Alatau, Zailiskoye, Landsberg Rennet, etc. The oblast's mild climate makes possible the production of table and wine grapes from 4,600 ha (47% of grape planting area in the country). Eco Agroproduct is a producer of grapes. The company makes selection of new European sorts of grape to suit them to the local growing conditions. The company has more than 2,000 ha of vineyards located in the Turgen Valley.

Livestock

The oblast's nature and large pastures (89.6% of the total farmlands) make it possible to develop livestock farming intensively.

The oblast's horse stock numbering 180,400 head (15.6% of the national total) is the largest in the country. Almaty oblast is the second largest producer of cattle stock (646,900 head or 11.9%), and sheep and goats (2,461,500 head or 17.2%). Pigs numbered 131,300 head (9.9%). During the five recent years cattle livestock has increased by 26.3%, sheep and goats by 11.6%, horses by 12.7%, and poultry by 40.5%. The oblast is the country's largest producer of poultry, which reached 6.3 million head in 2005 (or 24% of the national total). The production of poultry meat and eggs fully satisfies the oblast's consumer demand.

Industry

In 2005, the oblast's industrial production totalled \$1,359.1m (3.4% of the national figure). The key industries are processing (81.3%), electricity, gas and water production and distribution (15.3%) and mining (3.4%).

There are 599 large and medium-sized enterprises in the oblast.

The region has a leading positions in the national production of sugar, wine, tobacco, malt, electric accumulators, and glassware.

The Agricultural products processing accounts for 74.4% of the region's industrial output, with 40.2% being in the tobacco industry.

The largest enterprises in the region are the tobacco companies Philip Morris Kazakhstan (14.7% of the region's industrial output) and Galaher Kazakhstan (9.2%). Other large enterprises include sugar manufacturers, such as Almatinsky Sakhar (4.1%) and Almaty Kanty (2.2%). In 2005,

several advanced agricultural processing projects and new high-tech processes were implemented, including the Coca Cola Almaty Bottlers' project to produce 15 million decalitres of soft drinks per year and the Gold Product's project to launch a juicy production line with an annual capacity of 82 millions litres.

The major food producers, such as Food Master (\$18m), Gold Product (\$17.6m), PlodEx (\$1.4m) and Hamle (\$10.7m) underpin the stable development of the food sector. Their Piko, Zailiyskoye, Ainalain, Mu-mu, Luchsheye iz Turgenya and 6 Sotok brands are well known throughout Kazakhstan.

Hamle constructed two workshops to produce stock cubes and bar chocolate, KazBestProduct started a \$3.2m project to produce dry gluten.

Widespread mineral resources, such as marble, quartz sand, limestone, gypsum, potter's and coal clay, and building and facing stone make it possible to develop the building material sector in the oblast. Some new process lines were commissioned: Almatygazservice (ceramic and walling materials), Mountain Mineral (marble flour), Bazalt-D (mineral wool) and also a roofing felt plant, 13 brick plants and four plants to produce metalloplastics.

The Mechanical engineering is basically represented by the companies involved in the production of electrical, electronic and transport equipment.

In 2005, the total output amounted to \$72.8m. The production of lead-acid batteries, oil filters and switchboards increased.

The oblast is the only national manufacturer of lead-acid batteries used in reciprocating engines.

The chemical industry is represented by KazPEK, a plant to produce flexible package with an

annual capacity of 2,220 tonnes. Urker Cosmetic is implementing a project to upgrade and reconstruct the production of cosmetics and household chemistry with a design capacity of 272.6 millions items per year.

The pulp and paper industry is represented by Kazakhstan Kagasy (\$15m) and NovApak, a new enterprise engaged in wastepaper processing and paper production with a capacity of 17,000 tonnes per year. These companies helped decrease the paper imports in the oblast and ensure the sustained growth of the sector.

In 2005, 45 companies were certified to ISO 9000, 14000, OHSAS 18000, and HACCP, 35 of them being industrial enterprises (including 11 engaged in agricultural product processing).

In 2005, six companies (Urker Cosmetic (cosmetics), Raimbek Agro (long-life milk), Wimpex (spirit), KazBestProduct (flour), Almaty Kus (poultry) and Kazzinc (ore production)) were certified to ISO 9001:2000.

Foreign Trade

In 2005, oblast's exports and imports totalled \$183.4m (0.7% of the national figure) and \$742.6m (4.3%), respectively. The foreign trade deficit reached \$559.2m.

Investment

Investment in the region's fixed assets amounted 748.7m (4.1% of the national total). Funds were invested in industry (22%), real estate activities (23.7%), construction (22.9%), transport and communications (12%).

Major sources of project finance were own funds enterprises (56.8%). The central and local budgets (11.1%), foreign investment (24.5%), loans (7.6%).

The following projects were accomplished in 2005:

- constructing a packaging materials plant designed to produce 5,000 tonnes of film, 600 tonnes of flexible packages and 2,400 cardboard boxes per annum (KAZPACK);
- constructing a plant to produce 1 million square meters of heat-insulated wall panels and roofing panels per annum (Polymermetal-T)
- constructing a plant to produce 40 million tonnes of building and facing bricks per annum (Izoblock Kapshagaistroi)
- constructing a plant to produce 20 million tonnes of building and facing bricks per annum (Tulpar).

New tendencies in investment activities

The Engineering and Technology Transfer Centre and Jurong Consultants PTE LTD, a consulting company from Singapore, worked out a project to develop a special economic zone – the Information Technology Park – in the settlement of Alatau.

Work on creating clusters for Food Industry, Transport Logistics, Textile Industry, Tourism, Building Materials and Horticulture is being carried out.

On the basis of the Textile Industry Cluster, the Almaty Regional Textile Trade, a wholesale chain, has been established. It is the leading company of the textile cluster.

On the basis of the Building Materials Cluster more than 20 priority investment and innovation projects for making new kinds of building materials and constructions are being realised. The Almaty Regional Technology Park is the main chain of the cluster.

A cluster for processing agricultural products is being created. The leaders of the project are Plo-

dEx (conservation of vegetables and fruits), Raimbek Agro (dairy products), FoodMaster and Adal.

Foreign Capital

There are 152 companies with a foreign shareholding in the oblast, of which 90% are involved in the processing industry. They employ 9,414 people. The amount of products and services produced in 2005 was worth \$545.2m.

Exports and imports by joint ventures and foreign companies totalled \$57.3m and \$245.9m respectively. Thus, the trade deficit stood at \$188.6m.

The largest enterprises with a foreign shareholding are Philip Morris Kazakhstan and Gallaher Kazakhstan (the tobacco companies), Almaty Kanty (sugar manufacturer), the Almaty branch of the Efes Karaganda Brewery (beer), Libella Bottlers Almaty (soft drinks) and Hamle (confectionery).

The following projects were accomplished in 2005:

- constructing a plant to produce 150 million litres of soft drinks per annum (Coca-Cola Almaty Bottlers)
- reconstructing a gypsum board plant (Knauf Gips)
- constructing a plant to produce 82 million litres of juices and soft drinks per annum (Gold Product)

Communications

The oblast is a major transport corridor between China, Central Asian countries, Russia, Kyrgyzstan and Tajikistan. Two airports are located in the settlement of Burundai and the town of Taldykorgan. The telecommunications sector comprises

cellular, trunk, paging and internet providers. The oblast's road and railway networks are 9,617 km and 1,303 km long, respectively. Waterways total 1,800 km.

Four check-points operate on the border:

- Dostyk (motor and railway transport),
- Khorgos (motor transport),
- Kolzhat (motor transport),
- and Kegen (motor transport).

Power Industry

About a half of the country's water resources are located in the Almaty oblast. The power supply of the region is carried out by the Almaty Regional Power Company (ARPC) APC and Taldykorgan Company for Transportation by Electric Networks (TATEC), which include Almaty Cogeneration Plant No. 3 with a capacity of 173 MW (loading factor is 52.3%), Kapchagay hydroelectric station with a capacity of 364 MW (48.5%), the Tekeli power complex with a capacity of 24 MW (68.3%), and the Almaty chain of hydroelectric stations with a capacity of 46.9 MW (51.5%).

In 2005 the following rates were set:

Power *\$0.04 per kWh;*

Water:

Cold water from \$0.18 per cu m;

Hot water from \$14 per cu m.

The government of Kazakhstan decreed that a wind power station with a capacity of 5 MW must be built at the Dzungarian Gates with the participation and financial support of the UNDP Global Environment Facility. Construction of the

Moynak hydroelectric station with a capacity of 300 MW will be financed with the support of the Ministry of Energy and Mineral Resources.

Banking

There are 30 branches of second-tier banks 5 branches of insurance companies and 6 representatives of insurance companies in the oblast.

Employment

The labour force in the region amounts to 804,100 people (10.2% of the national total). The educational level of the population is high enough: 56.1% of employees have secondary and primary education, 26.6% have secondary vocational education, and 17.3% have higher education including undergraduates.

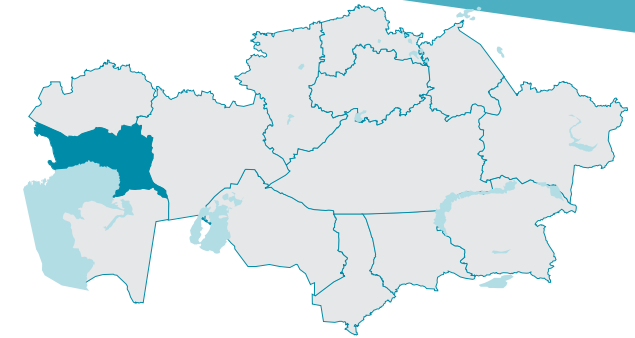
The number of employed is 745,100 (10.3% of the national total). Half of the population is employed in agriculture and the forest sector, 11.7% in trade, auto service and repair of household goods, 8.3% in the field of education, 6.4% in communications, 5.4% in construction and other fields. The average monthly nominal wage is \$183.9 (71.8% of the national level). The number of unemployed is 59 (9.2% of the national total).

Education

There are four higher educational establishments and 31 colleges in the region. The number of graduates in 2005-2006 was 2,446 of which 63.1% specialised in education, 19.2% in economics and management,

The colleges prepared 4,391 specialists in economics (27.8%), the humanities (36.6%), teaching (10.2%), medicine (10.8%) and other fields.

Atyrau Region



Total area: 118,600 sq. km
Population: 472,400
Administrative centre: Atyrau

Administrative Divisions

The administrative centre is Atyrau, which is situated on the Ural River. The city was founded in 1640. Its population is 198,000. The region contains three rural districts, 15 villages and 57 settlements. The urban and rural populations respectively form 57% and 43% of the total.

Atyrau is 1,810 km from Astana.

Mineral Resources

The region is the largest oil and gas basin in Kazakhstan and the richest in recoverable oil (40% of the country's reserves). 80 hydrocarbon fields have been explored in the region, including oil (62), gas and oil (14), oil-gas condensate (3) and gas condensate (1). Only 44 fields are under development. The Tengiz, Korolevskoye and Kenbai oil

fields and the Imashevskoye gas condensate field are the largest. There are 79 deposits of common minerals, including boron ore (18), bitumen (5), chalk (3), sodium chloride (1), gypsum (6), mortar sand (8), sand and gravel (6), brick loam (23), aqua gel (1), keramzite clay (1), construction stone (1), etc.

The region has 10 groundwater springs, one of which is used for spa therapy.

Natural Resources

The greater part of the region consists of alkaline land and sands with semi-desert flora. The largest river flowing through the region is the Ural (with a total length about 1,000 km within Kazakhstan). The largest lake in the region is the Inder (110.5 sq. km). Poplar and willow forests grow along the riversides.

Climate

Harsh and dry continental climate. Dry, long, hot summers; cold winters with little snow. Average January temperature -11 °C, +25 °C in July. Annual precipitation: 100-200mm.

Tourism

Atyrau Oblast has favourable conditions for the development of tourism and the hospitality industry. The natural resources and historical heritage make it possible to promote the following types of tourism:

- health and health improving tourism;
- sports;
- cultural and educational;
- ecological; and
- extreme.

Health and health improving tourism

Atyrau and Kamyskul Sanatoriums

The sanatoriums are ideal for rest and health improvement. It ranks with the best health resorts of the CIS. It offers a wide range of medical services, including mud treatment, as well as mineral sodium chloride, iodine bromide and pearl baths.

Cultural and educational tourism

Fifty kilometres away from Atyrau is one of the most successful tourist routes. It traverses the Khan Ordaly Saraishyk memorial complex and in so doing illustrates the whole history of the Kazakh people. The town of Saraishyk, lying on the northern branch of the Silk Road, was an important trading centre of the Golden Horde. This place remains attractive to many tourist travellers and delegations from near and far. One can reach it either by road or by water.

The region features a number of cultural and historic places and architectural monuments of the 19th century, such as the Ak-Mechet memorial complex, the Zhuban-Tam mausoleum in Zhalyoi district and the Makhambet Utemissov Mausoleum in Karaoi Idery district.

Sports and adventure tourism

Biotorgservice operates in the field of ecological and adventure tourism specialising in sport fishing contests (anglers let the fish go as they catch them) on the Ural River. The company has hosted guests from Germany, Austria, Belgium, Yugoslavia, Hungary and the United Kingdom.

The Kigash camp is situated in a lovely picturesque location that is becoming more and more popular with foreign tourists.

Extreme Tourism

Wildlife adventures are on offer in the region, including a dramatic descent into the mysterious caves of the Akkergeshen and Aktolagai plateaus.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$70.8m (1.2% of the national total), mostly presented by livestock products (81.7%); crops shared only 18.3%.

There are 1,762 farms, 25 partnerships, 13 production cooperatives, 7 joint-stock companies, and six state-owned farms in the oblast.

Industry

In 2005, the oblast's gross industrial production totalled \$8,070.4m (20.4% of the national figure). There were 182 major and medium-sized enterprises operating in Atyrau region. The key industries were mining (90%) and processing (9.2%).

The oil and gas industry is the most dynamic sector: in 2005, Atyrau companies produced 17.2 million barrels of oil. The largest oil producer in both the region and the country is Tengizchevroil (\$6,358.2m), which also has significant processing capacity. Tengizchevroil therefore accounts for over 80% of the oblast's gross industrial output.

The Atyrau Refinery is the largest enterprise in the country, engaged in high-level oil processing. Yet, it shared only about 2% of the regional industrial output.

Because of a boom in housing and industrial construction, the building materials sector has also been growing rapidly in the region. In 2005, its industrial output grossed \$12m; 15 new productions were launched and some 117 jobs were created.

Atyraubalyk is a major company producing and exporting sturgeon and caviar. Its output totalled \$13.4m.

There are also machine-building plants, the largest of which is Atyrauneftemash, a manufacturer of beam pumping units.

Under the Industrial-Innovative Development Programme, work is in the pipeline to set up export-oriented production.

Foreign Trade

In 2005, the oblast's exports totalled \$6,207.2m (22.3% of the national figure) and imports \$1,961.1m (11.3%). The foreign trade surplus reached \$4,246.1m.

Investment

Investment in fixed capital totalled \$5,370.1m (29.5% of the national total). Most financial funds (68.2%) were invested in the mining sector, 23.3% in the real estate and services sectors, and 5.7% in the transport and communications.

The main sources of investment were companies' own funds and foreign investment (40.5% and 52.8%, respectively).

The projects accomplished in 2005 were as follows:

- commissioning the 5th extrusion line to increase the production capacity of the Atyrau polyethylene pipe plant up to 15,000 tonnes per annum;
- constructing a new runway (Atyrau International Airport);
- implementing new methods of hydrodynamic well survey, new oil & gas field control equipment, and new methods to enhance oil production (Embamunaigaz);

- launching the ELEMATIK OY AB equipment (Finland) and a pile plant with a monthly capacity of 1,000 piles (Atyrau Beton);
- launching the 2nd paving block line with a work-shift capacity of 100 m² (Stroitorgservice-Atyrau); and
- constructing a profile flooring plant with an annual capacity of 30,000 m² (Gimarat).

New Tendencies in Investment Activities

There is a business incubator in the region and it is planned to build a Regional Technology Park in Atyrau.

Three main competitive branches have been defined to develop the cluster initiative in the region:

- petrochemistry: it is planned to open the National Technology Park and set up a special economic zone;
- fishing: this will be created on the basis of the largest fishing company, Atyraubalyk; and
- building industry, which will base on mineral production (gypsum, chalkstone, chalk, marl, quartz sand, clay and other minerals).

Foreign Capital

There are 478 enterprises with a foreign shareholding in the oblast. They employ 28,998 people. The amount of products and services was worth \$7.1bn.

Exports and imports by joint ventures and foreign companies totalled \$6.8bn and \$4.7bn, respectively. Thus, the trade surplus stood at \$2.1bn.

The largest enterprises with foreign shareholding are Tengizchevroil, Kazakhoil-Telf, CPC-K, Mat-

in, AGIP KCO, a branch of Schlumberger Logelco Inc, and Denholm Zholdas.

Communications

Atyrau Oblast borders Russia and is a strategically important region.

The telecommunications sector comprises cellular, trunk, paging and internet providers.

The region's railway and road networks are 736 km and 2,752 km long, respectively. Internal navigable waterways total 333 km. The pipelines of the Caspian Pipeline Consortium and KazTransOil are 452 km and 1,878 km long, respectively.

Atyrau has an international airport, providing flights to Iran, Azerbaijan, Turkmenistan, Russia, Turkey and the Netherlands. Local routes include Bautino and Uralsk.

Power Engineering

The energy system of the region is self-sufficient and fully meets the demand for power and thermal energy: Atyrau Oblast has its own fuel resources (gas and fuel oil) and power-generating capacities.

The energy system includes the following power-generating facilities:

- a power and heating plant with a capacity of 215 MW (load factor 76.8%);
- Tengizchevroil with a capacity of 136 MW (62%); and
- the Atyrau Refinery with a capacity of 12 MW (63.7%).

In 2005 power suppliers set the following rates for legal entities:

electricity \$0.05 per kWh

water:

cold water \$0.15 per m³

hot water \$0.64 per m³

natural gas \$0.04 per m³.

Banking

There are 17 branches of Kazakh commercial banks and nine branches of insurance companies operating in the oblast.

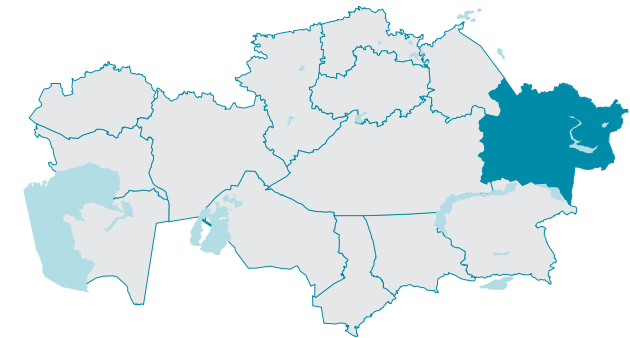
Employment

The labour force in the oblast is 230,500 people (2.9% of the national total). The educational level is rather high: 29.3% of employees have secondary vocational education, 26% higher education (including undergraduates), and almost 50% primary or secondary education. The main employment opportunities are offered in industrial production (13%); education (11.1%); construction (17.1%); real estate (9.5%); and transport and communications (11.2%). The number of employed is 209,500 people (2.9%). The average monthly nominal wage amounted to \$490.6 and is almost double the national level. The number of unemployed totalled 21,000 (3.3% of the national total).

Education

There are six institutions of higher education and 11 colleges in the oblast. In 2005, the institutions of higher education had 4,596 graduates specialising in teaching (28.4%) and economics (25.5%). A total of 1,461 specialists graduated from local colleges, mainly for industry (25.8%), economics (37.7%) and other fields.

Eastern Kazakhstan Region



Total area: 283,200 sq.km
Population: 1,431,200
Administrative centre: Oskemen

Administrative Divisions

The administrative centre is Oskemen, which is situated at the foothills of the Rudny Altai Mountains. The city was founded in 1720. It is home to 21% of the region's population. The region contains ten towns, 15 rural districts and 857 auls (settlements). The urban and rural populations respectively form 59% and 41% of the total. Oskemen is 1,038 km from Astana.

Climate

Harsh continental climate. Average January temperature -16 to -20 °C, +20 to +23 °C in July. Annual precipitation: from 150mm in the plains to 1,500mm in the mountains.

Mineral Resources

The region produces gold (51.5% of the national reserves), tantalum and niobium ores (65.6%), copper (47.9%), zinc (47.7%), lead (27%), titanium (37.1%) and molybdenum (27.1%).

102 metal ore fields and 328 non-metallic mineral deposits have been explored in the region, including gold (75), complex ore (26), copper (4), lead (1), zinc (3), tin (8), tantalum-niobium ores (8), molybdenum (2), titanium (1), barite (1), fluorite (1), sodium chloride (1), feldspar (9), ornamental stone (2), coal (6), sand and gravel (93), etc.

The region has 62 groundwater springs, four of which are used for spa therapy.

Natural Resources

The Rudny Altai Range is situated in the eastern part of the region, with the small Sary-Arka hills in the west.

Mixed forests of fir, silver fir and pine grow in the high mountain areas. The steppe areas have feather grass, grass and various kinds of herbal vegetation.

The navigable Irtysh River is fed by numerous tributaries and has a total length of 1,300 km within the region. Two water reservoirs have been constructed on the Irtysh River: the Bukhtarminskoye (5,500 sq. km) and the Ust-Kamenogorskoye (37 sq. km).

There are a number of natural lakes, e.g. the saline Alakol Lake (2,650 sq. km) and the freshwater Zai-

san Lake (2,650 sq. km). The Markakol Reserve is situated in the south-east, around the picturesque Markakol Lake (455 sq. km).

Tourism

East Kazakhstan Oblast has great tourism potential. It covers the Kazakhstan's part of the Altai-Sayan ecoregion, one of the WWF's Global 200 priority eco-systems and recognised by UNESCO as a special conservation area.

In terms of tourist attractions, particular mention should be made of the Katon-Karagay and Kurchum districts, the surroundings of the towns of Ridder and Ust-Kamenogorsk, Lakes Alakol and Zaisan, as well as the Bukhtarma riverside area.

The region features many natural, historical and cultural monuments, such as Mount Belukha, Lake Markakol and the Kokkol waterfall, along with the Berel burial grounds and Abai museum complex.

The priority types of tourism are as follows:

- ecological and educational;
- beach holidays;
- sanatorium and health resorts; and
- fishing and hunting.

Fifty-eight tourist organisations are active in the oblast. East Kazakhstan offers 14 specially protected natural sites, ten sanatoriums and health farms, and five holiday inns and recreation camps. There are 11 museums featuring a total of 276,700 exhibits, the Zhambyl Drama Theatre with a capacity of 297 seats, the Zhanalyk Theatre Service with a capacity of 500 seats; and four multiplex cinemas. Four companies organise concert activities. There are 183 clubs and an amusement park with 14 leisure areas and a zoo.

Altogether the oblast boasts 670 monuments of historical, architectural and cultural significance likely to attract visitors. There are also several recreational areas in the region.

Belukha recreation zone

The zone boasts such monuments of nature as Mount Belukha (the western summit), the Kokkol waterfall, thermal mineral springs and the Rakhmanov Springs Sanatorium, the upper reaches of the famous navigable Katun River, virgin cedar and deciduous forests, habitats of snow leopards and Siberian goats; as well as such historic monuments as the unique Berel excavations, similar to the well-known Pazyryk mounds, an abandoned ancient Kokkol mine located 3,000 m above sea level and the Northern Golden Branch of the ancient Great Silk Road.

All these pearls are linked together by numerous routes suitable for mountaineering, riding, boating, fishing and educational tours and treks.

The following tours are especially popular in the region: Along the Altay Paths (riding or trekking), Novofestival (riding or trekking), Ascending from the Berel Glacier, Towards the Belukha Foot, Autotour, as well as rafting tours. This part of the oblast is the most popular with the tourists.

The tourist flow has considerably increased of late. Mostly they are mountain tourists, alpinists, hunters and anglers. Deserving a special mention are the so-called "Rerikhovs" – followers of the teachings of Nikolai Rerikh, a Russian artist and philosopher. These tourists come every year in expeditions of up to 250 people to climb Mount Belukha, which Rerikh and his wife visited in the early 1900s to study the roots of Buddhism.

Markakol recreation zone

The main attraction of this zone is the wonderful mountain and lake scenery. Popular activities include red deer hunting and fishing for grayling and lenok to the north and east of Lake Alakol in the upper reaches of the Kalzhir River. This area is a great favourite with foreign hunters and anglers.

Westwards of Lake Markakol a sports trophy hunt for red deer is organised regularly.

The Blue Bay

The area is formed of granite and covered in pine forests. The width of the Bukhtarma water reserve is 6 km in this area. The combination of the warm "sea" (up to 25°C in July), lovely scenery with bizarre granite rocks, the air filled with the perfume of pines and steppe grass, along with easy accessibility (2-2.5 hours by car from the town of Ust-Kamenogorsk) and, very importantly, the complete absence of mosquitoes, make the Blue Bay a very attractive place of recreation, especially in summer.

Ridder Recreation Zone

The outskirts of the town of Ridder have always been and remain one of the most popular tourist destinations in the CIS. The zone features such showplaces as The Stone City (similar to the famous Krasnoyarsk Rock Pillars), Mount Vysheivanovsky Belok (Voroshilov Peak), the Lineisky Pillars, Lake Kedrovoye and a number of rivers: Gromotukha, Turgussun, Uba, and Ulba.

The number of tourists has considerably increased recently, including hill climbers, alpinists, hunters and anglers.

It is the extreme sports, particularly paragliding, that are being actively developed in the region, thanks to the efforts of the local pilots as well as the ideal natural conditions. The wildlife of East Kazakhstan is extremely rich and diverse.

The Ulan district

Places of interest:

- the historic monument, Akbaur;
- the ruins of the ancient Dzhungar (Oirat-Kalmyt) Fort near the Sibinsky Lakes;
- the Kanaika settlements (a monument dated to the middle Bronze Age);
- mineral waters of Lake Dubogalin; and
- the Sibinsky Nature Park with the Sibinsky Lakes and the Sinegorskaya Silver fir grove.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$565.5m (9.8% of the national total), of which livestock products accounted for 59.3% and crops 40.7%.

There are 14,749 farms, 21 production cooperatives, nine joint-stock companies, 266 partnerships, and 8 state-owned farms in the oblast.

Crop Farming

Arable land occupies 1,018,400 ha (5.5% of the total arable land in the country).

The region is the largest producer of sunflowers. In 2005, its farms produced 169,400 tonnes of sunflowers (63.4% of the national output) and 367,500 tonnes of potatoes (14.6%).

The wheat yield averaged 1,040 kg/ha, potato 14,500 kg/ha, vegetables 21,880 kg/ha, and sunflower 690 kg/ha.

The largest farms in terms of crop output are Belkina, Shemonaihinskoye and Antropovo.

Livestock

The region's unique nature makes it possible to breed red and dappled deer and cattle.

In 2005, the cattle stock amounted to 734,900 head (13.5% of the national total), sheep and goats 1,751,900 head (12.3%), and horses 148,400 head (12.8%). Pigs numbered 100,100 head (7.6%). Feed supplies make possible the production of poultry (2.8 million head or 10.8%).

The oblast produced 632,100 tonnes of milk (13.4%) and 3,200 tonnes of wool (11.0%).

East Kazakhstan is the only region in the country breeding red deer. Out of a total population of 10,700 red and dappled deer, 72% are bred in Katon-Karagai district.

The largest farms in terms of output are Ustkamenogorskaya (\$19.7m) and Semei Kus (\$5.5m), and Che-

remshchanskaya (\$4.3m), poultry producers, and Aksu (\$1.5m), the largest farm in breeding red deer.

Industry

In 2005, the industrial output of East Kazakhstan totalled \$1,959.6m (5% of the national figure). The key industry was the processing sector (73.6%), with mining accounting for 16.5%, and power, gas and water production and distribution 9.9%.

There are 719 large and medium-sized enterprises operating in the oblast.

The leading sector of the region's economy is nonferrous metallurgy, which accounts for more than 38.4% of the industrial output. The main contributor to this figure is Kazzinc, a producer of nonferrous, noble and rare metals, sharing 37.5% of the total industrial output. To convert sulphur dioxide gases into off- and tail-gases and regenerate spent acid into sulphuric acid, the company installed a Haldor Tonsoe plant, which cost \$30m. Due to the increased production of sulphuric acid, a new gypsum plant was set up in Ridder, which is expected to provide wider possibilities for the Kazakh cement industry and help abandon the usage of scarce and expensive natural gypsum. Besides, for the first time in its industrial history, the country will have an opportunity to develop such an important sector of the construction industry as gypsum plasterboard production.

Large metal producers also include the Ust-Kamenogorsk Titanium and Magnesium Plant (a modern high-tech complex and one of the few integrated manufacturers of magnesium, vanadium pentoxide, and spongy titanium in the world); the Ulba Metallurgical Plant (uranium, beryllium and tantalum products); and VostokKazmed, a branch of the Kazakhmys Corporation (copper-zinc concentrate).

The food industry is also developing successfully. The largest enterprise is May, a sunflower oil producer (2% of the oblast's industrial output).

The construction materials sector is chiefly represented by cement-producing companies, such as

Semeycement (1.5% of the oblast's industrial output) and the Bukhtarma Cement Company (1%).

The mechanical engineering's share in the regional output amounts to 8.9%. This sector is represented by the Ust-Kamenogorsk Reinforcement Plant (oil pipeline reinforcement), Vostokmashzavod (mineral processing, special mining and chemical equipment), the Capacitor Plant (high-voltage gear, industrial capacitors), and Asia Auto (motor cars).

East Kazakhstan also features manufacturers of fur coats, leather, ready-made garments and yuft shoes. There is also a pharmaceutical plant producing pantocrine and other medicines.

The year 2005 was marked with the growth of production in mechanical engineering (17.4%), chemical (17.8%) and food industries (8.5%).

Foreign Trade

In 2005, exports and imports totalled \$905.5m (3.3% of the national figure) and \$703.6m (4.1%), respectively. The foreign trade surplus reached \$201.9m.

Investment

Investment in fixed assets amounted to \$618.5m (3.4% of the national total). These funds were mainly invested in transport and communications (31.1%), processing industry (18.1%), mining (17.7%), power, gas and water production and distribution (5.7%), and education (2.7%).

The main sources of investment were as follows: companies' own funds (56.6%); national and local budget (18.7%); loans (6.4%); and foreign investment (18.3%).

The following projects were accomplished in 2005:

- constructing a palletised gypsum plant at the Ridder Mining Complex. The project automates the production process and applies computers to control production. Process equipment, automation and

control systems were supplied by Russian, Ukrainian and German companies. This project helped the company to resolve the problem of sulphuric acid recycling. The company invested \$5.9m to accomplish this project, which created 60 new jobs;

- constructing lines at a cost of \$2.0m to assemble VAZ-21214 (injector) and Skoda cars (Asia Auto). Seventy VAZ-21214 and 345 Skoda cars were manufactured in 2005;
- commissioning a Mellers packing line with an hourly capacity of 1,200 50-kg bags. The project cost \$0.6m and was implemented by the Bukhtarma Cement Company;
- commissioning a polymer concrete tile plant with an annual capacity of 2,000 tiles. The project cost \$0.2m and was implemented by Shygys Cabel;
- engineering and constructing a plant at a cost of \$9.6m to produce tantalum powder for high capacity condensers (Ulba Metallurgical Plant);
- commissioning a dry mixture plant with an annual capacity of 20,400 tonnes of plaster, finishing filler and tile glue. The project cost \$2.8m and was implemented by the LIK Research and Production Firm. The main feedstock for these products is ground marble (55%);
- commissioning a plant to produce polyester resins for polymer concrete and fibreglass manufacturing. The project cost \$0.2m and was implemented by the LIK Research and Production Firm; and
- developing a new check valve type (fibreglass gate valve) at a cost of \$0.03m (LIK Research and Production Firm). This design is unique not only in the CIS but in the whole world. Fibreglass valves have high chemical resistance, which exceeds that of stainless steel, and high levels of durability and thermal endurance.

New Tendencies in Investment Activities

The Altai Regional Research and Technology Park has set up the International Cooperation Centre comprising 18 R&D laboratories.

The metallurgy cluster is being developed on the basis of Kazzinc, the Ust-Kamenogorsk Titanium and Magnesium Plant, the Ulba Metallurgical Plant, VostokKazmed (a branch of the Kazakhmys Corporation), and Alel.

Tourism has also been dynamically developing in recent years.

Foreign Capital

There are 322 enterprises with a foreign shareholding in the oblast. These enterprises employ 18,709 people.

In 2005, the output of products and services by enterprises with a foreign shareholding totalled \$182.8m.

Exports and imports by foreign enterprises and joint-ventures amounted to \$41.1m and \$55.7m, respectively, resulting in a trade deficit of \$14.6m.

The largest companies with a foreign shareholding are nonferrous-metallurgy enterprises, namely Kazzinc, the Ust-Kamenogorsk Titanium and Magnesium Plant, VostokKazmed (a branch of the Kazakhmys Corporation), and the Ulba Metallurgical Plant.

Communications

The telecommunications sector comprises cellular, trunk, paging and internet providers. The length of motor and rail roads in the region totals 11,038 km and 1,243 km, respectively. Two airports are located in Semipalatinsk and Ust-Kamenogorsk. Two steamship lines provide freight and passenger services. Two cargo ports have been constructed. Internal navigable waterways total 1,084 km. The Omsk-Maikapchagai motorway is a transit corridor to the Chinese border.

Power Engineering

Major power producers in the oblast are the Bukhtarma hydroelectric power station (675 MW; load factor 75%), the Shulba hydroelectric power

station (702 MW; 55%), the Ust-Kamenogorsk hydroelectric power station (331 MW; 75%), and the Ust-Kamenogorsk power and heating plant (241 MW; 67%).

In 2005, suppliers set the following rates:

electricity \$0.03 per kWh

water:

cold water \$0.11 per m³

hot water \$11.8 per gigacalorie

liquefied gas \$0.8 per kg

Banking

There are 38 branches of Kazakh commercial banks and seven branches of insurance companies in the oblast.

Employment

The labour force in the oblast amounted to 751,700 people (9.5% of the national total), of whom 52.1% had secondary or primary education; 27.5% secondary vocational education, and 20.3% higher education (including undergraduates).

The number of employed was 698,100 (9.6% of the national figure); 23.2% of the employed worked in the industry, 13.9% in agriculture, forestry and fishing and 13.3% in the field of education. The number of unemployed was 53,600 (8.4% of the national total). The average monthly nominal wage was \$208.3 (81.2% of the national level).

Education

There are 11 institutions of higher education and 43 colleges in the oblast. In 2005, 9,552 people graduated from the institutions of higher education, specialising in the humanities (22.7%), economics (28%), teaching (23%), and other fields. The colleges prepared 6,486 specialists in economics (21.5%), the humanities (18.6%), teaching (16.2), medicine (8%) and other spheres.

Karaganda Region



Total area: 428,000 sq.km
Population: 1,334,400
Administrative centre: Karaganda

Administrative Divisions

The administrative centre is Karaganda, which was founded in 1934. It is home to 31.8% of the region's population. The region contains 11 towns, nine rural districts and 556 auls (settlements). The urban and rural populations respectively form 83,3% and 16,7% of the total. Karaganda is 241 km from Astana.

Climate

Harsh continental climate with hot summers and cold winters. Average January temperature -17°C , $+26^{\circ}\text{C}$ in July. Annual precipitation in the north: 250-300 mm, in the south: 150-200 mm and up to 400 mm in upland areas.

Mineral Resources

The region produces manganese (100% of the national reserves), tungsten trioxide (over 80%),

molybdenum (64%), lead (54%), zinc (40%), copper (36%), coal (32%), wollastonite and rhodusite asbestos (100%) and barite (70%).

There are 101 ore mineral deposits, including iron (11), manganese (13), copper (30), gold (37), lead (24), zinc (16), molybdenum (16), tungsten (12), etc.

216 non-metallic mineral deposits have been explored in the region, including coal (11), piezooptical raw materials (16), barite (10), semiprecious stones, including kallaite and rock crystal (8), rhodusite asbestos (3), fluorite (1), limestone (4), mortar sand (10), brick-making clay (55), etc. The region has two oil and gas basins - the Southern Torgai and the Shu-Sarysu - containing the Kumkol, Southern Kumkol and Maibulak fields and the Kirovskaya mining area.

There are 115 groundwater springs, six of which are used for spa therapy.

Natural Resources

The greater part of the region consists of plains and small hills with steppe and semi-desert vegetation.

The Ulytau Range is situated in the western part of the region, with the Karkaraly Range in the east, Aksoran Mountain (1,565 m) is the highest point in the region. Mixed forests of pine, birch and alder grow on the Karkaraly, Kent and Kyzylarai Ranges. The Ulytau Range is mantled with mixed forests of birch, aspen and alder. Meadows of herbs grow in the valleys between the mountains. The southern part of the region consists of the Betpak Dala Desert, with the Kara Kum, Moynkum and Zhetykonyr sand deserts in the southwest.

There are a number of saline lakes, the largest of which is Lake Balkhash (18,200 sq. km). Two water reservoirs have been constructed on the

Nura River (978 km): Temirtauskoye (82 sq. km) and Sherubainurinskoye (39 sq. km). There are also small water reservoirs on the Kengir River (2) and on the Atasau River (1). The Irtysh-Karaganda-Zhezkazgan Canal passes through the region.

Tourism

Karaganda Oblast is important for the country due to its geographic location and contribution to the development of the country's economy, culture, science and education.



It comprises the main part of the Sary-Arka historic and geographic area including the Karkaralinsk mountain and forest resort, the Ulytau nomadic culture centre, the mausoleums of Alasha Khan and Zhoshi Khan, the famous Koyandy fair, the ancient Silk Road, the Kent, Bakhty, Kyzylarai and Ulytau mountains, the Nura, Sarysu rivers and so on.

There are 20 health and recreation organisations, 31 hotels and units of tourist accommodation, 861 public catering outlets, as well as museums, historical and architectural monuments, and nature reserves in the region. Historical and cultural resources, beautiful landscapes and architectural and urban planning solutions all combine to create a positive image of tourism in Karaganda Oblast.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$267.3m (4.6% of the national total), of which livestock products accounted for 69.6% and crops 30.4%.

There are 6,293 farms, 31 production cooperatives, 23 joint-stock companies, 169 partnerships, and 4 state-owned farms in the oblast.

Crop Farming

Arable land occupies 1,108,500 ha (6% of the total arable land in the country), on which crops (mainly wheat) are grown. The oblast also produces vegetables and potato.

The Kirov Farm is the largest crop producer.

Livestock

The oblast is one of the leaders in horse breeding in the country. The farms had 115,100 head of horses (9.9% of the national total). Pastures occupy almost 94.2% of farmlands making possible the livestock farming. The farms had 836,300

head of sheep and goats (5.9%) and 1,200 head of camels (0.9%). Cattle stock numbered 391,200 head (7.1%), pigs 108,600 head (8.3%), and poultry 1,803,200 head (6.8%).

In 2005, the oblast produced 279,000 tonnes of milk (5.9%) and 1,400 tonnes of wool (4.7%).

The largest farms are Zhenis, Volynsky, Kurman, and Maikuduk.

Industry

In 2005, the oblast's gross industrial production totalled \$3.9bn (9.8% of the national figure). The key industry is the processing sector (84.2%), with mining accounting for 9.2%, and power, gas and water production and distribution 6.6%.

There are 750 major and medium-sized enterprises in the region.

Karaganda Oblast produces cast iron, metals and iron (100% of the national output), crude steel (92%), refined silver (78.9%) and refined gold (46.2%). It is also among the national leaders in producing calcium carbide, sulphuric acid monohydrate and nitrogenous fertilisers.

Metallurgy is the most significant sector of the oblast's economy that accounts for 74.2% of its industrial output. Mittal Steel Temirtau (iron rolling, nitrogenous fertilisers) and Kazakhmys (copper, gold and other products), which are the largest enterprises in the region, account for 30.7% and 43.2% of the oblast's industrial output, respectively.

The chemical sector is also developing well. The production of paint, varnish, soap; cement, mortar and concrete additives; and explosives for the mining industry has increased. Further development of this sector is one of the priorities of the industrial-innovative programme in the region. Under this programme, financial and invest-

ment organisations supported the setup of a new production of commercial and semi-commercial PVC flooring (linoleum). The design capacity of the production line is 4 million m² a year. Eurasiafloor, a modern enterprise equipped with Siemens, Knobel and Bay (Germany) PVC-flooring technology, is the first manufacturer of flooring in Kazakhstan, which has become the largest producer of commercial linoleum in the country.



The production of rubber and plastics in 2005 totalled \$28m. Saranrezinotekhnika and Karagandarezinotekhnika manufacture a wide range of technical rubber goods. The production of rubber hoses and conveyor belts has increased.

The largest food enterprises are Konfety Karagandy (\$16.5m), the Karaganda Margarine Factory (\$26.8m) and Karagandy-Nan. The oblast manufactures margarine (88.8% of the national output), ice cream (19.1%), beer (13.3%), confectionery (13.2%), yoghurt (9.4%), and cheese and curd (8.5%).

The production of mechanical equipment and construction materials is also on the rise.

Karat has launched innovative projects to manufacture different types of artificial sports surfaces, including a project to produce Zhasyl Alan surface for athletic facilities (football fields, tennis courts and golf courses). The company is the only manufacturer of sports surfaces in Kazakhstan and other CIS countries. Karat supplies its products not only to Kazakh but also Russian (Omsk, Novosibirsk and Kemerovo Oblasts) customers.

Foreign Trade

In 2005, the oblast's exports totalled \$2,975.7m (10.7% of the national figure) and imports \$1,200.7m (6.9%). The foreign trade surplus reached \$1,775m.

Investment

Investment in fixed assets amounted to \$1,154.5m (6.3% of the national total), with 39.7% of the funds invested in the processing sector, 26.4% in transport and communications, and 9.5 % in mining.

Key sources for investment were as follows:

companies' own funds (48.6%); national and local budgets (4.5%; 2.9% and 1.6%, respectively); foreign investment (39.4%); and loans (7.5%).

The following projects were commissioned in 2005:

- a line to produce snack products (Konfety Karagandy);
- a plant to produce fine wheat flour (Khlebo-produkty);
- a pharmaceutical plant (Pharmacia);
- manganese ore processing and washing plants (Kazmarganets Mine Group);
- reconstructing a brick factory (Osakarovka Brick Factory);
- an ammonium plant (UEE Kazakhstan);
- internal roads;
- electric power lines;
- gold and copper mines, and a plant to produce industrial oxygen (Kazakhmys Corporation);
- a plant to produce oil-water emulsion (Zhairem Mining Complex), a crushing and screening plant to produce crushed aggregate (Zhezka-zgan Zholdary), and a plant to produce asphalt mixtures (Karagandy Zholdary);
- a poultry farm (Altyn);
- reconstructing and commissioning terrestrial satellite stations (Kazakhtelecom Karaganda Branch);
- constructing and reconstructing water pipelines (Severvodstroi Regional State Enterprise);

- commissioning a plant to produce a matrix of RIOFLEX water-helium explosive (UEE Kazakhstan through foreign investments); and
- the Atasu-Alashankou oil pipeline (Kazakhstan-China Pipeline through foreign investments).

New Tendencies in Investment Activities

UniScienTech, a technology park, operates in the region.

The cluster initiative is being developed in the following industries:

- metallurgy and metalworking on the basis of Mittal Steel Temirtau;
- building an industrial park in Temirtau; and
- pharmaceutical industry.

Foreign Capital

There are 392 enterprises with a foreign shareholding in the oblast. These enterprises employ 121,357 people.

The amount of products and services was worth \$3.2bn.

Exports and imports by joint ventures and foreign companies totalled \$2.7bn and \$0.3bn, respectively. Thus, the trade surplus stood at \$2.4bn.

The largest enterprises with foreign shareholding are Kazakhmys, Mittal Steel Temirtau (iron ore mining and processing), NOVA Tsink (lead-zinc ore mining and processing), and Konfety Karagandy (confectionery production).

In 2005, Mittal Steel Temirtau attained the maximum increase (\$30m more than in 2004) in attracting foreign investment due to commissioning a continuous casting machine with an annual capacity of 5,200,000 tonnes of steel. The company

also commissioned a polymer-coated steel strip line and reconstructed the metallurgical plant.

The Efes Karaganda Brewery attracted foreign investment to commission a 3,200-kW transformer substation and purchase necessary equipment.

Communications

The telecommunications sector comprises cellular, trunk, paging and internet providers. An oil pipeline (600 km) running to Russia connects South Kazakhstan oilfields with the Pavlodar processing plants. The oblast motor roads total 8,861 km, railways 2,000 km, and waterways 6,500 km.

There are three airports in Karaganda Oblast:

- Sary-Arka Airport (Karaganda) meeting international standards;
- Zhezkazgan Air (Zhezkazgan); and
- Balkhash Airport, a branch of Zhezkazgan Air (Balkhash).

Power Engineering

There are five major energy facilities in the oblast:

- Karaganda power and heating plant No. 2 (374 MW; load factor 85.1%);
- Karaganda power and heating plant No. 3 (395 MW; 63.7%);
- Karaganda district power plant No. 2 (560 MW; 80.1%);
- Balkhash power and heating plant (125 MW; 77.4%); and
- Zhezkazgan power and heating plant (188 MW; 84.5%).

In 2005, suppliers set the following rates:

<i>electricity</i>	<i>\$0.02-0.03 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.31 per m³</i>
<i>hot water</i>	<i>\$1.35 per m³</i>
<i>liquefied gas (propane, butane)</i>	<i>\$0.53 per kg.</i>

Banking

There are 38 branches of Kazakh commercial banks and three insurance companies.

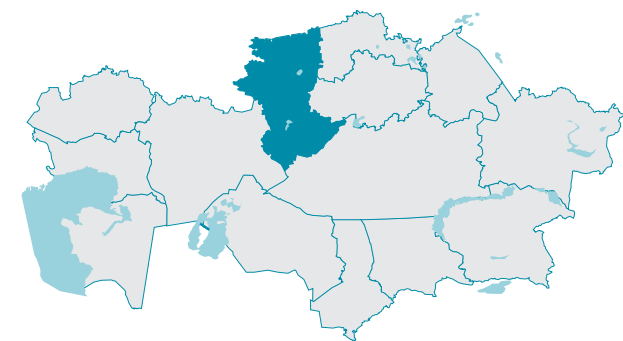
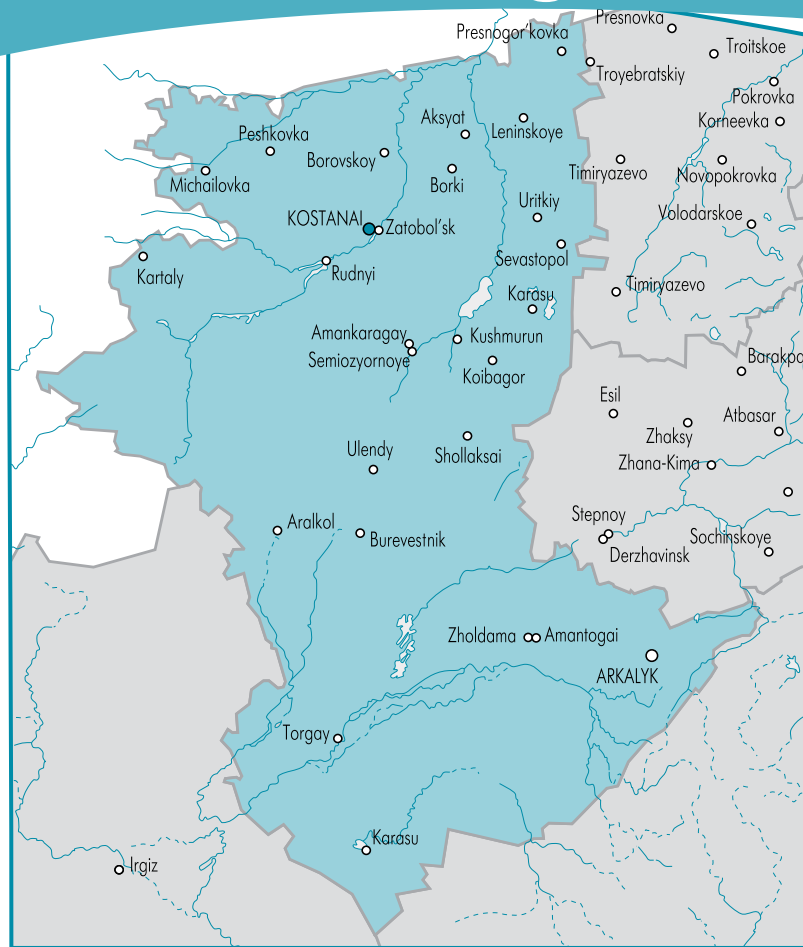
Employment

The labour force in the oblast is 737,400 people (9.3% of the national total). Those with basic, secondary and primary education account for 48% of the labour force, 29.7% are specialists with secondary vocational education and 24.9% are specialists with complete or incomplete higher education. The number of employed is 685,900 (9.4% of the national total), with 27.1% working in industry, 21.5% in agriculture and 9% in the field of education. The average monthly nominal wage amounted to \$182.1 (87.4% of the national level). The number of unemployed was 53,700 (8.2% of the national level).

Education

There are 18 institutions of higher education and 43 colleges in the oblast. In 2005, 16,133 people graduated from the institutions of higher education, with about 50% specialising in economics, law, and the humanities, and 16.7% in teaching. A total of 6,750 specialists in economics (32.2%), sciences (19.2%), pedagogy (10%), medicine (6.4%) and mining (2.9%) graduated from local colleges.

Kostanai Region



Total area: 196,000 sq. km
Population: 903,200
Administrative centre: Kostanai

Administrative Divisions

The administrative centre is Kostanai, which is situated on the Tobol River, and was founded in 1883. Today it is home to 22% of the region's population. There are five towns, 16 rural districts and 799 auls (settlements) in the region. The urban and rural populations respectively form 54,2% and 45,8% of the total. Kostanai is 760 km from Astana.

Climate

Harsh continental climate with dry, hot summers and cold, long winters. Average temperature falls to

-19 °C in January and rises to +22 °C in July. Annual precipitation: 250-300mm.

Mineral Resources

The region is a unique source of iron ore and bauxite in Kazakhstan. It contains 98.2% of the country's bauxite reserves, 92.6% of its iron ore reserves, 88% of its cobalt reserves, 53.6% of its nickel reserves, etc.

Reserves of 49 mineral ores have been explored in the region, including 21 bauxite deposits, seven gold mines, one silver deposit, two of titanium, one each of nickel and cobalt, and 17 of iron ore. The Soko-

lovskoye, Sarbaiskoye and Kacharskoye black iron ore deposits are the most famous.

237 non-metallic deposits are available in the region including coal (9), fireclay (7), asbestos (1), cement materials (3), moulding sand (2), halite (1), mineral dyes and etc. The region has 68 groundwater springs, four of which are used for spa therapy.

Natural Resources

The larger part of the region is plains, with the Torgai Plateau in the west and the Zhylanshykturne uplands in the southeast.

The north of the region mainly features black soils with various grass species, stands of birch and aspen, and fir forests. Chestnut soils covered with sagebrush, fescue and feathergrass occur in the centre of the region. The Naurzui reserve with a unique pine forest surrounded with freshwater and saline lakes is located in the steppes.

The majority of the freshwater lakes are situated in the north of the region in the West Siberian depression, and saline lakes are found in the south of the region.

The region's largest water artery is the Tobol River (800 km within the region) having the Ayet (94 km), Obage (376) and Ui (235 km) as tributaries. The Verkhnetobolskoye (87.4 sq.km), Karatomarskoye and Amankeldinskoye water reservoirs have been constructed on the Tobol.

Tourism

An abundance and variety of wildlife and an attractive location bordering on the Russian regions, set in a landscape of steppe lakes, salt marshes and ancient forests, combine to promote the successful development of tourism in Kostanai Oblast.

Naurzum, a unique state nature reserve with an area of 87,694 ha, is located in the region.

The Sosnovy Bor resort is an illustrative example of Kostanai Oblast's tourism. The mineral water from the resort's springs is unique in Kazakhstan.

Lisakovsk has the potential for increasing the number of tourist due to its museum and its archaeological sites, where relics of the Bronze Age, the Early Iron Age and the Middle Ages have been studied for the past 20 years. An outdoor museum preserving both natural landscapes and the historical monuments now has to be created to serve needs of domestic and foreign tourism. The planned Tumar museum complex aims to offer convenient facilities concentrated in one location, together with expert information on the history and importance of the various sites.

The main types of tourism being actively developed in the region are as follows:

- ecological;
- therapeutic;
- cultural;
- hunting; and
- ethnic.

Agriculture

In 2005, the Kostanai Oblast's gross agricultural output amounted to \$818.5m (14.2% of the national total), of which crops accounted for 51.8% and live-stock products 48.2%.

There are 7,796 farms, 37 production cooperatives, 11 joint-stock companies, 987 partnerships, and 12 state-owned farms in the oblast.

Crop Farming

Arable land occupies 3,832,300 ha (20.8% of the total arable land in the country) and is mainly under wheat. The region is the second wheat producer in the country. In 2005, its wheat yield (after additional treatment) amounted to 3 million tonnes (29.1% of the national total). The wheat yield averaged 1,040 kg/ha, vegetables 17,620 kg/ha, potato 14,960 kg/ha, and sunflower 480 kg/ha.

The largest crop farms are Ivolga Holding and Karasu.

Livestock

The oblast's location near Russia determined the priorities in the livestock production. Kostanai Oblast ranks first in Kazakhstan in breeding of pigs, which numbered 251,100 head (19.1% of the national total).

Pastures occupy more than a half of the region's farmlands. The farms had 502,200 head of cattle (9.2%), 68,000 head of horses (5.9%), and 257,900 head of sheep and goats (1.8%). The feed supplies are sufficient for farming 3.6 million head of poultry (13.7%). In 2005, the oblast produced 564,100 tonnes of milk (12% of the national total).

The largest farms are DEP and KEU Rudnensky GMZ (milk products), Kanat (eggs), and Smak and Irina & Co. (sausages and meat specialities).

Industry

In 2005, the Kostanai Oblast's industrial output totalled \$1,352.4m (3.4% of the national figure). The key industry is mining (66.8%), with processing accounting for 24.4%, and electricity, gas and water production and distribution 8.8%.

There are 335 large and medium-sized enterprises in Kostanai Oblast.

Kostanaiskiy Mineraly is the only manufacturer of asbestos in Kazakhstan.

The largest mining enterprises are the Sokolov-Sarbai Mining Production Association (approximately 60% of the oblast's industrial production) and the Torgai and Krasnooktyabrskoye Bauxite Mining Departments of Aluminium of Kazakhstan (4.5%).

The food industry accounts for 67.6% of the regional industrial output. The largest enterprises are Bayan-Sulu, which produces confectionery (\$33.9m), Arasan involved in beer and soft drinks manufacturing (\$8.6m), Melkombinat involved in processing crops and producing flour (\$9.4m), DEP (\$12m), and KEU Rudnensky Gormolzavod (\$4.3m), dairy plants.

The machine-building sector includes Agrotekh-mash (spare parts for agricultural equipment) and the Kostanai branch of Agromashholding (motors, tractors, combined harvesters and spare parts).

The light industry has a small share in the region's industrial production. However, there are many enterprises which manufacture knitwear, leather and felt footwear, process leather and produce wet blue hides. The Kostanai Spinning and Knitting Factory is the only enterprise in Kazakhstan that processes merino wool.

Enterprises of the food, textile, paper-and-pulp and machine-building industries made significant contribution to the oblast's industrial production in 2005.

Several new enterprises were commissioned, including:

- BK-Stroi (high quality ceramic bricks);
- SP Vita (cheese); and
- EKOS (food additives);

Aigerim, a wallpaper manufacturer, launched a production line to produce vinyl wallpaper. The Aigerim's wallpaper is in high demand in Kazakhstan, Russia, Belarus, Ukraine, Kyrgyzstan, Uzbekistan, and Turkmenistan.

Foreign Trade

In 2005, the oblast's exports totalled \$826.2m (3.0% of the national figure) and imports \$627.3m (3.6%), resulting in a trade surplus of \$198.9m.

Investment

Investment in fixed assets amounted to \$421.9m (2.3% of the national total). These funds were mainly invested in industry (42.2%), transport and communications (20.8%), agriculture (16.7%) and real estate activities (8.4%).

The main sources of funding were as follows:

- companies' own funds (77.2%);
- national and local budgets (17% and 2.2%, respectively); and
- loans (3.6%).

New Tendencies in Investment Activities

The Innovation Consulting Centre and the Kostanai Business Incubator have been established in the region.

The Kostanai Technopolis, an innovation enterprise, has been set up on the basis of the Kostanai branch of the Animal Breeding and Veterinary Medicine R&D Centre.

Now it is planned to create a dairy product cluster in the oblast.

Foreign Capital

There are 174 companies with a foreign shareholding in the oblast, of which 58.6% specialise in trade,

16.7% in processing industries, 2.3% in construction, and 4.0% in transport and communications.

These companies employ 9,248 people.

In 2005, they produced products and services for a total of \$101.7m.

Their exports and imports amounted to \$29.1m and \$33.2m, respectively, resulting in a trade deficit of \$4.1m.

The largest joint ventures are the Sokolov-Sarbai Mining Production Association (ore concentrate, pellets and dolomite), the Torgai and Krasnooktyabrskoye Bauxite Mining Departments of Aluminium of Kazakhstan, the Buskulskoye Mining Department (fire clay and fire sand mining), and a branch of the Magnitigorsk Metal Plant.

Communications

The telecommunications sector comprises cellular, trunk, paging and internet providers.

The total length of motor roads in the region amounts to 9,517 km. Transit highways running from north to south and south-east connect the region with Russian towns.

The length of the oblast's railways is 1,451 km. Fifty-three railway stations (providing freight and passenger services) encompass all towns and 11 districts.

Kostanai international airport hosts regular and charter flights within Kazakhstan and to the CIS, Germany, the United Arab Emirates, and Turkey.

The following major facilities were reconstructed in 2005:

- distribution networks of the Lisakovsk water pipeline;
- Astana–Kostanai–Chelyabinsk highway;
- Zhelkuar water pipeline;
- Ishim common water supply system; and
- Zhitikar heating systems.

Power Engineering

There are three power producers in the oblast: power and thermal cogeneration plants in Rudny (with a capacity of 204 MW; load factor 92%), Kostanai (12 MW; 63.5%), and Arkalyk (6.5 MW; 73%).

In 2005, power suppliers set the following rates:

<i>electricity</i>	<i>\$0.03–\$0.04 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.82 per m³</i>
<i>hot water</i>	<i>\$0.09 per m³</i>
<i>natural gas</i>	<i>\$1.14 per m³</i>

Banking

There are 14 branches of Kazakh commercial banks and 13 insurance companies in the oblast.

Employment

The labour force in Kostanai Oblast amounted to 553,000 people (7.1% of the national total), of whom 45.0% have secondary or primary education, 35.3% secondary vocational education, and 19.7% higher education (including undergraduates). The number of employed was 511,900 people (7% of the national figure). The main employers were agriculture, forestry and fishing (38.9%), industrial enterprises (12.1%), and trade and repair of cars and household appliances (17.4%). The average monthly nominal wage in 2005 was \$183.8 (72% of the national level). The number of unemployed was 45,400 (7.1% of the national figure).

Education

There are nine institutions of higher education, 14 branches of institutions and 26 colleges in Kostanai Oblast. In 2005, 7,317 people graduated from the institutions of higher education specialising in economics and management (27.7%), the humanities (25.8%), teaching (27.2%) and other fields. The colleges prepared 3,928 specialists in economics (35.4%), teaching (17.1%), the humanities (10.5%), and medicine (4.9%).

Kyzylorda Region



Total area: 226,000 sq.km
Population: 618,200
Administrative centre: Kyzylorda

Administrative Divisions

The regional centre is Kyzylorda, which is situated on the Syr Darya River and was founded in 1820. Today the city is home to some 32% of the region's populace. There are three towns, seven rural districts and 269 auls (settlements) in the region. The urban and rural populations respectively form 59,6% and 40,4% of the total. Kyzylorda is 1,930 km from Astana.

Climate

Harsh continental climate with hot summers and mild winters; dry, hot winds are frequent. Aver-

age January temperature down to -13°C, and up to +29°C in July. Annual precipitation: 150-200mm.

Mineral Resources

The region is a unique source of vanadium in the country, containing 65% of the reserves of the mineral in Kazakhstan.

15 mineral ore deposits have been explored in the region: 12 iron ore, two molybdenum and vanadium deposits and a titanium-zirconium placer accumulation.

57 non-metallic deposits are available in the region, including loam (33), sand and gravel (8), mortar sand (7), construction stone (3), quartz sand, medicinal salts and so on. There are 11 hydrocarbon fields, including two oil, three oil and gas, four oil and gas condensate and two gas condensate fields.

The region has 25 underground springs, two of which are used for spa therapy.

Natural Resources

Most of the territory is located within the Turan depression with the Karatau Range to the east.

The Aral Karakum desert stretches within the northwest of the region, and the Kyzylkurn in the southwest. The barren soils of the deserts are covered with sagebrush, fescue, saksaul bushes, tamarisk and terisken. Meadows and riparian forests grow in the flood plain of the Syr Darya River.

The largest river in the region is the Syr Darya (1,400 km within the country). Numerous saline lakes are located along its estuary. The Syr Darya flows into the Aral Sea, which borders the region to the northwest.

Tourism

As one of the historical centres located along the ancient Silk Road, the oblast is involved in Kazakhstan's State Programme to Restore the Historical Centres Located along the Silk Road, Preserve and Develop the Turkic Cultural Heritage, and Create Tourism Infrastructure.

Today, the region's tourism infrastructure includes three health resorts, seven recreation camps for children and 18 hotels, as well as a number of museums, architectural and historical monuments, and nature reserves.

Three tourist organisations are active in the region.

The Korkyt Ata Memorial Complex is one of the most attractive sites in Kyzylorda Oblast.

The Syr-Yelim tourist route, connecting Turkestan and the Aral Sea, has been developed.

In order to create a modern tourist complex satisfying the needs of both residents and non-residents of Kazakhstan, the following activities have to be stimulated:

- development of the tourism infrastructure, and

- preservation and efficient exploitation of the region's natural, recreational, cultural and historical potential.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$126.5m (2.2% of the national total), of which crops accounted for 61.2% and livestock products 38.8%.

There are 2,473 farms, 20 production cooperatives, 14 joint-stock companies, 152 partnerships, and 3 state-owned farms in the region.

Crop Farming

Arable land occupies 149,400 ha (0.8% of the total arable land in the country), a half of which is under rice cultivation. The farms produced 239,200 tonnes of rice (84.0% of the national total). The rice yield averaged 3,410 kg/ha, vegetables 12,960 kg/ha, potato 11,800 kg/ha, and sunflower 1,460 kg/ha.

The largest crop farms in terms of output are Shagan and Turmagambet.

Livestock

Natural pastures occupy 97% of the farmlands. In 2005, Kyzylorda Oblast had one of the largest stock of camels (23,600 head or 18.2% of the national total) and horses (50,900 head or 4.4%). Cattle stock numbered 214,700 head (3.9%), sheep and goats 678,300 (4.7%), and poultry 416,700 (1.6%).

The region produced 61,800 tonnes of milk (1.3%) and 900 tonnes of wool (3.1%). The oblast also produces 37,000 coats of karakul.

The largest livestock farms in terms of output are Kulandy and Karakum.

Industry

In 2005, Kyzylorda Oblast's industrial production totalled \$2,557.8m (6.5% of the national figure). The mining industry accounted for 95% of the region's industrial output, processing 3.4%, and gas, water and power production and distribution 1.6%.

There are 172 large and medium-sized industrial enterprises in Kyzylorda Oblast.

Mining plays a key role in the region's economy. In 2005, the oblast accounted for 17.6% of the national crude oil production (93.4% of the oblast's industrial production). The main enterprises in this sector are Turgai Petroleum (40.5% of the regional industrial production), PetroKazakhstan Kumkol Resources (21.6%), Aidan-Munai (5.8%), and KOR (2.6%).

Araltuz manufactures 59% of the country's salt.

The food industry makes up 1.4% of the regional industrial output. The range of products includes iodised salt, eggs, poultry, sausages, baked products, confectionery, pastry, and rice.

The oblast's mechanical engineering enterprises manufacture agricultural, electronic, electric and optical equipment.

Foreign Trade

In 2005, Kyzylorda Oblast's exports totalled \$1,968.2m (7.1% of the national figure) and imports \$162.3m (0.9%), resulting in a trade surplus of \$1,805.9m.

Investment

Investment in fixed assets amounted to \$462.5m (2.5% of the national total). These funds were mainly invested in mining (31.1%), transport and

communications (13.4%), agriculture (5.5%), and the real estate sector (5.2%).

The main sources of investment were as follows:

companies' own funds (73.6%);

national and local budgets (14.6% and 7.8%, respectively);

foreign investment (3.6%); and

loans (0.4%).

The following projects were constructed in 2005:

- a plant to process 240 million cubic metres of dry gas and 96 million tonnes of liquefied gas in the Akshabulak field; and
- a plant to produce 1 million tonnes of crushed aggregate per annum based on a dolomite deposit located in Zhanakorgan district (Shalkiya Zinc).

New Tendencies in Investment Activities

The Kyzylorda Technology Park has been established in Kyzylorda.

The following clusters are being created in the oblast:

- rice cluster with its potential leaders being Shapagat Ltd, Tomiris, and Ris Kazakhstan, a joint-stock company that comprises more than 20 enterprises; and
- fishing cluster based on Aral Tenizi and Aral-Plastic-Kaiyk.

Foreign Capital

There are 53 companies with a foreign shareholding in the oblast, which employ 4,176 people.

These companies produced products and services for a total of \$2.3bn. Their exports and imports

amounted to \$1,800.4m and \$254.5m, respectively, resulting in a trade surplus of \$1,545.9m.

The largest joint ventures are oil companies: PetroKazakhstan Kumkol Resources, Turgai Petroleum, KazGerMunai, KvatAmlonMunai, Aidan-Munai, and KOR.

Communications

Kyzylorda Oblast is a major transport corridor between Central Asia and Russia. There is an international airport, Korkyt-Ata, in Kyzylorda. The telecommunications sector comprises cellular, trunk, paging and internet providers. The oblast motor and rail roads total 2,642 km and 755 km, respectively.

Power Engineering

The main power generator in Kyzylorda Oblast is Kyzylordaenergotsentr with a generation capacity of 124 MW (load factor 70%).

In 2005, power suppliers set the following rates:

electricity \$0.03 per kWh

water:

cold water \$0.41 per m³

natural gas \$0.05 per gigacalorie.

To provide heating to the housing estates, which are remote from the Kyzylorda Oblast's State Thermoelectric Power Station, the following steps have been undertaken:

- five independent block-modular boiler plants with a total capacity of 28 Gcal per hour have been constructed;
- boiler shop No. 2 (Kyzylorda Interdistrict Heating Plant) has been reconstructed and its capacity upgraded to 60 gigacalorie per hour; and

- three new boilers (with a total capacity of 37 gigacalorie per hour) operating on the associated gas have been installed.

Banking

Eight branches of Kazakh commercial banks and five insurance companies are operating in the oblast.

Employment

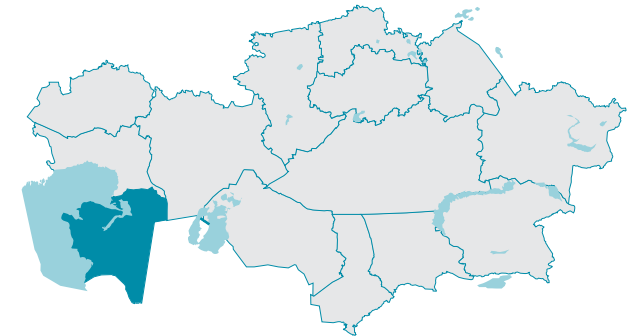
The labour force in Kyzylorda Oblast amounts to 301,900 people (3.8% of the national total). Approximately 55% of them have basic secondary and primary education, 26% secondary vocational education, and 20% higher education (including undergraduates). The number of employed is 272,500 (3.8% of the national figure). The main employment opportunities are offered in agriculture (29.5%), trade and repair of cars and appliances (18.3%), education (12.2%), and health care (5.8%). The number of unemployed is 29,400 (4.6% of the national figure). The average monthly nominal wage amounts to \$232.9 (90.8% of the national level).

Education

There are six institutions of higher education, two branches of institutions and 18 colleges in Kyzylorda Oblast.

In 2005-2006, the institutions of higher education prepared 4,289 graduates specialising in the humanities, engineering, economics, and other fields. The colleges prepared 2,601 specialists in teaching, medicine, economics, law, and other spheres.

Mangistau Region



Total area: 165,600 sq.km
Population: 374,400
Administrative centre: Aktau

Administrative Divisions

The administrative centre is Aktau, which is a port on the Caspian Sea, founded in 1963. Its population is 168,300, or about half of the region's population. The region contains three towns (Zhanaozen, Fort Shevchenko and Zhenybai), four rural districts and 26 auls (settlements). The urban and rural populations respectively form about 76% and 24% of the total. Aktau is 2,413 km from Astana.

Climate

Harsh, exceptionally dry continental climate with hot summers and cold winters. Average tempera-

ture falls to -9°C in January, and rises to $+28^{\circ}\text{C}$ in July. Annual precipitation: 100-150mm.

Mineral Resources

The region is one of the largest oil and gas areas in Kazakhstan. It produces 23.4% of the nation's oil and 8% of its natural gas. Total oil reserves make up 3,156.2 million tonnes. There are 59 hydrocarbons fields, including Uzen, Zhetybai, Karazhanbas, Severo-Buzachinskoye, Kalamkas, etc. Two large mineral tar deposits are situated near the town of Zhetybai. This material is widely used in road building. Five brown coal deposits have allowed the development of production of chemical

agents for drilling fluids in the region. Furthermore, the brown coal contains germanium and other rare metals.

20 occurrences of celestite (barite) have been discovered in the region, including the Aurtash, Ungozinskoye and Uchkuyuskoye deposits. Celestine is widely used for producing high-grade steel and composites in metallurgy and the glass industry.

The region's mountains are rich in phosphorites (4 deposits), iron ores (the Beskimir deposit), manganese and uranium. 100 occurrences of copper ore have been discovered in the Karatau Range area, but many of these have not yet been evaluated. The Mangyshlak has vast salt deposits, three

large deposits of sodium chloride, also reserves of mirabilite, thenardite and other minerals.

The Mangistau shell limestone in pink, cream and white colours is very popular abroad as a facing material in building. There are 30 proven shell stone deposits with reserves of more than 200 million cu rn. There are also reserves of building stone for producing gravel chippings and rubble (8 deposits), brickmaking gravel clay (3), building lime (1), mortar sand (3), chalk (7), etc.

The region has 16 groundwater springs, three of which are used for spa therapy. A large artesian basin situated on shore of the Alexandr Cherkassky Gulf is known for its vast reserves of water containing sulphate, chloride and sodium, along with thermal energy. Another large thermal water deposit with high bromine and silicic acid content is situated in the Aktau area.

Natural Resources

The region consists of the Caspian Plain, the Zheltai (221 m) and Mynsualmas (148 m) mountains, sand massif, and vast tracts of alkaline land. The Karakiya basin (132 km) is the deepest in the CIS area. The climate is very arid. The rivers run dry in summer, forming a desert in the region. The soil level consists of saline, takyr-like salt earth and sands. Vegetation is very sparse.

Tourism

Mangistau Oblast boasts many architectural and historical monuments. These range from the widespread kulpytas tombstones to ancient mosques such as Beket-Ata, Masat-Ata, Karamat-Ata and Shopan-Ata. Remnants of the ancient Silk Road (the Sherkala, Ketyk, Sarytash, Kentti-Baba and other caravan routes) have been well preserved to the present day. Fort Shevchenko, the former Fort

Alexander established in 1857, is a place of both historical and cultural interest.

Located on the Caspian Sea coast, Aktau attracts people who prefer seaside recreation. The Mangyshlak Peninsula is bordered by the Mangyshlak Gulf to the north and the Kazakh Gulf to the south. The northern, western and southern parts of the peninsula are covered with clay deserts, while the central part is dominated by the Mangistau mountains. At first sight, the region may seem lifeless, but its wildlife is abundant.

Tourism Development Prospects

The region claims the greatest potential for the development of tourism in Kazakhstan. There are 19 tourist firms in the region, of which seven serve as tour operators and twelve as travel agencies. In order to promote the region's tourism potential, business people involved in tourism and representatives from state authorities take part in all international and regional tourism exhibitions and fairs, and topical booklets and other advertising materials are widely distributed. In addition, this year, the Mangistau Regional Investment Fund has been established to take part in financing projects to invest in different industries including tourism.

Private companies also invest big money in developing the region's tourism infrastructure. In recent years, a number of cultural and entertainment facilities such as bowling centres, roller skating paths, the Akbota entertainment complex for children, various cafés, hotels, etc. have been constructed in the coastal area of the town. Recreation centres formerly run by the state administration are now being reconstructed and special camps for children have begun operated.

The following activities will be carried out in the near future:

- restoration of monuments and pilgrimage sites;
- development of the coastal infrastructure; and
- arrangement of the international cruise itinerary through the Caspian Sea to involve Iran, Russia, Azerbaijan, Turkmenistan and Kazakhstan.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$18.1m (0.3% of the national total), of which livestock products accounted for 74.7% and crops 25.3%.

There are 886 farms, 19 production cooperatives, three joint-stock companies, 48 partnerships, and four state-owned farms in the oblast.

Farmlands occupy 12,698,400 ha.

Crop Farming

Arable land occupies 300 ha and is mainly under vegetables and melons.

Livestock

Natural pastures occupy almost 100% of farmlands, which makes possible to develop livestock farming intensively. Mangistau Oblast ranks first in the country in farming of camels, which numbered 34,700 head (26.8% of the national total). Sheep and goats numbered 476,800 head (3.3%) and horses 31,100 head (2.6%).

The oblast is one of the largest producers of karakul in Kazakhstan. In 2005, it produced 600 tonnes of wool (2.1%).

The largest farms are Senek (sheep and camel farming; \$0.6m), Taushik (camel farming; \$0.44m), and Kyzan (sheep and karakul farming; \$0.2m).

Industry

In 2005, the industrial output in Mangistau Oblast totalled \$5,781.6m (14.6% of the national figure), with the key industry being mining (95.8%). The processing industry shares 2.1%, and power, water and gas production and distribution 2.1%.

There are 183 enterprises operating in the oblast.

The mining industry dominates the region's production. In 2005, it accounted for 32.5% of the national crude oil production. The largest companies are Ozenmunaigaz (30.4% of the oblast's industrial output) and Karazhanbasmunai (11.6%).

The plants processing agricultural produce include Aktau-Sut (\$1.5m), the Zhanaozen Dairy Plant (\$0.5m), and Taushyk (camel milk). The Volna Confectionery Plant (\$0.5m) and Shkolnik-Aktau (\$0.7m) produce confectionery and sausages. The Breeze Company (\$0.4m) bottles mineral water. There are also workshops processing hides and astrakhan, the largest of them being Senek.

The demand for construction materials, including road metal, increased due to the growth of housing estate construction in Aktau and building new artificial islands on the Caspian Sea shelf. To satisfy the growing demand for road metal, the Myrzabek-AltynTas Group decided to expand production and purchase additional process equipment. The company has reconstructed the existing process lines (with an annual capacity of 300,000 m³) and relocated them to the places where the immediate feedstock is produced; new crushing and screening equipment with an hourly capacity of 200 tonnes (Baioni, Italy) was purchased and installed. The project to expand the production of road metal in Shetpe-1 field (the village of Shetpe) cost \$6.3m. With \$5.8m already spent, it is expected to fully disburse the investment by 2007.

Foreign Trade

In 2005, exports totalled \$3,228.7m (11.6% of the national figure) and imports \$1,182.9m (6.8%). The trade surplus reached \$2,045.8m.

Investment

Investment in fixed assets amounted to \$1.076.8m (5.9% of the national total). These funds were mainly invested in mining (81.2%), transport and communications (8.7%), the real estate and services sectors (3.5%), public administration (2.1%), and construction (2.2%).

The main sources of investment were as follows:

companies' own funds (81.5%);

national and local budgets (2.3% and 1.0%, respectively);

loans (3.5%); and

foreign investment (11.7%).

The following projects were accomplished within the framework of the Regional Investment and Industrial Development Programme for 2004 and 2005:

- constructing a fibreglass pipe plant with an annual capacity of 300,000 metres. Foreign investments amounted to \$25.6m. The plant applies the high-tech processes and the equipment manufactured by Intech Composite Machines (California). There are no similar plants in Kazakhstan. The manufactured products are chemically resistant, durable and light, and prevent corrosion and scale deposits on their internal surfaces;
- constructing a fibreglass pipe plant with an annual capacity of 400,000 metres. Foreign investments amounted to \$10.2m. The owner of the know-how for fibreglass pipes is Future Pipe

Industries B.V., a reputable French company. The technology provides for the protection of pipes against sun exposure. The pipes may be used aboveground, underground or underwater in various industries, but are mostly intended for the oil and gas sector to substitute imports. The quality of the products complies with ISO 9001 (AZST);

- engineering a high-pressure vessel plant with an annual capacity of 2,000 tonnes. Foreign investments amounted to \$10.1m. The plant has a fleet of unique machines and equipment oriented to manufacture high-pressure vessels for oil and gas production, petrochemical and other sectors with a view to substituting imports (Sewon Vertex Heavy Industry);
- expanding a non-metallic material production up to 2 million tonnes per annum. Foreign investments amounted to \$6.4m. The project was to allow the production of cubic crushed aggregate, which is used in the manufacture of high-strength building materials, and to satisfy the increasing demand on the regional market. Italian Baioni crushing and sorting equipment was purchased and installed to complete the project (Myrzabek Altyn TAS Group); and
- constructing a foundry in Aktau with a daily capacity of 90,000 tonnes of steel rods. Foreign investments amounted to \$9m. The equipment was supplied by the Ravi Steel Company from Pakistan. The main feedstock used is waste metal from decommissioned chemical, petrochemical, oil and gas, construction, gas processing and other equipment, pipes and other metal ware. The second phase of the construction provide for the production of metal profiles (the Aktau Foundry).

The construction of a plant at a cost of \$40m to produce offshore metal structures started in 2005. The originator of the project is Keppel Kazakhstan. The project is aimed at creating 400 new jobs to serve shipbuilders engaged in oil production, particularly in the Kashagan oil field (North Caspian region).

A number of new projects involving unique technology to reduce a share of the primary industries and manufacture high-tech export-oriented and import-substituting products continued in 2005. In particular, the second phases of construction of a fibreglass pipe plant and a fibreglass plastic plant were completed.

New Tendencies in Investment Activities

There are three business incubators and a special economic zone, the Aktau Seaport, in the oblast. It is planned to create a transport logistics cluster.

Foreign Capital

There are 233 companies with a foreign shareholding in Mangistau Oblast, of which 28.3% are engaged in trade and repair of cars and household items, 20.5% in industry, 13.2% in transport and communications, and 12.7% in real estate. These businesses employ 11,871 people.

The output of products and services by enterprises with a foreign shareholding totalled \$1,539.8m.

These enterprises exported goods worth \$1,459.9m and imported goods worth \$186.2m. Thus, the trade surplus stood at \$1,273.7m.

The largest enterprises with a foreign shareholding are oil companies (Karazhanbasmunai, Karakudukmunai, Tasbulat Oil Corporation, Mangistaumunaigaz, and a branch of Buzachi Operating Ltd) and construction companies (Keppel Kazakhstan, Saybolt-Kazakhstan, Caspiystrogroup-1, and Kazstroi-2005, among others).

Communications

The total length of hard-surfaced motor roads in the region amounts to 3,075 km, comprising:

- the Dossor-Kulsary-Beineu-Sai-Utes-Shetpe-Zhetybai-the Aktau port road (589 km);
- the Zhetybai-Zhanaozen-Fetisovo road (237 km), Turkmenistan border; and
- the Beineu-Akzhigit road (84 km), Uzbekistan border.

The length of the road (property of Kazakhstan Temir Zholy) to Mangyshlak station is 819 km. The railways connecting the Mangyshlak station and the Aktau port are operated by KaskorTrans-Service.

Aktau international airport serves both local and international flights.

The length of the oil pipeline (property of KazTransOil, Western branch) running through the territory of Mangistau Oblast totals 977.7 km.

The design capacity of oil pipelines in the oblast is as follows:

- the Uzen-Atyrau-Samara pipeline, 1,000 mm in diameter (2 lines), 15 million tonnes per year;
- the Uzen-Zhetybai-Aktau pipeline, 500 mm in diameter (2 lines), 5 million tonnes per year; and
- the Kalamkas-Karazhanbas-Aktau pipeline, 700 mm in diameter, 8 million tonnes per year.

The Astrakhan-Mangyshlak water conduit (1,041 km long, 1,200 mm in diameter, 1 line, 260,000 m³ per day) serves to supply water.

Power Engineering

MAEK-Kazatomprom with an annual load factor of 62.5% supplies power and water in Mangistau Oblast. Its power, heating, utility and drinking

water producing capacities are 1,342 MW; 1,843 Gcal-h; 195,000 m³ per day and 75,000 m³ per day, respectively.

In 2005, power suppliers set the following rates:

electricity (for enterprises) \$0.05 per kWh

water:

cold water \$1.4 per m³

hot water \$1.07 per m³

natural gas \$0.02 per m³

Banking

There are 20 branches of commercial banks and 13 insurance companies in the oblast.

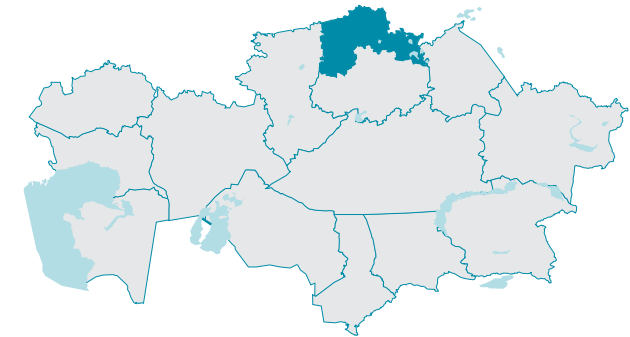
Employment

The labour force in Mangistau Oblast amounts to 188,500 people (2.4% of the national total), of whom 43% have secondary vocational education, 30% secondary or primary education, and 27% higher education (including undergraduates). The number of employed is 170,200 (2.3% of the national figure). The main employment opportunities are offered in industrial production (29.3%), trade (10.5%), construction (10.2%) and education (9.6%). The average monthly nominal wage amounts to \$481.3 (188% of the national level). The number of unemployed is 18,300 (2.9% on the national figure).

Education

There are seven institutions of higher education and 15 specialist training colleges in the oblast. In 2005, 1,990 people graduated from the institutions of higher education specialising in law, engineering, teaching, the humanities, and economics. The colleges prepared 1,936 specialists in medicine, engineering, teaching, law and other fields.

Northern Kazakhstan Region



Total area: 98,000 sq.km
Population: 663,100
Administrative centre: Petropavlovsk

Administrative Divisions

The administrative centre is Petropavlovsk, which is situated on the Yesil River. It was founded in 1752. Petropavlovsk is home to 28.3% of the region's population. The region contains five towns, five villages, 13 rural districts and 774 auls (settlements). The urban and rural populations respectively form 36,6% and 63,4% of the total. Petropavlovsk is 491 km from Astana.

Climate

Harsh continental climate with long, frosty winters and short, moderately hot summers. Average January temperature down to -19 °C, up to +19 °C in July. Annual precipitation: 300-350mm.

Mineral Resources

The region contains 100% of the nation's commercial diamonds, 65.1% of its tin, 36.6% of its zirconium and 25.2% of its uranium.

Reserves of 34 ore minerals have been explored in the region, including 19 uranium deposits, seven gold mines, three titanium and zirconium deposits, two iron ore mines, etc. Tin and tungsten reserves also exist in Northern Kazakhstan region.

196 non-metallic deposits are located in the region including, among others, diamonds (1), building stone (21), mortar sand (17), limestone (6), ornamental stone (2), kaolin clay (2) and quartz sand (2).

The region has 30 groundwater springs, five of which are used for spa therapy.

Natural Resources

The north of the region is occupied by the Yesil Plain, the south by the Kokshetau highlands. The mountains covered with birch and coniferous forests, while the plain abounds in stands of birch and aspen forest surrounded by grassy meadows. The largest water artery in the region is the Yesil River (1,719 km within the region) on which Sergeyevskoye water storage reservoir (117 sq. km) been constructed. Numerous small freshwater and saline lakes are scattered throughout the region. The large water bodies are the saline Lake Silyteniz (777 sq.km) and Lake Ulkenkaraoi (306 sq. km), and the freshwater, Lake Shagalalyteniz (262 sq. km).

Tourism

There are many cultural, natural and health resources in North Kazakhstan. The region features 16 strictly protected nature reserves totaling 430,100 ha (16% of the area is covered with forests), 3,000 fresh water and salt lakes, as well as therapeutic mud and mineral springs. Thirteen tourist firms are active in North Kazakhstan. The main types of tourism being developed are as follows:

- ecological; and
- therapeutic.

The beautiful natural sites of Lake Shalkar and the Imantau recreation area attract many visitors.

The composition of Shalkar's water is the same as that of the Black Sea. Therapeutic mud is found in the south. The lake is surrounded by pines and mixed forests. An outdoor museum is located on the shore.

Lake Imantau and its recreation area are considered the most attractive natural feature of the region set in an oasis formed by mountains, forests and water.

Eight tourism and recreation sites located in the Shalkar and Imantau recreation areas cater for at least 10,000 visitors per annum.

Agriculture

In 2005, North Kazakhstan's gross agricultural output amounted to \$707.8m (12.3% of the national total), of which crops accounted for 69.6% and livestock products 30.4%.

There are 5,542 farms, three state-owned farms, 528 partnerships, 7 joint stock companies, and 4 production cooperatives in the region.

Crop Farming

Arable land occupies 3,646,100 ha (19.2% of the total arable land in the country). North Kazakhstan is one of three largest crop producers in the country. In 2005, the oblast's crop yield (after additional treatment) amounted to 3.5 million tonnes.

The wheat yield averaged 1,100 kg/ha, potato 16,370 kg/ha, and vegetables 28,370 kg/ha.

The largest crop farms are Asylkhan-Agro (\$9.9m) and Zher-Ana (\$5.8m).

Livestock

Feed supplies make possible the farming of poultry. In 2005, the poultry stock amounted to 2.2 million head (8.4% of the national total). The farms had 326,500 head of cattle (6.0%), 182,800 head of sheep and goats (1.3%), 74,800 head of horses (6.4%), and 209,000 head of pigs (15.9%).

The region produced 512,900 tonnes of milk (10.9%) and 600 tonnes of wool (2%).



The largest farms are Zenchenko & Co and Taiynsha Astyk (cattle breeding), and Beskol (poultry breeding).

Industry

In 2005, North Kazakhstan's industrial output totalled \$281.2m (0.7% of the national figure). The key industry was the processing sector (73.8%), with electricity, gas and water production and distribution accounting for 25.9% and mining 0.3%.

There are 260 large and medium-sized enterprises in the oblast.

The food industry accounts for approximately 40% of the region's output. Food enterprises produce pasta, confectionery, poultry, meat and dairy products. The product range comprises over 600 items. The largest food company is Sultan-Elevator, a mill and macaroni complex (4.9% of the oblast's industrial output). The Petropavlovsk Bakery Plant (\$2.5m), the Sultan Confectionary (\$3.5m), a branch of Maslo-Del (\$5.5), Molochny Soyuz (\$3.1m), Molservis AZF (\$2.1m) and the Mamlyut Mill (\$1.1m) manufacture dairy, meat and milling products, confectionery and pasta.

Mechanical engineering accounts for over two thirds of the industrial output. The oblast's machine-building plants manufacture oil-and-gas equipment, specialised vehicles, spare parts for agriculture and forestry, and pumps. They also offer equipment installation and maintenance services. A significant contribution to the region's output was made by ZIKSTO (\$10.9m), Munaimash (\$4.6m), the Kirov Plant (\$4.6m), and the Agricultural Machinery Plant (\$2.1m).

The largest producer of oil-and-gas, railway and agricultural equipment in North Kazakhstan is the Petropavlovsk Heavy Engineering Plant (4.9% of the oblast's industrial output).

Leather manufacture dominates the light industry in the region. The Petropavlovsk Leather Plant produces wet blue hides and exports them to eight countries. Dinamo and Mershair manufacture a wide range of garments, including special clothing and outer garments.

Furniture production is also developing successfully. In 2005, it contributed 1.5% to the oblast's industrial output. Yulis-Mebel is the largest company in this sector.

Twenty-four new enterprises were commissioned in 2005, including agriproduct processing workshops and lines, bakery and prepared food plants, construction materials, furniture and plastics lines.

The export-oriented Petropavlovsk branch of Kazneftemash (oil-and-gas processing equipment), a Russian-Kazakh joint venture, was also commissioned that year. The company manufactures high-pressure and low-pressure valves for the oil and gas sector.

The Biokhim Production Complex, a pilot agro-industrialisation project, is under construction in Taiynshi district. This project is being carried out by the Biokhim company in cooperation with the Development Bank of Kazakhstan and Alfa Bank (Russia). Biokhim will provide advanced grain processing (native gluten and Bioethanol, a high-octane petrol bioadditive, to be exported to Russia, Uzbekistan, Europe and China). The design production capacity is \$63.7m. The plant will engage 300 employees.

Sultan EMMK and Molochny Soyuz are the largest companies in the food sector, which have received the Russian compliance certificates for their macaroni and cheese products. The Sultan's pasta is exported to Russia, Ukraine and Kyrgyzstan, and is planned to be exported to Belarus. The other exported products are confectionery

(Sultan), flour (Golden Grain, produced by the Mamlyut Mill and the Kyzyltu Mill and exported to Tajikistan and Uzbekistan), butter and skim cheese (manufactured by Palchik and Rostan and exported to Russia).

In 2005, the construction of a primary oil-plant processing factory was commissioned in the village of Novoishim (Gabit Musrepov district). Unrefined rapeseed oil is then used to manufacture export-oriented goods.

The Petropavlovsk Leather Plant exports wet blue hides. The plant equipped with a high-capacity skiving machine (Italy), has implemented the skiving technology and produces face and split leather. An automatic area-measuring machine has been installed at the plant. The new technology will increase the leather production up to 65 million dm² per year.

Foreign Trade

In 2005, the oblast's exports totalled \$160.3m (0.6% of the national figure) and imports \$594.1m (3.4%), resulting in a trade deficit of \$433.8m.

Investment

Investment in fixed capital totalled \$280.1m (1.5% of the national total). These funds were invested mainly in processing industries (27%), agriculture (26%), transport and communications (14%), trade and maintenance of cars and household appliances (6%), real property operations and services to enterprises (9%).

The main sources of funding for the oblast's investment projects were as follows:

- companies' own funds (39.6%);
- national budget (13.1%);
- local budget (3.4%);

loans (42.8); and foreign investment (1%).

The following projects were accomplished in 2005:

- installing a Tetrapack automated machine at a cost of \$200,000 with an hourly capacity of 1,200 packages (Molservice AZF);
- commissioning an extra waffle line at a cost of \$545,000 with a daily capacity of 5 tonnes of waffles (Sultan Confectionary);
- commissioning a cheese plant at a cost of \$7,500. The production of a new sort of cheese (Petropavlovsky) was introduced (Maslo-Del);
- commissioning a sausage manufacturing plant (Kazmyasoproduct);
- constructing a oil-plant processing factory at a cost of \$7.8m (Maslo-Del);
- constructing a Biokhim production complex at a cost of \$86.5m (Basco); and
- reequipping a sausage production unit at a cost of \$470,000.

New Tendencies in Investment Activities

The North Kazakhstan's Akimat has set up a Regional Technology Park in the region.

The prospects for the industrial development are deemed to be connected with creating the clusters of petrochemical machine building, agribusiness and agricultural produce processing.

Foreign Capital

There are 176 companies with a foreign shareholding in North Kazakhstan, which employ 13,454 people. They produced goods and services worth \$87.3m. Their exports and imports amounted to

\$165.7m and \$260.9m, respectively, resulting in a trade deficit of \$90.5m.

The largest joint ventures are Access-Energo Petropavlovsk Heating and Power Plant No. 2 and the Access-Energo North Kazakhstan Oblast Electric Power Grid Company (power production and distribution); Sultan-Elevator, a mill and macaroni complex (flour and pasta); Kazvtortsvetmet and Kazvtorchernet (scrap metal processing); Kazkond and Sultan (confectionery and pasta).

Communications

There is a railway junction in Petropavlovsk connecting the Trans-Siberian and Trans-Asian railways. This station connects the Far East with European countries, Central Asia and China. The total railway length amounts to 804 km, and the Irtysh navigable waterways 63 km.

International motor roads run through the region. Among them are Yekaterinburg–Almaty (north-south), Chelyabinsk–Novosibirsk (west-east) and Astana–Petropavlovsk. The total length of motor roads is 7,532 km. A 545.4-km oil pipeline was constructed.

Petropavlovsk has an international airport.

The telecommunications sector comprises cellular, trunk, paging and internet providers.

Power Engineering

Access-Energo Petropavlovsk Power and Heating Plant No. 2, a large power producer, has a total generation capacity of 336 MW (load factor 60-65%) and 765 gigacalorie/h of heat power (load factor 25-30%).

In 2005, power and water suppliers set the following rates (including VAT):

electricity *\$0.04 per kWh*

water:

<i>cold water</i>	<i>\$0.14 per m³</i>
<i>hot water</i>	<i>\$0.77 per m³</i> ;
<i>heat supply</i>	<i>\$15.4 per gigacalorie</i>
<i>liquefied gas (propane, butane)</i>	<i>\$1.91 per m³</i>

Access-Energo has developed and is implementing a programme to upgrade and reconstruct the power complex in 2004-2008.

Banking

There are 14 branches of Kazakh commercial banks and 10 insurance companies in the oblast.

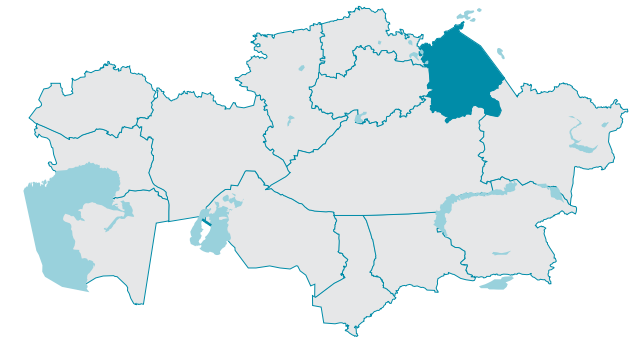
Employment

The labour force is 395,600 people (5.0% of the national total). Approximately 53% of them have secondary and primary education, 33% are specialists with secondary vocational education, and 14% are specialists with higher education (including undergraduates). The number of employed is 364,300 people (5.0% of the national figure), with 56.4% engaged in agriculture, 33.7% in services, and 7.9% in the industry and construction. There are 31,200 unemployed people (4.9% of the national figure). The average monthly nominal wage amounted to \$173.1 (67.5% of the national level).

Education

There are four institutions of higher education, three branches of institutions and 11 colleges in North Kazakhstan. In 2005, 3,461 people graduated from the institutions of higher education, with 15.5% specialising in the humanities, 20.7% in economics and management, and 35.9% in education. The colleges prepared 2,779 specialists in education (15.7%), economics (26.6%), the humanities (17.6%), transport (18.4%), and medicine (4.2%).

Pavlodar Region



Total area: 124,800 sq.km
Population: 742,900
Administrative centre: Pavlodar

Administrative Divisions

The administrative centre is Pavlodar, which is situated on the Irtysh River. The city was founded in 1861. More than 40% of the region's population lives in Pavlodar. The region contains two industrial cities (Ekibastuz and Aksu), ten rural districts and 164 auls (settlements). The urban and rural populations respectively form 64,8% and 35,2% of the total. Pavlodar is 438 km from Astana.

Climate

Harsh continental climate. Average temperature falls to -19 °C in January, and rises to +22 °C in July. Annual precipitation: 220-300 mm.

Mineral Resources

There are eight coal deposits in the region (35.6% of the nation's coal reserves). The region has the explored reserves of gold (18 deposits), silver (15), copper (7), lead and zinc (6), selenium and tellurium (4), indium and cadmium (3), molybdenum and rhenium (1). There are 97 deposits of common minerals, including brick-making clay (42), sodium chloride (13), sand and gravel (6), cement raw materials (4), mortar sand (4), sodium sulphate (4), keramzite clay (4), magnesium salts (2), semiprecious stones: kallaite and green copper (2), fluxing limestone (1) and glass-making sand (1).

The region has 11 groundwater springs.

Natural Resources

The greater part of the region consists of feather-grass and fescue steppes. There are water meadows in the valley of the River Irtysh. In the Bayanaul Mountains, where the unique Bayanaul national natural park has been established, there are pine and birch forests and many picturesque lakes, mainly saline.

Tourism

Thanks to the unique Bayanaul National Nature Park, the internationally known Moiylly health resort, various historical monuments and the attractions of Pavlodar town itself, the region has great potential for the development of tourism.

Regional facilities include one health resort, five preventive medicine centres, 11 museums, 14 restaurants and 17 hotels.

Pavlodar, the region's centre located on the banks of the Irtysh River, is one of the oldest and most beautiful towns of Kazakhstan.

With its rich history and age-old cultural traditions, Pavlodar is also the arts and culture centre of northern Kazakhstan. Museums, exhibitions and cultural events are very popular. Altogether the town boasts one entertainment centre, two drama theatres, three parks, four cultural centres, five museums and many historical and architectural monuments, of which the Mashur-Zhusup mosque, the Russian orthodox cathedral, the Catholic cathedral and the Irtysh River quayside are the most remarkable.

Bayanaul is another of the region's picturesque locations surrounded by semi-deserts and steppes. There is an impressive abundance of wildlife in Bayanaul's mountains and valleys, and spectacular scenery in the Bayanaul National Nature Park, where visitors have a choice of more than 30 recreation centres.

The region has many health resorts such as Moiyldy, an internationally famous health complex, which is a part of Kazakhstan's health tourism system. This year, Moiyldy celebrates its 83-rd anniversary. The resort benefits from a unique natural lake with highly mineralised silt mud and salt water providing very effective treatment.

The region as a whole offers a solid natural basis for providing high quality tourism services to satisfy the needs of all kinds of tourists.

Tourism Development Prospects

The following local tourist routes and paths are planned for the development of tourism in the region:

- walking, skiing, rafting and canoeing routes in the Irtysh plain;
- walking, cycling, skiing and horse riding routes in the Bayanaul National Nature Park; and

- walking, cycling, skiing, horse riding and hunting routes in the Chaldai pine wood.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$273.3m (4.8% of the national total), of which livestock products accounted for 57.6% and crops 42.4%.

There are 3,964 private farms, 157 partnerships, six joint stock companies, four state-owned farms, and seven production cooperatives.

Crop Farming

Arable land occupies 984,900 ha (5.3% of the total arable land in the country), which mostly is given over to the cultivation of wheat. Pavlodar Oblast also grows potatoes, vegetables, and sunflowers.

In 2005, the gross wheat yield (after additional treatment) amounted to 210,700 tonnes (1.9% of the national total). The wheat yield averaged 540 kg/ha, potato 17,420 kg/ha, vegetables 19,690 kg/ha, and sunflower 300 kg/ha.

The largest wheat producing farms are the Abai Farm and Dauyl.

Livestock

The oblast's nature makes it possible to develop livestock farming intensively.

In 2005, the cattle stock numbered 348,500 head (6.4% of the national total), horses 63,100 (5.4%), and sheep and goats 351,500 (2.5%). The oblast's feed supplies make possible the farming of poultry (1.1 million head or 4.1%) and pigs (109,200 head or 8.3%).

The region's farms produced 324,600 tonnes of milk (7.1%) and 890 tonnes of wool (3.1%).

The largest farms are Peschansky and Rubikom.

Industry

In 2005, the oblast's industrial production totalled \$2,320.2m (5.9% of the national figure). The key in-

dustry was the processing sector (73.6%), with mining accounting for 10.2%, and power, gas and water production and distribution 16.3%.

There are 436 large and medium-sized enterprises in the region.

Pavlodar Oblast is the national leader in producing ferrochrome silicon (100% of the national total), alumina (99%), ferrosilicon (99.6%) and ferrochrome (66.9%), and mining coal (64.9% of the national figure).

Metallurgy is the most significant sector of the region's economy that accounts for more than 51.6% of its industrial output. The largest enterprises are Aluminium of Kazakhstan producing aluminium sulphate, barium, electric furnace steel, gallium and ferrous-metal structures (\$383.9m) and the Aksu Ferroalloy Plant, a branch of Kazchrome, producing chrome alloys with manganese, iron and silicon (\$698.4m).

The Pavlodar Refinery (\$164.4m) is one of the three largest refineries in Kazakhstan.

The coal production is a key sector of the mining industry; the largest enterprise is Bogatyr Access Komyr (\$148.1m).

The Pavlodar Mechanical Engineering Plant producing cranes represents the region's mechanical engineering.

In 2005, Kazenergokabel and the Development Bank of Kazakhstan completed a project to engineer the production of telephone and power cross-linked polyethylene cables for medium voltage applications in the oil and gas industry. A loan of \$5.3m was raised to implement the project. The project was carried out in cooperation with Superior Cables Ltd of Israel. The project is designed to produce 14,900 km of cables. New production lines at a cost of \$9.8m added 50% to the existing facilities. The project created 150 new jobs.

In 2005, the highest production surpluses were in the chemical (45.9%), mechanical engineering (32.3%), and pulp and paper industry and publishing (23.7%).

Foreign Trade

In 2005, the oblast's exports and imports totalled \$715.9m (2.6% of the national figure) and \$508.2m (2.9%), respectively. The foreign trade surplus reached \$207.7m.

Investment

Investment in fixed assets amounted to \$482.1m (2.6% of the national total). Most financial funds were invested in the processing sector (45.8%), transport and communications (16.1%), power, gas and water production and distribution (9.8%), the real estate, leasing and services sectors (9.3%), and mining (8.6%).

The main sources of investment were as follows:

companies' own funds (69.3%);

national and local budgets (10.1%; 7.3% and 2.8%, respectively); and

loans (20.6%).

New Tendencies in Investment Activities

A research and technology park, the Pavlodar University Innovation Centre, and the Ekibastuz Research and Technology Centre have been established in the oblast.

It is planned to create three clusters:

- metallurgy cluster based on the Aksu Ferroalloy Plant and the Pavlodar branch of Casting Ltd. The oblast has potential for creating and developing a nonferrous metallurgy cluster, particularly an aluminium cluster based on Aluminium of Kazakhstan. The production of aluminium and aluminium products will be a competitive specialisation of the region;
- petrochemistry cluster on the basis of the Pavlodar Petrochemical Plant; and
- electric power cluster, which is possible due to the extraction of Ekibastuz coal and the transmission of electricity to Russia.

It is also planned to further develop mechanical engineering in the region.

Foreign Capital

There are 83 enterprises with a foreign shareholding in Pavlodar Oblast. They employ 29,944 people. More than a half of these companies operate in the processing sectors.

In 2005, the amount of products and services was worth \$1,463.6m.

Exports and imports by joint ventures and foreign companies totalled \$1,280.8m and \$253.8m, respectively. Thus, the trade surplus stood at \$1,027m.

The largest enterprises with a foreign shareholding are Aluminium of Kazakhstan (aluminium production), Bogatyr Access Komyr and Maikuben West (coal mining), AES Ekibastuz (production and distribution of energy and water), and Muka Kazakhstan and Unisnack Production (food production).

Communications

The telecommunications sector of the oblast, including its rural areas, comprises cellular, trunk, paging and internet providers.

The length of the railway totals 735 km. There are international railways running to Russia, as well as domestic routes. Motor roads connect Pavlodar Oblast with other regions of the country and with the bordering territory of Russia and total 5,416 km. There is an airport in Pavlodar. The largest river port is located on the Irtysh. The waterways amount to 634 km. An oil pipeline (2,574 km) connects southern regions of the country (Shymkent) with Pavlodar Oblast.

Power Engineering

The largest energy facilities in the oblast are:

- AES Ekibastuz with a capacity of 2,500 MW (load factor 35%);
- the Aksu District Power Plant of the Eurasian Industrial Corporation with a capacity of 2,125 MW (load factor 55%);

- Ekibastuz District Power Plant No. 2 with a capacity of 1,000 MW (load factor 62%);
- Pavlodarenergo Cogeneration Plants Nos. 2 and 3 with a capacity of 440 MW (load factor 51%); and
- Aluminium of Kazakhstan's Cogeneration Plant No. 1 with a capacity of 350 MW (load factor 72%).

In 2005, power suppliers set the following rates:

<i>electricity</i>	<i>\$0.03 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.11 per m³</i>
<i>hot water</i>	<i>\$8.7 per gigacalorie</i>

Banking

There are 16 branches of Kazakh commercial banks.

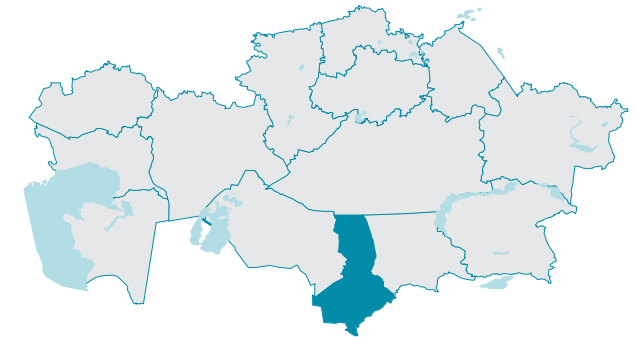
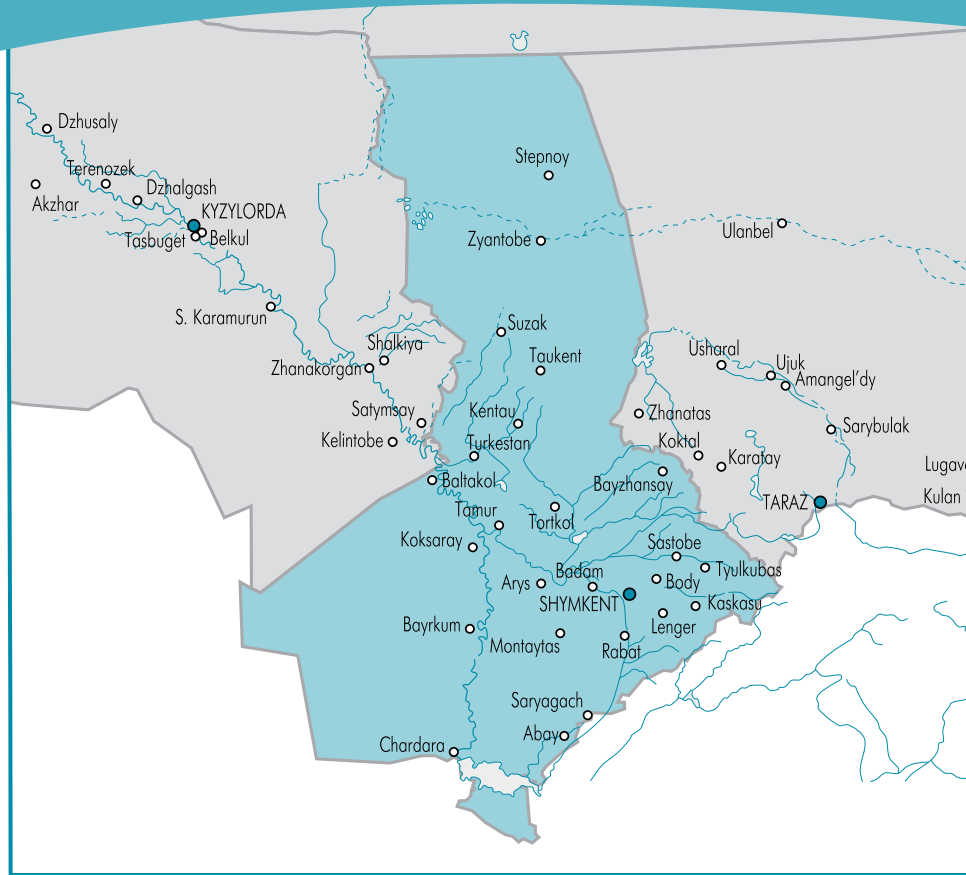
Employment

The labour force in the oblast is 402,200 people (5.1% of the national total). Approximately 48% of them have basic secondary and primary education, 34.4% secondary vocational education, and 16.3% higher education (including undergraduates). The number of employed is 371,700 (5.1% the national total), of which 27.2% are engaged in industry and construction, 43.4% in the services sector, and 29.4% in agriculture. There are 30,500 unemployed people in the region (4.8% of the national level). The average monthly nominal wage is \$233.7 (91.1% of the national level).

Education

There are eight institutions of higher education, four branches of institutions and 34 colleges in the oblast. In 2005/2006, 6,820 people graduated from the institutions of higher education, including education specialists, economists, managers, engineers and lawyers. A total of 5,160 specialists in pedagogy, legal services, economics and other sectors graduated from local colleges.

Southern Kazakhstan Region



Total area: 117,300 sq.km
Population: 2,223,600
Administrative centre: Shymkent

Administrative Divisions

The administrative centre is Shymkent, which was founded in the 12th century. Today it is home to 24% of the region's population. The region has eight towns, 12 rural districts and 933 auls (settlements). The urban and rural populations respectively form 38,4% and 61,6% of the total. Shymkent is 1,458 km from Astana.

Climate

Harsh continental climate with short, mild winters (frequent thaws) and hot, long summers. Average January temperature down to -12 °C in the north and -4 °C in the south, up to +29 °C in July. An-

nual precipitation in the north is 150mm and up to 800mm in the mountains.

Mineral Resources

The region is the largest source of uranium in Kazakhstan with 48% of the national uranium reserves.

Reserves of 27 mineral ores have been explored in the region, including 10 uranium deposits, eight gold mines, four deposits of lead and zinc and three of iron ore, as well as silver, vanadium and molybdenum deposits.

146 non-metallic deposits are available in the region, including coal (2), phosphate rock (2), barite (2),

limestone (7), building stone (14), glass-making sand (2), gypsum (3), and vermiculite. There are also 30 groundwater springs, of which three are used for spa therapy.

Three oil and gas condensate fields are situated in the region's territory; Pridorozhnoye, Ortalyk and West Opak.

Natural Resources

The greater part of the region consists of plains. The Betpak Dala (Hungry Steppe) clay desert extends across the north of the region, with the Kyzylkum and Moyinkum sand deserts and the Shardara steppe, which features sagebrush and grass vegeta-

tion, to the southwest and west. Juniper, wild apple and apricot trees grow on the slopes of the Karatau Range which is located in the region's centre, whilst the mountains of the Talas Alatau and Ogem Range are covered with alpine meadows. The Aksu-Djably state reserve was set up to protect the environment of the Talas Alatau and rare animal species (including snow leopard). The flood plains of the Aksu River are also included in the specially protected zone.

Reed marshes and riparian forests can be found in the flood plains of the Syr Darya (1,400 km within the country) and Shu (1,186 km) – the largest rivers in the region. The Chardaryinskoye water reservoir (400 sq. km) has been built on the Syr Darya River. Similar reservoirs are also present on the Badam, Arys and Bogen Rivers. Numerous lakes are scattered throughout the region.

Tourism

There are 802 historical and cultural monuments in the region. Twenty-two tourist organisations are active there.

The main types of tourism being rapidly developed in the region are as follows:

- ecological;
- cultural; and
- hunting.

Shymkent is one of the oldest towns in Kazakhstan. In terms of accommodation, it offers the Sapar four-star hotel, the Makhambet guesthouse, the hotels of Klara-Centre-Sapar, Kema, SD, Shymkent, Ordabasy, Dostyk, and so on. The entertainment industry is widely developed in the town.

Turkestan holds a special place among the towns located along South Kazakhstan's section of the ancient Silk Road. The Khoja Ahmed Yasavi mausoleum, an international sacred site situated in Turkestan, attracts thousands of pilgrims every year. They come to show their reverence for the ancient philosopher, mystic, poet and promoter of the Turkic

branch of Sufism in Central Asia. Three of the eight hotels located in Turkestan are of deluxe standard.

The Arystanbab mausoleum, dating back to the 14th century, is another special place of pilgrimage located in the town. All pilgrims travelling to the sacred sites of Turkestan and Otrar visit the tomb of Arystanbab, the teacher of Khoja Ahmed Yasavi.

Other main places of interest in the region include the remains of the ancient city of Otrar mentioned in medieval literature, the mausoleums of Ibragim-Ata and Karashash-Ana, the starting point for the pilgrimage to the sacred shrines of South Kazakhstan, the historical sites of Baidibek-Ata, Domalak-Ana, Zerip Sylandy (Kos-Ana), the Appak-Ishan mosque, and various historical and architectural monuments such as Baba Tukti Shahty Aziz, Karabura, Yskak-Bab, Zhanys-Ata, Akbikesh, Sangyl-Bi and Bibi Maryam.

The following protected areas are located in the region:

- the Ordabasy historical and cultural complex;
- the Aksu-Zhabagaly nature reserve located in the western part of the Tian Shan mountain range. The reserve is home to more than 1,400 species of flowering plants and more than 550 animal and bird species; and
- the Museum of Wild Fauna and Flora located in Zhabagaly village near the Aksu-Zhabagaly nature reserve, where the Dom Zheni i Lyudy tourist firm is active.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$716.9m (12.5% of the national total), of which crops accounted for 62.6% and livestock products 37.4%.

There are 70,544 farms, 1,835 production cooperatives, 16 joint-stock companies, 1,510 partnerships, and 9 state-owned farms in the region.

Crop Farming

Arable land occupies 758,300 ha (4.1% of the total arable land in the country).

South Kazakhstan leads all other oblasts in growing of cotton, fruit, melons and grapes.

In 2005, the wheat yield (after additional treatment) amounted to 288,800 tonnes (2.6% of the national total), melons 294,500 tonnes (39.6%), and vegetables 480,200 tonnes (22%).

The wheat yield averaged 1,500 kg/ha, sunflower 1,710 kg/ha, vegetables 18,370 kg/ha, potato 15,520 kg/ha, and grape 7,710 kg/ha.

The largest crop farms are Turan (\$6.6m), Molchanov & Co. (\$1.3m) and Mehnat 21 Gasyr (\$0.7m).

Livestock

The region's nature makes it possible to develop livestock farming intensively. Natural pastures occupy more than 88% of all farmlands. South Kazakhstan ranks first in the country in sheep and goats breeding (2,970,900 head or 20.8% of the national total). It also has one of largest stock of horses (120,200 head or 10.3%).

Camels numbered 14,400 head (11% of the national total), cattle 606,900 (11%), and poultry 2 million (7.9%).

In 2005, the region produced 65,300 tonnes of meat (by carcass weight) or 8.9% of the national total, 485,400 tonnes of milk (10.3%), and 195.8 million eggs (8.5%).

The largest livestock farms in terms of output are A. Yasavi (\$1.0m) and Dos-bi (\$0.6m).

A project to expand a rabbit-breeding farm and constructing a pelt-processing plant at a cost of \$23,000 was accomplished in 2005.

Industry

In 2005, the industrial output in South Kazakhstan totalled \$1,063.5m (2.7% of the national figure), with

the key industry being the processing sector (88.1%). The mining industry accounted for 5%, and power, gas and water production and distribution 6.9%.

There are 592 large and medium-sized enterprises in the oblast.

The oil processing industry is the most significant sector of the region's economy, which accounts for 29.4% of the total processing sector output. The largest enterprise is PetroKazakhstan Oil Products, which shares 31.4 in the oblast's industrial output. The company's enterprises produce motor fuel, kerosene, gas-oil, and fuel oil. The output of the industry totalled \$258.8m. The production growth was due to an increase in the production of vacuum gas-oil by 95.7%, gas-oil by 16.2%, motor fuel (petrol) by 14.3%, and fuel oil by 5.0%.

The production of rubber and plastics was worth \$18.6m. The share of this industry in the total output of the processing sector amounted to 2.3%. Incomtyre completed an upgrade of its facilities and launched a process line to manufacture automobile inner tubes and tyres. The plant manufactures 40 standard tyre sizes. In 2005, its production totalled \$13.5m or 241,800 tyres.

Chemical enterprises produced goods worth \$34.8m, a significant growth over the last year, which was due to a 25% increase in the production of pharmaceuticals. The share of this industry in the total processing sector output amounted to 4.3%. Khimpharm is one of the leading pharmaceutical enterprises in South Kazakhstan (\$2.5m). At present, the enterprise produces more than 200 generic and original medicines. The production by mechanical-engineering companies totalled \$36.5m.

Mechanical engineering comprises several large heavy-engineering enterprises (the South Kazakhstan Machine-Building Plant, Excavator, Konyr At, Ak Beren, and Arys), medium-sized enterprises manufacturing process and electrical equipment (KardanVal, ELMO, the Kentau Transformer

Plant, Elektroapparat), and a number of small metal processing enterprises (the Shymkent Mechanical Plant, Techosnastka).

The machine-building enterprises are the only manufacturers of road-construction machinery and transformers in the country. The Kentau Transformer Plant produces a wide range of transformer equipment and accounts for 37.9% of the mechanical engineering sector's output (\$13.7m). In 2005, the plant started producing seven new types of equipment. The enterprise implements ISO-9001-2001.

The following investment projects were constructed in 2005:

- a railway turnout plant in Kentau (Yuzhpolimetall) sponsored by the Development Bank of Kazakhstan at a cost of \$10m;
- a starter battery plant with a capacity of 1 million batteries sponsored by Halyk Bank of Kazakhstan at a cost of \$15m (Yuzhpolimetall); and
- an experimental module for a new continuous metallurgical process at a cost of \$32,000.

The construction materials industry is also developing rapidly. In 2005, the output of the leading producers of construction materials (Sastobe Cement, Tyulkubass Sand-lime Plant) totalled \$49.1m.

The number of new enterprises is growing – a liquid glass plant was put into operation, as well as an M-125 brick plant with an annual capacity of 15 million bricks. The State Innovation Fund provided a credit facility to establish a new enterprise, Zangar-2003, to manufacture bricks, coal briquettes, carbon pellets, and red lead.

The investment projects in the building sector were as follows:

- constructing a plant at a cost of \$87,000 to produce building materials using the semi-dry vibrocompression process (AgroYug);
- constructing a foam concrete plant at a cost of \$110,000 (AgroYug);

- constructing a laboratory at a cost of \$14,000 for analysing, testing and certifying building materials produced through innovative projects (Ordabasy-Agropromtehnika);
- expanding a plant to produce inert materials and building materials, and constructing a plant to produce foundation blocks and pavement slabs, at a cost of \$38,000; and
- expanding mining from a sand and gravel pit, and constructing a plant to produce building materials, items and structures, both at a cost of \$240,000.

The clothing and textile industry is represented by the following enterprises: Voskhod, Mélange, Elastic, Utex, Kazakh-Russian Textile Alliance and others. The share of this industry in the processing sector output amounted to 16.9% (\$156.9m). Utex produced 2.1 tonnes of yarn worth \$3.3m. The production output of Mélange totalled 1.1 tonnes of yarn (\$0.7m). Voskhod and its branches (Voskhod & Co and Voskhod and Yug) manufactured products worth \$5.7m. The company is certified to ISO 9001:2001.

South Kazakhstan is the only cotton-seeding region in the country. In 2005, the region's enterprises produced 143,100 tonnes of cotton fibre, a 3,000 tonnes increase over the previous year. Most cotton processing enterprises are located in Maktaaral district. In 2005, enterprises of the district produced 83.9 tonnes of cotton fibre.

The food industry's share in the industrial output is 30.2%. Food production is one of the most intensively developing industries in the processing sector. In 2005, the total food production output amounted \$324.5m. There are 44 large and medium-sized enterprises in this sector.

The investment projects in the food sector included:

- modernising a fruit canning factory in Tyulkubass at a cost of \$18.1m sponsored by the Investment Fund of Kazakhstan;

- constructing a flour mill and outlets for selling flour, bran and screenings, both at a cost of \$241,000;
- expanding a fish plant at a cost of \$188,100;
- constructing a flour mill and a bakery, both at a cost of \$120,000; and
- mining a salt deposit at a cost of \$150,000.

South Kazakhstan is famous for its huge thermal mineral water reserves. Mineral and table water produced by Kurort Bars 2030, Asem-Ai, Alex, and Unix (the Tassay brand) are widely known both in the oblast and throughout Kazakhstan. Mineral water and soft drinks are bottled by more than ten large and medium-sized enterprises. The total output of mineral water in 2005 was 186,495,500 litres and that of soft drinks 50,445,100 litres.

Six large and medium-sized enterprises as well as some small-sized enterprises produce refined vegetable oil. The largest manufacturers are Shymkent-mai, Kainar, SANA (Shymkent), Ak Mai (Maktaral district), Arai and Karmu (Sairam district).

Foreign Trade

In 2005, exports totalled \$476.5m (1.7% of the national figure) and imports \$491.9m (2.8%). The trade deficit reached \$15.4m.

Investment

Investment in fixed assets amounted to \$488.6m (2.7% of the national total). These funds were mainly invested in the real estate, leasing and services sectors (27.2%), processing industry (24.6%), and mining (14.1%).

The main sources of investment were as follows:

- companies' own funds (46.3%);
- national and local budgets (24%; 18.7% and 5.3%, respectively);
- loans (15.1%); and
- foreign investment (14.6%).

New Tendencies in Investment Activities

The Innovation Centre has been established based on the Mukhtar Auezov South Kazakhstan State University.

A special economic zone, Ontustik was established, where it is planned to build fifteen plants, including cotton-processing, textile and clothing factories.

Foreign Capital

There are 189 companies with a foreign shareholding in South Kazakhstan, of which 46.0% specialise in retailing and repair of automobiles and household appliances, 28.0% in processing industry, 8.5% in food production, and 4.7% in construction and other industries. These enterprises employ 12,812 people.

The output of products and services by enterprises with a foreign shareholding totalled \$406.8m.

The exports and imports of the enterprises with foreign involvement amounted to \$76.5m and \$145.6m, respectively. Thus, the trade deficit stood at \$69.1m.

The largest enterprises with a foreign shareholding are PetroKazakhstan Oil Products (oil refining), ShymkentCement (cement production), and Khimpharm (medicine production).

Communications

South Kazakhstan is a major transport corridor between Central Asia and Russia. The telecommunications sector comprises cellular, trunk, paging and internet providers. Shymkent has an international airport hosting flights in eight directions, including Russia, the United Arab Emirates, Turkey, and Armenia. The oblast's motor ways total 5,269 km, railways 491 km, and gas grids 3,316 km.

The Uzbekistan–Shymkent–Pavlodar–Omsk oil pipeline was built.

Power Engineering

Major power producers are Energotsentr-3 (load factor 50%) and the Shardara hydroelectric power station (100 MW; 71%).

In 2005, suppliers set the following rates:

<i>electricity</i>	<i>\$0.04 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.2 per m³</i>
<i>hot water</i>	<i>\$0.8 per m³</i>
<i>natural gas</i>	<i>\$0.1 per m³</i>

Banking

There are 13 branches of Kazakh commercial banks in the oblast.

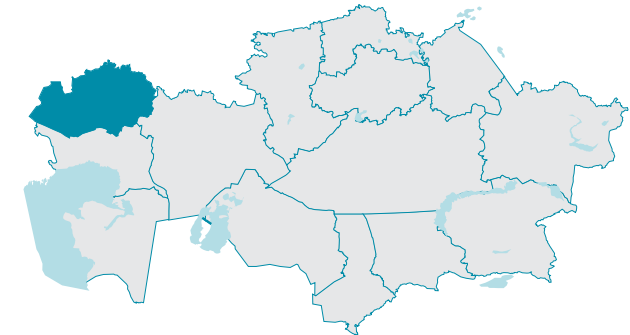
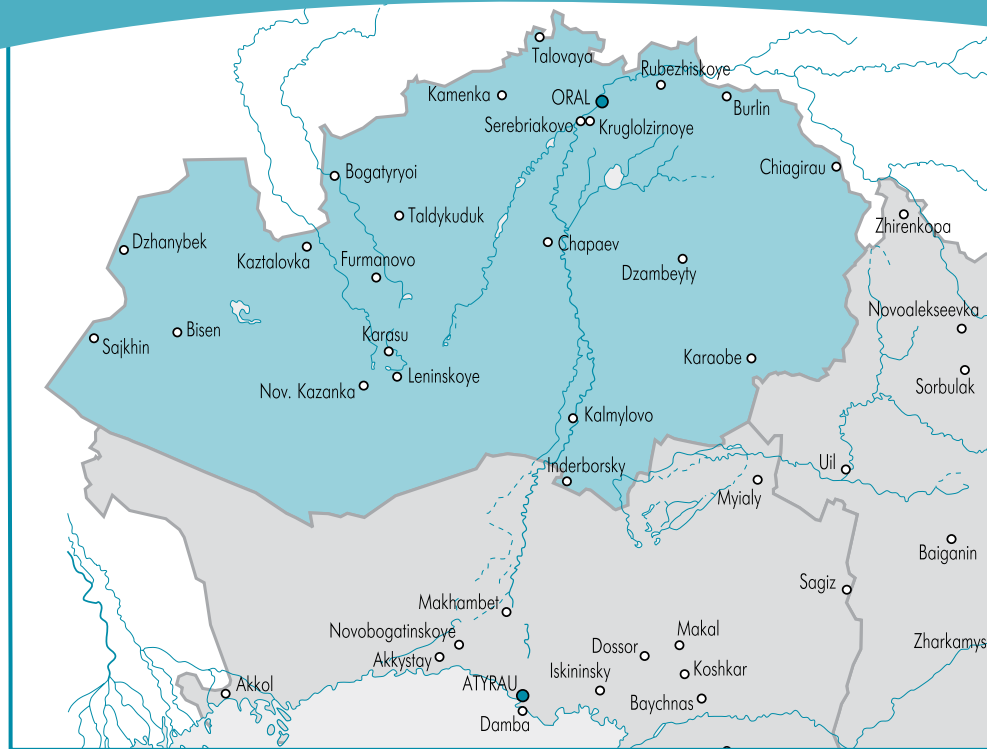
Employment

The labour force in the oblast amounted to 1,013,000 people (12.8% of the national total), of whom 63% had secondary or primary education; 17.5% secondary vocational education, and 19.3% higher education (including undergraduates). The number of employed was 937,600 people (12.9% of the national figure), most of whom worked in the agricultural sector (44.9%) and the services sector (45.3%). The number of unemployed was 75,500 people (11.8% of the national total). The average monthly nominal wage amounted to \$172.0 (67.1% of the national level).

Education

There are 28 institutions of higher education and 58 colleges in South Kazakhstan. 15,630 people graduated from the institutions of higher education, specialising in law, economics, the humanities, and engineering in 2005-2006. The colleges prepared 9,132 specialists in economics, banking, engineering, medicine and other spheres.

Western Kazakhstan Region



Total area: 151,300 sq.km
Population: 609,300
Administrative centre: Oral

Administrative Divisions

The administrative centre is Oral, which is situated on the Zhaiyk River. The city was founded in 1613. Its population is 222,000 or 37% of the region's population. The region contains the town of Aksai, four villages, 12 rural districts and 154 auls (settlements). The urban and rural populations total 43% and 57% respectively. The distance between Oral and Astana is 1,747 km.

Climate

Harsh continental climate. Strong winds all year round, dry, hot winds are frequent in summer. Average January temperature down to -14 °C, up to

+25 °C in July. Annual precipitation in the south from 250mm and in the north up to 400mm.

Mineral Resources

15 hydrocarbon fields have been explored in the region so far. Western Kazakhstan produces 90% of the nation's condensate, 7% of its natural gas and about 9% of its oil. The largest source of hydrocarbons is the Karachaganak oil-gas condensate field. There are 97 nonmetallic mineral fields, including boron (four deposits, or 84.7% of the country's reserves), cement raw materials (four), chalk (three), keramzite clay (two), pottery clay (one), carbonate raw materials (one), brick loam (65), mortar sand (seven), sand and gravel (ten), etc.

The region has 25 groundwater springs, two of which are used for spa therapy.

Natural Resources

Several rivers flow through the region, including the Ural with a total length of 1,082 km within Kazakhstan; the Ozen (638 km), the Karaozen (260 km), and the Olenty (211 km). Three water reservoirs (the Kirovskoye, Bitikskoye and Dongelevskoye irrigation system) have been constructed on the Koshim a tributary of the Ural River. Narrow forest areas, principally poplars, aspens and elms, as well as various bushes grow on the flood-plains. There are also a number of small saline lakes: the Shalkar (206 sq. km), the Aral-sol (58 sq. km), and the Botkol among others.

The sandy Narynkum Desert is situated in the west of the region (within the Caspian Plain). The eastern part of the region consists of alkaline Land. The dominant vegetation is grass, wormwood and wheat-grass.

Tourism

There are 22 tourist organisations active in West Kazakhstan Oblast, the largest of which are Panorama, Asia Tour, Onur Travel and Natalie Express.

The geographical position of the Urals area is remarkable for being situated on the very frontier where two of the world's continents – Europe and Asia – join to form one great landmass.

One of the main water arteries of Eurasia – the Ural River – flows through the territory of the oblast, along with two smaller rivers, the Chagan and the Derkul, and several smaller tributaries. West Kazakhstan is also amazingly rich in lakes. The biggest and most beautiful lake is Shalkar (200 m²) that is justly called the “salt pearl of the Urals”. It is recognised as a place of great tourism potential due to its special ecological, scientific, cultural and aesthetical interest.

The region's Akzhayik sanatorium provides 300 beds and operates all year round. It is famous for its beneficial chloride - magnesium - sodium mineral water both for internal and external application.

There are about ten monuments of history, architecture and culture in Uralsk that make up our heritage for future generations. These include the house of Yemelyan Pugachev, leader of the 18th century Cossack insurrection, the Archangel Michael Cathedral constructed in 1751, the Cathedral of Christ the Saviour erected in honour of the 300th anniversary of the Ural Cossack troops, and the Military School building where Khalel and Zhakhansha Dosmukhamedov, the famous leaders of the Western branch of the Alash Horde, studied.

Tourism Development Prospects

- development of internal tourism (attracting Kazakh residents to visit Lake Shalkar, promoting children's tourism; building new routes along the Ural River and other areas).

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$172.4m (3% of the national total), of which livestock products accounted for 75.3% and crops 24.7%.

There are 4,224 farms, 43 production cooperatives, 9 joint-stock companies, 257 partnerships, and one state-owned farm in the oblast.

Crop Farming

Arable land occupies 774,400 ha (4.2% of the total arable land in the country).

In 2005, the oblast's wheat yield (after additional treatment) amounted to 106,900 tonnes (1% of the national total) and barley 34,600 tonnes (2.3%).

The wheat yield averaged 390 kg/ha, potato 8,190 kg/ha, and vegetables 10,210 kg/ha.

The largest crop farms are Aksaisky (\$1.139m), Avangard (\$0.393m), and Koktobe (\$0.393m).

Livestock

In 2005, the oblast's cattle stock amounted to 416,400 head (7.7% of the national total), sheep and goats 675,400 (4.7%), and horses 50,000 head (4.3%). Pigs numbered 25,200 head (1.9%) and poultry 931,800 head (3.5%).

West Kazakhstan produced 212,600 tonnes of milk (4.5% of the national total) and 1,600 tonnes of wool (5.4%).

The largest livestock farms are Birlik (\$0.262m) and Chapayevsky (\$0.217m).

Industry

In 2005, the oblast's industrial output totalled \$3,777.8m (9.6% of the national figure). The key industry was mining (90.3%), with processing accounting for 7.8% and electricity, gas and water production and distribution 1.9%.

There are 186 large and medium-sized industrial enterprises in the oblast.

Mining plays a key role in the region's economy. The largest companies are the Kazakh branch of Karachaganak Petroleum Operating and Zhaikmunai (crude oil and natural gas). Condensate is the main oil condensate processing plant and gas-oil manufacturer.

A wide range of equipment is assembled by mechanical engineering plants. The machine-building companies launched the production of tractors, spare parts and assembly units for agricultural equipment (together with Uzhmashzavod of Ukraine) and the manufacture of special machinery (together with Ural and Kamaz of Russia). The Uralsk mechanical engineering plants produce air heaters and metal structures (Metallist), motor boats, ships and oil-and-gas equipment (Zenit), special vehicles and agricultural equipment (Uralskagroremmash).

The largest food enterprises are the Bereke Dairy plant (sour-milk products, meat, fish and confectionery) and the Zhilayev Bakery Plant (flour and cereals).

There are some enterprises, which manufacture clothes, felt footwear, headdresses and construction materials.

Foreign Trade

In 2005, the oblast's exports totalled \$2,737.9m (9.8% of the national figure) and imports \$578.8m (3.3%), resulting in a trade surplus of \$2,159.1m.

Investment

Investment in fixed assets amounted to \$691.2m (3.8% of the national total). These funds were mainly invested in mining (41.6%), communications (29.7%), and the real estate, leasing and services sectors (13.5).

Major sources of investment in fixed assets were as follows:

companies' own funds (30.4%);

national and local budgets (18.1% and 3.6%, respectively);

loans (5.9%); and

foreign investment (42%).

New Tendencies in Investment Activities

The Algorithm Technology Park operates in the region, with the focus on mechanical engineering, instrumentation, petrochemistry and environment protection technologies.

Plans are in hand to establish a special economic zone specialising in petrochemical machine building. The establishment of new, export-oriented businesses in the spheres of transportation, mechanical engineering, metallurgy, chemistry, and agriculture is also forecast.

There are two business incubators in the region.

Foreign Capital

There are 173 companies with a foreign shareholding in the oblast. These companies employ 9,579 people and produced goods and services worth \$3,316.1m.

Their exports and imports amounted to \$3,328.1m and \$251.5m, respectively, resulting in a trade surplus of \$3,076.6m.

The largest companies with foreign shareholding are the Kazakh branch of Karachaganak Petro-

leum Operating, Zhaikmunai (gas and gas condensate), Condensate (oil processing), and Kazakh branches of the following companies: SaiPar Drilling Company B.V. (oil and gas services), Bonatti S.p.A., CCC, Renco-Kat and Renco-Aksai (construction).

Communications

The telecommunications sector comprises cellular, trunk, paging and internet providers.

The West-East Railway going via Saratov (Russia) and Aktobe (Kazakhstan) constitutes the region's railway transport. The length of railways totals 431 km. There are both international railways running to Russia and domestic routes.

Hard-surfaced roads connect West Kazakhstan with other regions of the country and with the bordering territory of Russia. The length of motor roads totals 5,887 km.

Uralsk has an international airport, Akzhol.

The geographical location of the Ural River is strategically important as it provides an outlet to the countries bordering the Caspian Sea. The Republican State Ural Waterways Enterprise manages the water transport on the river. All water routes total 623 km. There is transport communication between the ports of Uralsk and Atyrau.

The pipeline transportation comprises gas pipelines (2,957 km) and oil pipelines (539 km); their total length amounts to 3,496 km. The Orenburg Gas Processing Plant accounts for the largest part of pipeline transportation.

Power Engineering

The largest energy producers in the region are the 160-MW gas-turbine power plant operated by Karachaganak Petroleum Operating (load factor 62%) and the 30-MW cogeneration plant operated by Zhaiykteploenergo (50%).

In 2005, power suppliers set the following rates:

electricity \$0.05 per kWh

water:

cold water \$0.69 per m³

hot water \$13.2 per gigacalorie

natural gas \$0.05 per m³

Banking

Twenty-one second-tier banks and seven branches of insurance companies operate in West Kazakhstan.

Employment

The labour force in West Kazakhstan amounts to 319,700 people (4.1% of the national total). Fifty-six percent of the employed have secondary or primary education, 24.7% secondary vocational education, and 17.9% higher education (including undergraduates). The number of employed is 290,900 (4.0% the national figure). Most of the region's population work in agricultural, forestry and fishery businesses (40.4%), at industrial and construction enterprises (14.0%), and education (11.4%). The number of unemployed is 28,700 (4.5% of the national figure). The average monthly nominal wage is \$272.0 (106.2% of the national level).

Education

There are nine institutions of higher education and 12 colleges in West Kazakhstan. In 2005-2006, the institutions of higher education had 5,632 graduates, of which 40.2% specialised in teaching, 19.6% in economics and management, and 11.9% in the humanities. The colleges prepared 3,260 specialists in teaching (30.7%), economics (26%), and services (17.6%).

Zhambyl Region



Total area: 144,300 sq.km
Population: 1,001,100
Administrative centre: Taraz

Administrative Divisions

The administrative centre is Taraz, which was founded in 1864. Today Taraz is home to 34% of the region's population. There are four towns, ten rural districts and 367 auls (settlements) in the region. The urban and rural populations respectively form 45% and 55% of the total. Taraz is 1,255 km from Astana.

Climate

Harsh continental climate. Dry, hot summer through out the territory; cold winters with little snow in the north and mild, short winters in the south. Average January temperature down to -13 °C in the north of the region and -8 °C in the south, up to +27 or + 22 °C in July in the foothills. Annual precipitation up to 250mm in the north, 500mm in the south.

Mineral Resources

The region contains 72% of the country's phosphate rock reserves, 56.9% of the fluorspar and 25.4% of the gypsum.

Reserves of 33 ore minerals have been explored in the region, including 24 gold mines, four deposits of uranium, two of copper, one of strontium, one of molybdenum, etc.

153 nonmetallic deposits are available in the regions, including, among others, barite (1), phosphate rock (12), fluorspar (2), ornamental stone (13), quartz rock (2), gypsum (1), limestone (7), building stone (18), lining brick (12), sand and gravel aggregate (23), mortar sand (11), and loam soil for the fabrication of bricks (34). Two gas condensate fields – Amangeldy and Airakty – are located in the region's territory.

There are also 27 underground water deposits in operation.

Natural Resources

The greater part of the region consists of plains, with the Betpak Dala clay desert to the north and the Moyinkum sand desert to the south. The southern reaches of the Moyinkum Desert are fringed with mountains: the Karatau Range in the southwest (1,610 m), Kyrgyz Alatau in the south (3,817 m), Zhanyshol in the southeast (3,274 m) and Khantau in the east (1,052 m). The deserts of the region feature sagebrush, saltwort, and gramineous vegetation, as well as saksaul bushes; the mountainous areas are covered with alpine meadows. Riparian forests grow in the flood plains of the Shy River (800 km lying within Kazakhstan), Talas River (453 km), and Asa River (253 km). Water reservoirs have been constructed on the Shu and Asa Rivers. The freshwater part of Lake Balkhash is located in the northeast of the region.

Tourism

Zhambyl Oblast is located on the ancient Silk Road, which passes through the Aksu Dzhabagly state reserve with its diversity of exotic flora and fauna. The region is rich in historic sites and monuments.

The town of Taraz boasts numerous ancient architectural monuments such as the mausoleums of Aisha Bibi, Babadzga Khatum (10th-11th centuries A.D.), Karakhan, Dautbek (10th-13th A.D.), the mysterious ancient settlement of Akyr-Tas and many other historic monuments.

There are favourable conditions to promote the following types of tourism:

- sports tourism;
- ecological; and
- historical.

The tourist organisations have developed a number of unique routes, such as a historic tour From Ancient to Modern Taraz, ecological tours From Mountain Tops to Sand Dunes and Koksai Canyon, along with interesting tours around the Koksai Berikkara and Makpal gorges.

The firms offer five most popular bus and trekking routes through the gorges and barchans of the region, as well as classified mountaineering routes.

There are three wildlife reserves in the region:

- The Berikkara State Nature Reserve (complex reserve) occupies an area of 17,500 ha and features over 50 species of most valued wood, shrub and grass plants listed in the IUCN Red List of endangered species, as well as such animals as argali, porcupine and the cobweb bird.
- The Karakunuz State Nature Reserve (botanical reserve) situated in the western branches of the Zailiysky Alatau Range occupies an area of 3,070 ha. In this reserve, apple, cherry and alycha trees together with grapevines gradually give place to a forest of maple, locust (carob), mulberry and walnut trees.
- The Andasai State Nature Reserve (zoological) situated on the right bank of the Shu river west-

wards of Moyinkum village occupies an area of 1 million ha. The flora is represented by such plants as feather grass, rare ephemeras, black saxaul, shrubby willows, sheep's fescue, etc. The animals inhabiting the reserve include argali, dziggetai (Mongolian horse), Persian gazelle, roedeer, boar, hare, pheasant and partridge.

Agriculture

In 2005, the oblast's gross agricultural output amounted to \$344.1m (6% of the national total), of which crops accounted for 57.3% and livestock products 42.7%.

There are 14,674 farms, 90 production cooperatives, 17 joint-stock companies, 211 partnerships, and 4 state-owned farms in the oblast.

Crop Farming

Arable land occupies 551,600 ha (3% of the total arable land in the country).

In 2005, the gross wheat yield (after additional treatment) amounted to 416,200 tonnes (3.7% of the national total) and barley 156,000 tonnes (10.2%).

The largest crop farms in terms of output are Podgornoye and Mais Agro Shu.

Livestock

The region's nature makes it possible to develop livestock farming intensively, since pastures occupy more than 88% of farmlands.

In 2005, the region's farms had 293,100 head of cattle (5.4% of the national total), 1,978,300 head of sheep and goats (13.9%), 73,300 head of horses (6.3%), 42,000 head of pigs (3.2%), 4,300 head of camels (3.3%), and 1,373,700 head of poultry (5.2%).

Zhambyl Oblast ranks first in Kazakhstan in production of karakul (90,500 coats).

In 2005, it produced 242,100 tonnes of milk (5.1%), 92 million eggs (3.8%), and 4,700 tonnes of wool (16%).

The largest livestock farms are Akbulyn, Lugov, Yunchi, and Sarybulak.

Industry

In 2005, the industrial output in Zhambyl Oblast totalled \$560m (1.4% of the national figure), the processing sector being the key industry (82.6%). The mining industry accounted for 4.8% of the regional industrial output, and power, gas and water production and distribution 12.6%.

There are 242 large and medium-sized enterprises in the oblast.

Zhambyl Oblast is the national leader in extraction and production of phosphorous and its compounds (100%), which represent a good raw material for the chemical industry accounting for 29.8% of the region's industrial output.

The largest enterprises in this sector are the Zhambyl branch of Kazphosphate (21.9% of the total oblast's industrial output) and Mineralnye Udobreniya, the Taraz branch of Kazphosphate (6.5%). The enterprise invested its own funds to launch a new technology of edible phosphoric acid production, as well as to implement an innovation project to utilise phosphorus sludge.

The food industry is mainly represented by sugar production. Kant is the largest enterprise in this sector (14.9% of the oblast's industrial output).

The largest dairy-producing enterprises are FoodMaster-Kordai (about \$2m) and the Merken Cheese Plant (\$1.7m). BM, producing

soft drinks, canned fruit and vegetables, flour and mixed fodder (3.6%), is also one of the most significant enterprises in the region.

A large gold and silver mining enterprise is the Akbakai Mining and Processing Plant (1.3% of the oblast's industrial output).

Machine-building enterprises manufacture household appliances, fire extinguishers, and spares for agricultural machinery.

The gas industry produced 300.5 million m³ of natural gas (which is 1.6 times more than in 2004), and 28,400 tonnes of gas condensate (1.4 times). A major enterprise in this sector is Amangeldygaz; in 2005, its total output amounted to \$7m.

Three new import-substituting enterprises were put into operation: Bulgarkonservproduct (canned vegetables), Ceramic Invest (ferroconcrete items: floor slabs, foam concrete, etc.), and KSM Kurylys (burnt bricks).

Six investment projects were implemented in the agricultural sector using innovative technologies. These projects contributed to the diversification and improvement of the quality of produced goods.

A newly established enterprise, Bulgarkonservproduct, and the Investment Fund of Kazakhstan launched a vegetable processing plant using modern automated equipment and innovative technologies. This project created 245 jobs. New green peas and sweet corn processing equipment made in the US was installed. Production of pickles, preserved eggplants, sweet corn and ketchup was set up.

FoodMaster-Kordai purchased French equipment for hard cheese production; Yrys pur-

chased French equipment for skin and wool processing; Torebek-Taly commissioned a new hide and wool processing line; the Burnensky Cheese Plant is reconstructing its process lines; and BM completed construction of a new spirits and starch biochemical plant.

The construction industry was given a great impetus since implementation of the Public Housing Programme. New production facilities were put into operation, which increased the production of the construction materials, including non-metallic mineral commodities: the production of concrete building structures increased by 2.3 times, and that of bricks by 3.7 times.

There are many enterprises producing construction materials, the largest being the Imstalkon Zhambyl Metalworks Plant (4.4%).

Ceramic Invest, operating in Taraz, launched a new import-substituting enterprise to manufacture ferroconcrete items (floor slabs, foam concrete, etc.) on the Spanish equipment, Tensiland, with a daily capacity of 50-60 slabs.

New production facilities were put into operation by KSM Kurylys in Baizak district (30 million burnt bricks a year) and Shagal in Zhambyl district (10 million silica bricks a year). Zhambylgips, Taraz, started production of gypsum polymers, gypsum plasterboards and tile glue; Firma Mineral purchased and installed new high-tech marble processing equipment with an annual capacity of 6,000 m².

Foreign Trade

In 2005, exports and imports totalled \$82.0m (0.3% of the national figure) and \$129.8m (0.7%), respectively. The foreign trade deficit reached \$47.8m.

Investment

Investment in fixed assets amounted to \$132.8m (1.1% of the national total). These funds were mainly invested in mining (28.6%), public governance (16.5%), transport and communications (13.6%), and the processing industry (11.1%).

The main sources of finance were as follows:

companies' own funds (56.9%);

national and local budgets (30.4%; 20.9% and 9.5%, respectively);

loans (12.3%); and

foreign investment (0.4%).

The following investment projects were constructed in 2005:

- a catalytic cracking mini-plant with a daily processing capacity of 7,000 tonnes of gas condensate (Kazchiminvest); and
- a biochemical plant with a daily capacity of 29,200 tonnes of feed yeast and concentrate (BM).

In addition, companies purchased the following advanced equipment:

- a vacuum apparatus to produce sugar (Kant); and
- lines to produce gypsum board sheets (Zhambyl Gips).

New Tendencies in Investment Activities

The cluster initiative is being implemented in the following spheres:

- agricultural product processing on the basis of Bulgarkonservproduct; and
- tourism.

Foreign Capital

There are 54 enterprises with a foreign shareholding in the oblast. These enterprises employ 2,408 people.

The output of products and services by enterprises with a foreign shareholding totalled \$7.5m.

Exports and imports amounted to \$4.2m and \$1.4m, respectively. Thus, the trade surplus stood at \$2.8m.

The largest enterprises with foreign involvement are Khimprom-2030 (inorganic chemicals production), Vilondis, a joint Kazakh-Austrian venture (leather footwear), and Rysbayeva & Co (publishing).

Communications

The telecommunications sector comprises cellular, trunk, paging and internet providers. The road and railway networks are 4,776 km and 1,224 km long, respectively. Auliyeata Airport operates in the oblast.

Power Engineering

The largest power producers in Zhambyl Oblast are the Zhambyl State Regional Power Plant with a total capacity of 1,100 MW (load factor up to 25%) and the Heat and Power Cogeneration Plant (40 MW; 15%).

In 2005, the following rates were set:

<i>electricity</i>	<i>\$0.03 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.07 per m³</i>
<i>hot water</i>	<i>\$29.5 per gigacalorie</i>
<i>natural gas</i>	<i>\$0.08 per m³</i>

Banking

Ten branches of second-tier banks and 15 insurance companies operate in the oblast.

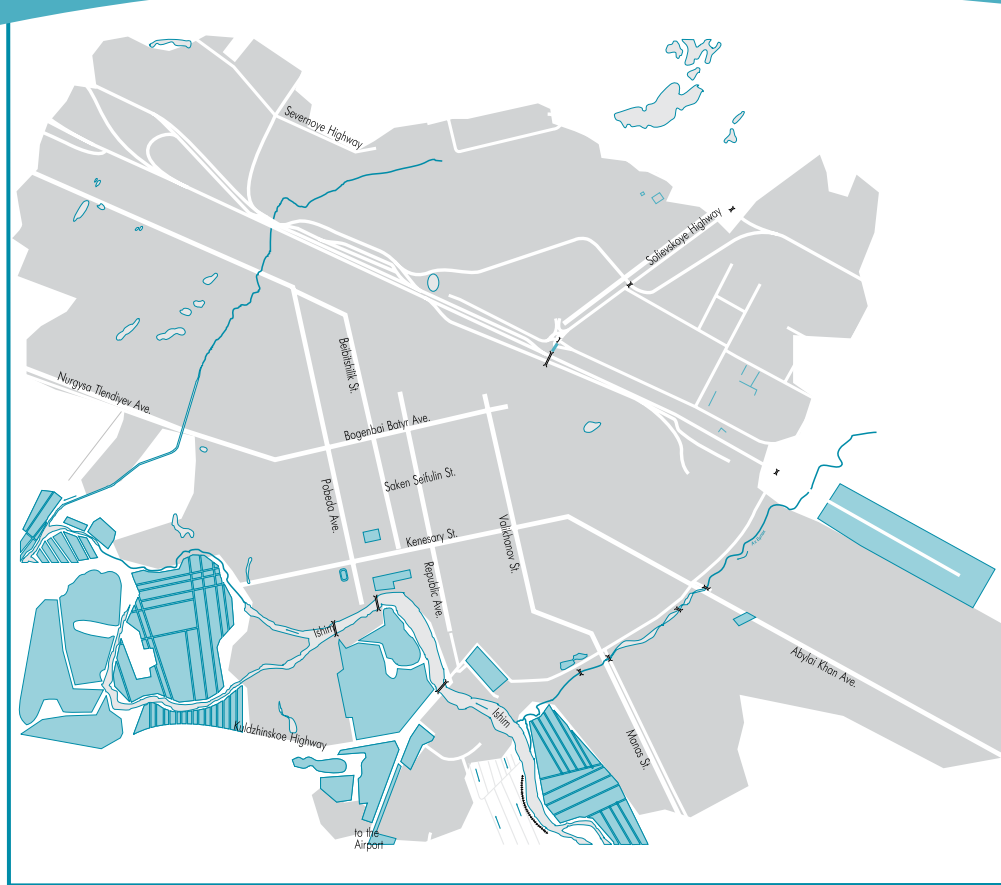
Employment

The labour force amounts to 496,700 people (6.3% of the national total), of whom 62% have primary or secondary education, 21% secondary vocational education, and 17% higher education (including undergraduates). The number of employed is 447,900 (6.2% of the national total). Most of the population work in the services sector (53.9%); agribusiness, hunting and fishery industries (34.7%); industrial sectors (8.6%) and education (10.0%). There are 48,700 unemployed people in the oblast (7.6% of the nation's total). The average monthly nominal wage is \$169.6 (66.2% of the national level).

Education

There are five universities, five branches of institutions and 28 specialist-training colleges in the oblast. In 2005, there were 8,429 graduates from the institutions of higher education, specialising in economics, law and engineering. The colleges prepared 3,621 specialists in technical disciplines, the humanities, medicine, agribusiness, economics, and other fields.

The city of Astana



Total area: 700 sq.km
Population: 550,400

Administrative Divisions

Astana has been the capital of Kazakhstan since October 1997. It hosts the embassies of several countries and the representative offices of major companies. Today it is home to some 3% of the country's population.

Climate

Harsh continental climate with short snow-less winters and moderately dry, hot summers. Average temperature falls to -16°C in January, and rises to $+21^{\circ}\text{C}$ in July. Annual precipitation is 250-400mm.

Natural Resources

The capital is situated in the hills of the central part of Kazakhstan, on the Yesil Plain. The large Yesil River and its draining tributaries Sarybulak and Ashlyozek flow through Astana. Numerous saline and freshwater lakes are scattered throughout the steppe surrounding the city.

Tourism

Astana, the capital of Kazakhstan, is situated in a very attractive location in terms of tourism. This north-central region features such outstanding sites as Borovoye, Zerendy, Sary-Obe and Korgaldjino. Sixty-six tourist organisations operate in the oblast.

The following types of tourism are being actively promoted in the city:

- business; and
- ecological.

With its expanding infrastructure, new architectural solutions and growing power, Astana is becoming the centre for business tourism. As a new capital, Astana has its own visual language that distinguishes it from the other towns of Kazakhstan. Astana ranks with the leading world capital cities in terms of its attractive impact, resulting from the fusion of successful architecture and design concepts. The image of Astana is firmly associated with the dynamic lifestyle of the new Kazakhstan.

The ecotourism development programme is being implemented in Astana under the patronage of the Eurasia Fund. Closely linked to educational objectives, this ecological trend is being actively developed as a form of internal tourism for schoolchildren from all regions of Kazakhstan and neighbouring countries, enabling them to visit the unique nature reserves found around Astana.

New tourist firms also offer photo tours, national hunting and safari tours, as well as visits to the Baikonur cosmodrome.

This increase in the range of tourist services is having a positive impact on the tourism industry

of Astana, boosting the city's economy and giving it a leading position in the overall tourism industry of Kazakhstan.

Agriculture

In 2005, the Astana's gross agricultural output amounted to \$36.1m (less than 1% of the national total), of which crops accounted for 93.8% and livestock products 6.2%.

There are 24 farms, two production cooperatives, five joint-stock companies, 83 partnerships, and five state-owned farms in Astana.

Crop Farming

Arable land occupies 2,000 ha (0.01% of the total arable land in the country) and is mainly under potatoes and vegetables.

Livestock

In 2005, the Astana farms had 1,900 head of cattle. Livestock companies produced 4,400 tonnes of milk and 500 tonnes of eggs.

The largest farms in Astana are:

- 1) Kuigenzhar (crop farming and livestock);
- 2) Kartoffel i Ovoschi (potatoes and planting stock); and Astana Zelenstroi (growing and planting trees and bushes).

Industry

In 2005, the city's industrial output totalled \$453.5m (1.1% of the national figure). The key industry was the processing sector (82.4%), with the remaining 17.6% contributed by electricity, gas and water production and distribution.

There were 399 large and medium-sized enterprises Astana.

The largest industrial enterprise is Tsesna-Astyk, a grain processing company, which incorporates bakeries, cereal production, feed-milling plants, and a retail chain.

Other large enterprises are Zhelezobeton and Artem (manufacturing reinforced-concrete structures, concrete and plastic pipes), and Ismer and Astana-Agropromtekhnika (manufacturing agricultural equipment).

The food industry is also well developed.

The most impressive growth was shown by the food and mechanical-engineering industries.

Foreign Trade

In 2005, the city's exports totalled \$2,531.5m (9.1% of the national figure) and imports \$1,331.5m (7.7%), resulting in a trade surplus of \$1,200m.

Investment

Investment in fixed assets amounted to \$2,067.3m (11.3% of the national total).

These funds were mainly invested in public administration (38.3%), construction (29.6%), transport and communications (5.1%), real estate, leasing and services sectors (9%).

Investment projects were mainly financed using the companies' own funds (61.1%) and the national and local budgets (31.2% and 4.3%, respectively). Foreign investment amounted to a mere 2.5 % and loans 0.9%.

New Tendencies in Investment Activities

In Astana, it is planned to build a new industrial zone – the Astana Industrial Park – and to set up a pilot building materials cluster. The particular projects include construction of the following facilities:

- a cellular concrete plant with an annual capacity of 138,000 tonnes (Ecoton+);
- a ready-mixed concrete and mortar plant with an annual capacity of 180,000 tonnes (ABK Beton);
- a tempered and insulating glass plant (Asia Akmola); investments amount to \$4.9m;
- a concrete plant to manufacture products using the vibrocompression process with an annual capacity of 469,000 m² of paving slabs and 6.5 million sand-cement blocks (Concrete Products Astana); investments amount to \$3.1m;
- a dry building mixtures plant (Big Elit);
- a woodwork plant (Sheber SC. KZ); investments amount to \$3.1m;
- a pre-insulated heating pipes plant with an annual capacity of 200 km of pipes (Kazakh Pipe Insulation Plant);
- a fiberglass water-pipe plant with an annual capacity of 300 km of pipes (Amitekhn Karasai Pipe); and
- a Spanish-Russian line to produce hollow floor slabs and concrete rings (AllianceStroiInvest and Stroikonstruktsia).

Foreign Capital

There are 526 companies with a foreign shareholding in Astana, of which 30.0% specialise in retailing and repair of automobiles and household appliances and 19.5% in construction. These companies employ 16,912 people. In 2005, they produced goods and services worth \$150.5m.

The exports and imports of joint ventures and foreign companies amounted to \$369.9m and

\$482.8m, respectively, resulting in a trade deficit of \$112.9m.

The largest enterprises with a foreign shareholding are Air Astana (air transport services), UFUK (plastic building materials), and the Stolichny Dairy Plant.

Communications

The city has an international airport, a rail terminal and a bus terminal. Roads in Astana total 630 km. There is one road interchange, and twenty-three bridges and flyovers. The telecommunications sector comprises cellular, trunk, paging and internet providers.

Power Engineering

The main power generators in Astana are Astana-EnergoService with a capacity of 262 MW, which includes cogeneration plants Nos. 1 and 2 (load factors 40% and 60%, respectively).

In 2005, power suppliers set the following rates:

<i>electricity (including VAT)</i>	<i>\$0.03 per kWh</i>
<i>water:</i>	
<i>cold water</i>	<i>\$0.19 per m³</i>
<i>hot water</i>	<i>\$13.6 per m³</i>
<i>liquefied gas (propane, butane)</i>	<i>\$667.7 per tonne</i>

The following industrial projects were implemented in Astana:

- reconstruction of cogeneration plant No. 1;
- expansion and reconstruction of a boiler plant and cogeneration plant No. 2, including equipping plants Nos. 7 and 8 with boiler units, and plant No. 5 with a turbine-generator unit. The project has been approved by the State Examination Board.

Banking

There is a special status bank (the Development Bank of Kazakhstan) and 22 branches of second-tier banks in Astana.

Employment

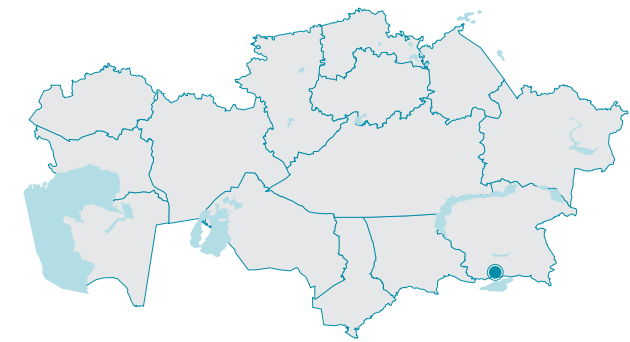
The labour force in Astana amounts to 293,000 people (3.7% of the national total). The educational level of population is rather high: 68.7% of employees have higher education (including undergraduates), 21.3% secondary vocational education, and 10% secondary or primary education. The number of employed is 269,000 people (3.7% of the national figure). The main employment opportunities are offered in the services sector (79.2%), industrial production and construction (19.4%), and agriculture (1.4%). The average monthly nominal wage amounts to \$383.8 (149.7% of the national level). The number of unemployed is 24,000 (3.7% of the national total).

Education

There are 15 institutions of higher education and 22 colleges in Astana. In 2005-2006, the institutions of higher education had 6,823 graduates specialising in economics and management (28.7%), the humanities (13.0%), teaching (17.7%), medicine (6.0%) and other fields.

The colleges prepared 4,232 specialists in economics, law, medicine, transport and communications operations, teaching and other spheres.

The city of Almaty



Total area: 300 sq.km
Population: 1,247,900

Administrative Divisions

The largest city in the country was founded in 1854. Almaty was the capital of Kazakhstan from 1929 to 1997. The city comprises eight districts and one village. Today it is home to some 8% of the country's population.

Almaty is 1,480 km from Astana.

Climate

Climate is mild in the mountain areas of the city. Average temperature falls to -8°C in January, and rises to $+25^{\circ}\text{C}$ in July. Annual precipitation in the foothills and mountains is 1000mm.

Natural Resources

The city is located in the foothills of the Zailiisky Alatau at a height of 970 metres above sea level (at its highest point). Parks, gardens, boulevards and orchards occupy over 8,000 hectares of the city's area. Since the north-western part of Almaty is located in the steppe, but with a larger area in the mountains, both northern plants such as Siberian birch and Tien

Shan spruce and southern ones such as grapes and peaches grow within the city. Almaty stands for the 'place abounding with apple trees' in Turkic. In late 19th century, the Almaty aport, a species of apple resulting from crossing local apple trees with the Kherson aport, was grown for the first time. This variety is now world famous. The Greater and Lesser Almatinka Rivers flow through the city.

Tourism

Almaty is the tourism capital of Kazakhstan. More than 40% of all the tourism potential is concentrated in the city and its surroundings. The majority of tourist firms, tour agencies and hotels are located in Almaty as well as the communication and personnel resources that support a high-grade tourism service. One of the favourite places with city residents is the Central Park – the oldest amusement park in the city with the biggest zoo in the country. The Almaty Zoo features 6,000 animals and birds of 510 species. Unique scientific work for preserving the rare species is being currently conducted at the zoo.

Outside the city, visitors flock to the famous skating rink and dam in the Medeo Gorge. Here the gentle climate, long hours of sunshine, shelter from the wind form an unequalled location for winter sports. With ice made from the purest glacier water, the Medeo skating rink is one of the best rinks in the world – and one of the most beautiful, into the bargain. The dam was built using a special technique of controlled explosions. Above the crest dam of the dam is the highway to the Kokashik valley and the Shymbulak ski lodge, featuring pistes and slalom routes that rank in the world's top ten most difficult downhill courses. The Shymbulak ski pistes have been certified by the International Ski Federation. Medeo was proposed as the speed skating venue in Almaty's bid to host the 2014 Winter Olympic Games.

Fifteen kilometers away from the city is the high mountain ice complex widely known as the "records factory". More than 120 world records have been set up here. The ice field with a total area of 10,500 m³ is an ideal venue for open international speed and figure skating contests and for hockey matches.

Tourism Development Prospects

Experts are predicting that excavations of an ancient nectropolis, Boraldai's Mound, north of Almaty will yield exciting results in terms of artefacts that can be exhibited, as well as opening up avenues for further research.

Ethnographic and historical excursions to the Zailiysky Alatau gorges within the National Park and Reserve, as well as sports activities, are attracting tourists all-year-round.

Agriculture

In 2005, the Almaty's gross agricultural output amounted to \$15.1m (less than 1% of the national total), of which crops accounted for 82.6% and livestock products 17.4%.

There are 65 farms, one production cooperative, 4 joint-stock companies, 95 partnerships, and one state-owned farm in Almaty.

Crop Farming

Arable land occupies 2,000 ha (0.01% of the total arable land in the country).

The yield of vegetables averaged 43,300 kg/ha and potatoes 19,780 kg/ha.

Livestock

In 2005, the Almaty farms had 4,200 head of cattle (0.1% of the national figure), 1,400 head of pigs (0.1%), and 23,600 head of poultry (0.09%).

The largest livestock farm in Almaty is Plemzavod Aksai.

Industry

In 2005 Almaty's industrial production totalled \$1,780.1m (4.5% of the national figure). The key industries were processing (93.6%), electricity, gas and water production and distribution (6.1%) and mining (0.2%).

There are 1,728 large and medium-sized companies in the city.

The food industry dominates Almaty's production accounting for 35.8% of the city's industrial output. The largest food companies in the region are Rakhat producing confectionery (4.5% of the region's total), the Coca-Cola Almaty Bottlers (2.6%) and Raimbek Bottlers (2.4%) both bottling soft drinks, and the Almaty Margarine Factory (1.9%) producing margarine and sausages.

Mechanical engineering accounted for 14.4% of Almaty's industrial production. The largest companies are LG Electronics Almaty Kazakhstan, which produces household appliances (3.4%) and the Almaty Heavy Engineering Plant (0.8%) manufacturing roll mills.

The construction industry is also well developed. The largest enterprises are Asfaltobeton (asphalt and concrete pavements), Building Materials and Structures Plant No.1 and the Almaty Bridge Plant (concrete and concrete structures).

More than 10.1% of the city's industrial production is made up by the pulp and paper enterprises, the largest being Poligrafkombinat and Daur.

There are also enterprises that produce textiles, carpets and other goods.

In 2005, some projects to upgrade production were implemented that made it possible to increase the design capacities of processing plants and create new jobs.

- Alprof launched the aluminium colouring equipment produced by the Italian Cisart SRL – Via Lungo Serio, with a monthly capacity of 600 tonnes of painted products. The cost of the project is \$1.9m. A profile bending machine with a monthly capacity of 18 tonnes was installed.
- Karina Paper commissioned paper recycling equipment manufactured by PAPCEL a.s., a Czech-Italian firm. The design capacity is 600 tonnes per month. The cost of the project is \$0.6m, with more than a half invested by the company itself.
- Saiman commissioned an automated PCB component placement line manufactured by Yamaha (Japan) with a monthly capacity 50,000 pieces. The company's investment totalled \$0.1m.

Twelve new enterprises to produce corrugated boxes, metal and plastic goods, flour, confectionery and baked products were set up.

More than 20 enterprises launched new production lines and technologies, including four hi-tech lines.

Seventy-two companies were certified to ISO 9000, 20 companies are training to the ISO certificate. The Coca-Cola Almaty Bottlers was certified to ISO 14001:1996.

Foreign Trade

In 2005 exports and imports totalled \$1,212.3m (4.4% of the national figure) and \$5,690.6m (32.8%) respectively, hence a trade deficit of \$4,478.3m.

Investment

Investment in fixed assets amounted to \$2,514.4m (13.8% of the national total). These funds were mainly invested in transport and communications (18.5%); the real estate, leasing and services sectors (19.5%); construction (22.5%); trade and repair cars, appliances and personal items (12.2%); and processing industries (10.9%).

Investment projects were mainly financed using companies' own funds (72.4%), loans (18.8%) and the central and local budgets (7.2% and 1.5% respectively). Foreign investment amounted to mere 0.2%.

New tendencies in investment activities

In the city there is the Almaty Business Incubator and the Almaty Technology Park, in which it is planned to produce and develop IT outputs on the basis of the Information Technology Park.

It is planned to realise pilot projects on creating other clusters:

- Food Industry Cluster
- Tourism Cluster
- Transport and Logistic Services Cluster

Foreign Capital

There are 5,388 enterprises with a foreign shareholding in the city. These enterprises employ 73,220 people.

The output of products and services by companies with a foreign shareholding totalled \$632.7m.

Exports and imports by foreign enterprises and joint-ventures amounted to \$1,021.1m and \$1,926m, respectively, resulting in a trade deficit of \$904.9m.

The largest joint ventures and foreign entities are LG Electronics Almaty Kazakhstan (TV, video and radio equipment), the Coca-Cola Almaty Bottlers (soft drinks) and Becker & Co (sausages and pastry).

Communications

Almaty is a major hub of road, rail and air routes. Roads in Almaty total 1,526 km.

The city has two rail terminals, an international airport and two large bus terminals. Almaty accounts for a fifth of the national road and a third of the national air traffic.

The telecommunications sector comprises cellular, trunk, paging and internet providers.

Power Industry

The main power generators in Almaty are as follows:

- Almaty Power Consolidated that operates cogeneration plants No.1 (145 MW with a load factor of 47%), No.2 (510 MW; 45.2%) and No.3 (37%);
- Almatyteplokommunenergo that operates a 47-MW cascade of hydroelectric plants with a load factor of 51.2%;
- North-East Power Complex with an hourly capacity of 123 Gcal and a load factor of 51.7%;
- Vodokanal with a capacity of 1,309,450 cubic metres (54.0%); and
- Almatygaz with a capacity of 320,000 cubic metres (50.0%).

In 2005 power suppliers set the following rates:

<i>electricity</i>	<i>\$0.02 per kWh</i>
<i>water</i>	
<i>cold water</i>	<i>\$0.08 per m³</i>
<i>hot water</i>	<i>\$0.12-1.3 per m³</i>
<i>natural gas</i>	<i>\$0.08-0.09 per m³</i>

Banking

28 branches of second-tier banks, 29 insurance companies and National Bank of Kazakhstan operate in in Almaty.

Employment

The labour force in Almaty amounts to 619,100 people (7.8% of the national total), of whom 53.5% have higher education (including undergraduates), 29.9% secondary vocational education, and 16.6% secondary or primary education.

The number of employed is 566,900 people (7.8% of the national figure).

The main employment opportunities are offered in trade and repair of cars, appliances and personal items (16.9%); industrial production (13.5%); education (11.1%); construction (11.0%); real estate services (9.5%); and transport and communications (9.2%).

The average monthly nominal wage is \$370.2 (144.4% of the national level). The number of unemployed is 52,200 people (8% of the national total).

Education

There are 70 institutions of higher education and 58 colleges in Almaty.

In 2005-2006 the institutions of higher education had 39,429 graduates specialising in economics and management (17.8), the humanities (10.7), teaching (16.2), medicine (2.7) and other fields.

The colleges prepared 8,617 specialists in teaching (16.2), economics (22.1), medicine (11.0), transport operations (12.4), the humanities and other spheres.

List of Akimats (Executive Bodies) of Kazakhstan

Oblast	Address	Tel/fax	E-mail. Website
Almaty	38 Taelisizdyk St., Taldykorgan, 480080	Tel.: +7 (3162) 25-79-22, Fax: 25-55-11	obl_economy@mail.kz, dep_ekonomy@mail.kz www.akmo.kz
Akmola	83 Abay St., Kokshetau, 476000	Tel.: +7 (3132) 54-36-30, Fax: 56-47-58	aktobeapparat@global.kz, dpp2005@mail.ru www.aktokz
Aktobe	40 Abylkhair Khan St., Aktobe 463010	Tel.: +7 (3282) 27-17-47, Fax: 27-07-02	tkoblakimat@global.kz, orp.kz@mail.ru www.almaty-reg.kz
Atyrau	77 Aiteke bi St., Atyrau, 465010	Tel.: +7 (3122) 35-45-01, Fax: 35-35-24	industry@asdc.kz www.atyrauobl.kz
Eastern Kazakhstan	40 Gorkii St., Ust-Kamenogorsk, 492000	Tel.: +7 (3232) 26-33-10, Fax: 26-13-63	uevko-inv@ustk.kz, uprecon@ustk.kz www.akimvko.gov.kz
Karaganda	39 Mira Ave., Karaganda, 470061	Tel.: +7 (3212) 42-10-45, Fax: 42-10-67	oblakim@mail.kz www.karaganda-region.kz
Pavlodar	49 Satbaev St., Pavlodar, 140009	Tel.: +7 (3142) 53-31-36, Fax: 57-50-85	ikim.kst@mail.ru www.kostanay.kz
Western Kazakhstan	179 Dostyk Ave., Uralsk, 417000	Tel.: +7 (3242) 26-21-44, Fax: 26-10-46	uprecon2001@mail.ru www.kyzylorda.kz
Kyzylorda	76 Zhahayev St., Kyzylorda, 467003,	Tel.: +7 (3292) 33-42-15, Fax: 43-45-52	mangekon@mail.kz www.mangystau.kz
Kostanai	66 Al-Farabi St., Kostanai, 110000	Tel.: +7 (3152) 46-41-25, Fax: 46-36-35	akimat@petr.kz www.akimat-sko.kz
Mangystau	1 building, 14 District, Aktau, 466200	Tel.: +7 (3182) 32-34-22, Fax: 32-32-06	kozolup@global.kz, dept@mail.ru www.pavlodar.kz
Southern Kazakhstan	6 Tauke-Khan St., Shymkent, 160007	Tel.: +7 (3252) 54-74-43, Fax: 53-05-27	ves_south@mail.ru, mipec@mail.ru www.uko.kz
Zhambyl	125 Abai St., Taraz, 484032	Tel.: +7 (3112) 51-08-82, Fax: 51-06-26	zapkazakim@global.kz, zkue@nursat.kz www.western.kz
Northern Kazakhstan	58 Constitutsii St., Petropavlovsk, 642030	Tel.: +7 (3262) 43-18-22, Fax: 43-16-35	akim_tz@kaznet.kz www.zhambyl.kz
The city of Astana	60 Omarova St., Astana, 473000	Tel.: +7 (3172) 32-30-12, Fax: 32-12-23	astana.capital@inbox.ru www.capital.kz
The city of Almaty	4 Republic Square, Almaty, 050001	Tel.: +7 (3272) 71-66-88, Fax: 64-41-10	kancel@a-a.kz www.almaty.kz