

# San Diego Conference Targets Kazakhstan's New Business Opportunities

Kazakhstan, one of the world's fastest growing market economies, a major oil producer and the economic powerhouse of Central Asia, is eager to diversify its economy and develop its great potential in new technologies.

New business opportunities in Kazakhstan in these areas will be presented to companies from the United States, Canada and Mexico, at a major trade and investment conference at the Hotel del Coronado in San Diego, September 8-9, 2005.

The conference, "KAZAKHSTAN Industrial and Innovation Strategy: New Business Opportunities," is organized by the Embassy of the Republic of Kazakhstan in cooperation with the U.S.-Kazakhstan Business Association, the Asia Society, Caspian Investor and San Diego World Trade Center, and with the support of the U.S. Chamber of Commerce. Congressman Darrell Issa (R-CA), representing a San Diego district in the U.S. House of Representatives, will be a featured speaker.

"One of my responsibilities as a Member of Congress is to help expand U.S. export opportunities and the new high-paying jobs increased trade provides," said Rep. Issa. "Kazakhstan is an emerging market and I would like to see the U.S. presence in their marketplace grow with their economy. I also look forward to the opportunity to meet the many San Diego business leaders who will attend the conference."

The goal of Kazakhstan's Industrial and Innovation Strategy for 2003-2015 is diversification of the economy by developing non-extractive industries through technological innovation. Over US\$1 billion a year will be spent to implement the Strategy, of which the government of Kazakhstan will contribute US\$260 million annually.

The conference will provide U.S. businesses an occasion to explore firsthand the new opportunities Kazakhstan has to offer, mix and mingle with key Kazakh government and business decision makers, open channels of communication, and develop business relationships.

The conference agenda will include briefings from senior officials on Kazakhstan's priorities in using advanced technologies to diversify the economy. It will feature updates on Kazakhstan's business environment, government support of the emerging technology sector, investment projects supported by the newly established development institutions, and tax incentives. American executives working in Kazakhstan for many years will talk about their success stories, while U.S. administration officials will share their vision of the two countries' partnership.

The presidents of Kazakhstan and the United States support this conference and have sent messages to the participants. In his message, President George W. Bush said: "My Administration is dedicated to strengthening the partnership between our two nations on issues such as security, energy, economic reforms, and democracy, while respecting our traditions of freedom and human dignity. This conference provides an opportunity to increase understanding about Kazakhstan's business environment and the development of its technology, health care, science and service sectors."

President Nursultan Nazarbayev's message said: "Relations of strategic partnership between Kazakhstan and the United States serve as a solid foundation for fruitful cooperation in all fields, first of all



**Kazakhstan, independent since 1991, is the 9th largest country in the world, strategically located in the heart of Eurasia and surrounded by potential markets of 500 million people. The country is actively developing its rich mineral resources of oil, gas, coal, iron ore, copper, uranium and gold with the participation of foreign investors. Kazakhstan also boasts great potential in high technology areas, including IT, biotechnologies and peaceful use of the atomic energy, as well as telecommunications, petrochemicals and tourism.**

in the economy and security." He called the Industrial and Innovation Strategy "a crucial tool" for Kazakhstan's future development, and expressed confidence that "the American business community will take maximum advantage of these new opportunities for doing business in Kazakhstan."

Sauat Mynbayev, Kazakhstan's Deputy Prime Minister and Minister of Industry and Trade, will lead Kazakhstan's delegation. It will include Minister of Foreign Affairs Kassymzhomart Tokaev, Minister of Energy and Mineral Resources Vladimir Shkolnik, Minister of Economy and Budget Planning Kairat Kelimbetov, Minister of Transport and Communications Kazhurat Nagmanov, and Minister of Health Yerbolat Dossayev, as well as leaders of the largest government and private companies.

Minister Mynbayev said: "This conference will present some unique opportunities for business cooperation with Kazakhstan for companies from California and the rest of the United States, as well as Canada and Mexico. Information technology, telecommunications, pharmaceuticals, biotechnology and, of course, energy and petrochemicals are just a few of the industries in Kazakhstan where American business experience and capital are needed and will be welcome. We hope the conference will give a head start for many promising projects in these areas."

Kanat Saudabayev, Kazakhstan's Ambassador to the United States, noted: "We are excited about the upcoming presentation of Kazakhstan, the economic leader of Central Asia, in California, one of the world's largest economies. I am sure after the conference not only economic cooperation will expand but our friendship will also grow stronger."

"Businesspeople need to know more about the opportunities that Kazakhstan offers," said Robert L. Parker, Chairman, Parker Drilling Company of Tulsa,

Okla., and Chairman of the U.S.-Kazakhstan Business Association. "There is much potential for non-energy businesses to expand and grow in Kazakhstan."

The conference will provide businesspeople the opportunity to have bilateral meetings with key government and business figures from Kazakhstan.

Since its independence in 1991, Kazakhstan has attracted more than \$40 billion in foreign direct investment, and is a leader in the former Soviet Union in foreign investment per capita. Kazakhstan has received more than 80 percent of all foreign investment in Central Asia, and its economy is twice as large as the combined economies of all the other countries of the region.

The interest of foreign investors in Kazakhstan is constantly growing. In 1999 Kazakhstan had 1,865 businesses with foreign participation. By 2003, the figure was 6,579 and last year it stood at 7,070.

Kazakhstan is the first country in the Commonwealth of Independent States (CIS) to be recognized as a market economy and to receive investment grade ratings from three leading international rating agencies: Moody's in 2002, and then Standard & Poor's and Fitch in 2004. The World Bank included Kazakhstan in the top 20 most attractive economies for investment in 2003.

More than 300 companies with U.S. participation work in Kazakhstan today. America is the largest investor in the country and accounts for more than a third of the total foreign direct investment in Kazakhstan.

## Kazakhstan: A bright future ahead

<b>Area</b>	1,049,155 sq. miles (2,717,300 sq. km)
<b>Area- comparative</b>	Slightly less than four times the size of Texas
<b>Population</b>	15,185,844 (July 2005 est.)
<b>Literacy</b>	98.4% (1999 est.)
<b>GDP</b>	Purchasing power parity: \$118.4 billion (2004 est.)
<b>GDP - real growth rate</b>	9.1% (2004 est.)
<b>GDP - per capita</b>	Purchasing power parity - \$7,800 (2004 est.)
<b>GDP - composition by sector:</b>	Agriculture: 7.4%, industry: 37.8%, services: 54.8% (2004 est.)
<b>Investment (gross fixed)</b>	23.9% of GDP (2004 est.)
<b>Inflation rate (consumer prices)</b>	6.9% (2004 est.)
<b>Labor force</b>	7.95 million (2004 est.)
<b>Labor force - by occupation</b>	Agriculture 20%, industry 30%, services 50% (2002 est.)
<b>Unemployment rate</b>	8% (2004 est.)
<b>Capital</b>	Astana

Source: CIA World Fact Book

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