

Mining and Metals Industry of the Republic of Kazakhstan 2015

Analysis of the key economic indicators



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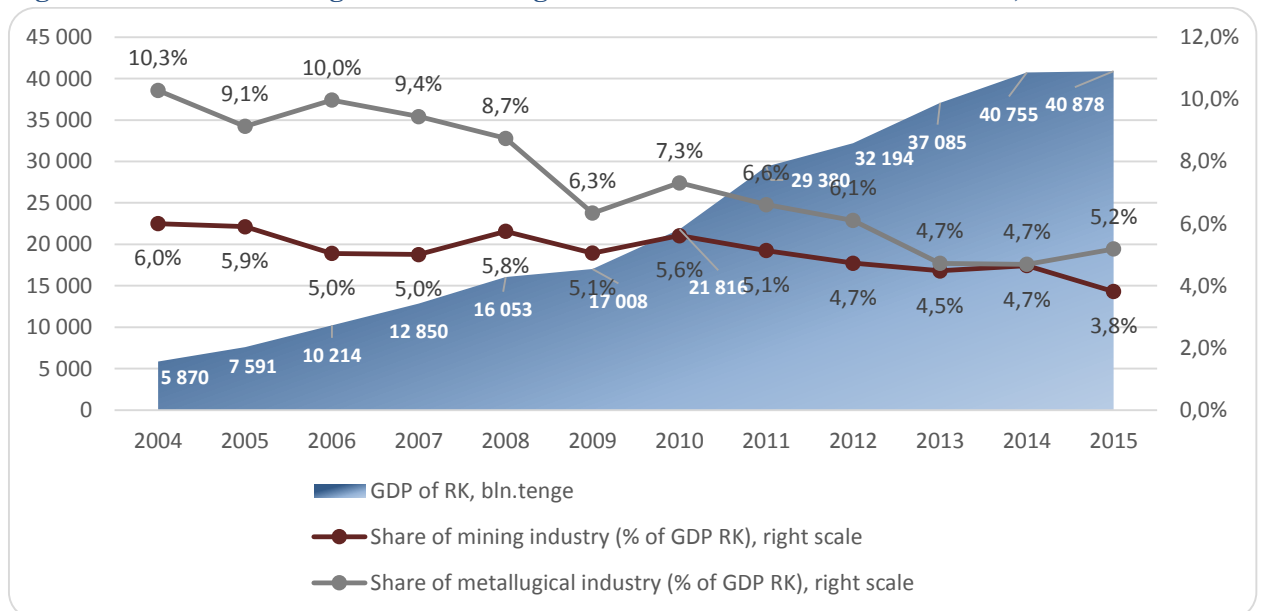
Review of the Mining and Metals Industry of the Republic of Kazakhstan.

The Role of the Mining and Metals Industry in the Economy of Kazakhstan.

According to the Committee on statistics of the Ministry of National Economy of the Republic of Kazakhstan (MNE RK) for 2015, the share of mining and metals industry is 9% of GDP. The share of mining industry is 4% and the share of metallurgical industry – 5% of GDP.

Despite substantial growth in GDP of the Republic of Kazakhstan in period 2004-2015 (Fig.1), the share of mining industry decreased significantly from 16% in 2004 to 9% in 2013 and has remained on a same level for the last three years. The greatest reduction is observed in metallurgical industry – its share in GDP has been cut in half. The mining industry over the same period decreased 1.5 times. Within a year, from 2014 to 2015, the share of mining declined by almost 20%, while the share of metallurgical grew by 10%.

Figure 1. Shares of Mining¹ and Metallurgical industries in GDP of Kazakhstan, 2004-2015

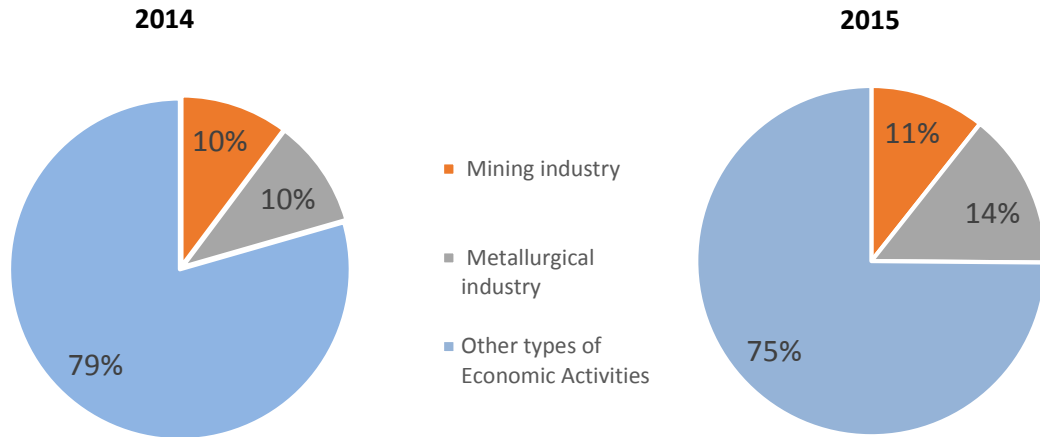


Source: Committee of statistics of MNE RK, RA RFCARATINGS

The share of mining and metals industry in total industrial production of the country in 2015 (Fig.2) was 25%, which is 5% more than in 2014. The share of mining industry increased slightly (+1%) and amounted to 11%. The share of metallurgical industry also increased (+4%) and amounted to 14%.

¹ All calculations for mining industry in the report were made without production of crude oil and natural gas

Figure 2. Shares of Mining and Metallurgical industries in Total industrial production of Kazakhstan, 2014 and 2015, %



Source: Committee of statistics of MNE RK, RA RFCA

We note that the share of mining in total industrial production of the RK would be much bigger if crude oil and natural gas were included into the calculations. It gives a good understanding on the level of «mining» development in RK and impact assessment on metallurgical industry.

Mining and Metals Production of Kazakhstan.

Overall production in the mining industry of RK in 2015 (Fig.3) was KZT 1 558.7 bln. (USD 7.0 bln.), which is 17.8% less than in 2014. It should be noted that peak of production was registered in 2014, which was KZT 896.1 bln. (USD 179.2 bln.).

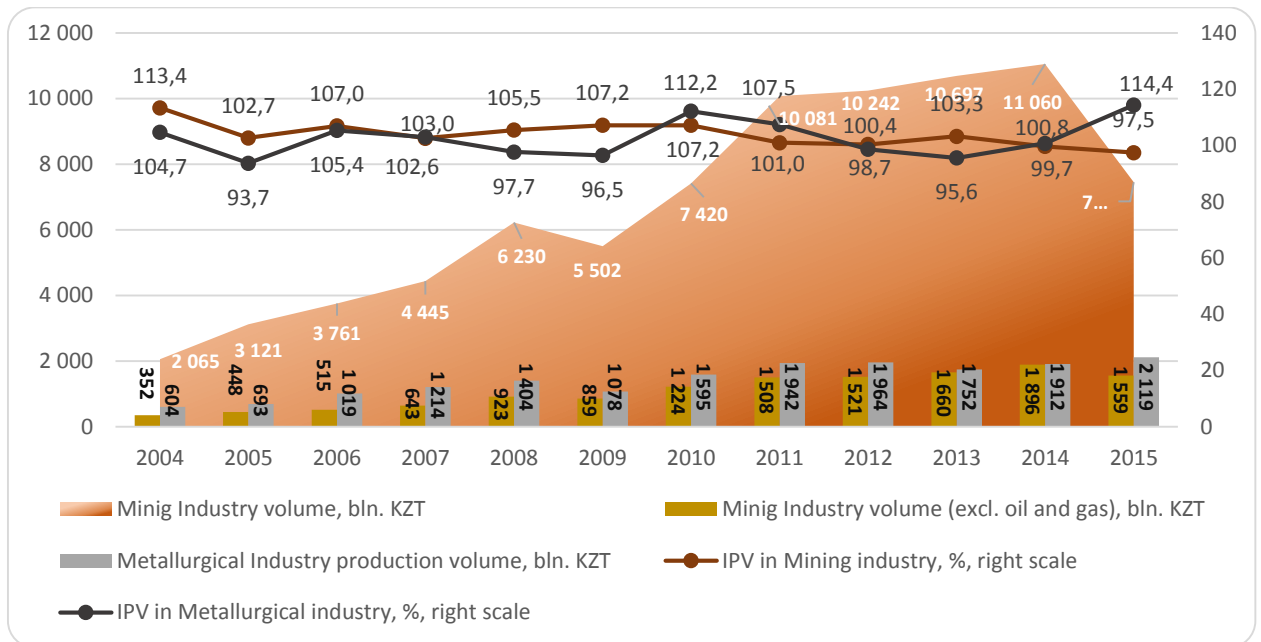
Metal products, on the contrary, has grown by 10.8%, thus reaching a historic high of 2,119.3 bln. (9.6 billion US dollars) the last year.

Overall growth of the mining sector for the period 2004-2015 amounted to KZT 1,206.5 bln. (USD 8.1 bln.), growth of steel – KZT 1,515.5 bln. (USD 10.2 bln.).

It should be noted that metallurgical industry in most instances is ahead of the mining industry in terms of manufacturing output, due to less labor-intensive production process of alloys, metals and finished raw-materials, than the process of mining and quarrying. However, the possibility of growing volume of output in metallurgical industry, rather than volume of mining, were conditioned by imports of raw materials from abroad.

Index of physical volume (IPV) (Fig.3) demonstrates growing output of mining and metallurgical industry of the country in real terms. So, IPV of metallurgical industry has increased by 13.6% in 2015, thus reaching a maximum level of 114.4%, and the IPV of mining industry, instead, decreased by 3.3% to the lowest level of 97.5%. It is noteworthy that the highest IPV in the mining sector (113.4%) was registered at the beginning of 2004, while the maximum IPV in the metallurgical industry was registered in the past year.

Figure 3. Volumes of mining and production in Mining and Metals Industry, 2004-2015.



Source: Committee of statistics of RK, RA RFCA

The diagram above also demonstrates a significant difference in production volumes in the mining sector excluding and including oil and gas. The average difference between estimated indicators is nearly KZT 6 bln. (USD 39 bln.). It means that oil dominates over other types of extracted minerals in both mining and metallurgical industry, that implies a low diversification in the industry.

Competition in Mining Industry.

According to "NB500"² ranking published last year by on-line business magazine "National Business" (NB), there are TOP-10 major companies in mining and metallurgical industry of Kazakhstan (Tab.1), where Kazakh-European company ERG is the leading company of the industry.

Table 1. TOP-10 companies in Mining and Metallurgy of Kazakhstan, 2015

NB500 ranking	Top position	Company	Sector	Sales revenue, KZT mln.
5	1	ERG	Ferrous- and nonferrous metallurgy	817 362
8	2	Kazzinc	Non-ferrous metallurgy	448 255
9	3	Kazakhmys Holding	Non-ferrous metallurgy	390 222

² "NB500" ranking— a ranking of Top 500 most successful companies of Kazakhstan (in various areas) ranked by revenues, according to the Kazakhstan's "National Business" magazine.

10	4	ArcelorMittalTemirtau	Non-ferrous metallurgy	381 517
12	5	NAC Kazatomprom	Uranium Industry	322 745
24	6	KAZ Minerals PLC	Non-ferrous metallurgy	151 595
51	7	Bogaty Coal LLP	Coal production	61 111
54	8	Aktyubinsk Copper Company LLP	Non-ferrous metallurgy	59 781
61	9	JV Betpak Dala LLP	Uranium Industry	52 837
81	10	Kazakhmys Smelting LLP	Metalworking	38 930

Source: National Business, RA RFCA

According to NB500 ranking, we've identified company-leaders in mining and metallurgy. In general, in ferrous and non-ferrous metallurgy industry of the RK a leading company is ERG (Fig.2). The second place in the ferrous metallurgy takes ArcelorMittal Temirtau, in non-ferrous metallurgy – Kazzinc. In metal processing and production of metal leads – Kazakhmys Smelting. The first place in the uranium industry of RK belongs to NAC Kazatomprom. The company Bogaty coal is the leading in coal mining.

Table 2. Top leaders in Mining and Metallurgy of Kazakhstan by activity, 2015

№	MMC	Ferrous metallurgy	Non-ferrous metallurgy	Processing and production of metal leads	Uranium Industry	Coal production
1	ERG	ERG	ERG	Kazakhmys Smelting LLP	NAC Kazatomprom	Bogaty Coal LLP
2	Kazzinc	ArcelorMittal Temirtau	Kazzinc	Company Module-A LLP	JV Betpak Dala LLP	Karazhyra Ltd. LLP
3	Kazakhmys Holding	-	Kazakhmys Holding	Casting LLP	JV Inkai LLP	Gamma LLP
4	ArcelorMittal Temirtau	-	KAZ Minerals PLC	KazEnergoKabel	JV Akbastau	Lad-komir LLP
5	NAC Kazatomprom	-	Aktyubinsk Copper Company LLP	Zavod Metal Profil	JV Zarechnoye	Angrenseno-energo LLP

Source: National Business, RA RFCA

Brief history of Top Mining and Metallurgical companies in Kazakhstan:

- **Eurasian Resources Group S.a.r.l. (ERG)**, which is registered in Luxembourg, is a leading diversified natural resources company with the integrated mining, processing, energy, logistics and marketing operations. Today ERG is the world's largest ferrochrome producer by chrome content and one of the key producers of iron ore and alumina worldwide. Eurasian Resources Group has a portfolio of production assets and development projects on four continents, being one of the major employers in the industry. In the Republic of Kazakhstan, the Company has always been a pillar of economic growth. Today ERG represents more than 4% of that

country's GDP and about one third of its metals & mining industry. The history of the Eurasian Group goes back to 1994, when shareholders of the Company acquired the first asset in Kazakhstan. Kazchrome, SSGPO, Aluminum of Kazakhstan, Kazakhstan Aluminum Smelter (KAS), Eurasian Energy Corporation (EEC), Shubarkol Komir and ENRC Logistics are among the Group's major assets in the Republic. (corporate website, <https://www.erg.kz/>).

- **Kazzinc LLP** is a major fully integrated zinc producer. Besides this, it also produces copper, precious metals and lead. The company's core operations are held in Kazakhstan, majority of them - in East-Kazakhstan region. The company was established in 1997 through the merger of Eastern Kazakhstan's three main non-ferrous metal companies – “Ust-Kamenogorsk Lead and Zinc Combine”, “Leninogorsk Polymetallic Combine” and “Zyryanovsk Lead Combine”. Kazzinc is a monopolist in Kazakhstan at the market of zinc and lead. In 2015, company produced 304.5 thous. tons of zinc or 94% of total zinc produced in the country, and 119.8 thous. tons of lead, which is almost 100% of the overall lead industry of the RK, and 16% of overall copper produced in the RK. The share of Kazzinc in production of gold and silver amounts to 23% and 8% respectively. Sales revenue from metallurgical products last year amounted to KZT 448 255 mln.. The company has various certificates of compliance with the best international practices of management (corporate website, <http://www.kazzinc.com/>).

- **Kazakhmys LLP** is the biggest copper producer in Kazakhstan, leading international company in sphere of mining and development of natural resources. Leads prospecting, exploration, mining, concentrating, processing and export of copper and other minerals. The history of the company goes back to 1913, when first large-scale mining operations at the Zhezkazgan deposit. However, the company officially was founded in 1997. Copper operations are fully integrated from mining ore through to the production of finished copper cathode and rod. Moreover, the company produces sulfuric acid, lead dust, selenium and telluride of copper.

Currently Corporation includes the following enterprises:

- PA Zhezkazgantsvetmet, developing Zhezkazgan Deposit and Zhilandy Group of Deposits;
- PA Balkhashtsvetmet, developing Shatyrkolskoye, Kounradskoye, Sayakskoye Deposits and Tastau;
- PA Karagandatsvetmet and Borly Coal Department, developing Coal Mine of Molodyozhny and Kuu- Chekinsky; as well as gold-copper deposits of Abyz, Nurkazgan, Akbastau and Kosmurun.
- Concentrators: Satpayevskaya, Zhezkazganskaya #1,2; Balkhashskaya, Nurkazganskaya, Karagaylinskaya.

Kazakhmys Corporation LLC is incorporated into the Kazakhmys Group, which also includes Kazakhmys Exploration LLC, majoring on conducting of geological survey works and experienced in sphere of minerals exploring. Currently, Kazakhmys Corporation LLC conducts exploration and mining of minerals basing more than 30 concluded Contracts on subsoil use (corporate website, <http://www.kazakhmys.kz/>).

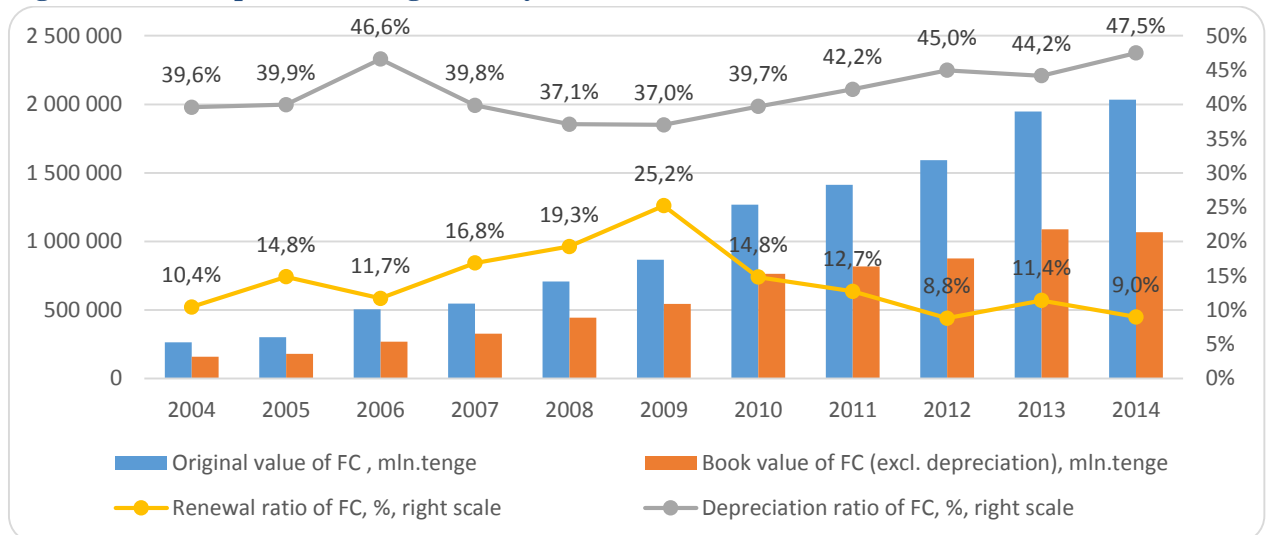
Dynamics of the Economic Indicators of the Mining and Metals Industry of Kazakhstan.

We have reviewed the status of fixed capital (FC) of the industry in the framework of quantitative analysis of the assets of the mining and metals industry, analyzed consumption and renewal of FC in process of production.

Consumption of FC in mining industry for the period 2004-2014 (Fig.4) amounts on average to 41.7% of original cost. The lowest depreciation ratio at 37% was observed in 2009, due to introduction and acquisition of new FC. Same year, there was registered the highest ratio for the period – 25.2 %. Interestingly, the highest level of depreciation ratio of FC in 2014 (47.5%) corresponded to the lowest renewal ratio of FC at 9%.

In general, a ten-year dynamics was characterized by two periods: 1st period – until 2009, when renewal ratio was growing, but depreciation ratio was falling, except for one sharp jump to 46.6% in 2006, and 2nd period – after 2009, when input of new FC has brought to decline, and on the contrary depreciation of FC was steadily increasing. Falling trend of FC renewal ratio in terms of annual average value was equal to KZT 128,2 mln.

Figure 1. Fixed capital in Mining Industry



Source: Committee of statistics of MNE RK, RA RFCA

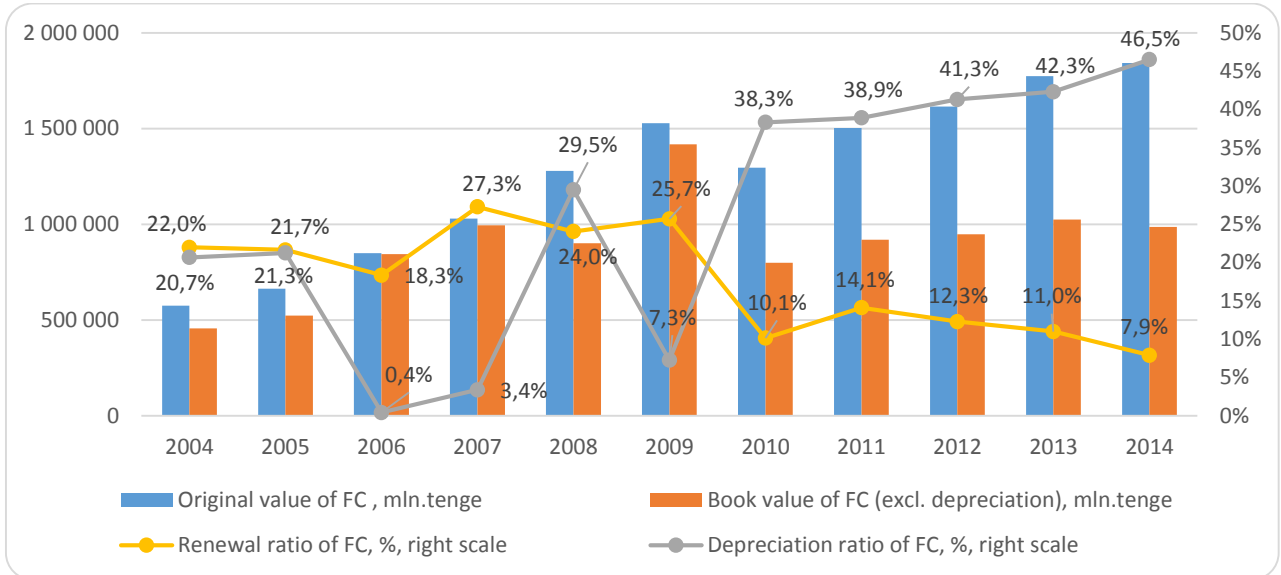
In metallurgical industry consumption of FC in terms of value in 2004-2014 (Fig.5) amounted on average to 26.4% of original cost. In the analysis of depreciation ratio of the FC in industry the sharp drop and jump increased has resulted 0.4% in 2006 to 24.0% in 2008, from 7.3% in 2009 to 38.3% in 2010. Low depreciation ratio is witnessed prior to the crisis of 2008, and in the mid-2008 depreciation ratio increased sharply, then decreased significantly in 2009. Starting from 2010, depreciation ratio is picking up, and in 2014, it had reached the highest level of 46.5% in the period. It is noteworthy, that a stable and high depreciation ratio of industry's FC was recorded in the period of SPAIID 2010-2014³.

As for renewal ratio of FC (Fig.5) there are two periods: the period of growth from 22% in 2004 to 25.7% in 2009 and a period of gradual decline from 10.1% in 2010 to 7.9% in 2014, which

³ SPAIID RK 2010-2014 – The State program of accelerated industrial-innovative development of the Republic of Kazakhstan for 2010-2014. According to this state program mining and metals industry is included in the list of priority sectors for the development of RK.

originates from an abrupt reduction in input of new FC from 25.7% in 2009 to 10.1% in 2010. In terms of value the average annual reduction of new FC input in period 2004-2014, except 2007-2009, was KZT 208.2 mln.

Figure 2. Fixed capital in Metallurgical Industry

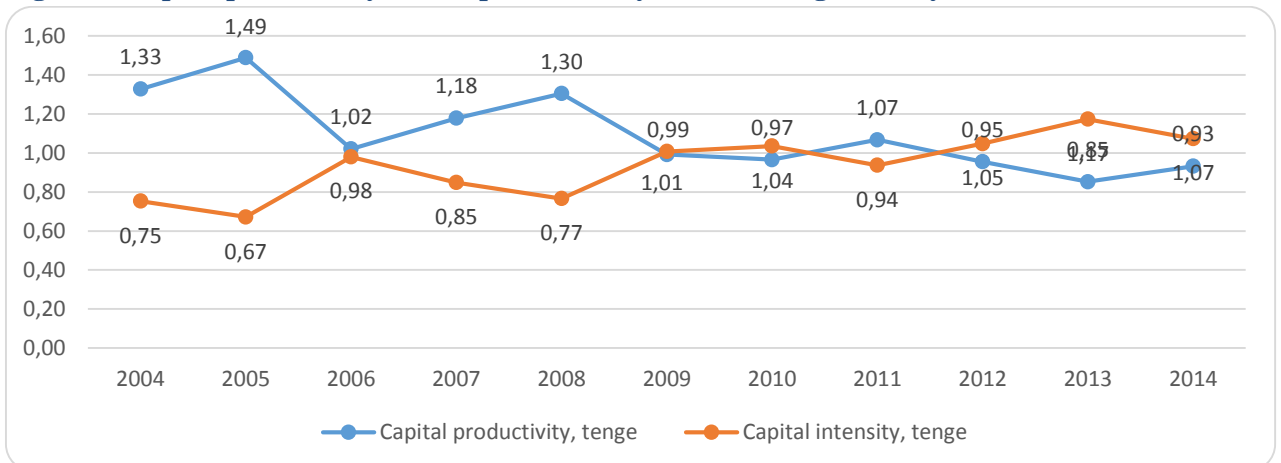


Source: Committee of statistics of MNE RK, RA RFCA

Analysis of the capital productivity of FC in mining and metals industry represents cost of product per KZT 1 of FC.

At the beginning of the reporting period (2004) in mining industry rate, of capital productivity was KZT 1.33 (Fig.6), i.e. per KZT 1 of FC there were produced KZT 1.33 of raw materials. The highest rate was at KZT 1.49 in 2005. After a significant decline of indicator: KZT 0.47 in 2006 and KZT 0.31 in 2009, the rate of capital productivity was relatively stable at average of 0.85 – KZT 1.07 throughout 2009-2014. The lowest rate of capital productivity in the industry amounted to KZT 0.85 in 2013.

Figure 3. Capital productivity and Capital intensity of the Mining Industry



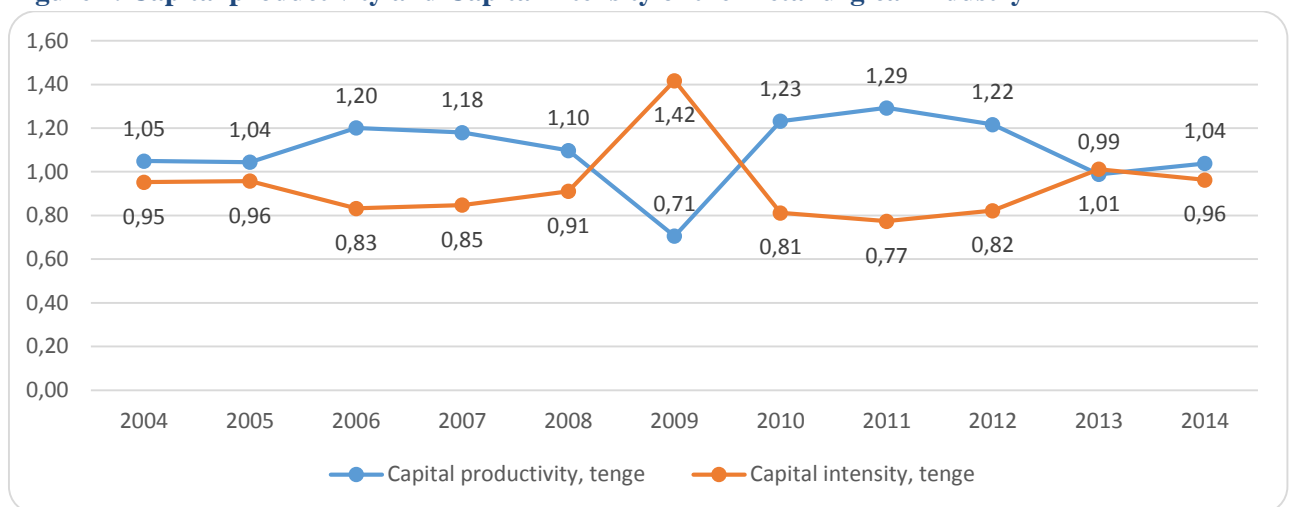
Source: Committee of statistics of MNE RK, RA RFCA

Capital intensity – the inverse ratio of capital productivity. The increase of capital intensity in (Fig.6), shows that KZT 0.75 of FC amounts to KZT 1 of extracted raw materials in 2004 and

subsequently this rate was increasing. In 2013 capital intensity reaches its maximum of KZT 1.17, which means that FC efficiency in the mining industry decreases. In 2014, there was a slight decrease of capital intensity to KZT 1.07. The lowest level of capital intensity (KZT 0.67) corresponds to the highest rate of capital intensity in 2005, and the highest rate of capital intensity (KZT 1.17) corresponds to the lowest capital productivity in 2013.

In metallurgical industry capital productivity (Fig.7) in 2004-2005 amounted to KZT 1.05 and KZT 1.04, respectively. In 2006, this figure increased slightly and amounted to KZT 1.20, i.e. per KZT 1 of FC was produced KZT 1.20 of value added. In the next 3 years there was a decrease of capital intensity to a minimum of KZT 0.71 in 2009; further rise to KZT 1.29 was recorded in 2011, which was the highest rate of capital productivity in the considered period. Since 2011, the rate of capital intensity fell to KZT 0.99 in 2013 and in 2014 again increased by KZT 0.05.

Figure 4. Capital productivity and Capital intensity of the Metallurgical Industry



Source: Committee of statistics of MNE RK, RA RFCA

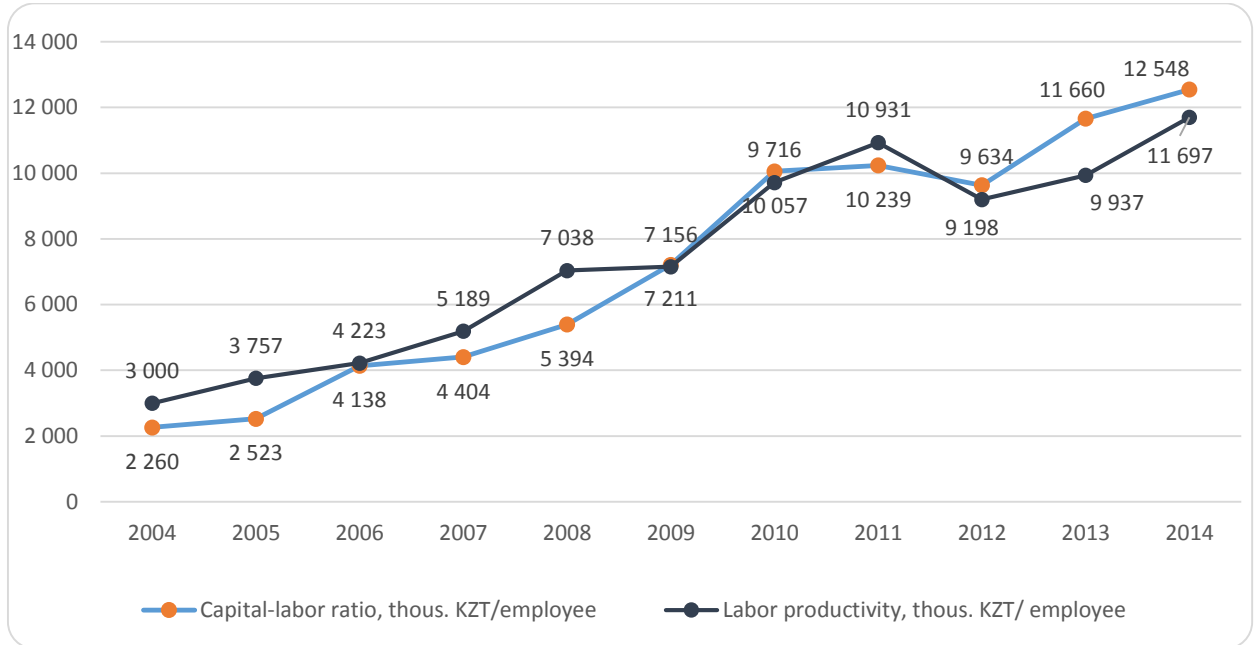
The rate of capital intensity in metallurgical industry throughout the period (Fig.7) was around KZT 0.8-0.9 , exception for 2009, when there was a sharp growth of rate by KZT 0.51 to 1.42. In 2014, there is a slight reduction in the rate of capital intensity to KZT 0.96. The highest rate of capital intensity (KZT 1.42) correlates to a minimum rate of capital productivity in 2009, and the lowest rate of capital intensity (KZT 0.77) corresponds to the highest rate of capital productivity in 2011.

Analysis of capital-labor ratio and labor productivity determines the efficiency of labor as a factor of production in the industry. In 2004, the level of capital-labor in mining industry (Fig.8) amounted to KZT 2.3 mln. per employee, which was the lowest rate for the period 2004-2014. In 2011, this figure rose to KZT 10.2 mln. and after a slight drop in 2012 continued to grow up to 2014, thus reaching the highest for the period KZT 12.5 mln. per employee.

Along with the growth of capital-labor ratio the labor productivity in the industry was also growing. However, if in 2004 the capital- ratio was KZT 2.3 mln., the labor productivity was KZT 3.0 mln. per employee. In 2011, at a rate of KZT 10.2 mln. per employee of capital-labor ratio, the labor productivity amounted to KZT 10.9 mln., i.e. increase in the capital-labor ratio by 4.5 times has resulted the increase of labor productivity 3.6 times, compared to 2004. In 2014, one employee required KZT 12.5 mln. of FC, while the labor productivity amounted to KZT 11.7 mln., which is

KZT 1.8 mln. more than in the previous year. Compared to 2004, the availability of FC per one employee in industry has increased by 5.6 times, and labor productivity increased 3.9 times.

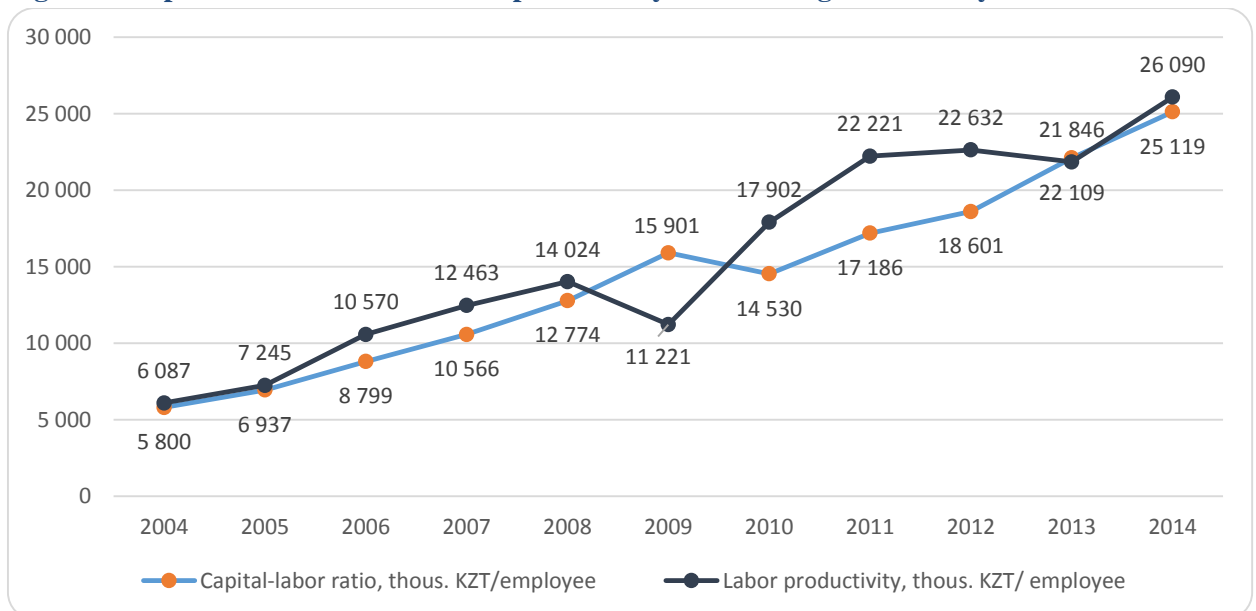
Figure 5. Capital-labor ratio and Labor productivity in Mining Industry



Source: Committee of statistics of MNE RK, RA RFCA

In 2004 in metallurgical industry, capital-labor ratio (Fig.9) was KZT 5.8 mln. per one employee. In general, the given period was characterized by growth of capital-labor ratio, with the exception of a slight decrease in 2010 to KZT 14.5 mln. Subsequently, ratio represents intensifying trend and in 2014 the capital-labor ratio reaches KZT 25.1 mln.

Figure 9. Capital-labor ratio and Labor productivity in Metallurgical Industry



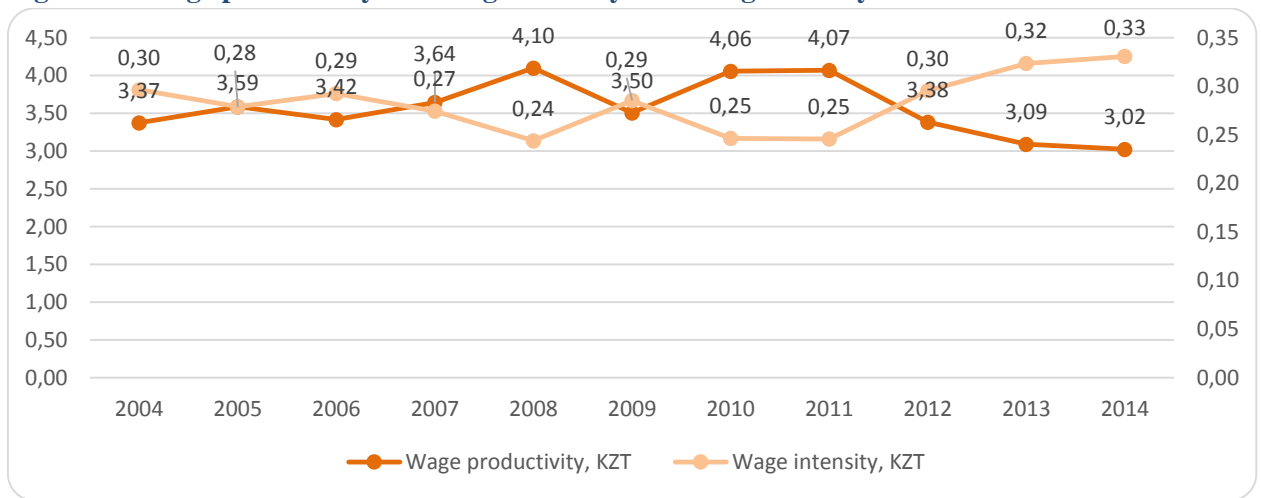
Source: Committee of statistics of MNE RK, RA RFCA

Along with the growth of capital-labor ratio the labor productivity has also grown, which had a downward trend to KZT 11.2 mln. and KZT 22.1 mln., respectively, except for 2009 and 2013. In 2014, the average amount of FC amounted to KZT 25.1 mln., while the labor productivity

amounted to KZT 26.1 mln. per employee. Compared to 2004, the size of industry’s FC per employee has increased by 4.3 times. Similarly, has grown the labor productivity.

Wage productivity is one of the economic indicators of labor efficiency. The analysis of wage productivity in mining industry reveals that KZT 1 of wage produced around KZT 3.37 of raw materials (Fig.10). Compared to 2004 the indicator in 2014 decreased by 10.4% or KZT 0.35 expressed through an absolute value and amounted to KZT 3.02 of finished product per KZT 1 of wage. It is a negative factor. Generally, assessing wage productivity ratio in period 2004-2014 in mining industry, it is noteworthy to mention that it has the tendency of a decrease rather than of an increase. This evidences the decreasing economic efficiency in wage fund used for wage payment to hired employees in mining industry. Wage productivity ratio peaked up to KZT 4.1 in 2008 and bottomed KZT 3.02 in 2014. The decline was KZT 0.07 since 2007.

Figure 10. Wage productivity and Wage intensity in Mining Industry



Source: Committee on statistics of the Republic of Kazakhstan, RA RFCA

Wage intensity is a specific value of employee investments per unit of finished products. Wage intensity ratio in mining industry averaged KZT 0.28 for the period. Wage intensity ratio bottomed KZT 0.24 in 2008 that correlated with the maximum of wage productivity ratio in the same year. Wage intensity ratio peaked KZT 0.33 in 2014 that also correlated with the minimum of wage productivity ratio.

Wage productivity ratio in metallurgical industry in 2004 amounted to KZT 13.3 and it was 4 (3.96) times higher than that in mining industry. The changes in wage productivity ratio are characterized by the growth and then an abrupt decline followed by each other during the period. The maximum of wage productivity was KZT 17.50 in 2006 and the minimum – KZT 11.80 in 2009. In 2014, KZT 1 of wage payment produced KZT 12.97 of finished products that was KZT 0.52 more than in 2013.

Wage intensity in metallurgy amounted to KZT 0.07 by medium. The minimum of wage intensity ratio was KZT 0.06 in 2006 that corresponded to the maximum wage productivity in the same year. The maximum wage intensity ratio was KZT 0.08 in 2009 that also corresponded to the minimum of wage productivity.

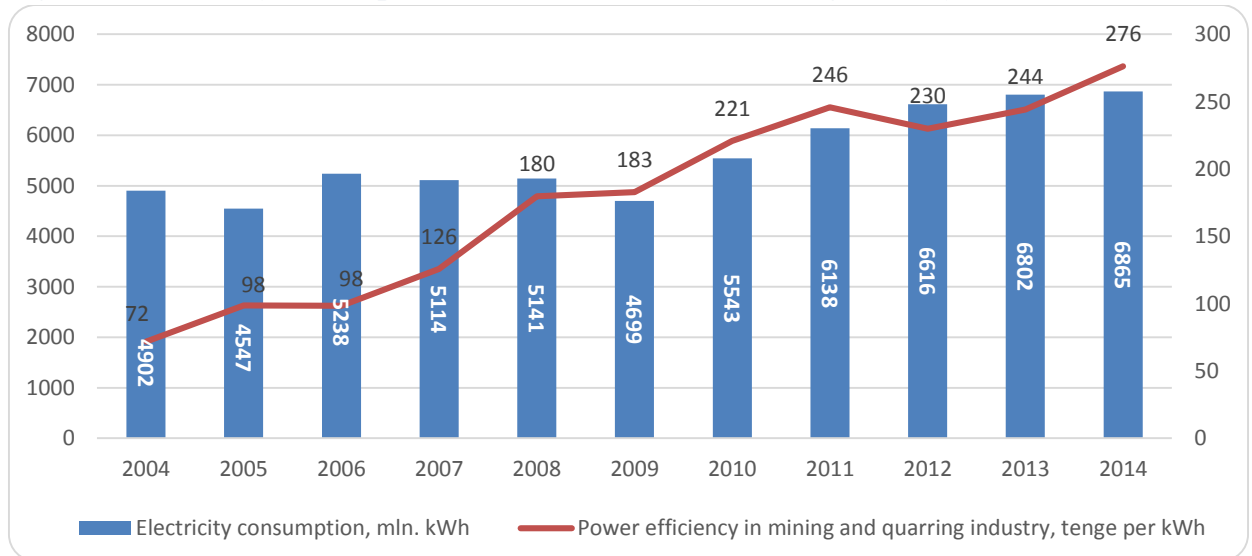
Figure 11. Wage productivity and Wage intensity in Metallurgical Industry



Source: Committee on statistics of the Republic of Kazakhstan, RA RFCA

Statistics reveals that electricity consumption in mining industry in 2004-2014 (Fig.12) averaged 5,600.4 mln. kWh and accounted for 6.9% of the total electricity generation in Kazakhstan. The share increased to 7.3% in two last years. Electricity consumption in total industrial production of Kazakhstan averaged 62% or 55.4 bln. kWh.

Figure 12. Electricity consumption and Power efficiency in Mining Industry

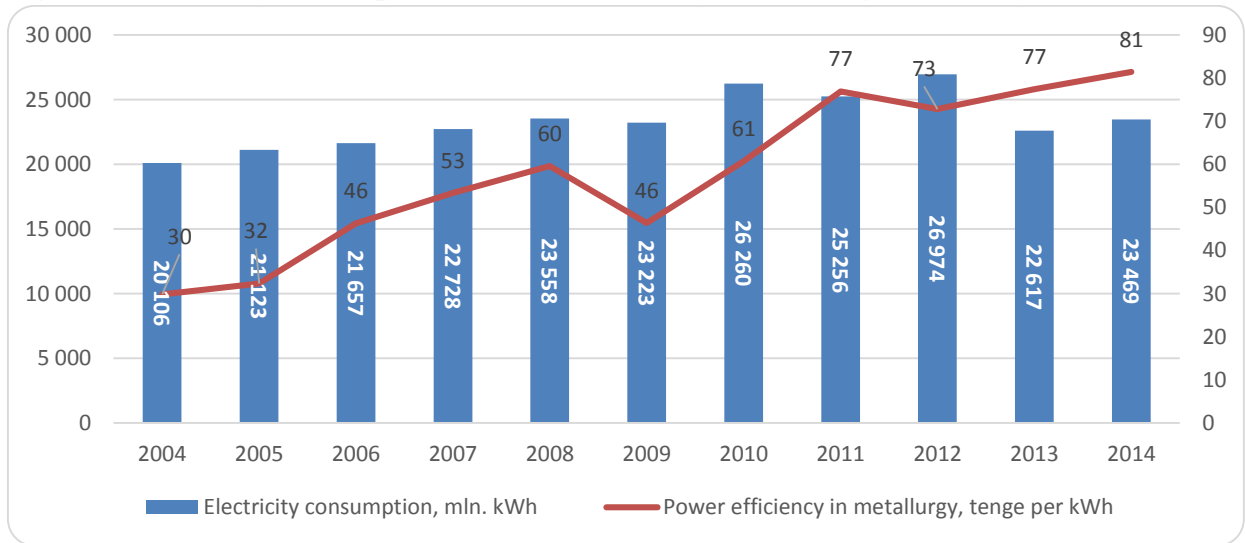


Source: Committee on statistics of the Republic of Kazakhstan, RA RFCA

Mining output in 2013 amounted to KZT 1 660 bln., KZT 1 896 bln. in 2014. Electricity consumption, as appropriate, amounted to 6 802 mln. kWh in 2013 and 6 865 mln. kWh in 2014. When increasing the mining output by 14.2%, electricity consumption grew by 0.93%, positively reflected on that increased by 13.1% and amounted to KZT 276 per 1 kWh. Power efficiency averaged KZT 179.5 per 1 kWh for the period.

According to statistics electricity consumption in in 2004-2014 (Fig.13) averaged 23 361 mln. kWh and accounted for 28.9% of the total electricity generation. The share accounted for 24.6% of the total for 2 last years. Electricity consumption in the total/overall industrial production of Kazakhstan averaged 62% or 55.4 bln. kWh.

Figure 13. Electricity consumption and Power efficiency in Metallurgical Industry

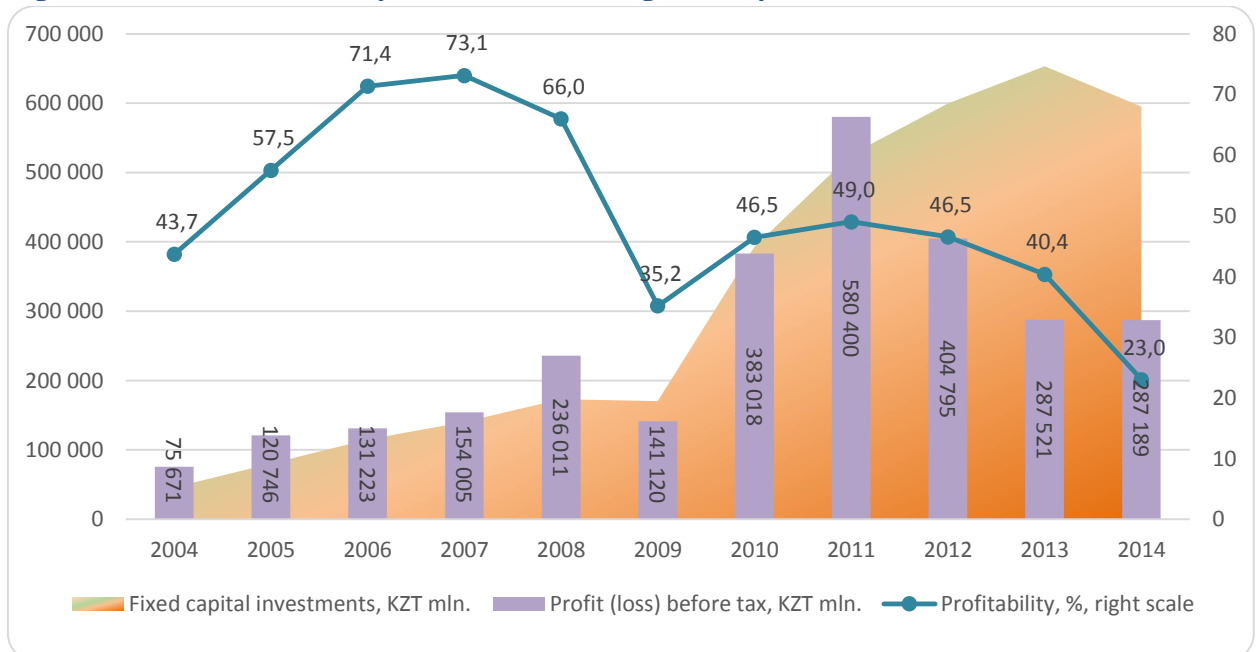


Source: Committee on statistics of the Republic of Kazakhstan, RA RFCA

Metallurgical industry output in 2013 amounted to KZT 1 752 KZT bln. and KZT 1 912 bln. in 2014. Electricity consumption amounted to 22 617 mln. kWh in 2013 and 23 469 mln. kWh in 2014. When increasing metallurgical output by 9.13%, electricity consumption grew by 3.77%, positively reflected on power efficiency that increased by 5.2% and amounted to KZT 81 per 1 kWh in 2014. Power efficiency averaged KZT 58 per 1 kWh for the period.

The analysis of economic efficiency indicators reflects downtrend in mining industry (Fig.14). Despite the annual growth of fixed capital investments, every year its profitability decreases, especially, starting from 2007. The decline in profitability in 2007-2009 so called «crisis years» accounted for over 50%. Subsequently profitability has not recovered yet of the previous levels accounted for over 70%. Investments into mining industry have been significantly growing since SPAID for 2010-2014 started.

Figure 14. Economic efficiency indicators in Mining Industry

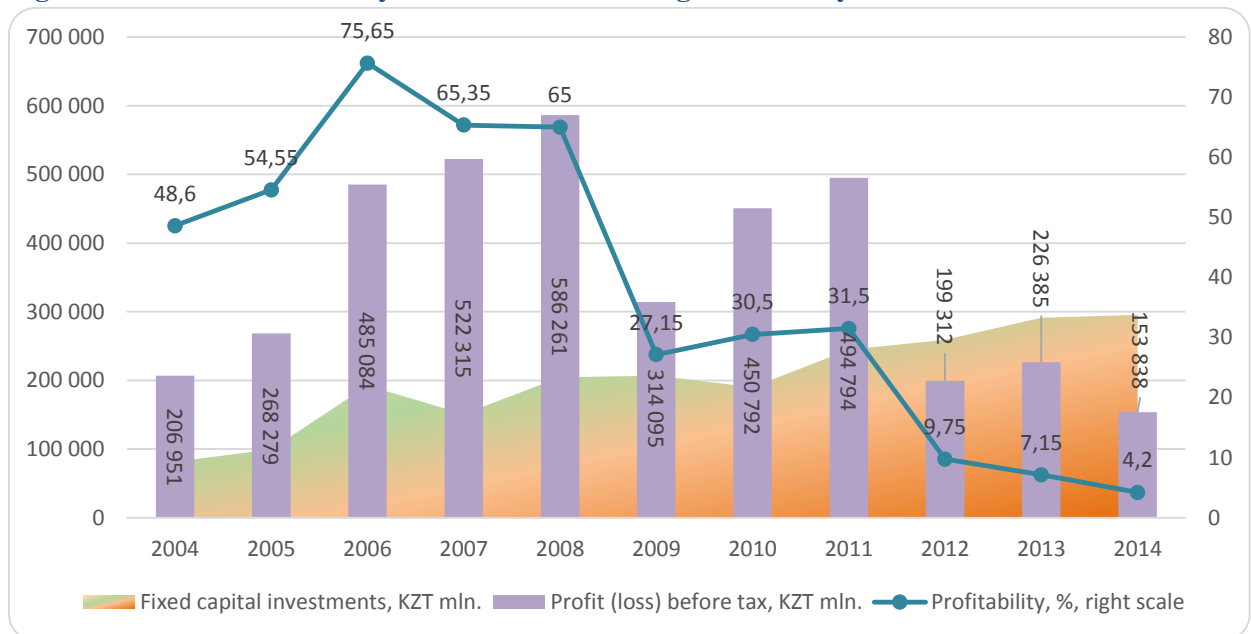


Source: Committee on statistics of the Republic of Kazakhstan, RA RFCA

The objective of the Program is the support of economic sectors priorities for Kazakhstan including mining industry. Increasing investments had given the impulse for the growth of profitability in the industry (+13.8% in 2 years), but lately they hardly produced any significant effects and profitability ratio of mining industry decreased to 23% in 2014. The decline of the ratio accounted for 20.7% for past 10 years. The profit in mining industry also decreased from KZT 580.4 bln. in 2011 to KZT 287.2 bln. in 2014 (-50.5%). More than KZT 3,492.6 bln. were invested in fixed capital of Kazakhstan’s mining industry in 2004-2014. The annual investments amounted to KZT 317.5 bln. by medium. The average amount of profit in mining industry and its profitability totaled KZT 254.7 bln. and 50.2% as appropriate.

The analysis of economic efficiency indicators in metallurgical industry (Fig.15) reveals that the profitability of the industry steadily decreases in spite of annual growth of investments except slight declines in 2007 and 2010.

Figure 15. Economic efficiency indicators in Metallurgical Industry



Source: Committee on statistics of the Republic of Kazakhstan, RA RFCA

Investments into Kazakhstan’s metallurgical industry increased in 2010 when SPAIID for 2010-2014 started. This stimulated profit growth in 2009 that amounted to KZT 494.8 bln. in 2011. Profit of the industry and its profitability had decreased in the next 3 years and accounted for KZT 153.8 bln. and 4.2% as appropriate. Total investments into metallurgy of Kazakhstan amounted to KZT 2,216.8 bln. in 2004-2014. Annual investments averaged KZT 201.5 bln. The average profit of the industry and its profitability were 38.13% and KZT 355.28 bln. as appropriate for the period.

Basic conclusions

- Own raw materials are not only an advantage for Kazakhstan to trade in global mining commodities, it is also possibilities to expand mining output, develop new mining products, extend the product line of steel and improve the quality of ferrous and non-ferrous metallurgy products;

- State support in the framework of the State Programs on intensification of Kazakhstan's economy expands the capacities in acting enterprises and develops new equipment corresponding best world quality standards;
- There are several large regional research centers, scientific institutes, national and university engineering laboratories in Kazakhstan that allow to maintain and improve professional qualification for employees in mining industry, ferrous and non-ferrous metallurgy;
- Inevitable depletion of mining resources is the significant threat for Kazakhstan's mining industry;
- High energy and labor intensity of mining processes are the reason of high fixed capital depreciation. In addition, there are obsolete and outdated equipment in enterprises of mining industry;
- Underdeveloped and low capacity internal market of Kazakhstan is a weakness for mining industry of the republic;
- Underdeveloped transport and logistics infrastructure and as a consequence high railway and electricity transportation tariffs have a negative influence on development of mining industry of the Republic of Kazakhstan.

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