

Kazakhstan Gives 10-Year Tax Breaks to Foreign Investors

By [The Moscow Times](#)

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Nursultan Nazarbayev, right, shaking hands with the Italian prime minister at the meeting in Astana on Thursday.

BOROVOYE, Kazakhstan — Kazakhstan will suspend corporate and land tax for 10 years for foreign investors setting up businesses outside its oil industry in new incentives meant to diversify the economy, Kazakh President Nursultan Nazarbayev said.

A vast steppe nation of 17 million, Kazakhstan is Central Asia's largest economy and the second-largest ex-Soviet oil producer after Russia. It has received more than \$170 billion in foreign direct investment since 1993, but the bulk of this sum was absorbed by the oil and gas sector.

Nazarbayev, who has kept a tight lid on dissent but has overseen the opening up of markets, wants to sustain economic growth, which accelerated to 6 percent last year from 5 percent in 2012.

But in order to do so, Kazakhstan needs to diversify the economy away from hydrocarbons and metals to reduce its dependence on commodity price fluctuations on world markets.

"We want to create a new type of industry in our country. Historically, we were a raw materials-producing appendage of the Soviet Union, which only brought raw materials out of here but built nothing," Nazarbayev told a meeting of foreign investors on Thursday in the northern resort town of Borovoye after signing the law allowing the incentives.

In addition to suspending land and corporate tax for 10 years, foreign investors will be exempted from paying tax on non-land assets for eight years and be reimbursed 30 percent of the costs of building new plants.

The landlocked country would also allow non-oil investors to bring in foreign laborers without any quotas or permits to work for one year after the launch of a new business.

The 73-year-old former steelworker and member of the Soviet Communist Party's decision-making Politburo, whose rule spanning more than two decades has been marked by Western criticism of his authoritarian methods, said he would appoint an investment ombudsman to protect foreign investors' rights in the country.

Nazarbayev also suspended the requirement for visas for business executives from countries that have invested steadily in Kazakhstan, including the U.S., the Netherlands, Britain, France, Germany, Italy, Malaysia, the United Arab Emirates, South Korea and Japan.

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