

**KAZAKHSTAN - SINGAPORE**

# CONNECTIVITY



**KAZAKHSTAN - SINGAPORE FRIENDSHIP:**  
**Firm Foundations Laid for Closer Ties**

**Opportunities Opening Up  
for Central Asia and Beyond**

An aerial photograph of the city of Astana, Kazakhstan, during sunset. The city is brightly lit with numerous lights from buildings and street lamps. In the foreground, a large, circular, illuminated monument with a central dome and a tall, thin tower is visible. The background shows a dense urban area with many modern skyscrapers and apartment complexes. The sky is a warm orange and yellow.

Kazakhstan  
awaits you

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KAZAKHSTAN SINGAPORE

CONNECTIVITY



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PUBLISHER  
Sun Media Pte Ltd

EDITOR-IN-CHIEF  
Nomita Dhar

FEATURE WRITERS  
Ranee Sahaney,  
Syed Jaafar Alkaff

MARKETING  
Swati Singh

DESIGN  
Syed Jaafar Alkaff

PHOTOS  
Embassy of Kazakhstan in Singapore  
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Singapore Ministry of Foreign Affairs

PRINTING  
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EDITORIAL OFFICE

SUN MEDIA PTE LTD  
20 Kramat Lane, #01-02 United House,  
Singapore 228773  
TEL (65) 6735 2972  
Email: edit@sunmediaonline.com  
Website: www.sunmediaonline.com

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For further inquiries, contact:

THE EMBASSY OF THE REPUBLIC OF KAZAKHSTAN IN SINGAPORE  
1 Kim Seng Promenade #09-04/05 Great World City East Office Tower, Singapore 237994  
Tel (65) 6235 7150 Fax (65) 6438 8990  
Email singapore@mfa.kz  
Website www.mfa.gov.kz/singapore

  
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communication with soul

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# Ambassador's Message



## ABOVE

HE Arken Arystanov,  
Ambassador of  
Kazakhstan to  
Singapore

## MIDDLE COLUMN

On 14th October 2019  
President Kassym-Jomart Tokayev received  
Mr Teo Chee Hean,  
Senior Minister and  
Coordinating Minister  
for National Security of  
Singapore in Nur-Sultan,  
Kazakhstan

## RIGHT

Foreign Minister of Kazakhstan Mukhtar Tleuberdi and his Singapore counterpart Dr Vivian Balakrishnan at the Asia-Europe Meeting in Madrid in December 2019 where they took stock of the growing bilateral relationship marked by exchanges of high level visits

## Kazakhstan - Singapore: A New Vector of Cooperation

The leading economy in Central Asia is attracting interest from many nations including Singapore. Here are some of the reasons why...

**K**azakhstan attaches great importance to the continuous development of fruitful and long-term relations with the Republic of Singapore in the entire spectrum of bilateral cooperation. Like Singapore, a small country with no hinterland, landlocked Kazakhstan is always searching for new opportunities. Both countries also occupy strategic locations in our respective regions. Such common perspectives enable us to work towards a win-win partnership.

Our friendship started in 1991 when Singapore's founding Prime Minister Lee Kuan Yew visited Kazakhstan and met First President Nursultan Nazarbayev in Almaty. Since then, the two countries have always shared their most effective experiences in nation building, economy development and social transformation.

Religious and ethnic differences have torn many societies apart, but not our countries. We see them as diversities instead of differences. "Singapore is a rare, precious example of harmonious multi-racial, multi-lingual and multi-religious society where people live harmoniously together", the late Mr Lee once wrote. Singapore has worked hard to make this happen.

This is true also in Kazakhstan. Its active role in promoting a global dialogue amongst civilizations is based on our

experience of preserving peace and harmony in a multi-ethnic and multi-religious country with more than 140 ethnic groups representing 46 confessions,

jectives and understanding allow both countries to reach mutual agreements during elections to many international fora. Kazakhstan and Singapore share common approaches to a number of issues of global agenda promoting international co-operation and regional integration.

In 2017, Kazakhstan became the first Commonwealth of Independent States (CIS) country to host the International Specialized Exhibition EXPO. On behalf of Singapore, Mdm Halimah Yacob, then Speaker of Singapore Parliament, attended the exhibition and met with Speakers of both chambers of Kazakhstan Parliament.

The meeting between President Kassym-Jomart Tokayev and Prime Minister Lee Hsien Loong last year further boosted our co-operation at all levels.

For starters, a Free Trade Agreement (FTA) was signed on October 1, 2019, between Singapore and the Eurasian Economic Union, of which Kazakhstan is a member along with Armenia, Belarus, Kyrgyzstan and Russia. Now the countries are negotiating Agreement on Services and Investments. Its signing could

each with its own cultural codes and traditions.

Amid today's political turbulence, we stand by each other, deepening political dialogue at all levels. Our common ob-

be a good starting base for post-Covid cooperation.

We are looking forward to finalising the negotiations on the Agreement on Services and Investments next year.



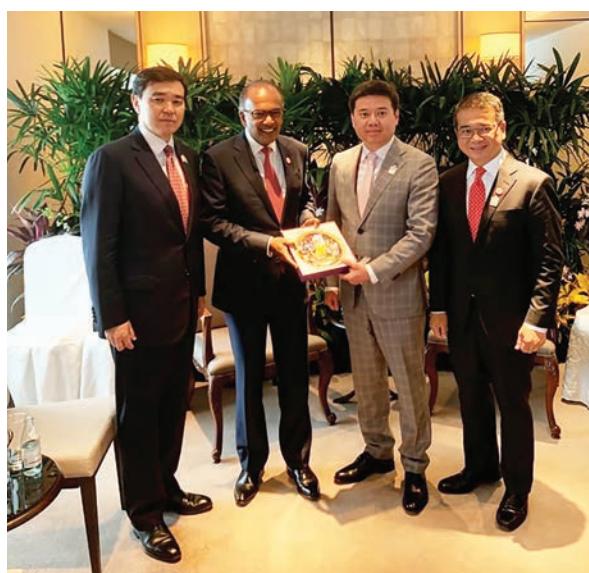
Visits from Senior Minister Teo Chee Hean in October 2019 and Senior Minister of State in the Ministry for Trade and Industry Dr Koh Poh Koon in February 2020 to Nur-Sultan highlighted other partnership opportunities in law and security, trade, infrastructure development and logistics, IT, education, innovation and many other areas. Due to the pandemic these opportunities are still waiting for a chance to become part of an overall partnership. Though, there are already some blueprints on cooperation in these areas.

Other bilateral visits have strengthened cooperation in judicial and legal areas. Marat Beketayev, Kazakhstan's Minister of Justice took part in the signing ceremony of the Singapore Convention on Mediation in August 2019 and launch the close dialogue with Minister for Law K.Shanmugam. It became very helpful during the elections of Mr Daren Tang from Singapore to lead the World Intellectual Property Organization in 2020.

The same year the Chair of the Supreme Judicial Council Talgat Donakov visited Singapore and met Chief Justice Sundaresh Menon. Following this Judge of Appeal, Steven Chong, visited Kazakhstan in September 2019. This part of dialogue and cooperation is very important not only to promote the common understanding of world order based on rule of law, but to guarantee our own businesses secure and familiar legal basis are there and businesses can work without any barriers. Kazakhstan has already adopted some practices from Singapore that make judicial service to people more effective.

It goes without saying that active diplomatic contacts continue supporting engagements in new areas. The meeting between Kazakhstan's Minister of Foreign Affairs Mukhtar Tleuberdi and Singapore's Minister for Foreign Affairs Vivian Balakrishnan in December 2019 within the framework of the Asia Europe Meeting (ASEM) proved a mutually shared fundamental stance both in bilateral and multilateral cooperation oriented to the future.

In this regard I would like to outline high perspectives in areas that were not a mainstream even two years ago, but that gains pace these days. I would like to say that successful collaboration is developing in the start-up industry. A corresponding agreement on the participation of QazTech Ventures in the Singapore venture fund Quest Ventures Asia Fund II (QVAF II) with a total



Under this agreement, a three-year acceleration programme called Kazakhstan Digital Accelerator will be held in start-up projects, with a representative office in Nur-Sultan. This programme will contribute to the development of Kazakhstan's digital ecosystem.

The work in the field of scientific and technological cooperation also deserves attention. With its own unique model of economic development based on innovations, Singapore makes significant financial investments in this area. The efforts of recent years have created a powerful infrastructure of research institutions.

In this regard, the scientific potential accumulated by Kazakhstan in the field of fundamental research is of high interest for joint implementation of projects and technologies that are in demand on the world market.

Within this project the Embassy of Kazakhstan in Singapore established contacts with 33 leading research organizations of Kazakhstan since 2019. Our proposal includes 194 promising innovations, covering a wide range of areas, including energy, production of new materials, geology, chemical and food industries, construction, agriculture, information technology and medicine. We could combine the experience of Singapore in the field of commercialization of promising R&D products and innovations of Kazakh scientists, by creating a number of new joint projects, as well as construction of production facilities in both countries.

Fruitful cooperation continues within the framework of the cultural and humanitarian track. Visits of Kazakhstan representatives to Singapore for the purpose of experience exchange, advanced training courses and internships, which cover a wide range of topics in the fields of public administration, economic development, and digital technologies, have become a regular affair.

**LEFT**  
Dr. Koh Poh Koon,  
Senior State Minister for  
Trade and Industry of  
Singapore made a call on  
Mr. Beibut Atamkulov,  
Minister of Industry  
and Infrastructure  
Development of the  
Republic of Kazakhstan  
on 4th February 2020 in  
Nur-Sultan.  
(Photo: Embassy  
of Kazakhstan in  
Singapore)

**MIDDLE**  
Mr. Talgat Donakov,  
Chairman of the Supreme  
Judicial Council of  
Kazakhstan led a delega-  
tion and held a meeting  
with Mr. Sundaresh  
Menon, Chairman of the  
Supreme Court of Singa-  
pore in August 2019

**BOTTOM**  
On 7th August 2019,  
Mr. Marat Beketayev,  
the Minister of Justice  
of Kazakhstan and  
Ambassador of  
Kazakhstan to Singapore  
Arken Arystanov met  
Singapore officials  
Mr K. Shanmugam,  
Minister for Law and  
Home Affairs and Mr  
Edwin Tong then Senior  
Minister of State at the  
Ministry for Law

**"The scientific potential accumulated by Kazakhstan in the field of fundamental research is of high interest for joint implementation of projects and technologies that are in demand on the world market"**

amount of US\$50 million was signed in Nur-Sultan. QazTech Ventures, with a capital of US\$10 million, will enter this fund as an anchor investor. According to the terms of the agreement, the joint fund will consider and finance promising start-up projects in Kazakhstan and Central Asia in the next three years.

# Ambassador's Message

**"Every year, about 100 Kazakhstan students receive education at universities in Singapore..."**

**...in the area of professional-technical education for example, will train 115 Kazakhstan teachers in 2020-2021"**

**RIGHT**  
*Capital city Nur-Sultan*

**"Today, Singapore has become one of the most important trade and economic partners of Kazakhstan in the region. We have more than 100 joint ventures in the manufacturing industry, trade, information and communications technology, construction and finance"**

## Educational Visits

Every year, about 100 Kazakhstan students receive education at universities in Singapore, including the National University of Singapore, Nanyang Technological University, James Cook University, MDIS, Kaplan University Singapore.

Since 2012, a long-term cooperation agreement between Nazarbayev University and Lee Kuan Yew School of Public Policy has been in force. The School of Public Policy has the status of a strategic partner of Nazarbayev University.

Singapore's advanced experience in the area of professional-technical education is being actively implemented. For example, Nanyang Polytechnic, that is of top standards in professional training for the 4.0 era industry, will train 115 Kazakhstan teachers in 2020-2021.

We are planning to hold the Days of Culture of Kazakhstan in Singapore as soon as international travel resumes. In the meantime, we are holding online exhibitions and concerts.

S. Rajaratnam School of International Studies (RSIS) has been a partner of our Embassy for several years. Our representatives give public lectures to introduce Kazakhstan and the Central Asian region to a wider Singapore audience.

In the age of digital revolution, our approaches to future development have been further aligned.

Kazakhstan commends the vision of Prime Minister Lee Hsien Loong, who asserts that countries need to embrace changes of the global economy caused by technological advances, adapt to new technologies and market conditions, and support the concept of free trade based on international rules.

Kazakhstan is looking forward to maintaining the bridge between Central Asia and South-east Asia by promoting trade and tourism. The implementation of agreements that are part of the road map of cooperation will help us to establish stable communication and become a viable part of one big interconnected Eurasia.

## COVID-19 Response

This year, Covid-19 has caused massive upheaval in all countries.

2020 started with the news of a coronavirus outbreak, which still continues to date. The health toll is heavy, with major consequences for the world economy.

Kazakhstan rapidly took actions to keep our people safe as the first priority and minimise business disruption at the same time. Certainly, these extreme conditions pose many challenges. The country has had to adapt to this new life with daily interruptions, changing scenes and new measures to be taken based on the evolving situation.

Kazakhstan applauds the quick response of the Singapore government to keep the nation and its residents safe. Our country highly appreciates the attention and responsiveness of Singapore towards its friends, even if they are on distant shores.

We would like to express our special gratitude to Temasek Foundation for the humanitarian aid offered to Kazakhstan in the form of tests, masks and oxygen tanks. A friend in need is a friend indeed. Kazakhstan deeply values our true friendship and distance is not a hindrance to it.

In the spirit of keeping calm despite a very challenging environment, several key projects have been progressing in the meantime.

We are working on opening direct flights between our countries and starting new projects for the benefit of our peoples. Unfortunately, the pace of our work has been stalled due to the pandemic.

Today, Singapore has become one of the most important trade and economic partners of Kazakhstan in the region. We have more than 100 joint ventures in the manufacturing industry, trade, information and communications technology, construction and finance.

Kazakhstan considers Singapore the world's most successful model of wise and responsible management of natural resources. We are very grateful to our Singaporean friends for sharing their experiences and expertise with us – whether it is technical education or energy efficiency. There is still a lot for us to learn from Singapore, and we believe there is enormous potential for Singapore companies to trade and invest in Kazakhstan.



## KAZAKHSTAN FACTS & FIGURES

Sources: INVEST KAZAKHSTAN ([www.invest.gov.kz](http://www.invest.gov.kz))  
Heritage Foundation (2020 Index of Economic Freedom)

### SNAPSHOT

Population: 18.5 million

Area: 2.8 million sq km (9th largest in the world)

GDP (PPP): US\$508 billion (US\$27,550 per capita)

Foreign trade turnover: US\$77.7 billion

FDI inflow: US\$3.8 billion

Inflation rate (CPI): 6%

Credit rating Fitch (BBB), Standard & Poor (BBB), Moody's (Baa3): Stable

Doing Business Ranking (2019): #25

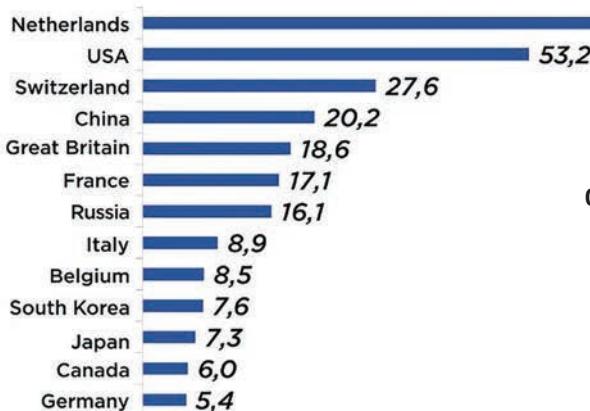
Index of Economic Freedom: Ranked top 10 in Asia-Pacific Region

Human Capital Development Index: 29th

Life expectancy: 77 years

# Opportunities to Invest

## Kazakhstan's economic highlights that investors should know



Gross FDI to Kazakhstan from 1993 to 1st Quarter 2020 amounted to US\$351 Billion

**LEFT**  
Graphs from Invest in Kazakhstan Land of Opportunities' Executive Briefing published by Invest Kazakhstan

### Fixed Capital Investments by Industry in 2019



Index of Economic Freedom 2020 by Heritage Foundation			
Rank	Country	Overall	Change
1	Singapore	89.4	0.0
2	Hong Kong	89.1	-1.1
3	New Zealand	84.1	-0.3
4	Australia	82.6	1.7
5	Taiwan	77.1	-0.2
6	Malaysia	74.7	0.7
7	South Korea	74	1.7
8	Japan	73.3	1.2
9	Macau	70.3	-0.7
10	Kazakhstan	69.6	4.2
11	Thailand	69.4	1.1

**C**ompetition is great for Foreign Direct Investment (FDI) but the case for potential profitable business in Kazakhstan is also an attractive one especially in such sectors as: Agribusiness; Petrochemical Industry; Mining & Metallurgy; Engineering; Infrastructure and Trade.

Between 1993 to the first quarter of 2020 the country received Gross FDI inflows totalling US\$350 billion with the top five investors from Netherlands, USA, Switzerland, China and Great Britain. In recent years, annual FDI inflows have amounted to around \$20 billion - a clear indication of investor confidence in Kazakhstan's continuing improvement in its investment climate. The main advantages it offers that make it such a desirable destination for investment dollars are:

- Strategic location in the heart of Eurasia
- Business-friendly environment
- High Protection of investors' rights
- Wide range of investment incentives
- Lucrative opportunities across various sectors

### Transcontinental Corridor

In his Executive Briefing article published by Kazakh Invest titled 'Kazakhstan FDI New Opportunities, Great Potential' Mr Baurzhan Sartbayev, CEO of Kazakh Invest, highlighted the country is playing a key role in China's 'Belt and Road Initiative' (BRI) taking up more than 3,000 kilometres or 25% of the BRI main land corridor. He said that Kazakhstan is at the crossroads of transcontinental transport corridors between Europe and Asia: "Kazakhstan provides direct access to a market of more than 500 million consumers, including Central Asian markets, western China and the Caspian Sea countries. Thanks to the country's modern and well-developed infrastructure, as well as Kazakhstan's involvement in the New Silk Road, delivering goods to these consumers is cost-effective and less time-consuming."

### Ease of Doing Business

Thanks to the Government's ongoing systematic approach to reforming legislation, improving the licensing system, simplifying business registration procedures, optimizing

state control measures and other areas, the country is 25th in the recent World Bank's Ease of Doing Business rankings.

### SEZs and Industrial Zones

The country has launched 13 Special Economic Zones (SEZ) throughout the country as well as in the major cities of Nur-Sultan, Almaty, and Shymkent. Within the SEZs the Kazakh government provides comprehensive support for investment projects, including fiscal incentives (such as various subsidies, exemption from corporate income tax, VAT, land tax, and property tax) and non-fiscal incentives (such as free plots of land and infrastructure).

Additionally, the country has 24 industrial zones that offer investors access to established infrastructure and digital networks.

### Kazakh Invest One Stop Shop

In order to provide fully-fledged support to investors in Kazakhstan, the Government has established KAZAKH INVEST,

an investment promotion agency that acts as a single negotiator on behalf of the government, and provides services to investors on the one-stop-shop principle. Some of the services offered include:

- Organisation of visits to the regions
- Assistance with raising finance
- Subsidies, grants and incentives
- Assistance with permits and public services
- Post investment support
- Networking

#### Contact details

**KAZAKH INVEST**  
Nur-Sultan city, Mangilik El house 55/20, Building C 4.1, 010000  
Fax: +7 7172 620 600  
Email: [info@invest.gov.kz](mailto:info@invest.gov.kz)  
For 24-hour investor helpline visit: [www.invest.gov.kz](http://www.invest.gov.kz)

# Bilateral Connections



## ABOVE

The author is Sergey Tereschenko. He was Kazakhstan's Prime Minister from 1991 to 1994, and is now a businessman in the food production sector. This article is based on the former Prime Minister's OpEd article describing the countries' bilateral ties that first appeared in the Lianhe Zao Bao on August 2020

## RIGHT

Mr Lee meets Mr Nazarbayev during a visit to Kazakhstan in 1991  
(Photo: Embassy of Kazakhstan in Singapore)

**"It was also the start of a personal and diplomatic relationship between both leaders that saw the open appreciation by Nursultan Nazarbayev for the advice given by the Singapore statesman and both leaders' vision of what Kazakhstan can aspire to be!"**

## Kazakhstan-Singapore Friendship: A Test of Time



**T**hirty years on after Prime Minister Mr Lee Kuan Yew's visit, the robust alliance between Kazakhstan and Singapore is set on a new course with a mindset shift to close the gap of lack of knowledge and perceived culture differences, to capitalise on business opportunities.

With Singapore celebrating its 55th birth anniversary, it is a fitting time to explore the impact and influence the late Prime Minister Mr. Lee Kuan Yew, and that of the tiny island nation as a role model, on Kazakhstan when it gained independence in 1991. Not many people it appears are aware of the special and unique friendship shared by Mr Nursultan Nazarbayev, Kazakhstan's founding president, and Mr Lee Kuan Yew, Singapore's founding prime minister. This was to forge a truly impressive and binding alliance between the two nations over time.

At the time of Kazakhstan declaring its sovereignty in December 1991, it found itself in an unusual position from where it was seeking a developmental model which could be customised for its particular needs for the spanking new nation. Mr Nazarbayev, who went on to serve

as Kazakhstan's first president, had been keenly observing the progress of Singapore's booming economic status. What piqued his interest was how in 30 years such a tiny island, despite being surrounded by such strong neighbours, had managed to emerge as a highly prosperous and peaceful nation. He was compelled to draw upon the unique experiences in this endeavour of Mr Lee, the architect of modern Singapore. He extended an invitation to him to visit Kazakhstan in the September of 1991.

### Path-Breaking Event

The meeting of the two leaders turned out to be a path-breaking event for the fledgling nation, following the insightful lecture by Mr. Lee on how Kazakhstan could reform its economy and transform to a free market system.

Mr Lee urged the new government to prepare the people for the hardships such as unemployment and lower standards of living, that would be kicked in by the new reforms which were the inevitable outcomes of moving to a new system that would get better in time. He also cautioned them about the possibility of political unrest and ethnic rivalries, the two usual suspects which hamper

economic growth. Mr Lee's advice played a pivotal role in Kazakhstan's nation-building blueprint. Since that meeting of the two leaders in 1991 Singapore and Kazakhstan have embarked on bilateral trade, which in 2019-2020 was to the tune of about \$124.8 million.

### Creating Opportunities

There is still much that needs to be done for Kazakhstan to reach its full potential and even as the COVID-19 pandemic has wrought such disruption in its wake, there are areas where opportunities can be created. The Kazakhstan economy has been growing by leaps and bounds since those early days of independence. Kazakhstan is poised to be a critical transportation hub on the Silk Road Economic Belt, a component of China's Belt and Road Initiative, that will in time bridge the gap between the West and East. For investors this means it is a gateway for greater market access and opportunities in Asia, Europe, Central Asia and Southeast Asia.

Prospective investors need to see that Kazakhstan economy does not revolve around industries like agriculture, oil and gas, alone. There's a lot more going on here. The bigger pic-



**LEFT**  
Symbols of Kazakhstan and Singapore. The Baiterek is a monument and observation tower in Nur-Sultan and the Merlion is emblematic of Singapore city. Both embody a folktale: For the Baiterek it is about a mythical tree of life and a magic bird of happiness while the Merlion is the half-fish and half-lion situated on the Singapore Waterfront.

(Photo: Embassy of Kazakhstan in Singapore)

**"With Singapore celebrating its 55th birth anniversary this year, it is a fitting time to explore the impact and influence the late Prime Minister Mr. Lee Kuan Yew, and that of the tiny island nation as a role model on Kazakhstan... Not many are aware of the special and unique friendship shared by Mr Nursultan Nazarbayev, Kazakhstan's founding president, and Mr Lee Kuan Yew, Singapore's founding prime minister. This was to forge a truly impressive and binding alliance between the two nations over time".**

ture is that the smart and renewable energy sector are very much in Kazakhstan's radar, as the government is looking to explore alternative energy sources such as solar and wind energy, to reduce reliance on fossil fuels and utilise more sustainable forms of energy. There are plenty of opportunities in the clean energy space that can be capitalised on by Singaporean and Southeast Asian players. This makes a lot of sense for Singapore which is already on track when it comes to the implementation of solar photovoltaic technologies.

COVID-19 has shown how global supply chains can be easily dis-

rupted. And as the world deals with climate, resource and economic constraints, this is an issue that will require delicate handling."

#### Lucrative Areas

Kazakhstan produces much of its own food, including fruits like apples and peaches, as well as nuts, honey and sunflower oil. This is another lucrative area to explore for Singaporean importers. It goes without saying though government-to-government conversations on mutual cooperation are important. On the ground it is the entrepreneurs and businesses which have to identify and make the most of these opportunities.

The hesitation of investors and businesses in this part of world to seriously look at Kazakhstan, is something that needs to be overcome but a lot of this has to do with a lack of knowledge and perceived culture differences, which is why there needs to be a definitive mindset shift. I believe recreational tourism is the answer. We can forge mutual understanding by learning and experiencing each other's culture, cuisines, history and hobbies. Though the pandemic has limited global travel, there is optimistic that the situation will stabilise and planes will eventually fly again.

# Commentary



ABOVE  
The author is  
H.E. Zulkifli Baharudin  
who is Singapore's  
Ambassador to  
Kazakhstan

**"Both Kazakhstan and Singapore understand deeply the need to stay open and connected to the world, even as other countries turn inwards amid growing anti-trade rhetoric"**

**"As global growth slows, Singapore entrepreneurs will need to be pioneers and mavericks – much like our predecessors who ventured into regional markets in the early days"**

## Kazakhstan for Lucrative Opportunities in Central Asia

***COVID-19 forges a strong case for pioneering and maverick Singaporeans to venture into Kazakhstan***

The COVID-19 pandemic is a crushing blow to us all. The disease has claimed hundreds of thousands of lives, and left millions more suffering from economic devastation. But even as we continue to battle the disease today, we must plan for tomorrow, for this calamity will surely pass.

A key focus for many leaders around the world must now be on how they can restart the global economy.

As we are all aware the global economy is likely to see a new normal, one that is unlikely to resemble the one we left behind in 2019. At the heart of this question of how to restart the global economy is the daunting challenge of re-establishing supply chains that have been disrupted and reviving trade that has fallen sharply off the cliff. Doing this will require us to start thinking up new ways of reviving trade in our parts of the world.

**A Road Across Three Continents**  
The more I ponder this question, the more I am convinced that there is scope for Singapore and Kazakhstan to work even more closely together.

As Singapore's Ambassador to Kazakhstan, I often get asked by Singaporeans what there is in Kazakhstan, and why people should pay attention to this Central Asian country.

It is true that businesses looking to expand overseas often look to the region first due to the cultural similarities and ease of being close to home. The business landscape in Singapore today is also such that companies often opt to enter mature markets, instead of

taking the riskier step of being a first mover in emerging markets, like our predecessors did.

But in a challenging post-COVID world, that's precisely what Singaporeans have to do, and Kazakhstan offers us new opportunities. At first glance, Singapore and Kazakhstan may not look like they share many similarities. But not many know that Singapore and Kazakhstan share a unique relationship. Former Prime Minister Lee Kuan Yew paid his first visit to Kazakhstan in September 1991, shortly after the collapse of the Soviet Union. Kazakhstan's first president, Mr Nursultan Nazarbayev, had invited Mr Lee to advise the country on possible reforms to turn its economy to a free market.

Mr Lee had recognised then that the dissolution of the Soviet Union would give rise to a new world order. He also saw in resource-rich Kazakhstan its aspirations for economic development. If the region was to grow in importance, Singapore would do well to form linkages with that part of the world.

On the other hand, Kazakhstan found in Singapore a small country which, despite its lack of a hinterland, had managed to successfully plug itself into the global world – an economic and political model it could take notes from.

Both Kazakhstan and Singapore understand deeply the need to stay open and connected to the world, even as other countries turn inwards amid growing anti-trade rhetoric.

I am often struck by the sense of vulnerability I see in the Kazakhs. They worry every day that they are not rele-

vant to the world, and fight hard to be recognised and to be plugged in. Despite their physical strength – Kazakhstan is the ninth largest country in the world – they do not take anything for granted.

Perhaps this has something to do with Kazakhstan's geographical setting. Straddled between China and Russia, with Europe not too far away, the landlocked country often finds itself having to navigate the tricky situation of being sandwiched between these world powers.

In contrast, this is something I do not see often in young Singaporeans. They do not wake up thinking about the country's fragility, or worry that something could threaten it. There is a general lack of awareness and hunger.

### Mindset Shift

This is precisely why Singapore businesses need a mindset shift. As we seek some semblance of balance and normalcy in a world after coronavirus, it is time for Singapore businesses to rethink their options and set their sights further from home.

As regional markets become more mature and hence more competitive, businesses need to explore new frontiers, and Kazakhstan presents us with an opportunity.

Kazakhstan is all set to woo investment with great vigour. The country has made things easy for foreign investors to enter, thanks to its deep economic reforms. This has, in turn, improved its investment climate.

In 2018, Kazakhstan set up the Astana International Financial Centre (AIFC)



## LEFT

Almaty, former capital of Kazakhstan, is also the country's largest city and major commercial and cultural centre. It is located against the beautiful backdrop of the snow-capped mountains of Zailiysky Alatau

to court top financial players in areas such as fintech and asset management. It is an ambitious dream, but the Kazakhs know that the alternative of sitting and waiting for investments to come is worse off. The AIFC, like the country's capital of Nur-Sultan, are aspirational symbols holding the promise of what Kazakhstan could be in the future.

Just as Singapore has become a gateway for foreign companies to make a foray into South-East Asia, Kazakhstan can be a node for Singaporean companies to invest in Central Asia.

So this is my answer to those who ask: What is there in Kazakhstan, and why should I care? Because if we want to survive and thrive, we have to constantly adapt and evolve, rethink the status quo and ask ourselves why not? And Kazakhstan, with its aggressive fighting spirit and friendly ties with Singapore holds plenty of opportunities for the island nation.

As global growth slows, Singapore entrepreneurs will need to be pioneers and mavericks – much like our predecessors who ventured into regional markets in the early days, when few did. They did so out of sheer obstinacy, and they knew if they did not try, they would live to regret it. And even if they failed, there was no shame in picking themselves up and restarting.

Likewise, it may appear that there are no compelling reasons to look to Central Asia for business opportunities. But companies which do so, and succeed, would have built a lifeline for themselves for the next 50 years.

## Kazakhstan Political, Social and Economic Snapshot

Politically, socially and economically Kazakhstan is a stable member of:

- Organization for Security and Cooperation in Europe (OSCE)
- World Trade Organization (WTO)
- United Nations (UN)
- Organisation of Islamic Cooperation (OIC)
- Shanghai Cooperation Organization (SCO)
- Collective Security Treaty Organization (CSTO)
- Eurasian Economic Union (EEAU)

### ECONOMIC ACHIEVEMENTS OF KAZAKHSTAN OVER 20 YEARS

#### GDP INCREASED 8 TIMES

From US\$22.1 billion in 1998 to US\$180.2 billion in 2019

<b>2019</b>	<b>US\$180.2 bln</b>
<b>1998</b>	<b>US\$22.1 bln</b>

#### AVERAGE VOLUME OF GDP

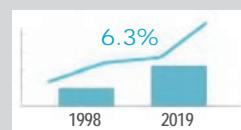
INCREASED 6.5 TIMES

From US\$1.5 ths in 1998  
to US\$9.7 ths in 2019



#### AVERAGE REAL GROWTH OF GDP BY 6.3%

From 1998 to 2019



#### SOVEREIGN CREDIT RATINGS

Credit Rating of Kazakhstan in 2019

COUNTRY	S&P	MOODY'S	FITCH RATINGS
KAZAKHSTAN	BBB	Baa3	BBB
RUSSIA	BBB	Baa3	BBB
BULGARIA	BBB	Baa2	BBB
HUNGARY	BBB	Baa3	BBB
ROMANIA	BBB	Baa3	BBB

The rule of law and protection of investors' rights are provided through:

- AIFC (Astana International Financial Center) court and International Arbitration Center (separate and independent from the country's court system) is a judicial system of common right based on English law, functioning under high international standards for settlement of civil and commercial disputes at AIFC
- Special proceeding on settlement of disputes in compliance with the rules of first instance (national legislation); the Specialised Judicial Board of Supreme Court of Kazakhstan; Court of Nur-Sultan city
- Kazakhstan is a signatory of 47 bilateral and one multilateral (EurAsEC) intergovernmental Agreement on encouragement and protection of investments

# Commentary



## ABOVE

The author Mr Anuar Omarkhojajev is Singapore's Honorary Consul in Kazakhstan and Baiterek National Managing Holding Deputy Chairman of the Board

## RIGHT

Partnering with the best as the KDA is an international collaboration between QazTech Ventures – the venture capital arm of Kazakhstan Baiterek Managing Holding – and Quest Ventures, a top-ranked Singapore-based VC firm

**KDA and its participants are a microcosm of Kazakhstan's burgeoning entrepreneurship scene. The country is becoming a fintech hub for start-ups. More established Kazakh companies are making waves internationally. Fintech firm Kaspi.kz listed on the London Stock Exchange with an overall valuation of US\$6.5 billion"**

# Boosting Kazakhstan - Singapore Partnership

**Both countries can help each other and here are two good examples how each can partner and leverage on their respective strengths**



The air was crackling with excitement on Nov 3, even as Demo Day of the Kazakhstan Digital Accelerator (KDA) was held online due to the pandemic. The start-up presenters from Kazakhstan and 150 investors and partners – many of whom were from Southeast Asia – were separated by thousands of miles, but true innovation transcends boundaries.

Some of the ideas put on the table: Cerebra, an automated self-learning artificial intelligence (AI) service for diagnosing strokes; Retail Analytics, an AI retail system that evaluates customer interaction; and Egistic, a smart farm management system that monitors and manages crop areas.

They were among the first batch of 10 cutting-edge start-ups that received seed funding of US\$50,000 each and will have industry veterans mentor them under the KDA. The KDA is an international collaboration between QazTech Ventures – the venture capital arm of Kazakhstan's sovereign wealth fund Baiterek Holdings – and Quest Ventures, a top-ranked Singapore-based VC firm.

It is the first time an economic corridor for start-ups and innovation has been created between the fast-growing regions of Southeast Asia and Central Asia. It is a good model of how the countries intend to support

the Kazakh start-up scene going forward and to allow Southeast Asian investors to discover possibilities and great ideas in Kazakhstan.

## Just the Start

Most accelerators simply offer educational services and mentorship sessions. But together with our strategic partner Quest Ventures, Baiterek was able to let Kazakh companies have international investment and market access, as well as to learn from the best in Southeast Asia. Through KDA, the start-up founders could interact with dozens of industry veterans and founders. They also had more than 40 hours of masterclasses and fireside chats with experts and seasoned entrepreneurs; 13 weeks of individualised mentorship from the Quest Ventures team; as well as access to Quest Ventures' vast ecosystem of networks and partner benefits.

On Baiterek's side, we ensured the start-ups – which specialise in areas like edtech, agrotech, healthtech, and retail – had the best instruments for global success. For instance, this meant structuring all the deals within the framework of Common Law under the Astana International Financial Centre (AIFC), in which all the KDA firms are registered.

The results have been promising. In the months since these start-ups have been selected under the KDA, we

have seen them blossom. The hope is that they will in turn contribute back to the start-up scene by sharing their experiences.

## Promising Tech Scene

The KDA and its participants are but a microcosm of Kazakhstan's burgeoning entrepreneurship scene. The country, driven by the AIFC, is becoming a fintech hub for start-ups. Some of these budding businesses have already won awards in international competitions.

Other more established Kazakh companies are making waves internationally. On 15 October, fintech firm Kaspi.kz, which runs the country's largest e-commerce platform, listed on the London Stock Exchange with an overall valuation of US\$6.5 billion, making it Kazakhstan's most valuable company with listed shares.

There is much to build on. According to Startup Genome, a global innovation policy advisory and research firm, Nur-Sultan ranks high in terms of fast-growing start-up ecosystems in the developing world and is fifth overall for affordable talent.

Baiterek provides necessary support to the start-up industry. The holding's subsidiary QazTech Ventures plays a leading role in providing institutional investments to the market. Recent examples are a US\$10 million com-



**LEFT**  
Official meeting of delegation headed by Mr Omarkhojayev and Singapore's non-resident Ambassador to Kazakhstan Mr Zulkifli Baharudin and the Singapore Cooperation Enterprise team

mitment for a total US\$50 million Quest Venture Fund II co-launched together with Pavilion Capital.

#### **Building a Bridge**

It is not just about developing and harnessing Kazakh talent, but also providing a key entry point to the broader Eurasian and Central Asian markets for faraway countries like Singapore, which might otherwise not have a foothold here.

There is also much to learn from Singapore, the centre of leading expertise, innovations and investments in new technologies of Southeast Asia. Therefore, I am very interested in facilitating the process of bringing Singaporean capital and businesses to Kazakhstan and introducing the country's best practices – not just in the private sphere but also in the public domain.

#### **Housing System**

Here I wanted to highlight another area, where Baiterek has significantly advanced with Singapore's assistance. I am talking about introducing affordable housing system in Kazakhstan modelled after the Housing Development Board (HDB) flats in Singapore. Over the past eight years we have seen in Kazakhstan a growing number of people waiting for public housing, but still availability of housing per capita is less than international standards (22 sqm vs 30 sqm as per the UN standards).

When I first met with HDB in April 2018 I was impressed by the statutory board's integrated approach that created self-sufficient townships. We moved quickly together with Singapore Cooperation Enterprise to develop a road map outlining large-scale transformations, which led to the launch of a national housing operator like HDB under Baiterek. Our initiative has received extensive support from Kazakhstan's top political leadership.

Creation of the national housing operator executing and controlling a full cycle of affordable housing development - from the design stage till construction and commissioning of facilities - is a starting point of introducing Singaporean best practices in this area. The entity is tasked to introduce fundamentally different approaches in planning housing development, new construction methods and technologies, which will ensure quality homes, and deliver them using an e-service platform called Open Marketplace like HDB's.

It is heartening to see Kazakh-Singapore ties growing. I sincerely hope that affordable housing and start-ups are just the start of a bigger, brighter and enhanced relationship between the two nations, and they will serve as a firm bridge for wider bilateral economic cooperation in other related areas of our economies with significant growth potential and promising future.

**"Over the past eight years we have seen in Kazakhstan a growing number of people waiting for public housing...**

**In 2018, I was impressed by HDB's integrated approach that created self-sufficient townships. We moved quickly together with Singapore Cooperation Enterprise to develop a road map outlining large-scale transformations... which led to the launch of a national housing operator like HDB under Baiterek"**

**"Affordable housing development - from the design stage till construction and commissioning of facilities - is a starting point of introducing Singaporean best practices in this area... introduce fundamentally different approaches in planning housing development, new construction methods and technologies, which will ensure quality homes, and deliver them using an e-service platform called Open Marketplace like HDB's"**

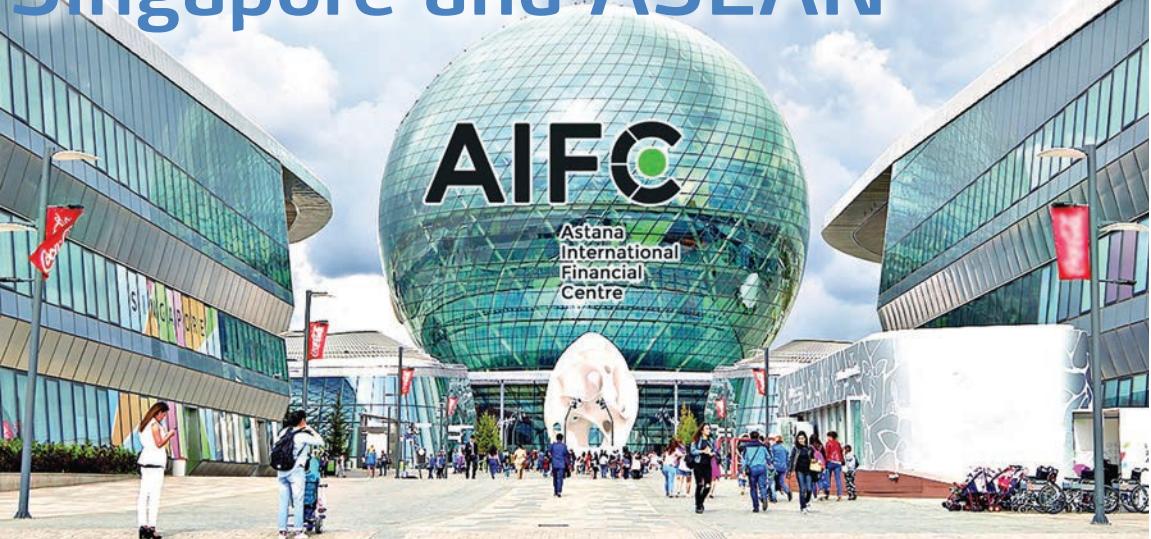
# Commentary



ABOVE

The author is Kairat Kelimbetov, the Head of the Strategic Planning and Reforms Agency of Kazakhstan, Governor of Astana International Financial Centre

## Kazakhstan Gateway for Central Asia for Singapore and ASEAN



**"AIFC will make it a breeze for ASEAN businesses to set up shop in Kazakhstan. Members will have special preferential tax and visa-migration regimes, and are exempted from paying property and land tax for a generous 50 years. Nur-Sultan and the AIFC have what it takes to become a business focal point for decades to come"**

If you want to access Central Asia, you simply have to go through Kazakhstan. More than 70% of foreign direct investment (FDI) in the region goes to the country. Central Asia, with a market of more than 70 million people, offers an array of economic opportunities, resources and trade routes as it is well positioned between China, Europe, and Russia. After all, it used to be an important component of the ancient Silk Road, and today it is vital to the Chinese Belt and Road Initiative (BRI).

Kazakhstan is making it easier for foreign investors with the creation of the Astana International Financial Centre (AIFC), which will propel Nur-Sultan to become the financial and business hub of Central Asia.

The AIFC was first envisioned by founding president Nursultan Nazarbayev in 2015 to be a financial hub in the country and region. Launched in 2018, AIFC has already attracted 500 registered companies from more than 42 countries, including giants such as the China Construction Bank, the second-largest asset holder in the world. The AIFC has its eyes on drawing participants from areas far beyond, such as ASEAN. This is facilitated by inter-

national standards of arbitration and law, and English as AIFC's official business language.

### Think secure to navigate a disrupted world

AIFC offers a safe haven in the storms caused by Covid-19. A foreign investor – whether from Singapore or any other



country – would primarily need a guarantee that his or her investments would be absolutely and perpetually safe. And as much as possible, AIFC would like to minimise risks for its participants. The centre's legal and regulatory framework and supporting institutions have become a trustworthy guarantor of the rule of law and secure return of foreign investments.

Like many other global financial centres, AIFC has based its framework on the principles of the widely used common (English) law, known for its transparency. To make the rules of the game crystal clear for our participants, we established

an independent regulatory body – the Astana Financial Services Authority (AFSA). The AFSA provides clear-cut regulations for operations within the AIFC. The AFSA has become the 22nd member of the Asian Forum of Insurance Regulators, a key mechanism for cooperation in the field of insurance regulation in Asia. AFSA and the Monetary Authority of Singapore (MAS) have signed several treaties to ensure constructive cooperation in areas such as fintech.

The AIFC Court and the International Arbitration Centre (IAC) work according to the highest international standards to resolve civil and commercial disputes. They are

independent from the judicial system of Kazakhstan and have exclusive jurisdiction over the AIFC matters and the resolution of disputes referred to them. Companies worldwide can use the AIFC jurisdiction, which will see their disputes brought before 10 justices from England and Wales of international repute. In January 2020, the president of Kazakhstan appointed a Supreme Justice of the AIFC, Lord Jonathan Hugh Mance, who was the Deputy Chairman of the Supreme Court of Great Britain.

Under his guidance, the AIFC court has already served justice in two high-pro-

# Strategic Partnership



LEFT

Court judges of the  
AIFC International  
Arbitration Centre

file international commercial cases. AIFC Court decisions are obligatory and enforced both in Kazakhstan and in foreign states – per international legal treaties. The IAC has summoned 37 independent and highly experienced international arbitrators and mediators, and has already served 85 processes.

For the convenience of business, last year we launched a unique online dispute resolution system e-Justice (courtesy of our partners from Singapore, CrimsonLogic), which allows use of the AIFC judicial system from almost anywhere in the world. Thus, Singapore businesses venturing into the region can rely on the AIFC's reliable and familiar legal system in resolving disputes if necessary.

To provide a regional liquidity pool, we have established the **AIFC International Exchange** (AIX), empowered by Nasdaq and further supported by the Shanghai Stock Exchange, Silk Road Fund and Goldman Sachs. In less than two years, the AIX has recorded 55 rounds of listings from 36 issuers. For example, we offer the bonds of the China Construction Bank (CCB Nur-Sultan branch), which are the first bonds in Kazakhstan denominated in yuan to the tune of nearly 1 billion RMB and mature in March 2022. It also highlights our ambition to become the regional hub for the Belt and Road Initiative.

In 2018-2019 the AIX became a platform for a successful initial public offering (IPO) and secondary public offering (SPO) of national uranium producer Kazatomprom, the largest uranium producer in the world. In total, US\$791 million was raised by Kazatomprom through AIX and the London Stock Exchange, US\$204.3 million of which were raised through AIFC. To date, the value of the attracted share capital through the AIX is US\$291 million, which is four times greater than the volume of attracted share capital in Kazakhstan over the past three years.

We have also taken some concrete steps in making the AIFC the regional asset management and private banking hub. For that, we paved an unprecedented legal framework. Since July, we've designed a new strategy, which was backed by the National Bank of Kazakhstan and local regulator, to further develop the asset management industry. Local authorities also partner the AIFC to develop a nationwide programme on the introduction and development of financial technologies, making Kazakhstan a true regional leader.

New technologies have erased borders and reduced distances, which means countries should look beyond their traditional partners for collaboration. This is especially the case in a pandemic-stricken world, where markets have been severely disrupted, a topic discussed at the recently concluded Astana Finance Days, an annual AIFC financial conference.

As the global economy experiences the worst recession since the Great Depression, the five-day online event, attended by more than 5,000 participants from more than 90 different countries, provided a platform to discuss the implications of the crisis. It was a chance for the best and the brightest from international organisations such as the International Monetary Fund, World Bank and top universities like Harvard and Oxford to come together to find new ways to emerge stronger from the pandemic. Other topics such as financial technology, capital markets and Islamic finance were also shared.

## Opening the doors for Singapore and ASEAN

In a radically changed global landscape, it might be expedient for ASEAN countries like Singapore to find new economic partnerships. Kazakhstan provides a gateway to the region – and not just to Central Asia, as it has a network of free trade agreements

(FTAs) and connections such as the Eurasian Economic Union (EAEU). The EAEU also comprises Russia, Belarus, Armenia and Kyrgyz Republic and has a combined population of 184 million and US\$1.9 trillion total gross domestic product. It is an attractive market for ASEAN countries, and in 2015 Vietnam was the first ASEAN country to sign an FTA with EAEU, followed by Singapore in 2019. Other ASEAN countries like Indonesia, Cambodia and Thailand have signed memorandums of cooperation with the Eurasian Economic Commission, the EAEU's regulatory body.

Some Singapore companies have already blazed a trail, such as Meinhardt Group, Keppel Corp and Surbana Jurong. Singapore Exchange-listed Food Empire, a giant in food manufacturing, has been in Kazakhstan since 1994.

A potential area of collaboration is fintech, where Singapore has been a pioneer. For Singapore fintech novelty businesses this presents a great opportunity to diversify to the pristine, yet non-competitive territory. In the area of Islamic finance, Malaysia's ZICO Shariah jointly developed a five-year masterplan for Kazakhstan to develop this industry.

There is also huge potential in agriculture, especially in a post-pandemic world where food supply chains have been disrupted. Kazakhstan can be a reliable source of exported food for Southeast Asia.

Most importantly, AIFC will make it a breeze for ASEAN businesses to set up shop in Kazakhstan. Members will have special preferential tax and visa-migration regimes, and are exempted from paying property and land tax for a generous 50 years. Nur-Sultan and the AIFC have what it takes to become a business focal point for decades to come, and we have just started.

**"Singapore companies such as Meinhardt Group, Keppel Corp, Surbana Jurong and Food Empire have been in Kazakhstan for some time. A potential area of collaboration is fintech, where Singapore has been a pioneer. For Singapore fintech novelty businesses this presents a great opportunity to diversify to the pristine, yet non-competitive territory"**

# G4 City Development

## G4 City Dream Usher in a New Lifestyle

**Singapore connection in Kazakhstan's latest cutting edge Smart City development. The G4 City concept focuses on sustainability, efficiency, people and security has been pivotal to reclaiming a more satisfying lifestyle for the citizens**

The northern border of the city of Almaty will play host to G4 City. The project is part of the international trade and transport route One Belt – One Road. A unique aspect of this project is commissioning of residential buildings together with social-cultural facilities built under government-private partnership framework



Zeroing on essentials such as infrastructural effectiveness, quality services, and civic engagement schemes Smart City planning and management has been making deep inroads in urban planning the world over. Smart cities have proven to be one of the most effective tools for delivering total urban and infrastructure solutions to support social and economic growth.

Kazakhstan has launched its G4 City project comprising four modern and unique smart cities along the legendary Silk Road. The primary aim of the project is to provide its people a modern and comfortable alternative for a healthy, environmental and secure lifestyle. The G4 City project features a setting of four structurally unique modern cities located along the republican highway Almaty –

### Tie-up with Surbana Jurong

The Caspian Group and Surbana Jurong (member of Temasek Holdings) on 11th November 2019 entered into a strategic partnership agreement on the prestigious G4 City project in urban development. Since 1992 the Caspian Group, a leading private investor in the real economy of Kazakhstan has been successfully implementing an array of large-scale projects and helped develop several industries be it construction, commerce, finance or automobile manufacture. Headquartered in Singapore Surbana Jurong is one of the largest Asia-based global urban, infrastructure and management services consulting firms. Surbana is currently working on a general plan that might include transforming the G4 cities into districts and applying its expertise to the dynamic infrastructure landscape of Kazakhstan.

Ust-Kamenogorsk at the section of Almaty Kapshagai.

Since the launch of the project eight years ago a great deal of ground work has already been done with support of government-private partnership (GPP). Already much has been achieved from the time of the creation of the concept to the first developer coming to the site equipped with all the utilities.

The northern border of the city of Almaty will play host to G4 City. The project is part of the international trade and transport route One Belt – One Road. A unique aspect of this project is commissioning of residential buildings together with social-cultural facilities built under government-private partnership framework. The projected population target for the proj-

ect is over a million residents. The new smart cities of Almaty metropolis are aimed at providing favorable conditions for rapid business development and a comfortable life for the residents. Each of the cities will have an independent thematic function:

#### Gate City

This will be focused on being a business hub for entrepreneurship, breakthrough ideas and development of new industries. Its location near Almaty makes it pos-



sible to establish both trade center with highly organized business and residential area with a high level of comfortable living. Kazakhstan's first monorail line which unites the four satellite cities with Almaty subway, park-and-ride facilities, auto and railway stations will make the Gate City a transport interchange hub and "gateway" to the Almaty metropolis.

### **Golden City**

The city of education, sports and health is set to be the nerve centre for science and knowledge with a conglomerate of breakthrough theoretical and applied sciences facilities, along with educational institutions following the classic principle of university campuses, which will provide the youth population an op-

portunity to immerse themselves in an intellectually stimulating environment and receive international standards of education in Kazakhstan.

On the healthcare front Golden City will feature general and specialized medical and health institutions intergraded into a single structure based on the concept of a modern approach and requirements to this field.

Golden City's Olympic-standard sports facilities will be ideal for holding large-scale international competitions, but will also be available to residents for everyday use. There will also be specialized sports schools and clubs catering to children and youth. The

Horseracing Park, set to be the biggest in the region, will uphold the ancient Kazakh traditions of horse competitions. The park will also be available for sports and entertainment events.

The Agro-industrial enterprises of the Almaty food supply belt, built in line with the modern concept of clean, high-tech production, will serve as a base of research and development of advanced agricultural enterprises.

### **Growing City**

This city is planned as one of the largest transport and logistics hubs of wholesale trade in the territory of Eurasian Economic Union. Some of the most important factors promoting the setting up of a Special Economic Zone (SEZ) in Growing district are: the largest land port of the country through transport corridors, with highways of national significance Almaty-Ust-Kamenogorsk and Almaty Big Junction Road (BAKAD) – which will be a part of the road corridor joining West Europe and West China (Silk Road) will pass through the city; the proximity from Almaty International Airport, good infrastructure, large variety of offices and warehouses, plots of land for the construction of production facilities, business centers, hall for exhibitions and events, hotels.

SEZ provides with excellent conditions for doing business in fields of production, trade, logistics, and professional services, etc. which, in fact, gives infinite opportunities for foreign investors.

### **Green City**

This city will serve as a dream destination for family leisure, tourism and gambling. The leisurely ambience and availability of a rich array of cultural programs will appeal to the most sophisticated residents. Located on the shores of Kapshagai Lake it will feature a host of modern entertainment technologies, including an amusement park, aquarium, casinos and golf courses. Its proximity to the international airport and extended road infrastructure and the presence of the monorail line will make it accessible to a huge tourist inflow from Almaty city, all regions of the Republic of Kazakhstan and from abroad. The well-equipped coastal zone and extended infrastructure will contribute greatly for comfortable beach vacations.

Special emphasis has been put on environmental improvement with low-rise buildings and large park zones to enhance Green City's recreational ambience.

For more information on the G4 City Project visit: <http://www.g4city.kz/>

**Green City will serve as a dream destination for family leisure, tourism and gambling. The leisurely ambience and availability of a rich array of cultural programs will appeal to the most sophisticated residents. Located on the shores of Kapshagai Lake it will feature a host of modern entertainment technologies, including an amusement park, aquarium, casinos and golf courses**

# Commentary

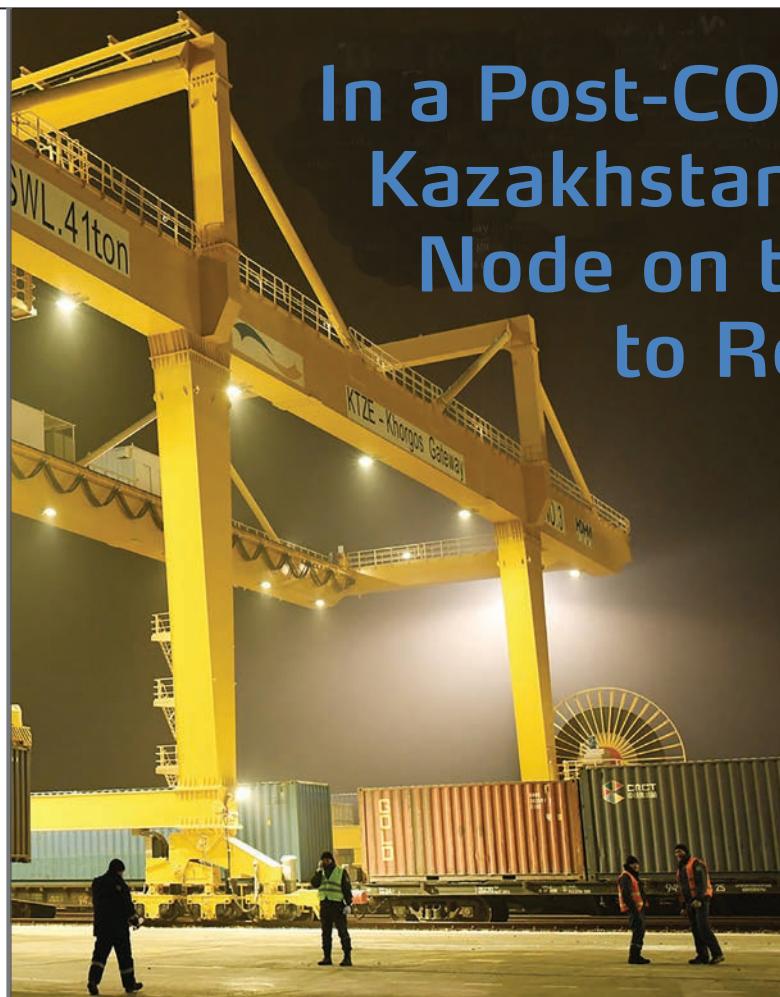


## ABOVE

The author is Marat Birimhan, the Director of East Asia at Kazakh Invest. This article first appeared in [www.seatrade-maritime.com](http://seatrade-maritime.com)

## RIGHT

The 130-hectare Khorgos Gateway lies in the heart of Eurasia and is the second largest dry port in the world; it processed 2 million tonnes of cargo last year



**"Khorso Gateway is set to play an important role in global trade, as production moves westward in China and markets in Iran and South Asia open up, reviving the use of rail and road. Kazakhstan – and Khorgos – will be the natural transit corridor on the New Silk Road"**

## In a Post-COVID World, Kazakhstan is a Key Node on the Road to Recovery

***One of the most ambitious projects in China's sprawling Belt and Road Initiative, connecting Kazakhstan to China, Khorgos will play a lead role as the biggest dry port in Central Asia***

Before the new year rolled around, the World Bank had put its forecast for Kazakhstan's economy to grow by 3.7 per cent for the whole of 2020. This would be down slightly from the 4.1 per cent we clocked in 2019, but it was a figure in the positive range nevertheless a sign of healthy, optimistic growth.

Yet the picture we are looking at today, as many other countries across the globe are, cannot be more different.

The COVID-19 outbreak has placed the world in a bind, affecting people, businesses, trade flows, all aspects of life. Add to that tumbling oil prices in a fresh crisis for the oil-producing regions, of which Central Asia and Kazakhstan is a big part of, and we have found ourselves in truly unprecedented times.

**But what about after? It could take months, even a few years, but the consensus is that both the pandemic and the oil crisis will subside. This will come to pass.**

The road to global economic recovery will be anything but easy, given the hard-hitting impact, but Kazakhstan's potential as a key transit hub means it can and will play an important role

in helping to facilitate that comeback. And Kazakhstan is preparing itself for a new phase of development - a new reality - through a large-scale, in-depth transformation of the economy and our public administration.

### A Central Station on the New Silk Road

Kazakhstan may be the largest land-locked country in the world, but all the ingredients it needs to become a key transit node in the global trade system are already in place.

The city of Khorgos today sits on what used to be a vast, remote stretch of sand dunes near the Eurasian Pole of Inaccessibility (the farthest point on earth from an ocean), and unlike before, it is no longer "the middle of nowhere".

The Khorgos Gateway is arguably the city's biggest feature. As one of the most ambitious projects in China's sprawling Belt and Road (BRI) initiative, connecting Kazakhstan to China, it is the biggest dry port in Central Asia, handling cargo for trains instead of ships.

It is set to play an important role in global trade, as production moves westward in China and markets in Iran

and South Asia open up, reviving the use of rail and road. Kazakhstan – and Khorgos – will be the natural transit corridor on the New Silk Road.

Trains today can carry goods from Eastern China to Western Europe in about two weeks, cutting delivery time by up to two-thirds compared with container ships, and at a fraction of the costs required in shipping via air. The potential is likely to be bigger once new technologies, such as driverless cars, trucks, and trains make it possible for overland vehicles to operate around the clock, reducing time and costs against the backdrop of booming e-commerce globally.

Future Free Trade Agreements between Kazakhstan and Singapore, the Eurasian Economic Union, of which Kazakhstan is a member, China, ASEAN member-countries, and European Union member-countries will help to fuel this growth as well.

Since the Khorgos Gateway received its first trains in the autumn of 2015, it has been handling about 150,000 twenty-foot equivalent units (TEUs) of containers in 2019. The figure is expected to rise to 500,000 TEUs by 2023.

**"More work is under way. Operators and investors here see the improvements in rail infrastructure, the privatisation of rolling stock, and growing public-private partnerships in logistics centre, such as the newly-built Astana Logistics Centre, as positive developments"**



That Kazakhstan shares a 1,780 km border with China puts us in good stead of offering an alternative or supplementary land route to maritime shipping for cargo from China, Japan and South-East Asia, to Europe – serving as a central station of sorts on an overland New Silk Road. With the completion of Chongqing Connectivity Initiative, South-East Asia will also be able to access the Eurasian market more easily, and vice versa.

The Khorgos Gateway is now Kazakhstan's main port along the trans-Eurasian network, which includes cities like Chengdu, Suzhou and Zhengzhou in China and Duisburg, Warsaw and Hamburg in Europe.

We are not stopping there. The goal is for Khorgos Gateway to become a consolidation hub – a key conduit for global trade – to carry out transhipment activities for direct cargo trains the same way ports in Singapore or Malaysia does for shipping lines.

As Zhaslan Khamzin, the chief executive of the company operating the dry port with DP World of Dubai, put it in a 2018 *New York Times* article: the seemingly inhospitable Khorgos was an "oasis".

"This is the future," he said.

#### Readyng for Recovery

Kazakhstan declared a state of emergency in March, in response to the pandemic.

One immediate priority for us has been to save the lives of people who have been afflicted by the novel coronavirus with the necessary health spending, while supporting households and, hard-hit sectors, and preserving engines of growth. Already 4.3 million people have received financial assistance. Overall, the amount of funds aimed at supporting citizens and business is expected to amount to almost 6 trillion tenge, or US\$14 billion.

The Asian Development Bank expects Kazakhstan's economic growth to remain positive on the back of government support measures, and rebound in 2021. We are not resting on our laurels, but we will be looking forward to that recovery, for both our country and for the world.

Trade can be part of the solution to the problem. If there is anything the COVID-19 pandemic has taught us so far, it is that global supply chains and trade flows must go on. Even as borders close to travellers for their own safety, ports must

remain open, ships must sail, trains must move, and cross-border trade must flow.

In Kazakhstan, more work is under way. Operators and investors here see the improvements in rail infrastructure, the privatisation of rolling stock, and growing public-private partnerships in logistics centre, such as the newly-built Astana Logistics Centre, as positive developments.

More will follow as we work towards reducing costs and bottlenecks at the borders, and continue building on our infrastructure, such as the construction and reconstruction of roads spanning 46,000 km in 24 projects under the Nurly Zhol State Programme. The efforts of Kazakhstan's Government seem to have paid off. Minister of Trade and Integration Bakhyt Sultanov says that Kazakhstan's foreign trade turnover grew 2.7 percent in the first quarter of 2020 reaching \$21 billion.

In a post-COVID world, the means to facilitate trade and transport cargo can only widen, including the use of overland rail. And Kazakhstan will play its role to help the world get back on track.

#### LEFT

The map shows how Kazakhstan can be a key trading hub in the world: The New Silk Road - connecting East & West. Just a four hours drive from Almaty City to Khorgos which is near the country's Kazakhstan.

Trains are already transporting goods from China to Germany through Khorgos Gateway on the 11,000 km rail route. Route note: It takes 35 to 50 days to move the goods by sea but only 15 days by rail. border with China

**"If there is anything the COVID-19 pandemic has taught us so far, it is that global supply chains and trade flows must go on. Even as borders close to travellers for their own safety, ports must remain open, ships must sail, trains must move, and cross-border trade must flow."**

# Commentary



## ABOVE

The author Mr Philip Yeo is a former chairman of Singapore's Economic Development Board, and an independent director of Kazakhstan's Baiterek National Managing Holding. This commentary first appeared on news portal [www.mothership.sg](http://www.mothership.sg) on 18th July 2020

## RIGHT BOTTOM

From the author's photo album on a visit to Kazakhstan

**"...those who see Kazakhstan for just its domestic market are missing the bigger picture. Its domestic market may be small, yet it is located next to Russia, and is connected to Central Asia, the Middle East, and Eastern Europe"**

# Kazakhstan is Open for Business

## ***Why Singapore companies should not dismiss this country in the "middle of nowhere"***

I made my first trip to Kazakhstan in 2007. I visited Almaty and Nur-Sultan, then known as Astana, with my friend Ong Beng Seng.

Astana was a city just coming into its own then. It was at that time just a 10-year-old capital city, as the Kazakh government had shifted the capital north from Almaty in 1997. Its skyline was dotted with skyscrapers and landmarks with unique architecture, as well as a dozen or so buildings still under construction.

In 2013, I joined Baiterek National Managing Holding, the Kazakh government's key financial agent, as an independent director. Since then, I travel to the capital, which was renamed Nur-Sultan last year, about four times a year to advise the government.

Each time I visit, the city looks different, with newer and taller buildings. There is no doubt that Kazakhstan is on a fast track to rebrand itself as the financial and business hub of Central Asia. It is also on a drive to attract Singapore companies to enter its market.

In many ways, I see similarities between Singapore in the early days, and present-day Kazakhstan.

In the 1980s, Singapore set out to woo businesses and investors aggressively. We knew we could not compete with our lower-cost neighbours for labour. Besides, that was not the economy we wanted for ourselves too.



**"It is this same fighting spirit (as Singapore) that I see in Kazakhstan today. Its people, though polite, are fighting to be recognised on the world stage, and are hungry for change. They are not contented to be known as the middle of nowhere, and are working to change that perception, and to be plugged in with the world"**

We had to carve out our own niche, and give investors and multinational corporations (MNCs) good reasons to come to Singapore. So we focused on providing high-quality value-added services to these investors.

We marketed ourselves as their gateway to South-East Asia. We offered them tax exemptions, allowed their companies to be fully foreign-owned, and provided top-notch and personalised "concierge services" to these foreign guests, that extended to even helping them sort out the paperwork to get their children enrolled in international schools here.

We pursued these investors and MNCs aggressively. Bluntly put, we knew that we needed them more than they needed us. We needed them to create

jobs for the locals and boost the economy.

My staff who worked with me at the Economic Development Board back then pushed themselves thrice as hard – there was no such thing as a 9-to-5 job. We saw ourselves as being in the hospitality businesses, providing service to these foreign companies. And anyone in the hospitality trade will tell you that it is a 24/7 industry that does not sleep. That was us.

It is this same fighting spirit that I see in Kazakhstan today. Its people, though polite, are fighting to be recognised on the world stage, and are hungry for change. They are not contented to be known as the middle of nowhere, and are working to change that perception, and to be plugged in with the world.

In the last decade, they have opened the Astana International Financial Centre, a financial free zone in Nur-Sultan, invested in education for its youths, and its overseas missions around the world have worked hard to attract foreign investors to the country.

### **Business Missions**

Enterprise Singapore has also led two business missions focused on the technology, oil and gas sectors to Kazakhstan in the last two years, to facilitate market familiarisation and access. A number of Singapore companies already have a presence in the Central Asian country in various fields, such as venture capital, e-governance, infrastructure, food and hospitality.



**LEFT**  
The famous Baiterek Tower landmark of Nur-Sultan

But it remains a challenge convincing more businesses and companies of the opportunities in landlocked Kazakhstan.

Its geographic location means currently its main mode of transportation in the logistics chain is mainly via road, a slower option compared to air and sea transport.

Singaporeans might also ask themselves why they should enter Kazakhstan, given that there are other opportunities to be found elsewhere, especially closer to home in the South-East Asian region.

Yet those who see Kazakhstan for just its domestic market are missing the bigger picture. Its domestic market

may be small, yet it is located next to Russia, and is connected to Central Asia, the Middle East, and Eastern Europe.

### New Opportunities and New Partners

These are not areas that Singapore companies have traditionally ventured into. But competition in the more familiar South-East Asian markets is getting tighter. Local businesses seeking expansion and breakthrough, to counter the stagnation caused by COVID-19, must know that the way to do so is to seek out new opportunities elsewhere, and with new partners.

### Direct Flights Important

I believe that the allure of Kazakhstan as an investment destination will only truly take off with direct flights between the

two countries. Convenience is after all a major factor when doing business.

Kazakhstan's flag carrier, Air Astana, was due to offer direct two-way flights from Singapore to Nur-Sultan this year. Once the plan comes to fruition, it will give travellers here more reason to head there and check out the scene for themselves.

The global pandemic has delayed any plans of direct flights. But COVID-19 will not remain here forever. Sure, we may find ourselves operating in a new normal, but the economy will turn, businesses will have to move on, and people will need to have jobs.

Singapore companies must be ready to make the leap to new markets when the time comes.

**"The allure of Kazakhstan as an investment destination will only truly take off with direct flights between the two countries. Convenience is after all a major factor when doing business"**

## Key Economic Indicators

Source: Business Outlook in Kazakhstan by Deloitte CIS Research Centre 2019

### GROSS DOMESTIC PRODUCT (GDP)

■ The key sectors of the Kazakh economy are Trade (17 percent), Oil and Gas production and processing (15 percent) and other Manufacturing (11 percent).

■ The direct and indirect effect of sectors related to the oil and gas industry amounted to 21 percent.

### FOREIGN INVESTMENT

■ Kazakhstan received an inflow of US\$23 billion of foreign investment in 2018

■ The country's key investors are the Netherlands (30 percent of total foreign investment), the US (22 percent) and Switzerland (10 percent).

■ The extractive industry accounts for more than half of foreign investment (56 percent) with oil and gas production making up the vast majority of this (50 percent).

### EXTERNAL TRADE RELATIONS

■ Exports are almost double imports.

### Key export categories:

- Oil and oil products (70 percent)
- Metals and articles thereof (14 percent)
- Food products (5 percent)

### Key import categories:

- Machinery and equipment (40 percent)
- Products of the chemical industry (16 percent)
- Metals and articles thereof (13 percent)

### FINANCIAL SITUATION IN 2019

■ The Kazakh business community are largely positive about future company income over the next year with 69 percent of respondents expecting an average of 14 percent growth.

■ The key growth areas for Kazakh business relations are Europe and the Commonwealth of Independent States (CIS) whose members consists of Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, and Uzbekistan.

### THREE MOST POPULAR FINANCING SOURCES

- Internal financing
- Kazakh and foreign investment
- Government financing

### LEFT

**Deloitte.**



Business Outlook in Kazakhstan  
Deloitte CIS Research Centre 2019

Source: Business Outlook in Kazakhstan by Deloitte CIS Research Centre 2019



ABOVE

Author, Ambassador Ong Keng Yong, is the Executive Deputy Chairman of the S. Rajaratnam School of International Studies (RSIS) at the Nanyang Technological University; Director of Institute of Defence and Strategic Studies

**"Truth is, there is plenty of potential in Kazakhstan for Southeast Asian investors and entrepreneurs. Kazakhstan is ready to welcome foreign players, has a vibrant and young population that is hungry to work, and a burgeoning startup scene"**

## Tourism Important for Building Connections

***People-to-people ties a key metric in fostering relations between Kazakhstan and South East Asian countries. The first step to bridge the gap between Kazakhstan and South East Asia lies in tourism***

The few times that I have travelled to Kazakhstan, I am always in awe of just how vast the country is. It is the ninth largest country in the world, but it is easy to forget this fact as Kazakhstan's population number is small in relation to its size.

At 3,700 times the size of Singapore, it has a population number of about 18.7 million, just over three times that of Singapore's 5.7 million. Yet on all of my trips, I have been welcomed warmly by the locals, who show much interest in Singapore.

Though Singapore is a tiny island on another end of Asia, the Kazakhs are aware of the friendship that their first president, Mr Nursultan Nazarbayev, shared with the late Mr Lee Kuan Yew, Singapore's founding Prime Minister.

Yet the situation seems to be the opposite in Singapore, and even much of Southeast Asia. Talk to people about Kazakhstan, and youngsters will likely draw a blank. Those from the older generation may remember the country for its impressive Soviet-era space programme. But that is where it stops.

It is a pity, because Kazakhstan has much to offer Southeast Asia when it comes to leisure, business and investments. But it is not unexpected. Countries in this part of the world are driven by high consumerism. Step into supermarkets and grocery stores and one will see that most products on the shelves, from food items to goods like shampoo and soap, are imported from regional neighbours such as Malaysia and Thailand, or China and India.

Though Kazakhstan is famed for its apples, so much so that there are sculptures of apples all around the country, not many here are aware. Even in Singapore, the popular varieties of apples come mainly from China. Add in the lack of familiarity with Central Asia, language barriers, and the distance, it is no wonder that people here think of Kazakhstan as a far-flung and mysterious place.

Truth is, there is plenty of potential in Kazakhstan for Southeast Asian investors and entrepreneurs. Kazakhstan is ready to welcome foreign players, has a vibrant and young population that is hungry to work, and a burgeoning startup scene. In fact, earlier this year, a venture capital firm based in Singapore, Quest Ventures, has partnered Kazakhstan's sovereign wealth fund to launch Kazakhstan Digital Accelerator. The programme aims to groom 30 startups over the next three years.

But how do we get more in Southeast Asia to realise this potential? I believe the first step is to bridge the gap between Kazakhstan and Southeast Asia lies in tourism.

### Return of Global Travel

The COVID-19 pandemic has put a halt to global tourism. Yet, Kazakhstan has chosen this time to launch a fresh tourism campaign that consists of a series of advertisements of tourists going around the country, exploring its snow-capped mountains, sampling its unique cuisine, and soaking in the modern sights and architecture in its capital city.

The country has got one thing right. It knows that the world will not be on a standstill forever, and global travel will come back one day. In fact, it already has in small doses.

Kazakhstan has in recent years worked to make itself more accessible. It has invested in infrastructure such as roads and rail systems to make it easier for people to get around. The preconditions for tourism to flourish are already in place. What it lacks are opportunities and publicity – and it is using this time to raise awareness about what it has to offer.

Tourism development will pave the way for more collaborations between ASEAN countries and Central Asia, on the economic and political fronts. Business and investors will no longer see Kazakhstan as a mysterious land, but a place of untapped opportunities.

At the country-to-country level, mutual understanding and cooperation will then lead to closer political partnerships. Kazakhstan has this year reassumed chairmanship of the Conference on Interaction and Confidence Building Measures in Asia (CICA) from Tajikistan. CICA, which was initiated by Mr Nursultan Nazarbayev, the first president of Kazakhstan, is aimed at promoting peace and security and fostering mutual confidence among countries in Asia.

Since its establishment in 1999, the inter-governmental forum has made steady progress in promoting multilateral exchange and encouraging dialogue on common challenges countries face in Asia. At a time of rising geopolitical and trade tensions, the only way for Asia to remain prosperous is for it to commit to fostering mutual confidence, and ensuring peace and security.

ASEAN countries, as well as Singapore, have been supportive of CICA's efforts to strengthen regional security and stability. Singapore has attended CICA meetings as a guest, and in 2014, Mr Sam Tan, then the Minister of State in the Prime Minister's Office and Ministry of Culture, Community and Youth, represented the country at CICA's fourth Summit of Heads of State and Government, held in Shanghai. As Kazakhstan seeks to be more plugged in with Southeast Asia, Singapore is also open to exploring practical cooperation that can bring about mutual benefits with CICA.

Of course, all this talk of tourism, and its positive impact on business and political developments, will take time to be realised. The world will need time to heal and move towards recovery, and the tourism sector will have to rebuild itself.

But instead of letting this unexpected downtime go to waste, it is a good opportunity for Kazakhstan to build interest and awareness of the country with Southeast Asian markets.

# Kazakhstan and Singapore: Perspectives of Cooperation

***QazIndustry is the go-to State Company for manufacturing innovation, opportunities, policies and support***

Ten years ago Kazakhstan undertook a strategic initiative – an industrialization programme emphasizing the growth of the manufacturing industry. Today the main indicators reflect its success as the state of the country's manufacturing industry is still growing. For example, the volume of manufacturing industry increased by 3.9 times (from 2.9 trillion tenge in 2009 to 11.6 trillion tenge in 2019), the average annual growth rate of labor productivity in the manufacturing industry amounted to 13.4%, higher than that of other industries!

The first stage of industrialization provided the country with infrastructure. Roads and railways have been built, and the issue of electricity shortage has been resolved. Engineering communications for special economic zones have been provided. Broadband Internet networks have been built, and logistics centers have been established all over the country.

The second stage of industrialization, key chemical and petrochemical plants and refineries were built and modernized. Automobile clusters and a cluster of railway engineering have been created. The country began to supply the domestic market with its own products in the construction industry. The food industry also received a new boost. Now, foreign direct investment and multinational companies have played a leading role in the country's industrialization as Kazakhstan is constantly improving the business climate within the country.

Over the last 10 years, investments in fixed assets in the manufacturing industry have grown by 2.7 times. The most attractive sectors of the manufacturing industry are metallurgy, oil refining, chemical industry and construction materials production. All these developments show that Kazakhstan is on the right track by developing new industries and competencies, and providing high-quality workplaces.

Potential Singapore investors should especially take note that since 2020, the third stage of industrialization has been implemented. It provides new approaches to supporting enterprises

operating in Kazakhstan. In particular, the focus is on efficient enterprises in the manufacturing sector that are focused on saturating the domestic market with high-quality products and exporting them. We are moving from the industry principle in favor of producing high-demand products of medium and high technological complexity. The counter obligations and responsibilities of the business are determined. It is planned to facilitate its proactive integration into global value chains.

The third programme also includes new support measures. In particular, an industrial grant for the modernization and creation of new production facilities, promotion of Kazakhstan brands, reimbursement of part of the costs of labeling goods, and conducting marketing research. It also pays special attention to the introduction of Industry 4.0 elements.

QazIndustry's mission started in 2010. Its main mission is promoting industrial and innovative development of the country and making recommendations on industrial policy in Kazakhstan. Later, the Kazakhstan government expanded QazIndustry's activities and we became the "Kazakhstan center for industry and export QazIndustry".

Today, we have developed competencies in industrial policy, export promotion, technological development, local content development, industrial infrastructure (coordination of special economic and industrial zones), transport and logistics, and have become a national analytical "think tank" on the development of the manufacturing industry and related sectors of the economy.

In addition, a "Unified window" was formed on the basis of "QazIndustry", to present state incentive measures in the form of reimbursement of part of the costs - from efficient industrial production to sales of products in the domestic and foreign markets.

Potential investors in the country's manufacturing sector should be interested to know that all these support measures can be provided to enterprises operating here, regardless of the

founders. So we are actively working to attract Singapore investors to special economic zones in Kazakhstan. Moreover, for the development of domestic special economic zones, Singapore's experience was applied, based on the recommendations of the consulting company Surbana Jurong, which was responsible for the development and promotion of one of the most successful special economic zones in the world, Jurong. As you know, the Jurong special economic zone provides more than 25 thousand jobs (as of 2015), the overall production volume was S\$ 81,043.5 million. The production capacity of the oil refining industry on Jurong island was 1.5 million barrels per day (as of 2014), which makes Singapore one of the 10 largest exporters of petroleum products in Asia. In this regard, we are interested in Jurong's experience in effective planning and zoning of the territory, which should result in the integration of related industries into a single production chain and the formation of clusters.

Another Singapore experience that can be applied to our FEZs is the construction of high-quality ready-made built-to-suit premises that are specifically prepared for new needs and meet new technological requirements. One of these projects is the international business Park in the East of Jurong with an area of 40 hectares - an integrated commercial, office and industrial complex that allows residents to conduct all research and development, as well as design, production, marketing, sorting and warehousing of goods in one building! Our goal is to achieve similar efficiency and effectiveness.

The SEZs of Kazakhstan are ready to accept all investors and the Government has created all the necessary conditions: from ready-made sites with infrastructure, tax preferences and financial instruments to support product manufacturers. At the end of the day, we would like to say that the task of QazIndustry is not just to support manufacturers, but to become a fully useful partner in both financial and further strategic development. For more information about QazIndustry activities visit [www.qazindustry.gov.kz](http://www.qazindustry.gov.kz)



**ABOVE**  
The article is contributed by Berik Bekenov, Chairman of the Board of QazIndustry or JSC Kazakhstan Center for Industry and Export

**"Potential investors should specially take note that since 2020, the third stage of industrialization has been implemented. It provides new approaches to supporting enterprises operating in Kazakhstan. In particular, the focus is on efficient enterprises in the manufacturing sector that are focused on saturating the domestic market with high-quality products and exporting them"**



ABOVE

The author James Tan is the co-founder of Quest Ventures, a Singapore-based venture capital firm

**"The need for startups here (in Singapore) to look for fresh pastures farther afield is urgent, especially in a post-pandemic world... A good new landing point would be Central Asia.**

**The region provides strong conditions to develop a startup ecosystem"**

## Follow the Digital Silk Road to Central Asia



When Singapore startups are looking to expand overseas, the go-to destination has always been its backyard in South-East Asia. But in an increasingly competitive and mature market, where the fight for top tech talent is intense, this reflex strategy requires a rethink.

Fast maturing Hanoi and Jakarta have seen startups grow at a rapid pace, and have attracted significant venture capital funding. There is not a lot of room left to play.

At the other spectrum is under-developed Laos, which looked ready for Singapore startups to explore and expand. But VCs' experiences in the landlocked country have not been positive, reflecting a market which is still at an early stage of building its startup ecosystem, and not quite ready to welcome foreign investors.

The need for startups here to look for fresh pastures farther afield is urgent, especially in a post-pandemic world where the search for opportunities requires greater creativity, commitment and courage.

Instead of being content to be near home, take the leap into less familiar territories. A good new landing point



would be Central Asia. The region provides strong conditions to develop a startup ecosystem.

I'm putting my money where my mouth is. My company Quest Ventures will roll out a startup acceleration programme called Kazakhstan Digital Accelerator (*see accompanying story*) by the end of the year. It aims to nurture tech startups in Kazakhstan and Central Asia over the next three years.

This came after funding into Quest by QazTech Ventures, the venture arm of Kazakhstan's sovereign wealth fund, in April this year. Our target is to groom 30 startups, or 10 a year.

### New Frontier for Startups

Such optimism is not based on a punt. Central Asia, with Kazakhstan at its heart, is the new frontier for startups and is well equipped to take off.

As the most economically developed market in Central Asia, Kazakhstan has sought to create a finance and investment hub in its capital city of Nur-Sultan. The Astana International Financial Centre, established in the capital in 2018, uses English as the working language and offers visa and tax waivers to woo investors and global financial players.

On the tech front, the country has shown significant commitment in developing a future-ready infrastructure. For instance, several of their government services have gone digital - residents can register the birth of a child, or report a lost vehicle conveniently online via a centralised website.

This initiative was developed under the Digital Kazakhstan programme, a government-led effort to transform the country to a digital economy. In the last two years, the programme has created some 8,000 jobs in the country.

Also, more than 75 per cent of its population have access to the Internet. Its telco sector is highly developed, with an extensive 4G network and high mobile penetration rate.

A large segment of the population own smartphones, and have access to mobile data. On Chocolife, a homegrown ecommerce startup in Kazakhstan that offers food delivery services, youngsters regularly spend the equivalent of S\$4 or S\$5 to order beverages for themselves – similar to Singaporean youths who are frequent consumers of gourmet coffee and bubble tea drinks.

This is good news for startups. Consumers in the young Central Asian country, where half of its population are aged under 30, are hungry for new experiences, curious about the world, and have the spending power to boot.

Some might point out that the Kazakh market, ready as it may be, is small and hence offers limited opportunities. Indeed, the sprawling country has just about 18.7 million people. But just like how Singapore is often seen by industry players as a gateway to South-East Asia markets, Kazakhstan is a bridge that connects investors to Central Asia.

The region, which includes Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, is home to 72 million people. In fact, if we expand the range to include regions within a 2,000km radius from Kazakhstan, we are looking at a potential market of 3.3 billion people, including a large swathe of Russia and Eastern Europe.

## Two Immediate Opportunities

I can think of two immediate opportunities in Kazakhstan for Singapore-based startups.

First, to hunt for tech talent in the Central Asian region. While startups here have typically recruited talent from Vietnam and Indonesia, the brain drain in South-East Asia is a growing constraint. Kazakhstan's emerging tech scene offers a rich talent pool of young, tech-savvy people seeking white-collar careers. They are educated, creative and modern.

## Investment in Education

The Kazakh government has invested significantly in developing and promoting STEM education. Students at the secondary education level are exposed to coding, robotics and even virtual reality to cultivate an interest in tech.

The country also wants to grow its startup landscape. Astana Hub, a government-run technology park similar to Singapore's Block 71, offers support to startups in the form of training programmes, mentorships from entrepreneurs, office spaces and networking opportunities.

Second, Kazakhstan's ambitious task of building a digital Silk Road provides opportunities for tech players. The government is pouring significant resources to develop the country's information and communications technology infrastructure. It will require support in fields such as digital literacy education, cybersecurity and data analysis, to name a few

– areas that Singapore startups are well-placed to be a part of.

Companies here may be reluctant to venture to the Central Asian region, due to differences in culture and language. But the longer we stay stagnant and stick to old formulas for growth, the easier it is for someone else to steal our lunches.



**LEFT**  
KDA participant 1Fit startup developers receiving US\$50,000 for their project during the Sept. 22 launching ceremony in Nur-Sultan. Photo: zakon.kz

## KDA Invests US\$500,000 in 10 New Startups

The Kazakhstan Digital Accelerator (KDA) Project announced that it has disbursed US\$50,000 investment cheques to 10 startups. At the launch ceremony in Nur-Sultan, the KDA which is launched by Qazrech Ventures and Quest Ventures had received 200 applications for funding.

QazTech Ventures is a subsidiary of the Baiterek National Managing Holding. Venture capitalists launched the KDA to develop and promote startup projects and the digital ecosystem in Kazakhstan. These first 10 KDA finalists will develop projects in:

- Edtech (Aero, Okoo, Qlang)
- Agrotech (Egistic)
- MedTech and Health Tech (Cerebra, 1Fit)
- Consumer digital and retail (Campeat, Retail Analytica, ApartX)
- Payments (Smart Gas)

The 10 were chosen in August and the selection was officially announced on 22nd September 2020. Quest Ventures Investment Director Anuar Seifullin revealed that: "A lot of work has been done, and today we officially congratulated the finalists on being included in the first stream of the KDA program and on receiving their first investments."

We see a great potential in the Kazakh startup community. There was really stiff competition in the selection for participation."

A report in Forbes (Kazakh online edition) reported that The accelerator's participants will study with experienced international mentors and professionals, and present projects to investors from Southeast Asia. The KDA selected the startups based on four main selection criteria: the management team, the problem statement and proposed existing solutions, the business idea itself, and market validity.

**Investment Note:** QazTech Ventures (subsidiary of Baiterek Holding) and Quest Ventures, (a leading Singapore venture capital firm) participated in the Quest Ventures Asia Fund II with a total value of US\$50 million. One of the anchor investors of the established fund is Pavilion Capital, a subsidiary of Temasek, Singapore's leading financial development institution. Pavilion Capital is a private equity and venture capital investment company providing strategic support to fast-growing projects in the USA and Asia. For the first time in the history of Kazakhstan, Temasek will invest in Kazakh projects.

**"Kazakhstan's ambitious task of building a Digital Silk Road provides opportunities for tech players. The government is pouring significant resources to develop the country's information and communications technology infrastructure"**

# Culture & Heritage

## International Recognition for Al-Farabi & Abai



**ABOVE ROW**  
Colourful contemporary publicity poster of Al-Farabi the medieval philosopher and scientist and Abai's official 175th anniversary logo

**Al-Farabi: An Islamic philosopher, and one of the preeminent thinkers of medieval Islam**  
**Al-Farabi was regarded at the time as the greatest philosophical authority after Aristotle**

**"Abai's poems and prose reflected national identity, life, worldview, character, soul, faith, language, traditions and the spirit of the people..."**

- President Kassym-Jomart Tokayev

**D**espite the COVID-19 pandemic, Kazakhstan and many international organisations continued with celebrations to commemorate the 1150th and 175th anniversaries of two renowned personages - the Islamic philosopher Al-Farabi and Kazakh poet, composer and philosopher Abai Kunanbaiuly respectively.

One example was Kazakhstan National University and the embassies of Kazakhstan in Singapore, Malaysia and Indonesia that organised the online International Conference on Al-Farabi themed "The Contribution and Importance of Al-Farabi for World Civilisation" on 21st July 2020. It brought together over 200 participants from 16 countries who included leading academic scientists and research scholars to exchange and share their experiences and research results on Al-Farabi.

Eminent Professor Galimkair Mutanov, Rector of Al-Farabi Kazakh National University (Kazakhstan) piloted the conference. Ace philosopher and scientist Al-Farabi, deeply respected and remembered as an outstanding humanist thinker, did not only combine the works of the ancient and Islamic worlds, he also laid the bedrock for some new philosophical and scientific development in Islam.

### Direct Impact on World Outlook

His treatises had a direct impact on the formation of a world outlook and the development of science in Europe during the Renaissance. Within the framework of his philosophic sentiments and scientific outlook as a thinker, the array of speakers from the participating

countries delivered some compelling insights on developments in the fields of their expertise to an influential audience which included specialists in philosophy and history of Islamic culture, teachers, students, journalists and public figures.

Amongst those who took to the podium were the likes of Professor Datuk Dr. Osman Bakar - Holder, Al-Ghazali Chair of Islamic Thought, ISTAC, International Islamic University (Malaysia), Dr. Tuleubekov Assyl, Associated Professor of the International Information Technology University (Kazakhstan), Dr. Humaidi, M.Ud, Chairman of Association of Lecturer Research on Islamic and Social Science (Indonesia), Dr. Anar Tanabayeva, Director of International Cooperation Department in Abai Kazakh National Pedagogical University (Kazakhstan), Dr. Aizhan Doskozhanova, Assistant-Professor in International Information Technology University (Kazakhstan).

### Abai Day

10th October 2020 has been marked as a day of remembrance of poet Abai whose works continue to be of deep relevance even in the 21st century. The government has earmarked several large-scale events to be carried out both domestically and internationally in the name of this great nationalist, who was born on August 10, 1845 and died on July 6, 1904.

President Kassym-Jomart Tokayev in an interview with *Inside Recent* pointed out that the introduction of Abai Day was not just a celebration, but rather a spiritual enlightenment. He ventured to throw more light on this vision about the celebrations by sharing that: "Abai Kunanbaiuly left an indelible mark on the history of our country as

a scientist, thinker, poet, visionary, founder of new national literature, translator and composer. His poems and prose reflected national identity, life, worldview, character, soul, faith, language, traditions and the spirit of the people which were later recognised as the world of Abai."

He also added that: "We attach great importance to the 175th anniversary of Abai as an event that will renew public consciousness and give impetus to our development as one country, a whole nation. The legacy of Abai is a sacred value that opens the way to unity as a nation and the development of our people."

First President Nursultan Nazarbayev opines that "Despite the changing time and changing world, our people are not disappointed with Abai, over time, they discover for themselves the new aspects and secrets of his greatness... Abai will forever coexist with his native people, invoking the people of Kazakhstan for centuries to reach new heights."

### Embassy of Kazakhstan in Singapore Organise Online FB Postings

The Embassy of Kazakhstan in Singapore has started a special series of posts dedicated to the 175th anniversary of Abai who stands tall in the annals of Kazakh history. Abai is remembered for his encouragement to fellow Kazakhs to embrace education and a good moral character to escape poverty and the allurements of corruption. Abai's major work 'The Book of Words' which features a total of 45 philosophic treatise and poems will be showcased in parts once a week online at [www.facebook.com/KazakhstanEmbassy](http://www.facebook.com/KazakhstanEmbassy)

## Scientific, Cultural & Educational Cooperation



LEFT

Undergrads from Nazarbayev University

Fruitful cooperation within the framework of humanitarian track is underway. Visit exchange and advanced training courses of Kazakhstan government representatives in Singapore in the fields of public administration, economic development, digital technologies, etc. have become more usual.

Since 2012, a long-term cooperation agreement between Nazarbayev University and Lee Kuan Yew School of Public Policy has been in force. The School of Public Policy has the status of a strategic partner of Nazarbayev University.

About 100 Kazakhstan students study in higher educational institutions of Singapore annually, including the National University of Singapore, Nanyang University of Technology, James Cook University, Management Development Institute of Singapore, Kaplan Singapore and few others.

In 2016, the Academy of Public Administration under the President of the Republic of Kazakhstan and the Civil Service College of Singapore signed a Memorandum of Understanding in order to introduce one of the most effective training models for public administration in Kazakhstan. Mr. Goh Chok Tong, Emeritus Senior Minister of Singapore attended the signing ceremony.

### Lectures on Kazakhstan

Rajaratnam School of International Studies (RSIS) is one of the partners of the Embassy of Kazakhstan in

Singapore. The Embassy regularly arranges open lectures for teachers, doctoral students, and postgraduates of the RSIS on the role of Kazakhstan in the Central Asia and the world. In 2018, during the visit of the Prime Minister of Kazakhstan B. Sagintayev to Singapore, Kazakh Invest JSC and Kinder World International Group signed a Memorandum of Understanding on further cooperation in developing educational centers of continuous model "kindergarten - school - college - university" in Nur-Sultan, Almaty and Shymkent.

In 2020, negotiations have begun on the establishment in Kazakhstan an MDIS branch as one of the oldest universities in Singapore. The implementation of this project will allow thousands of Kazakhstan students to receive the highest quality education based on the Singaporean model.

There are annual press tours of Singaporean journalists to Kazakhstan covering a wide range of topics - from visiting important political and economic events, forums and conventions, to historical and natural sights tours.

The work of the Embassy in the field of scientific and technological cooperation also deserves attention. With its own unique model of economic development based on innovations, Singapore makes significant financial investments in this area. The efforts of recent years have created a powerful infrastructure of research institutions. At the same

time, Singapore is actively seeking patents and researches that have long-term perspectives.

### Scientific Research

In this regard, the scientific potential accumulated by Kazakhstan in the field of fundamental research is of high interest for joint implementation of projects and technologies that are in demand on the world market.

Within this project the Embassy has established contacts with 33 leading research organizations of Kazakhstan since 2019. The data collected on 194 promising technological innovations of Kazakhstan's scientists, covering a wide range of areas, including energy, production of new materials, geology, chemical and food industries, construction, agriculture, information technology, and medicine.

The Embassy is actively promoting these technologies in Singapore with the goal of further joint implementation of projects on a parity basis with the involvement of Kazakhstan's and Singaporean specialists and the construction of production facilities in both countries.

Singapore's advanced experience in the area of professional-technical education is being actively implemented. For example, Nanyang Polytechnic, that is of top standards in professional training for the 4.0 era industry, will train 115 Kazakhstan teachers in 2020-2021. The project is funded by Temasek Foundation.

**The Embassy is actively promoting 194 promising technological innovations by 33 leading Kazakhstan research organizations in Singapore for further joint implementation of projects on a parity basis with the involvement of Kazakhstan's and Singaporean specialists and the construction of production facilities in both countries**

# Tourism

Photos and  
information courtesy of



[www.qaztourism.kz](http://www.qaztourism.kz)

## Steppe Up to a Grand Expedition

**Great adventures await travellers who can access six motoring routes laid out by Kazakh Tourism that covers natural and historical sites**

**I**t is an invitation to take a trip in the Great Steppe of Asia that travels through the country's great variation of geographic landscapes. This is not your usual drive away itinerary thought up by a tour company. Two years ago to celebrate the 20th anniversary of the Kazakhstan's capital Nur-Sultan (previously known as Astana) the country's tourism authority, Kazakh Tourism, was commissioned by the Ministry of Culture and Sports to undertake several motoring expeditions that resulted in six routes that encompass the best experiences, sights and beauty the country has to offer. These are road trips like no other and in the following pages *K-S Connectivity* gives readers a taste of what's in store for those who want to step forward and enjoy a true motoring travel adventure.

**RIGHT**

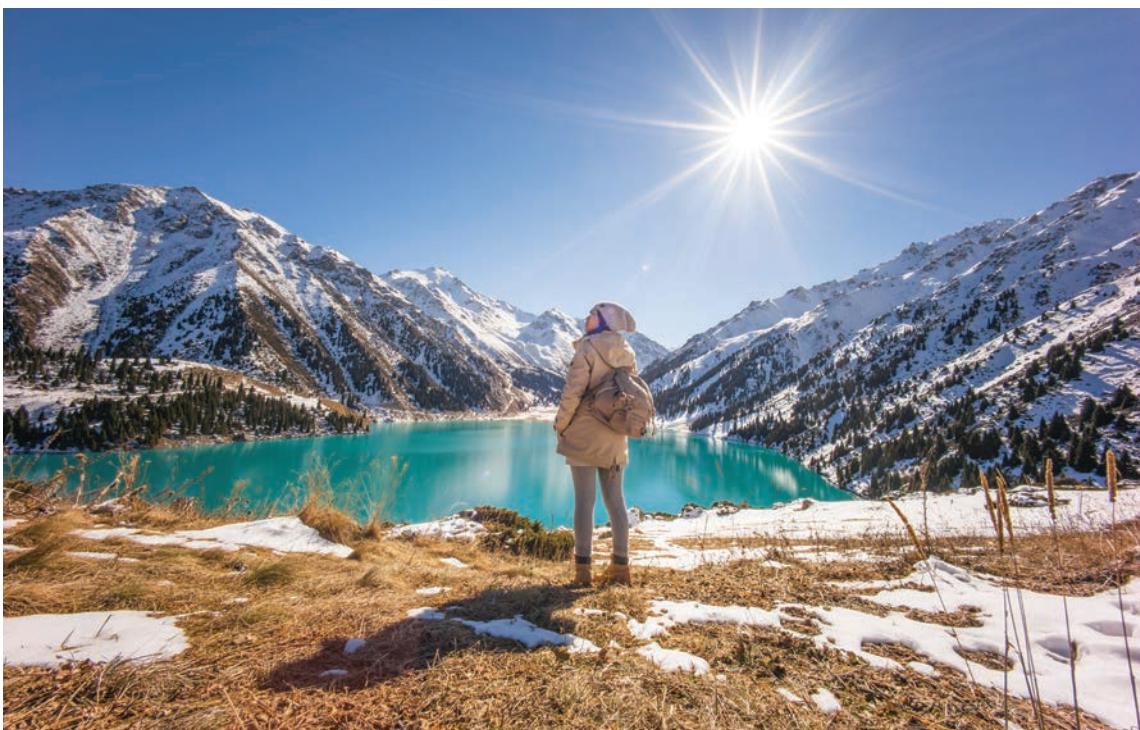
*Big Almaty Lake formed 2,000 years ago has a depth of 35m and situated at an altitude of 2511 m.*

### ① New Silk Road

Covers Southern Kazakhstan and includes visits to Almaty, Zhambyl and Turkestan regions. Highlights include natural national parks and reserves, historical settlements and holy mausoleums.

### ② From Sea to Sea

Covers natural sites such as Lake Kamystybas, the Aral Sea, Tuzbayir, Bozzhyra, the mountain range of Airakty-Shomanai, the 'Lion Mountain' of Sherkala and includes stops at Torysh's mysterious Valley of the Balls of the Mangystau region.



**RIGHT**

**& FAR RIGHT**  
*Winter sports at Shymbulak, a ski resort near Almaty City and some of the cottages at the mountain resort*



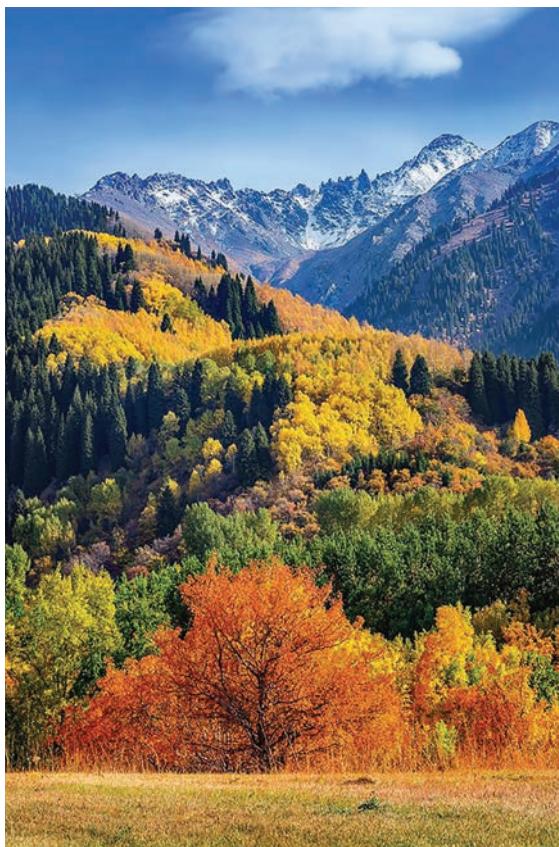


## VISA NOTE

Singaporeans can visit Kazakhstan without visas if the period of stay in the country does not exceed 30 days. For Kazakhstan citizens a visa is not required in case of a transit stop in Singapore for a period of not more than 96 hours when traveling to a third country by plane. The Singapore visa can be issued electronically by contacting the Honorary Consulate of Singapore in Nur-Sultan.

## LEFT

*Khaja Ahmed Yasawi - famous Islamic mausoleum in Turkestan*



*Photo by Deonisy Mit*

## ③ Djungar Alatau

Highlights covers stops at the Ancient City of Tamgaly-Tas with rock drawings, the Besshatyr burial grounds, the singing desert sand dunes of Barkhan (Almaty Region), the mountains of Aktau and Katutau; the popular Kora Gorge of Dzhungar Alatau.

## ④ Pearls of Tien Shan

Route takes in the Bayankol Gorge on the northern slopes of Central Tian Shan and attracts climbers and nature lovers and has many picturesque sceneries and dense coniferous forests; Lake Tuzkol with the whole valley surrounded by high mountains; Shalkodesu Valley famous as a centre for animal husbandry amidst tall grass landscapes; the Ketmen Pass, Temirluk and Uzunbulak Canyons.

## ⑤ Altay Cradle of Civilisation

The map for this expedition covers the route from Ust-Kamenogorsk - Bukhtarminskoe Reservoir. The reservoir is one of the largest in the world and the Bukhtarma River is one of the most beautiful. Lake Yazevoe, Lake Rakhmanovskoe, the 300 BC Kurgan of the Berel cemetery; Lake Markakol and the Markakolsky Reserve. The legendary red hills of Kiin-Kirish Valley and Lake Zaysan.

## FAR LEFT

*The tranquil beauty of the Tien Shan Mountains*

## BELLOW

*Nature's bounty - fresh apple produce from Almaty*



# Tourism

## FAR RIGHT

*The famous 'singing' dunes of the Barkhan Desert*

## RIGHT

*The Charyn Canyon is 90 km in length and has many colourful formations in different shapes and sizes*

## ⑥ Saryarka

Many consider Saryarka as a kind of quintessence of Kazakhstan as a whole, because the steppe expanses of this region are the most typical of the landscape with which the whole country is most often associated in the eyes of both Kazakhstans and visitors. Saryarka is not a steppe in its classical sense, because the most typical of the local landscape is created by constant elevation changes. Here and there are small and picturesque mountain-woodlands with transparent lakes and clean springs.



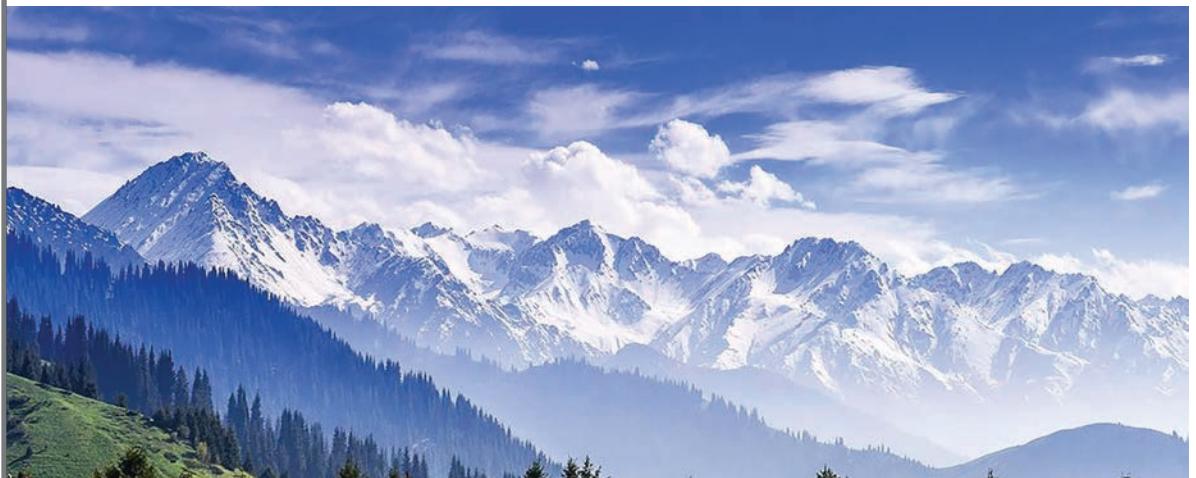
*Photo by Deonisy Mit*

## RIGHT

*Trekking in the shadows of the Tian Shan mountains amidst picturesque gorges and coniferous forests*

## BELOW

*Shalkode Valley a centre for pasture cattle breeding features beautiful landscapes of tall grass and fresh air*





## LEFT

Borovoe is one of a group of lakes that share the same name located in the Burabay National Park in Northern Kazakhstan

## Other Tourism Highlights

While Kazakhstan is almost literally a treasure trove of all natural landscapes ranging from mountains and steppes, deserts, pristine lakes to beautiful forests, there are many other jewels to behold that merit a must-see in any traveller's itinerary.

**Zhailau:** There is a special quality in the air when trekking through the mountain meadows of Zhailau which can provide a special pleasure for a hiker. Hiking to Kokzhailau mountain, which lies within the Ile-Alatau National Park, one can smell fresh flowers, pass mountain high pastures covered with the most delicate grass; these meadows have always been used by nomads for the summer accommodation of cattle and comfortable living away from the hot summer in the steppe. These day-long hikes from Almaty can be experienced all year round.

**Shymbulak** (or Chimbulak): Another year round destination that is very popular in Kazakhstan is the ski resort of Shymbulak which is the largest ski resort in Central Asia. You get to the top by an epic scenic ride from the Medeu cable car base 12 kilometres out of Almaty. Medeu itself is famous for having the highest elevated ice skating rink in the world at 1,691m high. Shymbulak is often described as the second Swiss Alps in the world and it is easy to see why. Comfortable accommodation, restaurants and cafes are set against beautiful mountains some which reach over 4,000m in height. There are four ski resorts at different elevations and three heights that one can start skiing or snowboarding from. Great for all levels of skiers to try out.



## ABOVE

Interior of a traditional nomadic yurt

**Borovoe (or Burabay):** The lake district is in the northern countryside of Kazakhstan and is 250 km from the country's capital Nur-Sultan. The famous lake and its iconic multi-layered rock formations arising from the waters have many legends associated with them.

There are tours of the Borovoe Lakes and National Park which is an oasis in the rolling steppe. They can include horse riding, rock climbing (highest elevation is just 900m) and boat trips across the lake. Bicycling around the beautiful lake is especially recommended with many bathing spots on the bay's beaches shaded by pine trees. Many visitors come on day trips from Nur-Sultan but the sleepy lakeside town also has hotels, guesthouses and yurt camps for overnighters who are able to catch a stunning sunset.

# Diaspora



**ABOVE**  
Olzhas Zhiyenkulov  
welcomes you to The  
Nomads, where a  
bookshelf opens up  
touches of Kazakhstan  
culture in the private  
dining area

**RIGHT**  
The Nomads' own  
Hunter's Plov

**MIDDLE**  
Samsa

Olzhas Zhiyenkulov  
Co-Founder The Nomads

## Unraveling the Mystery and M



*In Singapore you do not need to wander far to experience the thrilling odyssey of taste bud-tingling, multi-sensory culinary delights of Central Asian cuisine*

**"I get to share something of my old home with my new home. Food is a perfect language for me to share a part of my history with Singapore. It was our dream, our desire that actually most of our guests were from Singapore"**

**F**oodie adventurers here have a whole new world to explore at The Nomads, the island-nation's first ever, full-fledged restaurant with the finest offerings of Central Asia's food culture. Co-founders Kazakh native Olzhas Zhiyenkulov and F&B group Five Ten Holdings' managing director Shawn Kishore, have founded a gastronomic journey, whose narrative captures the tantalizing nuances of the cuisines from Central Asia to Western China to Southern Italy. The Nomads has been inspired to provoke the gourmand in you with its smorgasbord of novel tastes, textures and aromas with the signature dishes that summon up unique memories of the heyday of that legendary old caravan route. This extraordinary culinary culture and ancient heritage – a completely unique experience for Singaporeans, is led by executive chef Dannel Krishnan, veteran professional from Michelin-starred restaurants such as Sushi Kimura and Saint Pierre.

### Pioneer's Progress

The restaurant was officially opened in December 2019 before the COVID-19 pandemic stalled its flight mid-step but both Zhiyenkulov and Kishore are upbeat about its success, given the initial



encouraging response and Singapore's own historic moorings as a multi-cultural culinary hub, and the superb variety. The Nomad has lined up for seducing the tastebuds of foodies. Olzhas Zhiyenkulov, who left home early to study in the UK and travel extensively, appears to see life as a succession of adventures. His arrival in Singapore "by chance and on the invitation of old friends from my UK days" was fortuitous, as the businessman, a fund manager in the financial space, met Shawn through common friends about four and half years ago – connected and became fast friends.

As the CEO of a local boutique fund management house in Singapore, Zhiyenkulov, always keen-eyed about pos-

sible niche investment opportunities, observed Kishore's adept hand at running his restaurant. This kicked off a new thought process in the young entrepreneur's head. "Every now and then Olzhas would ask me if there was an opportunity for a Central Asian restaurant to work in Singapore. My answer for the most time was: 'I don't know probably because it's never been done before... let's figure it out'" says Shawn. This conundrum emerged from his deep understanding of the cuisine trends in Singapore. Singaporeans by and large hadn't the faintest clue about the culture of Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Shawn was amongst them.

So what they decided to do was travel through the region to fully immerse themselves in its rich culinary heritage and flavour profiles, and see what they could cull from their adventures there. Accompanied by Chef Dannel, Shawn has this to say: "We went to Kazakhstan and it was a complete eye opener for me. It was so modern, so clean, and so beautiful. That was my biggest takeaway... I was in awe of the place. The first meal I had was samsa ... I had it almost every day I was there. We tried all the dishes." Revved up by their findings, from the pi-

# agic of Central Asian Cuisine



oneering of Central Asian cuisine in Singapore, to reimaging the offering with a local and regional twist, "We strive to use our creativity and imagination to the fullest to provide customers with unique, refreshing and unforgettable experiences," shares Shawn.

For Zhiyenkulov it meant: "I get to share something of my old home with my new home. Food is a perfect language for me to share a part of my history with Singapore. It was our dream, our desire that actually most of our guests were from Singapore." But there were hard lessons to learn along the way for him too. "The

*Nomads* brings you a new type of cuisine that no one here has tried, but also what Shawn made me realize was that the taste, the palate and the preference are so different, that

it will take time for people to not only understand the context of the meals, but actually understand the reasoning behind the taste and palate. So the *omakase* setting would help us solve the problem because the customer can interact with chefs; this helped us put a lot of this into context. Our idea was to turn your dinner into a gastronomic journey and if these were regular tables you would look at the menu and wouldn't do justice to it because the names are Central Asian and you would not know what was inside that's given meaning to that dish's name — so the reason for the décor and the setting have been created in such a way is so that you have the chef right there and you can see what he or she is doing." The centerpiece of the main 20-seater dining

area is a purpose built binchotan grill pit that captures tempting nuances of campfire dining. To further enhance the regional ambiance decorative accents, specially sourced from back home, mark the interiors. "It is done in a more casual setting so that you can have the joy of discovery," shares Zhiyenkulov. Adds Shawn, "We also have a private, 10-seater dining room, with a speakeasy door to offer complete privacy for the diners. Everything is steeped in symbolism, even the handle of the door."

## Crossroads Cuisine

On offer are three different *omakase* tasting menus – A Trail Ablaze, The

Odyssey of Fire with 11 and 17 different courses respectively and, Nirvana

featuring 22 courses. While Kazakhstan and Uzbekistan are the major inspirations in the dishes on offer, they have also included flavours from western China, spices from the Caucasus, ideas from Russia, and techniques from the Mediterranean. Customers at The Nomad can look forward to flavours and pairings that they never knew existed. Krishnan has even come up with his own versions of Kazakh and Uzbek favourites such as the lamb samsa, which is a personal favourite.

"We hope to provide an adventure for those who are curious about a part of the world they have never visited," says Zhiyenkulov who feels that there is so much people don't know about Kazakhstan. For example,

there are some excellent wines that are produced there but the pricing for diners can be prohibitive as not many are being exported here. He feels there are enormous investment and export possibilities between the two countries if the government breaks down more barriers; it will then be possible for the business community to take things forward at the ground level, and create a bigger market for such produce, he opines. The duo are very keen to bring in cultural troupes at some point in time to enhance the immersive experience at The Nomad, and are even looking at the feasibility of opening branches in the ASEAN countries in the future.

### FROM LEFT & ABOVE

- *Beshbarmak*, practically a national dish, it means "five fingers" as nomads traditionally eat this dish with their hands. Made from finely chopped boiled meat, mixed with noodles and chyk, an onion sauce.

- Chefs serve in a contemporary *omakase* (counter) dining concept

### MIDDLE

*Co-founders Shawn Kishore and Olzhas sharing how The Nomads came to be with Nomita Dhar*



## KAPTIC President Olzhas: Business Leads to Partners & Friends

While Olzas is very excited about the prospects of the newly launched The Nomads in Singapore's multicultural culinary market, as President also of the Kazakhstan-Asia Pacific Trade and Investment Chamber (KAPTIC) in the island-state he is also very keen that many such investment ventures will bridge the gap between the two countries in the years to come.

He is a vigorous proponent of the KAPTIC mission to pursue excellence and economic growth in Kazakhstan and the Asia-Pacific through strong leadership and community partnerships, by acting as a platform for an innovative business environment, and enhancing the vitality of the communities served.

He is of the firm belief that while many things are worked out at the government-to-government level, what propels business, trade, investment and cultural ties on the ground level is the people-to-people linkages as he has found in his own case when he partnered with Shawn now both a friend and a business partner, when common friends brought them together when he arrived in Singapore. He believes there are enormous investment opportunities that both countries can capitalize on. He opines that the strengthening of the understanding between the two nations will go a long way in breaking down barriers that have come in the way of the business community taking advantage of these potentially mutually beneficial opportunities. More info:

[www.investkazakhstan.com.sg](http://www.investkazakhstan.com.sg)



## Sultan Marenov CEO Hayman Capital Pte Ltd

# Straddling the World of Opportunity and Entrepreneurship

***Sultan talks to Nomita Dhar, Editor in Chief of Kazakhstan-Singapore Connectivity as he looks back on his exciting journey in the world of banking***

**"You can give it all your attention (work and family), not taking away, of course, your emotional linkages with your home country...which will always be a part of you."**

**H**aving launched their brand new start-up in 2014 in one of the world's most energetic financial hubs has CEO Sultan Marenov and his two British partners very excited by the burgeoning footprint of Hayman Capital Singapore. Based in Singapore as a provider of micro finance services to local small and medium enterprises, its expansion of operations in Myanmar has proved to be an excellent move as the company looks forward to extending its services with new branch offices in other townships there.

"So far, loans have been provided to more than 150,000 clients. Of them, 80 percent are women. They want to run small-scale home businesses. We do not lend money to civil servants. But we will provide loans to them if they can show firm evidence to run a business," says Sultan Marenov.

The firm's loans are not just limited to businesses currently in operation, thus making it an alluring partner for potential businessmen in this category and ensuring that it will continue to thrive in its niche area. One of the main reasons for choosing Myanmar was that it was potentially viable for the start-up looking to expand, as the country had been inviting new investments, and with the kind of services Hayman Capital was offering it was given full percent ownership. Marenov has been leading the successful greenfield Microfinance business in Myanmar as a CEO of Hayman Microfinance, where he currently chairs the Board.

For Sultan Marenov personally it has been a most satisfying narrative having risen to the position of a CEO at a very young age. For the 40-year old who has put in some solid years behind this journey there appears to be a huge potential for the company in the South East Asian markets.

### Best Bank for Entrepreneurs Award

Marenov began his career at the biggest private financial institution in Central Asia and CIS countries, where he, at a very young age, rose to become CEO of BTA Bank in Belarus in 2005; his 10 years of management had also led the bank to become the fastest growing in the region. Marenov was awarded the "Best Bank for Entrepreneurs" twice, firstly by the Government and the second time by the President of Belarus.

The journey till now, culminating in his helming Hayman Capital Singapore and holding seats on multiple boards of the banks and fintech start-ups, has not come without its fair share of obstacles. However, this, he believes, has only served to strengthen his resolve in steadfastly steering the company even through these challenging times of COVID-19, which have put a lot of the firm's growth plans on hold.

Marenov, who has a BA in Finance and Banking from Almaty State University and in Jurisprudence from Eurasian Law Academy in Almaty, loves the fact that he and his partners launched the start-up in one of the world's most happening financial hubs, where he, having quit his job in the bank in Belarus, had arrived earlier on to pursue an MBA at Singapore Management University. Being a student in Singapore proved to be felicitous as it offered him a whole new perspective on life and also fresh business prospects, because education would in time become one Hayman Capital's lead target sectors.

His experiences working for various entrepreneurs in different parts of the world attracted him to the high potential of South-East Asia, for which Singapore was the perfect gateway, and which is where he has set up home with his wife and two children. Choosing Singapore

as a base comes as no surprise for future enterprise given his expertise in banking and the financial world.

His entering the "cut throat" world with a start-up in the world's leading financial hub sheds light on Sultan's comfort level with competition, risk taking and buoyant approach to life. And the obstacles that have come his way on the business front, four big banks and many global banks that are represented here, have luckily been balanced by the secure environs of the island-nation which has allowed him the security to bring up his two children here. While his daughter is in primary school, his son is in kindergarten. Both are in public schools and appear to have settled in comfortably. This is a big comfort to both Sultan and his wife, a physician who also studied healthcare management in Singapore, is now running a healthcare technology startup while caring for the children.

For him starting a business here was not easy, but the plus points outweighed the negatives, because of its regulated standards and the opportunities that it opens up for start-ups like the company he helms. Also, because of its excellent connectivity in the region, it was easy for him to capitalize on the flexibility to travel even at short notice for his meetings which is very essential for the kind of work he does; this is even more important when it comes to emerging markets, where people are not very comfortable with online interactions. Though this has been a huge challenge during the pandemic, he is resigned to being patient and biding his time.

Now he is presently living and pursuing his dreams for his company and for his family. He feels: "You can give it all your attention, not taking away, of course, your emotional linkages with your home country... which will always be a part of you."



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# FYI

Useful contact information for investment-related matters

## SINGAPORE

### ■ Embassy of Kazakhstan in Singapore

1 Kim Seng Promenade #09-04/05 Great World City East Office Tower, Singapore 237994  
Tel: +65 6235 7150  
Email: [singapore@mfa.kz](mailto:singapore@mfa.kz)  
Website: [www.mfa.gov.kz/singapore](http://www.mfa.gov.kz/singapore)

### ■ Kazakh Invest National Company

Representative Office in Singapore  
Marina One East Tower  
7 Straits View, #05-01, Singapore 018936  
Tel: +65 9150 5030  
Website: [m.birimzhan@invest.gov.kz](mailto:m.birimzhan@invest.gov.kz)

### ■ Air Astana

400 Orchard Road, #24-08 Orchard Towers, Singapore 238875  
Tel: +65 6225 6315  
Email: [airastana@aviationservices.com.sg](mailto:airastana@aviationservices.com.sg)  
Website: [www.airastana.com](http://www.airastana.com)

### ■ Kazakhstan-Asia-Pacific Trade & Investment Chamber (KAPTIC)

Email: [oz@investkazakhstan.com.sg](mailto:oz@investkazakhstan.com.sg)  
Website: [www.investkazakhstan.com.sg](http://www.investkazakhstan.com.sg)

### ■ Singapore Business Federation

160 Robinson Road, #06-01 SBF Center, Singapore 068914  
Tel: +65 6827 6828  
Email: [webmaster@sbf.org.sg](mailto:webmaster@sbf.org.sg)  
Website: [www.sbf.org.sg](http://www.sbf.org.sg)

### ■ Enterprise Singapore

230 Victoria Street, Level 9  
Bugis Junction Office Tower, Singapore 188024  
Tel: +65 6898 1800  
Email: [enquiry@enterprisessg.gov.sg](mailto:enquiry@enterprisessg.gov.sg)  
Website: [www.enterprisessg.gov.sg](http://www.enterprisessg.gov.sg)

## KAZAKHSTAN

### ■ Ministry of Foreign Affairs

31 Kunayev Street, Nur-Sultan  
Tel: +7 (717) 272 0517  
Fax: +7 (717) 272 0516  
Email: [kezekshi@mfa.kz](mailto:kezekshi@mfa.kz)  
Website: [www.mfa.gov.kz](http://www.mfa.gov.kz)

### ■ Kazakh Invest National Company

6th Floor, 2 Kunayev Street, Nur-Sultan  
Tel: +7 (717) 262 0627  
Fax: +7 (717) 262 0600  
Email: [info@invest.gov.kz](mailto:info@invest.gov.kz)  
Website: [www.invest.gov.kz](http://www.invest.gov.kz)

### ■ Investment Committee of the Ministry of Foreign Affairs

55/15 Mangilik El Ave, Pavilion C-2-3, Nur-Sultan  
Tel: +7 (717) 298 3624  
Email: [callcentre@cominvest.kz](mailto:callcentre@cominvest.kz)  
Website: [www.mfa.gov.kz](http://www.mfa.gov.kz)

### ■ Astana International Financial Centre

55/15 Mangilik El Avenue, Pavilion C-3-3, Nur-Sultan  
Tel: +8 (800) 080 08 01  
Email: [info@ajfc.kz](mailto:info@ajfc.kz)  
Website: [www.ajfc.kz](http://www.ajfc.kz)

### ■ Hotline for Investors

Tel: +7 (7172) 620 620  
Email: [isc@invest.gov.kz](mailto:isc@invest.gov.kz)

### ■ Atameken (National Chamber of Entrepreneurs of the Republic of Kazakhstan)

Reception phone: +7 (7172) 919 300  
Phone / fax: +7 (7172) 919 393  
Chancellery: +7 (7172) 919 390  
Email: [info@palata.kz](mailto:info@palata.kz)  
Website: [www.atameken.kz](http://www.atameken.kz)

### ■ Qazindustry

Nur-Sultan city, 17 Kabanbai batyr Av., (Block E), 4-5 floor  
Tel: +7 (7172) 79 33 97 (ext 1068)  
Call Center Tel: +7 (7172) 79 33 99 BH.444  
Email: [info@qazindustry.gov.kz](mailto:info@qazindustry.gov.kz)  
Website: [www.qazindustry.gov.kz](http://www.qazindustry.gov.kz)

### ■ Kazakh Tourism

Nur-Sultan, Kunayev Street 10, 5 floor  
Reception Tel: +7 (7172) 91-95-00  
Office Tel: +7 (7172) 91-95-38  
Helpline: +7 (7172) 91-95-36  
Website: [www.qaztourism.kz](http://www.qaztourism.kz)

---

### ■ Honorary Consulate of the Republic of Singapore in Nur-Sultan

Tel: +7-7172-919216  
Emergency Tel (after hours):  
+65-6379-8000  
Email: [hcg.astana@gmail.com](mailto:hcg.astana@gmail.com)  
Address: 55A, Mangilik Yel Ave  
Nur-Sultan Z05T2H3

