



*Explore opportunities in
Belt and Road countries -
Kazakhstan, Georgia,
Uzbekistan*

B&R Kazakhstan Investment Summit

Invited by Chinese Chamber of Commerce in Kazakhstan, PwC jointly held B&R Kazakhstan Investment Summit in Almaty.

Head of China Corporate Finance, PwC One Belt One Road Leader Gabriel Wong and PwC Global Structuring and Tax Services Director William Yuan attended the event as representatives of PwC China.

Representatives of Chinese enterprises in Kazakhstan across industries including air transportation, resources, banking and railway engineering attended the event. The professionals gathered together and discussed with PwC's professional team and chamber representatives over hot topics including the operation of investment projects in Kazakhstan, the business opportunities under the B&R Initiative, etc. As a result, the event has received overwhelmingly positive feedback from representatives of Chinese enterprises in Kazakhstan.



PwC Eurasia at a glance



Kirk Williams

Partner

Advisory Leader

PwC Eurasia

Our team from Eurasia



Kirk Williams

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CEE China Business
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Tamta Shermadini

Head of Advisory
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Georgia

PwC Eurasia – a network of 9 countries



Combined GDP

\$363.2 billion



Combined Population

92 million



9 countries Network

Over 1000 Staffs 10 offices



Eurasia - A diverse and complex region



Unique cultures (complemented by the PwC partnership culture)



Different legal and regulatory systems



Several alphabets and character sets

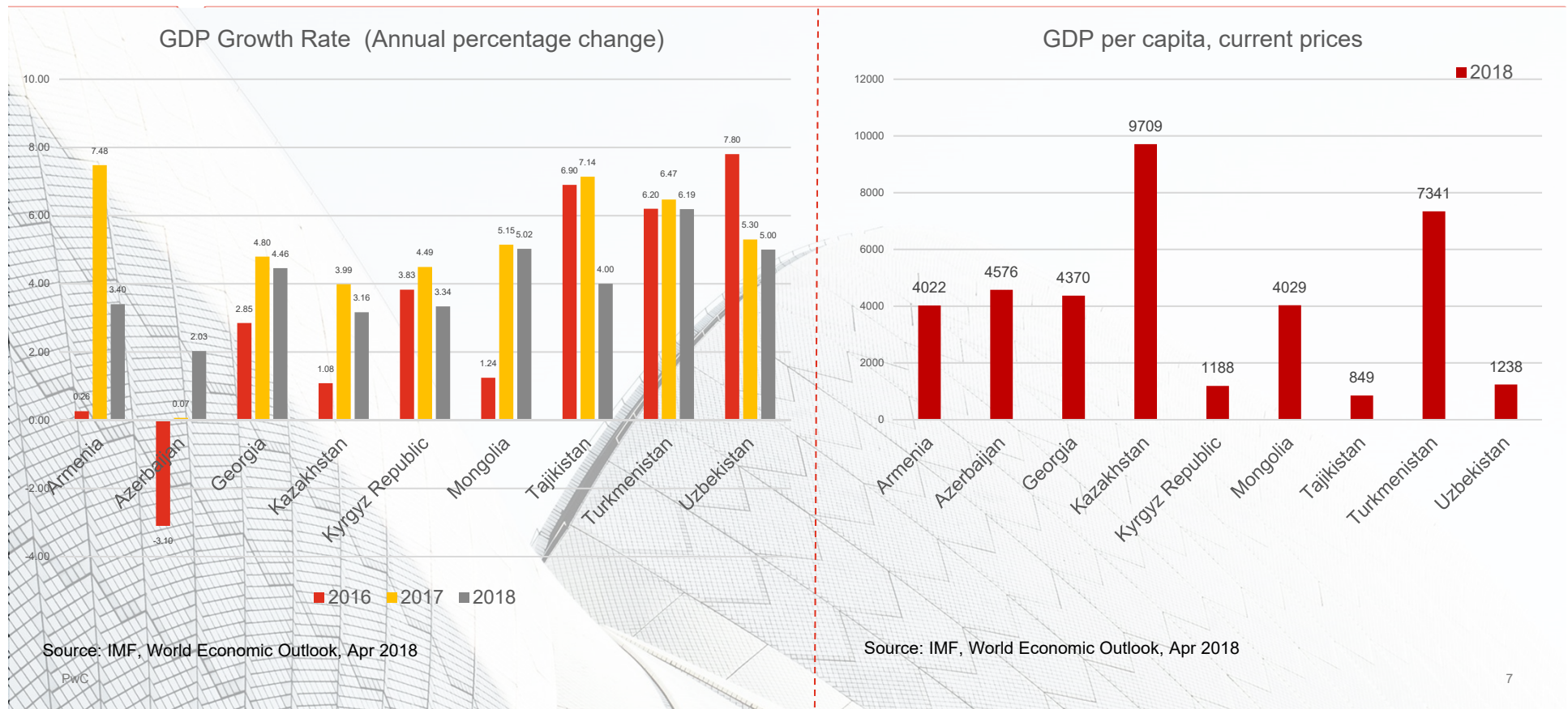


Different levels of economic and political development



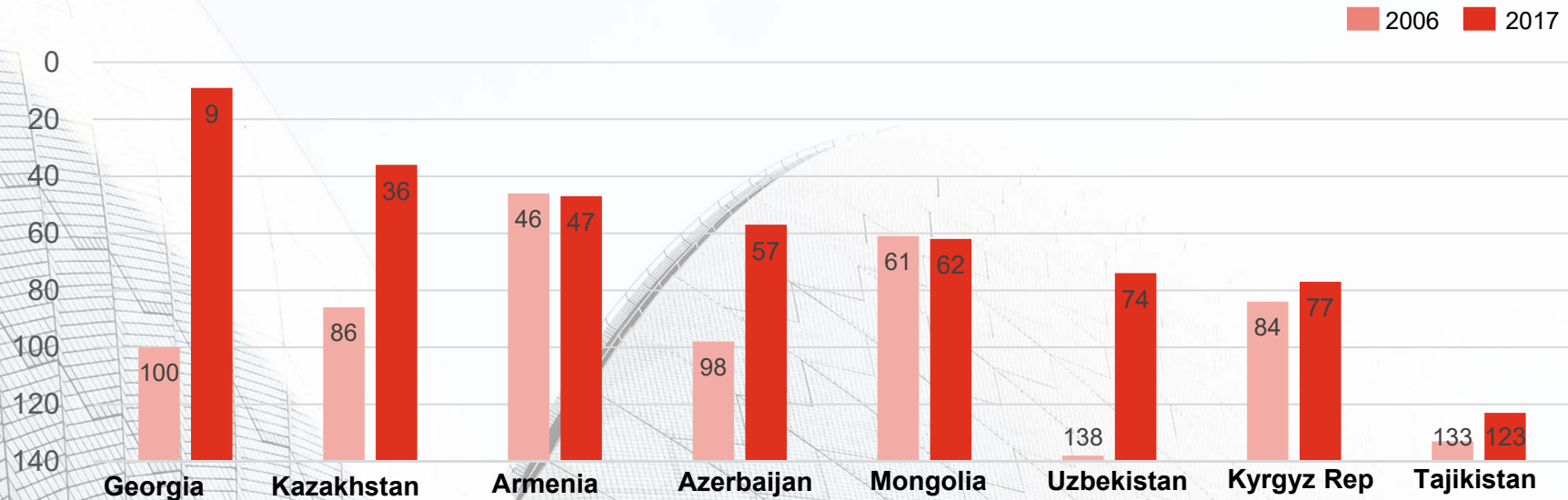
Different currencies (with significant currency fluctuation)

Economic Outlook for Eurasia territories



A diverse and complex region

Ease of doing business ranking



A diverse and complex region

Global Competitiveness Index		
	2017	2016
Azerbaijan	35	37
Russia	38	43
Kazakhstan	57	53
Georgia	67	59
Armenia	73	79
Tajikistan	79	77
Mongolia	101	102
Kyrgyzstan	102	111
Uzbekistan	No data available	
Turkmenistan	No data available	

Corruption Perception Index World Rankings		
	2017	2016
Georgia	46	44
Mongolia	103	87
Armenia	107	113
Azerbaijan	122	123
Kazakhstan	122	131
Russia	135	131
Kyrgyzstan	135	136
Uzbekistan	157	156
Tajikistan	161	151
Turkmenistan	167	154

Paying Taxes World Rankings		
	2018	2017
Georgia	22	22
Azerbaijan	35	40
Kazakhstan	50	60
Russia	52	45
Mongolia	62	35
Uzbekistan	78	138
Armenia	87	88
Tajikistan	132	140
Kyrgyzstan	151	148
Turkmenistan	No data available	

Source: EUI, World Bank, Transparency International, World Economic Forum

Overview of PwC Services – how can we help you in Eurasia

Advisory

- Digital & Technology
- Transactions, mergers and acquisitions
- Research & Development (R&D) and Innovation Management
- Operational Efficiency
- Inward Investments
- Creating and Implementing Strategies
- Procurement and infrastructure investments
- Change Management
- Forensic Services
- HR Consulting
- Corporate Social Responsibility

Assurance

- Audit
- Internal Audit
- Financial Reporting and Accounting Advisory Services
- Regulatory Services
- International Financial Reporting Standards
- Accounting and Payroll Outsourcing
- Risk management
- Corporate governance
- Business controls and performance assurance
- IT risks/Cyber Security
- Financial Risk

Tax & Legal

- Indirect Taxes
- Tax Litigation
- Legal services
- International Tax Structuring
- Transfer Pricing Services
- Human Resource Services (HRS)
- IT Based Tax Consulting
- Accounting and Payroll Outsourcing

Introduction to
Kazakhstan,
Georgia and
Uzbekistan



Michael Ahern

Partner

Leader of Tax & Legal Services

PwC Eurasia

Today's focus: Georgia, Kazakhstan & Uzbekistan



KAZAKHSTAN – THE WORLD'S LARGEST LANDLOCKED COUNTRY

The largest and strongest performing economy in Central Asia

Has an abundant supply of accessible mineral and fossil fuel resources (uranium production volumes with 35% of global production)

Has attracted huge FDI (more than USD 280 bln since 1991)

Extensive trade ties with China and EU Member State (mainly in the Energy sector)



Main macroeconomic indices	Index number
GDP growth	4.0% in 2017
Population	18.213 mln. (as of Apr. 2018)
Unemployment rate	4.9% (as of Apr. 2018)
Inflation rate	7.1% in 2017
GDP per capita	USD 8.8 thousand in 2017
Growth rate of trade industry	125% in 2017
Advantages of the EEU membership	

Possible expansion to the Central Asian markets

Georgia – Promising Market for Investments



Main macroeconomic indices	Index number
GDP growth	5.0% in 2017
Population	3.729,6 mln. (as of Jan 2018)
Unemployment rate	13.9% by 2017
Inflation rate	2.5% (as of May 2018)
GDP per capita	USD 4067.7 in 2017
Advantages of the AA/DCFTA	
Possible expansion to the European and Central Asian markets	



Strategic location within One Belt One Road initiative

Recognized as one of the easiest places to do business in the world - 1st among the countries in Europe and Central Asia

Among top countries in terms of water resources per capita (only 20% utilized)

Attracts over a 1.5 B USD FDI annually (primarily in Transport and Communications, Financial Sector, Construction, Energy, Real Estate, Hotels, Manufacturing), with Azerbaijan as largest investor, followed by Turkey and United Kingdom

Free Trade Agreements with 2.3 bln market (EU, China, Turkey, CIS)

4 Free Industrial Zones - No taxes except Personal Income Tax (20%)

Uzbekistan - the heart of the ancient Silk Road trade route connecting China with the Middle East and Rome

***32 million inhabitants
(46% of Central Asia's population)***

***A dynamic and fast growing economy
(5.3% GDP growth in 2017)***

***Recent large-scale reforms
(Foreign exchange, Tax, Transparency, Industry)***

***Extensive and varied natural resources
(Gas, Precious Metals, Non-ferrous, Uranium)***

***Diversified growing industrial base
(Energy, Petrochemicals, Fertilisers, Power, Metals,
Automotive production, Agriculture)***

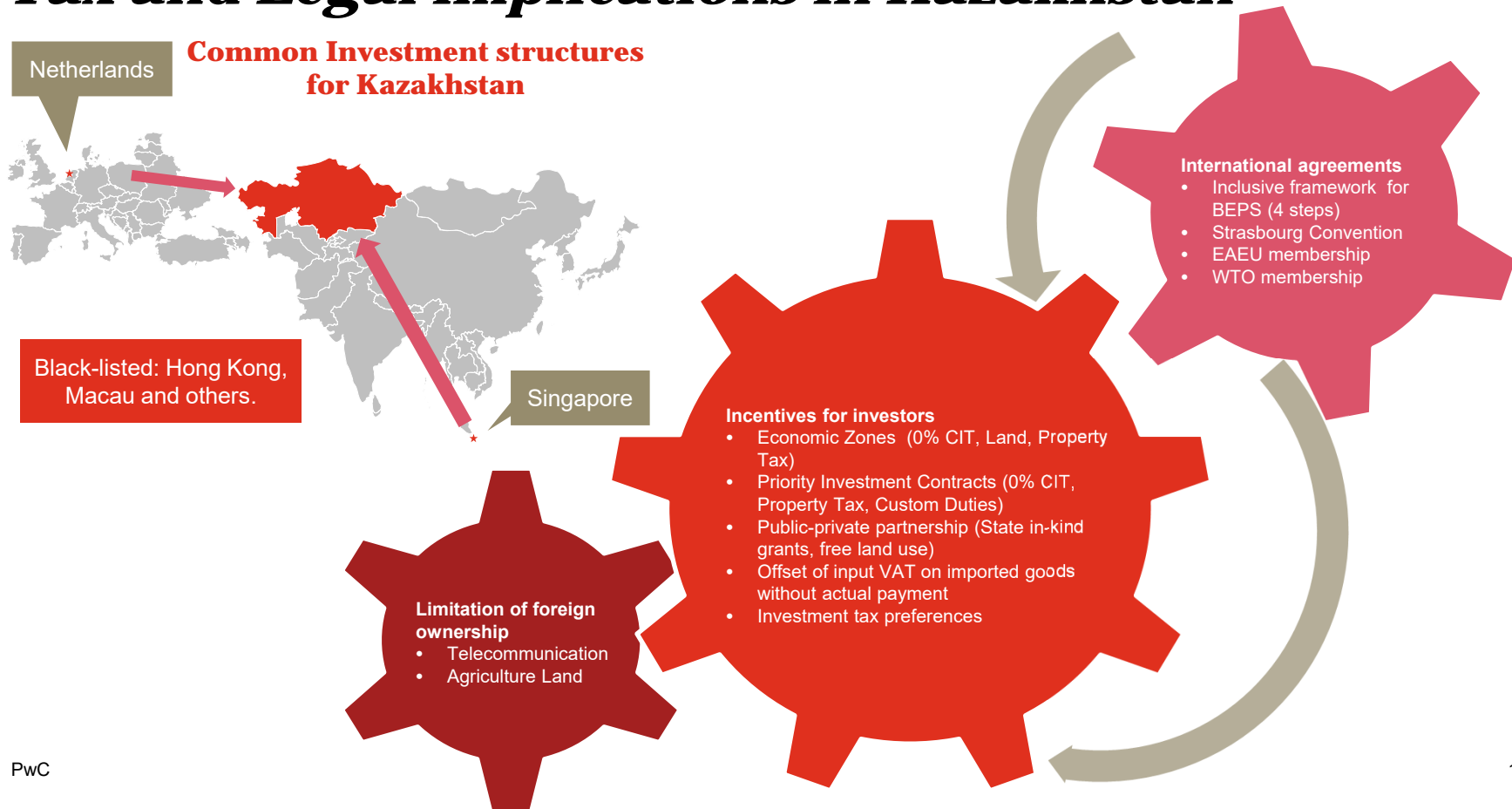
Main macroeconomic indices	Index number
GDP growth	5.3% in 2017
Population	32.7 mln. (as of 2017)
Unemployment rate	4.9% (as of 2017)
Inflation rate	13% in 2017
GDP per capita	USD 7.0 thousand in 2017
Opportunities in energies and infrastructure	
Liberalization of regulations for investment	
Abundance of land for project development	

Tax and legal climate in Kazakhstan

Issues to consider:

- rule of law
- form over substance approach of state authorities
- aggressive approach of the tax authorities
- currency volatility
- strict visa regulations for Chinese

Tax and Legal implications in Kazakhstan



Tax and legal climate in Uzbekistan

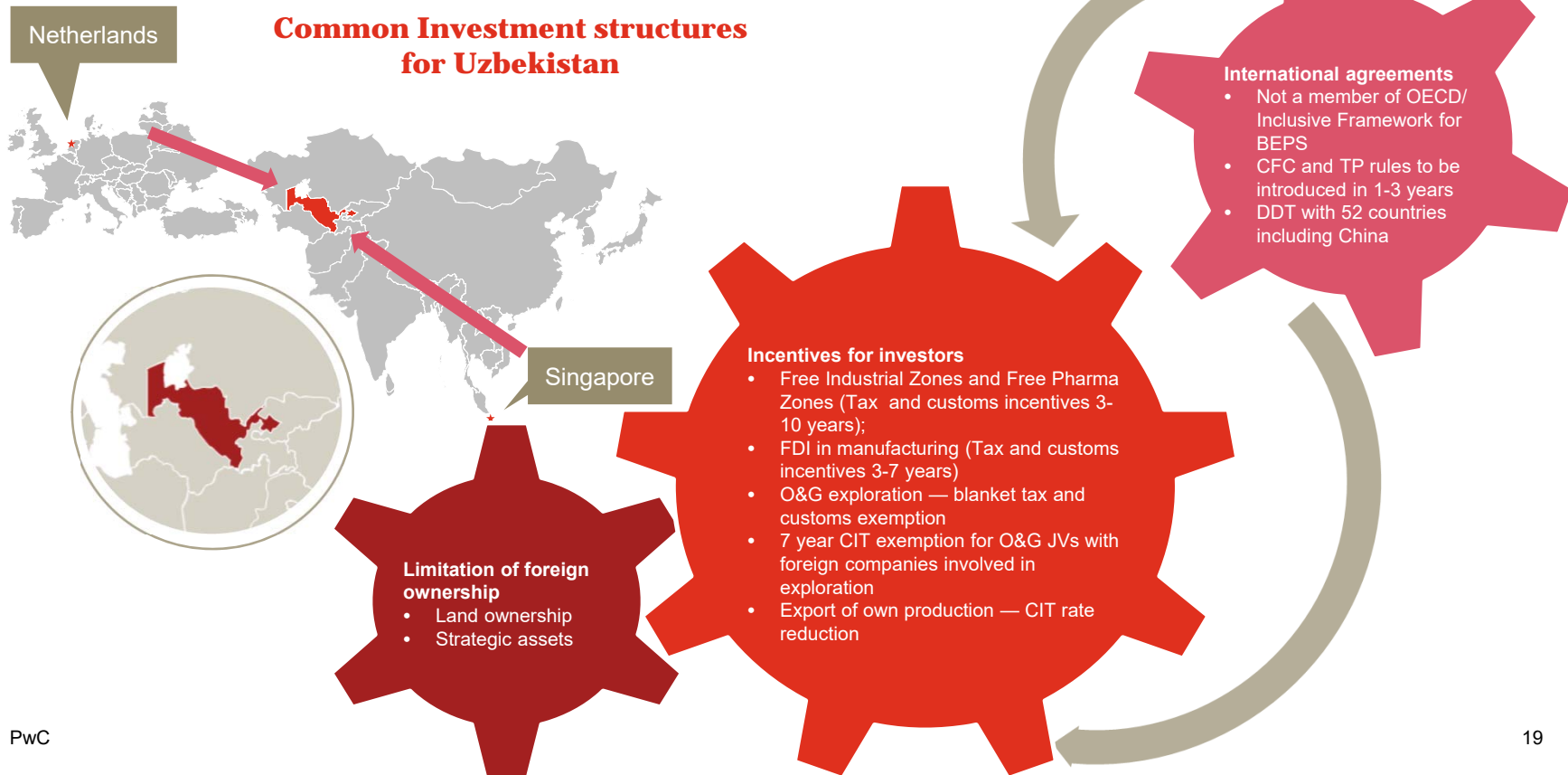
Issues to consider:

- rule of law
- form over substance approach of state authorities
- aggressive approach of the tax authorities

Current reforms:

- comprehensive reforms from 2018 to significantly improve the investment climate
- to become top 40 in the World Bank's Doing Business rating by 2021 (currently 87)
- liberalization of foreign exchange market
- changes in tax administration

Tax and Legal implications in Uzbekistan

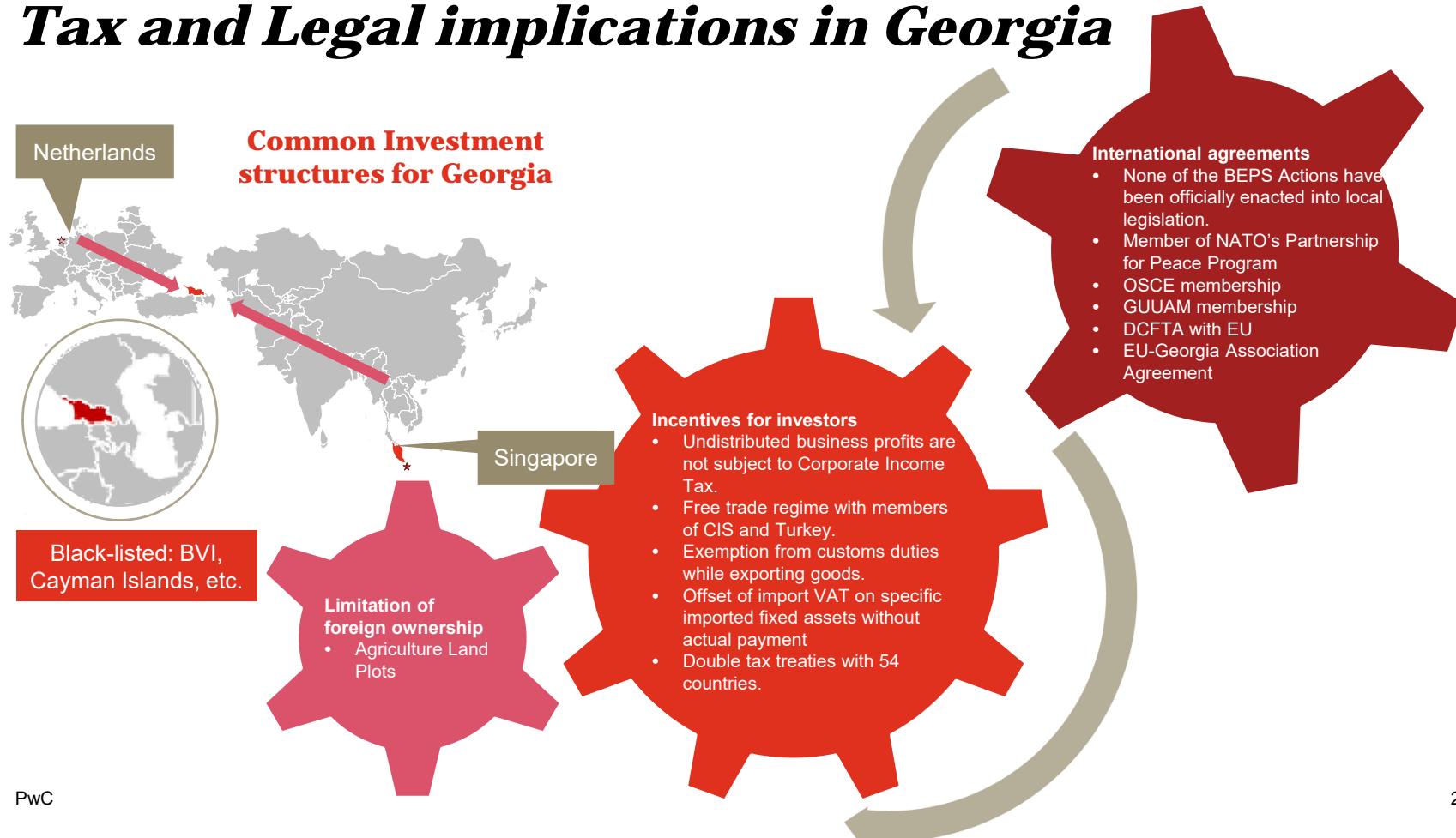


Tax and legal climate in Georgia

Issues to consider:

- rule of law
- substance over form approach of state authorities
- Not aggressive approach of the tax authorities
- significant currency fluctuations
- strict visa regulations

Tax and Legal implications in Georgia



Main Sectors for Chinese Investment in Eurasia

