

Mining market in Kazakhstan

Mining is a priority sector in Kazakhstan that employs nearly 190,000 professionals. Kazakhstan is among the top 10 leading countries with significant mineral resources, offering numerous opportunities for Canadian mining supply and services (MSS) companies of varied expertise. Kazakhstan's diverse geography provides very substantial reserves that generate 29 non-ferrous, 3 ferrous and 2 precious metals, and 84 industrial minerals. The mining industry in Kazakhstan focuses mainly on extraction and export of raw materials and base metals.

Key opportunities for Canadian mining suppliers

Cleantech

Cleantech is the fastest growing sub-sector of Kazakhstan mining industry. The Government of Kazakhstan plans to implement Organization for

Economic Co-Operation and Development environmental standards for the mining industry. Local mining companies are gearing up to implement cleantech technologies and equipment to meet those high standards, as well as in response to global demand for decarbonization of mining operations. The new Environmental Code of Kazakhstan (No 400-VI 3PK), adopted January 2, 2021, will motivate subsoil users to replace their old technologies and equipment, providing opportunities for Canadian companies offering new technologies.

Exploration

Kazakhstan's US\$2.3-billion geological exploration program for 2021 to 2025 aims to increase exploration to replenish Kazakhstan's mineral resource base. Opportunities for Canadian companies exist in:

- geophysical equipment
- drilling (both services and equipment)
- design of exploration plans
- laboratory and analytical investigations

Information and communication technologies

The Kazakh mining industry's 2018-2025 digitization plan includes 192 projects (79 already completed) and the market is expected to grow further in the upcoming 5 or 6 years. Opportunities exist for Canadian MSS companies offering digitalization and automation of all stages of minerals production process.

Notable challenges for Canadian mining suppliers in Kazakhstan

- Competition in the local market is primarily from European and Chinese companies.
- Kazakhstan is a member of the Eurasian Economic Union, whose tariff-free trade makes Russian equipment more competitive.
- Local content rules and requirements to have a presence with either a local partner or a local office with local staff

Industry highlights	
Open on highly restricted basis Export Development Canada's position	0.75% Global exploration share
79.6 World Bank Ease of Doing Business score	Uranium and chrome lead Kazakhstan's mining sector
11.3% 5-year compound annual growth rate of industry	US\$17.1 billion National mining revenues
Can\$219 million Kazakhstan ranks 42nd overall in Canadian mining assets abroad	2 Canadian companies operating in Kazakhstan

Kazakhstan business landscape

- Building and maintaining personal relationships and networks is very important.
- Despite Kazakh being the main language in Kazakhstan, Russian is widely spoken in the mining sector and remains the main technical language used.
- Providing post-sales service and on-time supply of spare parts are critical for local mining company operations.

Request a meeting

To learn more about the mining industry in Kazakhstan, please request an in-person meeting with a Trade Commissioner on the Business-to-Trade Commissioner scheduling platform ahead of PDAC 2022. <https://go.b2b-2go.com/en/canadapdac-2022/>