

# Comparative characteristics of the economy of Kazakhstan and the UK



# Vocabulary

- Fuel
- Considerable
  - Extraction
  - Landlocked
    - Bulk
    - Welfare
    - Truck
- high-end machines
- Топливо
- Значительный
  - Добыча
- Не имеющий выхода к морю
  - Массовый
  - Благосостояние
- Грузовой автомобиль
- Машины высокого класса

# Economy of Kazakhstan

- The economy of Kazakhstan is the largest economy in Central Asia. It possesses enormous fossil fuel reserves as well as minerals and metals. It also has considerable agricultural potential with its vast steppe lands accommodating both livestock and grain production, as well as developed space infrastructure, which took over all launches to the International Space Station from the Space Shuttle. Kazakhstan's industrial sector rests on the extraction and processing of these natural resources and also on a relatively large machine building sector specializing in construction equipment, tractors, agricultural machinery, and some military items.

- Kazakhstan is rich in natural resources, most notably oil and natural gas, but also coal and minerals, including iron ore, chromium, uranium, copper, nickel, cobalt, gold and many others.
- Kazakhstan has considerable agricultural potential. Development of these natural resources has been hindered by the fact that Kazakhstan is a landlocked country, giving rise to infrastructure and transport cost issues, especially for bulk commodities. Potential export routes are also vulnerable to political and economic instability in neighboring countries. Nevertheless, the abundance of natural resources has attracted considerable interest among international investors, particularly in the oil and gas sectors.

# Mining

- Oil and gas is the leading economic sector. Kazakhstan has the potential to be a world-class oil exporter in the medium term. Kazakhstan's economic future is linked to oil and gas development. GDP growth will depend on the price of oil, as well as the ability to develop new deposits.
- Kazakhstan is the third country in the world for uranium production volumes, and it owns the world second biggest uranium reserves after Australia.
- It has also the largest silver, zinc and nickel markets in West Asia.

# Foreign trade



- The share of trade with traditional partners - the CIS and Baltic countries - large, accounting for about 59% of exports and 63% of imports. In this case the main trading partner is Russia.
- State of CIS successfully develop trade relations with Germany, Turkey, Switzerland, Czech Republic, Italy, China, USA, UK, South Korea and others.

# Kazakhstan in the world trading system

- In recent years, Kazakhstan has become more integrated into the world economy. Foreign investment has increased, especially in the oil and natural-gas sectors. In 1994 Uzbekistan and Kazakhstan established a free-trade zone between the two countries, and Kyrgyzstan soon joined the agreement.
- In July 2010, began operating the Customs Union of Belarus, Kazakhstan and Russia. By some estimates, the Customs Union will promote economic development and may provide an additional 15% to the GDP of the participating countries by 2015.

- Negotiations on Kazakhstan's accession into the WTO initiated in 1996 are at the closing stage now. Kazakhstan is currently in active bilateral talks with 26 EU countries and is planning to become a full member of the organization by 2012.

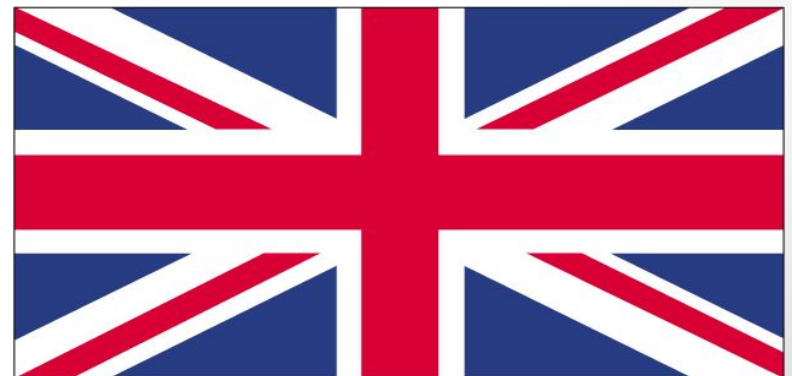




# Economy of the UK

- The United Kingdom has the sixth-largest economy in the world, has the second-largest economy in the European Union, and is a major international trading power. A highly developed, diversified, market-based economy with extensive social welfare services provides most residents with a high standard of living.
- Mechanical engineering and transportation, industrial products and chemicals are the main exports of Great Britain.
- British Petroleum is the largest industrial corporation and the UK ranks second in Europe.

- Britain provides 10% of world exports of services - banking, insurance, brokerage, advisory, as well as in computer programming.
- UK imports 6 times more manufactured goods than raw materials. The most significant exporter of Great Britain is the United States. Seven out of ten of the leading suppliers in the UK - is the EU.
- Leading sector of the British economy is the services sector.



# Machinery engineering

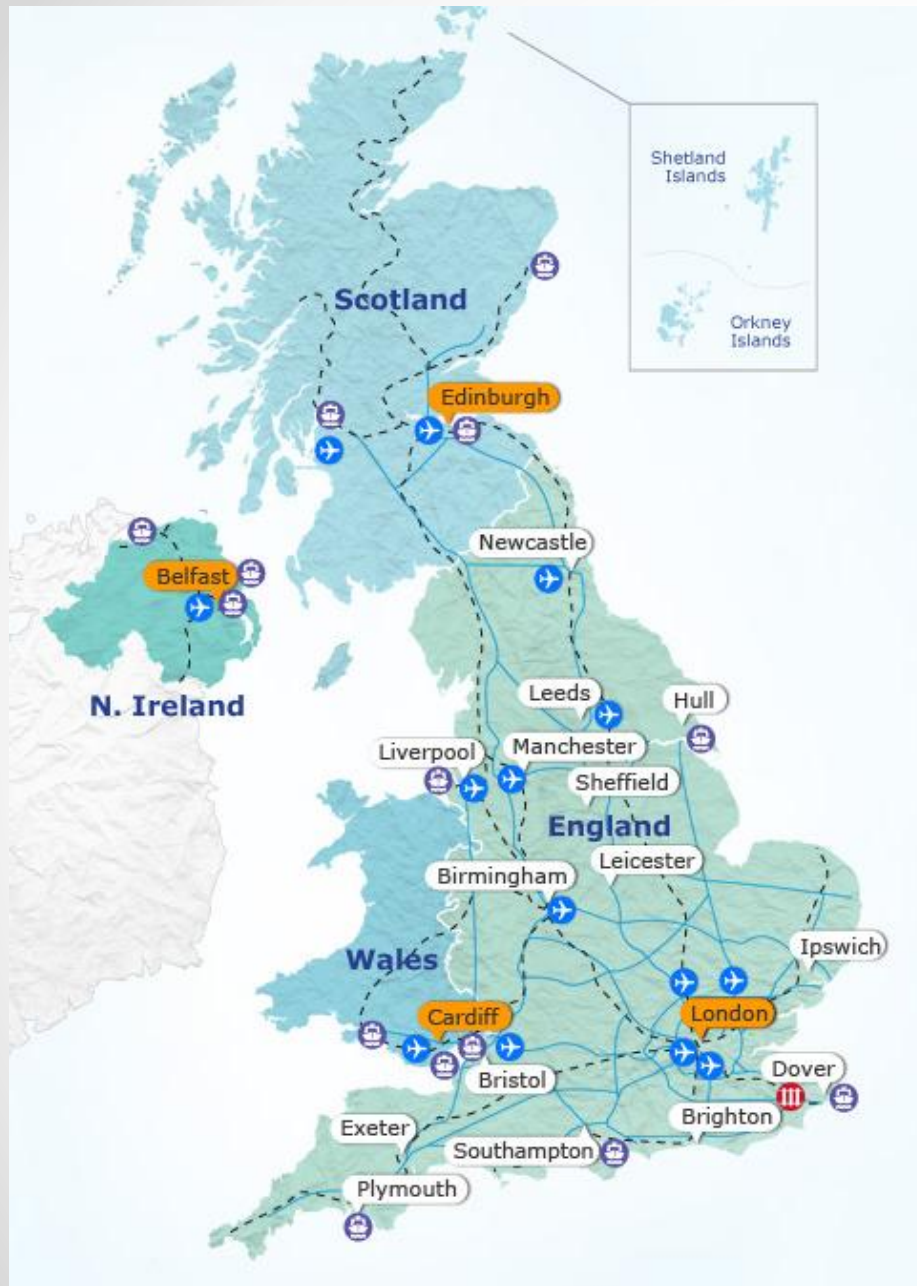
- Machinery engineering is the largest sector of British industry. Predominant transport machinery.
- UK holds a leading position in the world as an exporter of trucks. For example, the well known series of cross-brand vehicles, "Land Rover". The main buyers are British cars - the U.S., New Zealand, Iran and South Africa.
- Several of the largest automobile companies produce nearly all production cars and trucks. Such as "British Leyland" mills of the international American company, "Chrysler JK" and its subsidiaries, American firms "Vauxhall" and "Ford". Retain the position of world leader in the production of high-end machines of the "Rolls Royce" and "Bentley".

- Aircraft is one and the most rapidly developing branches of engineering the UK Dominates the industry's largest public company - "British Aerospace". She specializes in a wide variety of aircraft, helicopters, spacecraft, missiles. Helicopters made another big firm "Aircraft Westland." Highly developed co-operation with Western European and American companies in the manufacture of civilian and military vehicles.



# Financial and business services

- London is a major center for international business and commerce and is one of the three "command centers" of the global economy (alongside New York City and Tokyo).
- There are over 500 banks with offices in London, and it is the leading international center for banking, insurance, Eurobonds, foreign exchange trading and energy futures.
- London is also a major center for other business and professional services, and four of the six largest law firms in the world are headquartered there.



- Several other major UK cities have large financial sectors and related services.
- Edinburgh has one of the large financial center in Europe and is home to the headquarters of the Royal Bank of Scotland Group.
- Leeds is now the UK's largest center for business and financial services outside London, and the largest center for legal services in the UK after London.



| Country              | Kazakhstan  | UK  |
|----------------------|---|---|
| <b>GDP</b>           | \$ 177. 835 billion   | \$ 2. 17 trillion   |
| <i>Exports</i>       | \$41.64 billion   | £428.6 billion  |
| Export goods         | oil and oil products - 59%,<br>ferrous metals -19%,<br>chemicals - 5%, machinery - 3%,<br>grain, wool, meat, coal   | manufactured goods, fuels, chemicals;<br>food, beverages, tobacco   |
| Main export partners | China 13.4%, Russia 11.1%,<br>Germany 10.6%, Italy 6.9%,<br>Romania 6.6%, France 5.7%,<br>Ukraine 5.4%, Turkey 4.1% | United States 14.3%, Germany 10.5%,<br>Netherlands 8.0%, France 7.2%, Ireland 6.0%,<br>Belgium and Luxembourg 5.1%,<br>Spain 3.7%, Italy 3.3%, China 3.2% |
| <i>Imports</i>       | \$25.15 billion   | £477.9 billion  |
| Import goods         | machinery and equipment,<br>metal products, foodstuffs  | manufactured goods, machinery, fuels;<br>foodstuffs   |
| Main import partners | Russia 34%, China 25%,<br>Germany 6.2%, Ukraine 4.7%  | Germany 12.5%, China 8.4%, United States 7.6%,<br>Netherlands 7.3%, France 6.0%, Norway 5.7%,<br>Belgium and Luxembourg 5.0%, Italy 3.9%, Ireland 3.4%    |