



# Kazakhstan News Bulletin

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Say it in Kazakh:  
*Something for your  
summer drill:  
Are you going to  
take a vacation this  
summer? --- Siz osy  
zhazda demalys  
alasyz ba?  
Where will you? ---  
Kay zhakka barasiz?  
I love you! --- Men  
seni suiemin!  
Good night  
(informal)! ---  
Qayirli tyn!*

## **Kazakhstan's Vinokourov Wins Tour's 11th Stage, Armstrong Leads Overall**

Alexandre Vinokourov, Kazakhstan's strongest cyclist, won the 11th mountainous stage of the Tour de France on July 13 in a dramatic show of strength of will.

Vinokourov, riding for the T-Mobile team in Kazakhstan's colors, finished the second alpine leg of the 21-stage Tour in four hours, 47 minutes and 38 seconds, beating Santiago Botero of Colombia (team Phonak) in a sprint to the finish line.

Wednesday's 173-kilometer trek from Courchevel to Briancon featured three gigantic climbs: the legendary Col de la Madeleine, the Col du Galibier (the highest climb on this year's Tour at 2,645 meters) and the Col du Telegraphe.

Lance Armstrong, the six-time defending Tour champion, finished sixth Wednesday (1:15 behind Vinokourov) but retained the race leader's yellow jersey.

Vinokourov, who finished third in the Tour in 2003 and won a Tour stage that year, rebounded from a poor performance on Tuesday when Armstrong overtook him and his other main rivals to retake the overall lead.

Considered one of Armstrong's main challengers, Vinokourov dropped back to 16th place, 6:32 behind Armstrong, with his poor showing on Tuesday. However, the Kazakh rider earned a time bonus for winning Wednesday's stage to cut his deficit to Armstrong to 4:47. Vinokourov is 12th overall.

Vinokourov said: "I kept my spirits. I said to myself 'I have nothing to lose. I am still going to attack.'"

Vinokourov took the lead on the Col du Galibier, the last of stage's three ascents to the ski station of Courchevel.

Botero trailed Vinokourov over the pass by 40 seconds, but caught up with the T-Mobile rider on the descent toward Briancon. The pair ended up in a sprint to the finish where Vinokourov edged Botero by one second.

Thursday's 12th stage was a 187-kilometer trek from Briancon to Digne-les-Bains as the Tour heads south to Provence.

It did not affect neither Armstrong's nor Vinokourov's standings in the overall race.



**Alexandre Vinokourov celebrates his win.**

## **‘Kazakhstan’s Switzerland’ Gets Improved Infrastructure**

The lakes of Borovoe region in northern Kazakhstan, known as ‘Kazakhstan’s Switzerland’ for their beauty and mountainous pine-tree lined surroundings, received an important boost on July 14 with the opening two new modern hotels in the area.

Kazakhstan seeks to promote Borovoe, also called Burabai, as one of its key tourism destinations. The lakes already attract dozens of thousands of tourists a year who look for both recreational activities and treatment of movement disabilities and are enticed by relative cheapness of the resorts. In the summer time, the resorts offer picturesque hiking routes, beautiful vistas, as well as swimming and sun bathing. In the winters, visitors spend time skiing, taking in massages and other treatments. Borovoe is just over 200 kilometers (120 miles) away from the capital of Astana, a two and a half hour drive over a new road, and provides full cellular phone coverage for convenience.

The President of Kazakhstan, Nursultan Nazarbayev, opening the hotels, urged local businesspeople to not only improve quality of services but also to take good care of the unique environment of the lakes as the numbers of visitors are continuing to grow.

Yermek Marzhikpaev, the owner of Alem, one of the two new hotels, said: “Our nature here is beautiful, and industry is moving into a new stage of development.”

## **IMF Commends Kazakhstan’s Economic Policies, Urges Continued Efficient Management of Wealth**

The International Monetary Fund concluded regular consultations earlier this month with the authorities of Kazakhstan regarding the country’s economic policies.

The IMF press release of July 13 said the Fund “commended the Kazakhstani authorities’ prudent macroeconomic policies in the past several years, which have been critical in achieving rapid economic growth, declining unemployment, and sustained reduction in poverty.”

“Looking forward, Kazakhstan’s economic outlook remains highly favorable, providing a good opportunity to continue addressing the country’s pressing social needs and regional disparities, and improving living standards on a lasting basis,” the IMF said.

The Fund, which does not keep a representative in Kazakhstan since the country repaid all of its debts to it seven years ahead of schedule, said “Kazakhstan’s sizable petroleum wealth offers tremendous opportunities but also presents significant challenges.

It stressed that “meeting these needs and challenges will require continued efficient and sustainable management of petroleum wealth, keeping inflationary pressures in check, and implementing structural reforms to promote economic diversification.”

The Fund noted Kazakhstan’s economy continued to grow rapidly and “real GDP growth remained robust at an estimated 9.4 percent in 2004.”

The Fund recognized the economic growth in the oil rich Kazakhstan comes from a variety of sectors: “Increased hydrocarbon production continued to underpin growth, although the output of nonhydrocarbon sectors also expanded at a rapid pace... Activity remained strong in early 2005 with an estimated 9.3 percent real GDP growth in the first quarter.”

According to the IMF, “sustained rapid growth has led to a significant reduction in poverty, but some other social indicators remain weak.” For the full report, please visit <http://www.imf.org/external/np/sec/pn/2005/pn0587.htm>.

## **President Signs Offshore PSA Law**

President Nursultan Nazarbayev signed a law on production sharing agreements (PSAs) for offshore oil operations.

The law regulates legal relations relating to rights for oil operations in the Kazakh sector of the

Caspian and Aral seas.

Vladimir Shkolnik, Minister of Energy and Mineral Resource, earlier said a special PSA law for offshore projects was drafted to ensure the legal framework for the implementation of a state program for the development of Kazakhstan's sector of the Caspian Sea. The President of Kazakhstan approved the program in May 2003.

According to the Energy Ministry, recoverable hydrocarbon reserves in Kazakhstan's sector of the Caspian amount to about 8 billion tons. It is home to Kashagan field, the largest oil find in the world during the past three decades, currently being developed by an international consortium.

Under to the new law, parties to future PSAs will have a choice to change the PSA if legislative acts in the republic worsen or improve the commercial results of the contractor's activity.

The law provides an investor exploring the offshore a right to choose the type of contract to continue production work between a PSA or a contract with other conditions.

The law also guarantees state protection of property and other rights. It guarantees the KazMunaiGaz national oil and gas company at least 50 percent in oil production projects in the Kazakh sector of the sea. The law comes into effect after its official publication.

## **Unemployment Down to 8% in Second Quarter**

Kazakhstan's Agency on Statistics announced July 14 the country's unemployment rate decreased in the second quarter of 2005 to 8 percent of economically active people, reaching 636,100. The drop from the first quarter was 19,600.

As of July 1, Kazakhstan had a workforce of 7.9 million, up three tenth of a per cent compared to the same period last year. The statistics counts economically active people aged 15 years and older as workforce.

The total number of hired people numbered 4.6 million. Around 2.7 million were self-employed, and close to 2.6 million worked at large and medium enterprises.

## **Things to Watch:**

- The election for the Senate of Kazakhstan with 16 seats up for indirect elections on August 19. So far, 73 candidates declared their intentions to run, including 13 incumbents.
- The Constitutional Council has a month since July 13 to review the President's request to check the constitutionality of two draft laws regulating nongovernmental organizations. The request will be reviewed in an open session.
- *Photomodel 2005*, the Kazakh national beauty contest, will take place in Almaty July 15.

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