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# The Energy Regulation and Markets Review

Kazakhstan is a major producer of all fossil fuels (coal, crude oil and natural gas) and of uranium. Revenues from oil exports make up the bulk of Kazakhstan's budget, therefore Kazakhstan is now seeking new routes for the export of oil to Europe bypassing Russia.

The potential for foreign investment in the Kazakhstan energy sector is huge. For instance, to cover the needs of the local economy and the population alone, the commissioning of at least 17.5GW of new power generation will be required by 2035. According to the Ministry of Energy of Kazakhstan, the proposed structure for the new energy capacity required by 2035 will be as follows:

- a. more than 5.1GW of gas generation;
- b. more than 2.1GW from hydroelectric power plants;
- c. 1.4GW of coal generation;
- d. more than 6.5GW from renewable energy sources; and
- e. more than 2.4GW of nuclear generation.

## i Energy policy framework

A considerable role in governing energy relations in Kazakhstan is played by soft law instruments in a form of the 'documents of the system of national planning'. The energy sector-related documents of the state planning system include (in order of hierarchical importance):

- a. Strategy Kazakhstan 2050, which is the main long-term strategy document of the state planning system;
- b. the National Priorities;
- c. the National Development Plan;
- d. the National Security Strategy; and
- e. the Territorial Development Plan.

At the secondary level, relevant state planning system documents concern concepts of industry and sector development, and 'national projects', including:

- a. 'Concept for development of the Kazakhstan fuel and energy complex until 2030'; this concept in particular is currently the most important industry document in the strategic planning system in the energy field.
- b. 'Concept for development of the Kazakhstan gas sector until 2030'.

The following national projects are also directly related to the energy sector:

- a. the national project for 'Sustainable Economic Growth Aimed at Improving the Well-being of Kazakhstanis';
- b. the national project for the 'Development of Entrepreneurship for 2021-2025'; and
- c. the national project for 'Green Kazakhstan'.

The development plans of state bodies, national management holdings, national holdings and national companies are also of significance, including, most importantly, the current development plan of the Ministry of Energy, which covers the period until 2024.

Other energy policy documents of note include the following:

- a. 'Concept for the transition of the Republic of Kazakhstan to a green economy by 2050', approved in 2013 and setting a target of 50 per cent of energy in the energy mix to be from solar, wind, hydroelectric and nuclear power plants by 2050.
- b. Development plan of the Kazakhstan hydropower industry for 2020–2030.
- c. Road map for the development of the coal industry of Kazakhstan until 2030.
- d. General scheme of gasification of Kazakhstan for 2015–2030.

In general, the main problem in strategic planning for development of Kazakhstan's energy complex is the lack of a comprehensive and long-term national strategy in the form of a single policy document for the whole energy sector. At present there are disparate and superficial concepts, development plans and national projects, etc. that are largely declaratory in nature and do not take into account the challenges of the fourth energy transition, the covid-19 pandemic or the war in Ukraine.

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## Industries

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## Locations

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