

Unlocking Air Cargo Potential: A Call for a Joint Public & Private Action

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Samruk-Kazyna Group

The backbone of the economy

Assets ('23)	EBITDA	Net Income
U.S. \$81.2bn	U.S. \$10.0bn	U.S. \$3.7bn

Oil & Gas



National vertically integrated oil & gas company. Exploration and production of hydrocarbons, transportation, and processing.



Vertically integrated national natural gas company. Centralized transportation infrastructure, international transit and sales

Transportation



National railway company



National flagship carrier. The best airline in Central Asia and the CIS.



Regional airline

Telecom&Postal



Largest fixed-line communications and national data transmission network operator. Internet access, digital TV, mobile and landline



National postal operator. Postal, financial, brokerage, agency & electronic services.

Mining



Leading uranium producer in the world with 20% of global market share. Largest reserve base.



Mining – gold, copper, zinc, lead, iron ore, chromium & tin.

Energy



Largest diversified electric power holding company, produces more than 30% of electrical energy in Kazakhstan



Operator of the National Power Grid

Chemicals



SAMRUK-KAZYNA
ONDEU

Chemical holding producing high-end export oriented products

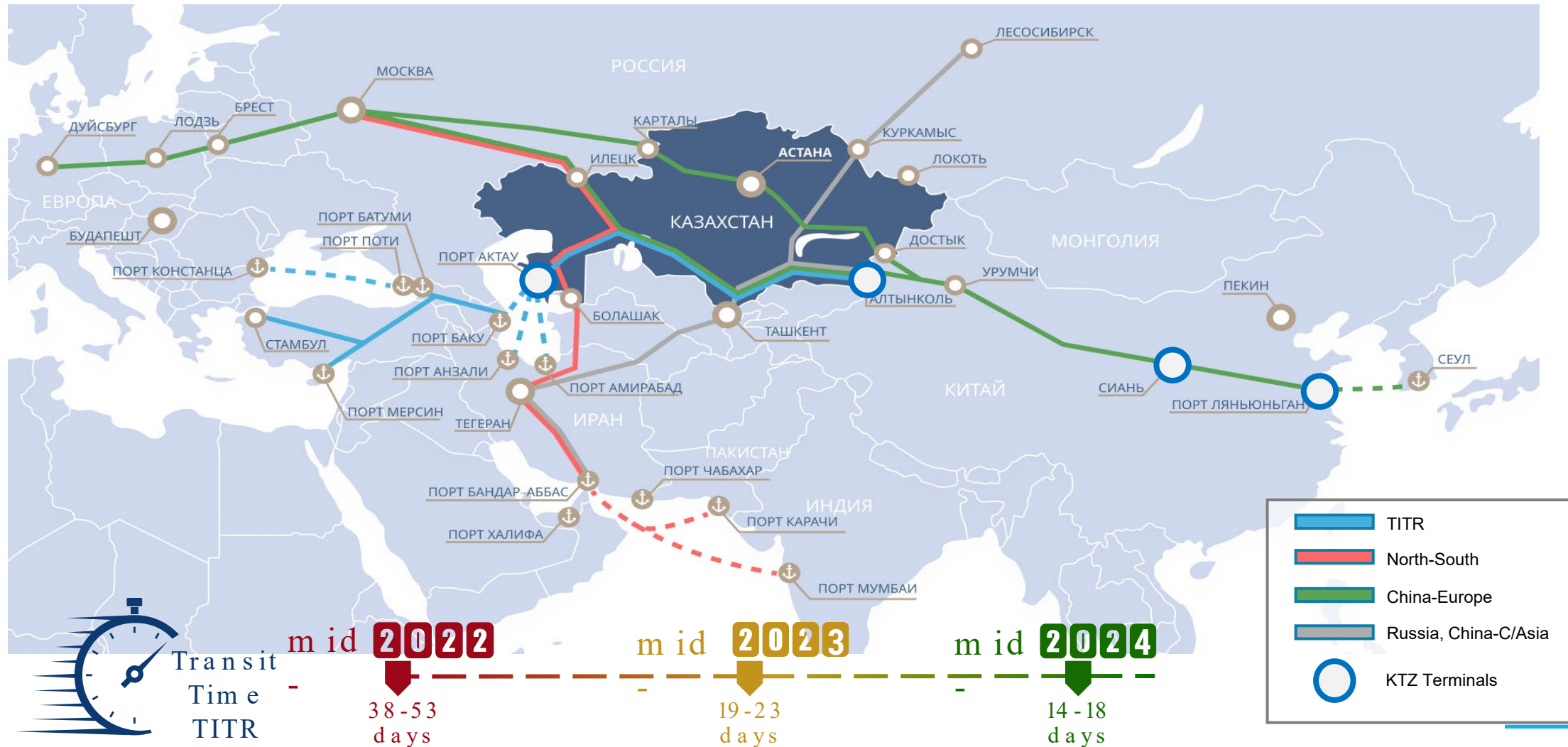
Global Trade vs. Logistics Costs

The paradigm shift in clients preferences: Reliability over Price



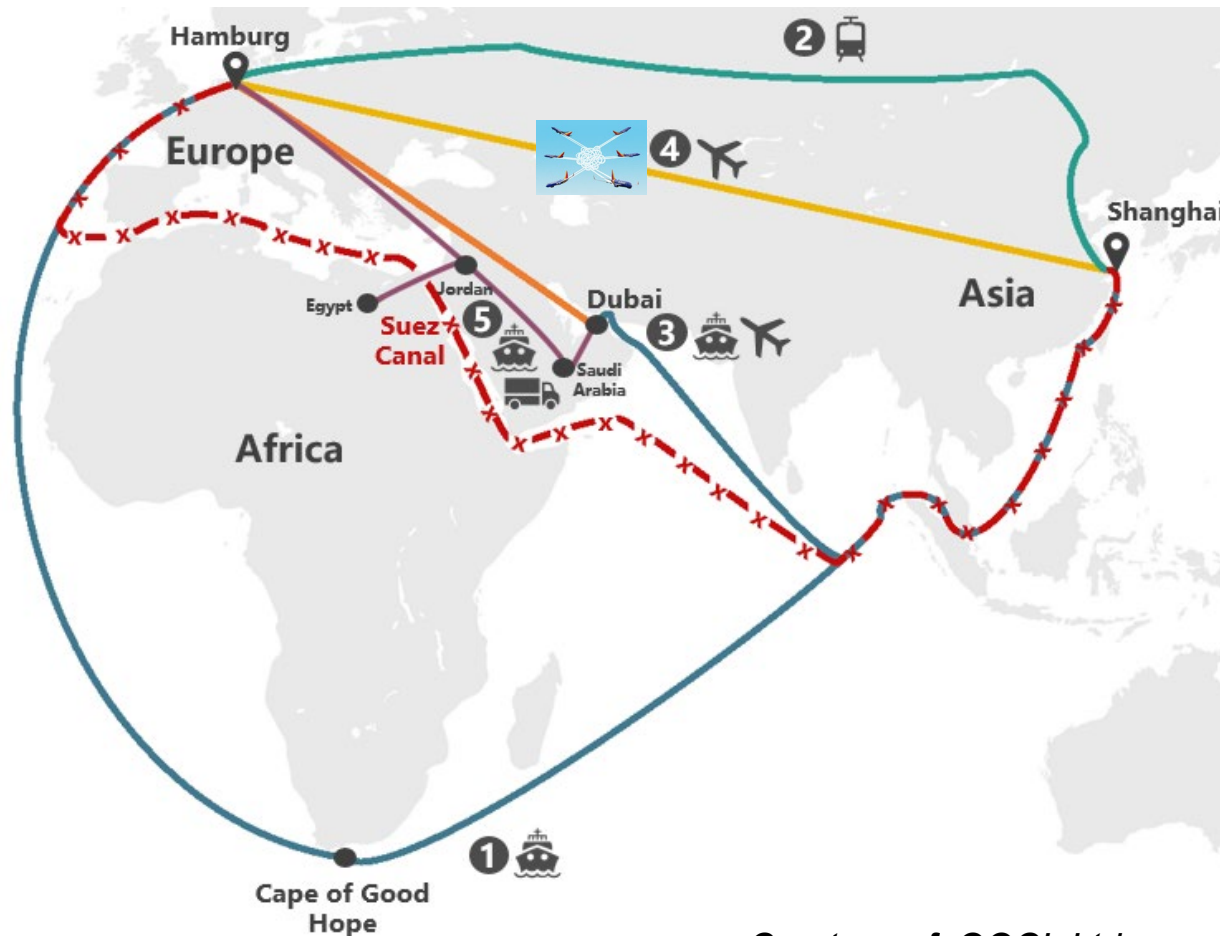
Monetizing the Transit Potential: Success Story of Rail – will/can AirCargo be next?

«Silk Road in the Sky – Kazakhstan Air Cargo Hub»



Silk Road in the sky:

Proposed structure of air cargo



Courtesy of: OOCL Ltd.

Common alternatives:

- 1. Ocean via the Cape of Good Hope**
 - 10 to 15 extra days+
 - 2. China-Europe Railway**
 - 16 to 18 days
 - Higher cost than the ocean
 - Efficient & daily schedule
 - 3. Sea-Air Service via Dubai**
 - 16 to 19 days
 - High cost of air freight
 - Flexible to depart from most Asia seaports to Europe, the UK, the Mediterranean, and North Africa
 - 4. Direct Air from Far East to Europe**
 - 3 to 4 days
 - Fast but high cost of air freight
 - 5. Sea-Land Service via the Middle East**
 - 3 to 7 days in land freight
 - Flexible to transit by truck at Saudi Arabia, Jordan, and Egypt
-  **Proposition: Hub + Feeder Service**
- TransContinental Cargo Airline (Main Partner) + Local JV airline (as a Feeder service)

Open platform:

What the Fund could bring to the table?

Open platform:

- Partnership with local airports, airlines, transportation companies, etc.
- KTZ participation in the JV

Facilitator Role:

- Rapport with Government (GR)
- Co-investment mechanism
- Risk sharing and corporate guarantees

Support from Fund companies:

- KTZ (multimodal, rail2air)
- KazMunaiGaz (fuel)
- Kazpost (last mile)
- SK Invest (investment arm)

The Fund has already been partnering in the areas of Energy, Manufacturing, Digitalization, etc.:



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