

Petrochemicals

Polypropylene production (KPI)

Kazakhstan Petrochemical Industries Inc. (KPI Inc.) operates Kazakhstan's first and only integrated gas chemical complex in the Atyrau Region launched in 2022. The project implemented in partnership with major industry players has the following ownership structure: KMG – 49.5%, SIBUR Holding – 40%, Samruk-Kazyna Ondeu – 9.5%, Firm Almex Plus – 1%.

2025 production highlights

In 2025, the complex demonstrated substantial growth of operating metrics.

- Output: 377 thous. tonnes of polypropylene.
- Product range expansion: 15 grades produced, including five new ones.
- Import substitution: the complex fully met domestic demand by supplying 39 thous. tonnes of products against the total market volume of 58.3 thous. tonnes.

Polypropylene supply by country, tonnes

Destinations	2023	2024	2025
Kazakhstan	9,516	22,887	38,810
China	95,598	89,001	82,014
Europe	33,297	29,413	110,809
Türkiye	11,524	63,756	74,630
Russia	25,409	44,237	55,335
Total	175,344	249,294	361,598

Impact on the domestic market

After the plant launch and the start of KPI product sales in 2022, the share of local polypropylene in Kazakhstan increased to 67%, with imports shrinking to a negligent 8%.

Overdrive Programme

The programme provides special commercial terms to incentivise processing companies:

- Import Substitution Overdrive – product support for import substitution;
- Export Overdrive – ensuring competitive edge in international markets;

Exports

In 2025, a total of 326 thous. tonnes were exported, with the primary markets being China, Europe, Türkiye, and Russia. The products have successfully passed homologation, confirming compliance with all the necessary safety and quality standards, and are sought after by international processing companies.

Partnership with international carriers

We organised export routes to China, Türkiye and Europe, which bolstered supply chain stability.

- Industry Overdrive – competitive edge of value proposition over the traditional one;
- Investment Overdrive – compensation for investments and support for lending interest rates.

Prices

The average market price for polypropylene in Kazakhstan in 2025, including VAT, increased by 10.5% versus 2024 and reached KZT 559.6 thous. per tonne (compared to KZT 506.6 thous. per tonne in 2024), reflecting inflation and higher market demand.

Logistics and warehouse infrastructure

Logistics optimisation:

- the plant secured deliveries on FCA¹ terms (KPI warehouses in Atyrau, Almaty and Astana);
- Opening of a warehouse in Almaty helped:

- increase sales in the southern regions of Kazakhstan (growth in December by 979 tonnes);
- increase sales in the northern regions of Kazakhstan (growth in December by 264 tonnes);
- reduce logistics costs for processing companies that do not have access to railway infrastructure.

Supplies to warehouses in Almaty and Astana in 2025 stood at 6.5 thous. tonnes and 1.4 thous. tonnes respectively.

Service projects

KMG runs comprehensive initiatives to develop oilfield services, upgrade infrastructure and achieve operational excellence. Strategic priorities are reliable water supply in the regions of presence, making oilfield service companies breakeven, and the upgrade of special-purpose machinery and production assets.

The infrastructure of oilfield service companies covers repair and maintenance sites, logistics hubs, and transportation fleets. A special emphasis in 2025 was placed on automating business processes and implementing international quality standards (API Spec Q2).

Enhancing the performance of oilfield services

The company is implementing a programme to make oilfield service companies break even by introducing segregated accounting and automating processes.

- The American Petroleum Institute conducted the final audit of Munaytelecom, with the API Q2 certificate to be issued in 2026 (the second certification among oilfield service assets). Certification of other assets is scheduled for 2026.

Renewal of vehicle and equipment fleets

The programme to upgrade special-purpose machinery in 2024–2026 is ongoing, with 408 vehicles to be modernised at Mangistaumunaigaz' Kalamkas and Zhetybai fields.

Fleet renewal of KMG's subsidiaries

Company, 100% KMG's stake	2025	2026
	Actual	Plan
Oil Transport Corporation	105	96
Oil Services Company	2	25
OzenMunayService	0	5

Development of the production infrastructure

- Oil Transport Corporation: agreements are signed for the construction of a new production facility at Zhetybai and the contractor's machinery is mobilised.
- OzenMunayService: the construction of a new production facility is completed, with the acceptance certificate signed on 3 December 2025.

¹ FCA means that seller is responsible for completing the export formalities and delivers the goods to the buyer's designated carrier at the agreed place and point.