

# Kazakhstan - United Nations

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## PRESS-RELEASE ON THE OCCASION OF THE ANNUAL ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF KAZAKHSTAN

On 6 February 2008 President of the Republic of Kazakhstan delivered his Annual Address to the people of the country named "The growth of welfare of the citizens of Kazakhstan - main goal of the state's policy".

The Address specifically outlined the necessity of consistent modernization and provision of Kazakhstan's stable economic growth, achieving the principle goal of preserving the pace of social development and growth of citizens' prosperity. The Government is set to stimulate domestic investment resources with growing role of state holdings, development institutions and social-business corporations. Priority measures should comprise of:

- consolidation of Kazakhstan's positions as an influential and responsible player in global energy markets;
- forwarding infrastructural supply of economy's main sectors, such as electricity development and transportation system, including implementation of the largest transportation project in Kazakhstan "Transcontinental corridor Western Europe - Western China";
- practical development of non-extractive sector through the implementation of the "30 corporate leaders" program.

The priorities of macroeconomic policy are focused on forming an efficient response mechanism to financial instability threats and enhancing the international markets' confidence in Kazakhstan's economy. Structural reforms in financial system are to be continued to raise its competitiveness and stability, further improve system risks' management both in private and state sectors, as well as elaborate a quick response measures in case of force-major situations.

It is noted that inflow of foreign capital into the banking system is regarded as vote of confidence to Kazakhstan, source of financial support and best international practices of banking services.

One of the agenda items is to bring the tax system in line with the goals of the new stage of Kazakhstan development, thereby promoting modernization and diversification of Kazakhstan's economy, elimination of "shadow business". New Tax Code must become the law of direct action and foresee the reduction of tax burden for non-extractive industries, especially for small and medium sized enterprises, at the expense of greater economic return from extractive sector.

The Address necessitates further improvement of Kazakhstan's model of political and state structure, which combines generally accepted mechanisms of democracy development and traditions of Kazakhstan society, on the basis of long term stability, peace and harmony.

Within the framework of political modernization there will be an increase in effectiveness of public administration, improvement of administrative reform, systemic measures against criminality and corruption. In this context the importance of comprehensive assistance to entrepreneurship, freeing them from a burden of administrative pressure and illegal interference, was highlighted

Provision of social welfare will remain amongst the most important targets. Healthcare and education are named nationwide tasks and they will be developed attracting private capital as a part of corporate social responsibility.

The basic priorities of Kazakhstan's foreign policy will remain invariable. Kazakhstan will continue to develop economic and political cooperation with Russia, China and the countries of Central Asia, thus creating a firm basis for stability, open dialogue and interaction in the region. With the purpose to

strengthen security in Central Asia, constructive cooperation with the United States, the European Union and NATO will be widened.

Due to the chairmanship of Kazakhstan in the OSCE in 2010, a special program "Path to Europe" has been initiated by President Nazarbayev, which is aimed to promote the development of economic cooperation, attract edge cut technologies and modern management practices, urge legislation improvement.