**Factsheet**

**on Kazakhstan President Kassym-Jomart Tokayev’s**

**Address to the Nation on 1 September 2022**

***Overview***

On 1 September 2022, President Kassym-Jomart Tokayev delivered his Address to the Nation, which primarily focused on socio-economic development of the Republic of Kazakhstan while also included several key initiatives regarding the upcoming presidential and parliamentary elections. The last time the President delivered his Address to the Nation was in March 2022, during which he presented a new program of political reforms and several socio-economic measures.

***Some of the key initiatives announced by President Tokayev***

On elections and the presidential term

* **Snap presidential elections** will be held this autumn, as a new mandate of the people for the head of state is needed.
* Tokayev recommended **limiting the president’s term to one term of seven years**. Re-election would be prohibited. These changes are to be reviewed and voted on by the Parliament after the presidential election.
* **Tokayev further called for the elections to the Mazhilis** (*lower house of parliament*) and Maslikhats (*local representative bodies*) to be held **in the first half of 2023** if all relevant laws in the follow-up to the constitutional amendments approved in the June 5 national referendum are adopted by the end of 2022.

Within the framework of political modernisation in our country, the **development of parliamentarism** occupies a central place. The upcoming elections will showcase the results of New Kazakhstan reforms to simplify and ease the process for registration of political parties, and the renewed commitment to pluralism. The President hopes and expects to see many more parties by the time of the Parliamentary election in the first half of 2023.On socio-economic development

President Tokayev stated that “we will radically change the relationship between Citizen – Business – State. First and foremost, the state provides everyone with **equal opportunities and ensures justice**.”

* The priorities of the **new economic course** will be:
* stimulating private entrepreneurial initiative, moving away from state capitalism and excessive state intervention in the economy.
* the development of competition, the provision of equal opportunities for all.
* fair distribution of national income.
* **Minimum wage** will be raised from 60,000 to 70,000 tenge. This will directly affect the incomes of 1.8 million citizens.
* **A new “National Fund for Children”** from 1 January 2024, will allocate 50% of the annual investment income of the National Fund to special savings accounts for children until they reach the age of 18. Upon reaching this age, the accumulated amounts will be used towards purchasing housing and/or receive education.
* State intervention in pricing will be phased out. The exception will be non-competitive markets - the tariffs of monopolists will remain under tight control to protect citizens from unfair pricing.
* Visas for **high-skilled foreigners and significant investors** will be simplified and made more accessible.
* The **concept of “conglomerate”** should be defined at the legislative level.
* The National Bank, the Agency for Financial Regulation, and the government must find specific solutions to ensure **stable and affordable lending to the real sector**.
* Kazakhstan will develop a 3-year **water development project**.
* A new law “**On Public Procurement”** should be adopted.
* Efficient methods must be identified for the **open and rapid allocation of land to entrepreneurs**. It should be developed before the end of the year.
* Decisive measures are required to **prevent all illegal channels for the import of cars** in the future.

On rule of law reforms

* The independence of the judiciary will be strengthened by systematically reducing administrative and government pressure on the legal system, principally by reforming the Supreme Court and increasing its power over judicial review.
* A method of **selecting judges of the Supreme Court through elections** should be introduced. To do this, the President must submit candidates to the Senate on an alternative basis, meaning at least two candidates for one position.

On the January events

* The President announced **one-time amnesty** for **those convicted in participating in violent actions and crimes during the January events**, apart from the masterminds and those who stand accused of state treason, terrorism, extremism and torture. These extremely serious crimes will continue to be tried in courts of law.
* The President also announced financial compensations will be paid out to the needy families of those who died in the January unrest.

On tax reform

* To reset fiscal regulation, a **new Tax Code** will be prepared in 2023. Its most problematic aspect - tax administration - needs to be completely updated. It is necessary to ensure the full digitalization of tax control, eliminating any face-to-face interaction.
* As part of tax reform, introducing a so-called “**luxury tax”** should be considered. It will apply when purchasing expensive real estate and vehicles and will not affect the middle class.

On the “Samruk-Kazyna” sovereign wealth fund

* The Samruk-Kazyna Fund is to be transformed into an investor owning only a majority stake sufficient to control key sectors of the economy. Other assets and shares of the Fund will be privatized, including through the "**People’s IPO**"", a mechanism designed to help interested Kazakh citizens with middle or lower incomes buy shares of the successful state-owned companies.
* Inefficient spending of the National Fund, a governmental entity modelled on Norway’s Oil Fund, accumulating a share of the nation’s profits from mineral exploration, will be stopped. The fund’s resources should be used to **develop the necessary infrastructure** and finance projects that are of importance for the country.
* President Tokayev proposed that half the National Fund’s annual investment revenue would be constantly channelled to individually-assigned accounts for each child in Kazakhstan until his or her 18th anniversary so that he or she then can use it for helping fund studies or improving living conditions.

On the transit potential of Kazakhstan

* Increase the **transit capacity of the country** – Kazakhstan must become a transportation hub of global significance.
* The KTZ (Kazakhstan Railway Company) will be reorganized into a full-fledged transit and logistics corporation.
* Improve at least **95% of local roads** by 2025.

On health and education

* Within two years, **medical and feldsher-obstetric stations** will be built and fully equipped in 650 villages within two years. The state will provide access to primary health care for more than a million citizens.
* **Schoolteachers** will play a decisive role in building a Fair Kazakhstan. It is important to strengthen the teaching of science and mathematics and the English language in high school. At the same time, the President stressed the continued importance of school students in Kazakhstan to study both Kazakh and Russian languages as knowledge of both languages will allow them “to stand firmly on both of their feet.”

On the decentralization of government

* In the continuing effort to reduce central powers, the role of individual ministers in government decision-making and the delivery of public services will be increased.
* Strengthening the authority of local and regional government.