**Factsheet on President Kassym-Jomart Tokayev’s State-Of-The-Nation Address**

**Overview**

On September 2, 2024, President Kassym-Jomart Tokayev delivered his annual state-of-the-nation address to Kazakh citizens at a joint meeting of Parliament. He focused on Kazakhstan’s economic and social development, stating that the State’s primary goals are sustainable socio-economic progress, unlocking citizens’ potential, and improving national well-being.

This factsheet outlines the key priorities and tasks outlined by President Tokayev.

**Referendum on the construction of a nuclear power plant**

* A nationwide referendum on the construction of a nuclear power plant will be held on October 6, 2024, marking a significant step in fostering a new socio-political culture and exemplifying the “listening state” concept.

**Recent Accomplishments**

* During the recent session, **102 laws were passed**, including significant legislation on public oversight, combating human trafficking, science and technology policy, and thermal energy.
* Special attention was given to social issues, particularly child protection, with new laws providing **financial support for children from the National Fund**, imposing administrative penalties for involving minors in gambling, and **strengthening punishments for violence against minors**.
* A **law aimed at ensuring child safety and preventing crimes against women** and children has come into force.
* **Addressing the issue of widespread consumer debt**, new laws were introduced to mitigate its societal risks.
* Systematic efforts were made to improve the well-being of citizens, contributing to the **implementation of the “listening state” concept**.
* Kazakhstan is undergoing major political reforms, transforming public consciousness, legal culture, and social values, aligned with the **goal of building a “Just Kazakhstan.”**
* Despite geopolitical tensions, the country is **committed to a peaceful, evolutionary path and economic diversification**.
* **Inflation has significantly decreased**, international reserves exceed $100 billion, and manufacturing outpaces mining growth.

**Key Tasks Set by President Tokayev**

1. **Address imbalances between monetary and fiscal policies:**

The President directed the government to take effective measures for efficient budget use, strict control of expenditures, and improving inter-budgetary relations. In particular:

* The focus is on **restructuring the economy, boosting citizen incomes, reducing inequality, and strengthening the middle class**, with efficiency as a key criterion.
* **Encourage banks to invest more in the economy** and ensure fair taxation aligned with their profits, especially given past state support.
* **Develop a new banking law** to foster economic activity and fintech growth.
* **Address the issue of underperforming revenue collection** in the national budget.
* **Attracting private investment** through a stable, business-friendly tax policy is crucial.
* **Address the high level of the shadow economy** with targeted measures, including securing border customs posts.
* Tax reforms:
* **A new Tax Code is needed** to establish a simpler, more transparent system.
* **Optimise tax regimes without disadvantaging entrepreneurs**, such as the successful introduction of the retail tax.
* **Comprehensive digitalisation of tax administration** to reduce corruption and increase transparency.
* **Establish differentiated personal income tax rates** and move away from punitive tax administration.
* **Increase the threshold for tax debt notifications** without forced collection.
* **Eliminate scheduled tax audits** by improving risk management.
* **Enhance the effectiveness of tax incentives**, retaining those that truly stimulate business.

1. **Enhancing the investment climate and business conditions:**

* **Increase direct investments in the economy**, with a focus on improving public-private partnership projects.
* **Preferences for investors focused on production development**, including one-time deductions for construction, acquisition, modernization, and reconstruction of assets.
* The government must increase the **share of medium-sized businesses in the economy to 15% by 2029**, up from the current 7%.
* Deregulation efforts have removed over 10,000 unnecessary business restrictions, but **issues with excessive government oversight persist**.
* A review of over 100 business support measures will be conducted to assess their effectiveness, and **a clear, unified list of preferences and benefits for businesses will be created**.
* **Information on returned state assets and their use** must be systematically organised.
* **Capital amnesty should be tied to reinvesting in Kazakhstan’s economy**, with entrepreneurs encouraged to contribute to social infrastructure.
* Agriculture
* The key task is to gradually **shift from direct subsidies in agriculture to providing accessible credit**, ensuring all allocated funds are used effectively.
* **Doubling the funding for spring fieldwork in 2024**, with 70% of agricultural financing provided by the state.
* **Consideration of a new tool, “commodity credit,”** within the “Aul Amanaty” project.

1. **Unlock the country’s industrial potential:**

* **Focus on 17 major projects** that prioritise advanced processing and the use of domestic raw materials and components.
* **The development of the petrochemical industry remains a priority**, with major projects underway in polypropylene and polyethylene production.
* Gas infrastructure:
* **Ensuring gas supply for the population and economy** is a key government task.
* The government is tasked with **accelerating the construction of gas processing plants** in Zhanaozen, Kashagan, and Karachaganak.
* Completion of the modernisation of over 800 kilometres of the **“Central Asia – Center” gas pipeline**.
* **Development of new gas reserves** with an annual production volume of one billion cubic metres.

1. **Address urgent infrastructure issues, particularly in the energy sector and utilities:**

The State continues to actively develop transport, energy, water, and social infrastructure. In particular:

* Energy sector
* A **national project for modernising the energy and utility sectors** must be approved by year-end.
* **Clear and long-term tariff policy planning** is crucial for attracting significant investments into the sector.
* Transport and logistics sector
* **Developing the transport and logistics sector** is a strategic priority for Kazakhstan.
* **The condition of highways is a pressing issue**, with an unprecedented 12,000 km of roads being repaired or constructed this year.
* **The mid-level road repair programme is crucial**, covering 2,500 km of interregional roads, and should be expanded to at least 10,000 km nationwide.
* **Developing air hubs is a crucial task**, with the potential to double the annual processing of 150,000 tons of air cargo in the next four years
* Digitalisation
* **Kazakhstan must strengthen its digitalisation efforts**, with a focus on integrating artificial intelligence into the e-government platform.
* A **National AI Centre in Astana** will be launched next year.
* The **completion of the fibre-optic line across the Caspian Sea by 2025** is crucial for Kazakhstan’s digital infrastructure.
* Water sector
* **Necessary to create water reserves from floodwaters for agricultural use**, repairing and modernising hydrological stations.

1. **Strengthen the country’s workforce:**

* The government has begun internationalising higher education by **attracting 23 prominent foreign universities**.
* The year 2025 will be designated as the **“Year of Vocational Professions.”**
* **New honorary titles** for engineers, geologists, transportation and agricultural workers, and scientists will be introduced.
* The **“Comfortable School” national project** aims to build 217 modern schools by the end of 2025. Additionally, nearly **1,300 schools will be renovated** within three years.

1. **Improve public health and revamp the social support system:**

* A **unified package of basic state healthcare services** should be developed, balanced with the budget’s capabilities.
* A **single state medical information system** should replace the current fragmented programs and databases.
* The development of healthcare should leverage **public-private partnerships (PPP)** more effectively.
* The government is tasked with implementing a **“social wallet” mechanism** by next year to ensure that aid is targeted at those who genuinely need it.

1. **Improve the environmental situation and foster a culture of environmental stewardship:**

* The government is tasked with implementing advanced technologies and **establishing a modern emissions monitoring system**.
* **Reforestation is crucial for maintaining ecological balance** and will continue. Increasing forest areas should become a national movement.
* The nationwide **environmental campaign “Taza Qazaqstan” should continue year-round**. Regional leaders (akims) are directly responsible for the effective implementation of Taza Qazaqstan.

1. **Enhance the effectiveness of public administration:**

* Since 2021, around 2,500 village akims, representing 90% of all rural leaders, have been elected. The **remaining villages will hold elections as current terms end**.
* Last autumn, elections for district and city akims of regional significance were held for the first time. A decision was made to fully transition to this new system starting next year. **All district and city akims will be elected directly as their terms expire.**
* **Political reforms will continue** as needed to support the development of the state, ensuring ongoing progress.
* Implementing effective measures to ensure the **efficient use of budget funds**, with strict control over expenditures.
* Developing a **unified ecosystem for handling public inquiries**, identifying citizens’ current needs and expectations.

1. **Promote law and order:**

* A key goal is to **make Kazakhstan a comfortable and safe place to live**.
* Through comprehensive reforms, Kazakhstan has significantly **expanded freedom of expression**.
* Socio-economic transformations and **measures to protect human rights** are aimed at building a just society. Reforms will continue.
* **Combating drug abuse** is a critical task.
* The **“Qaryszsyz Qogam” project**, initiated to enhance citizens’ financial literacy, reached 65,000 people last year and will be expanded this year.
* A new **Law on Crime Prevention** is being developed.
* **Ensuring discipline in the military** is crucial for young soldiers to fulfil their duties effectively.

**On Kazakhstan’s foreign policy**

* **Kazakhstan maintains a peaceful and balanced foreign policy**, focused on strengthening sovereignty, protecting citizens abroad, promoting national interests, and attracting investments.
* The country is **committed to multilateral cooperation in line with the UN Charter**, playing an active role in international security and stability.
* Kazakhstan supports UN and other international organisations’ efforts to **combat terrorism, extremism, illegal migration, climate change, and other global threats**.
* **Kazakhstan supports UN peacekeeping activities and disarmament initiatives** and advocates for the resolution of armed conflicts through diplomatic means.
* **Kazakhstan has hosted significant international events in Astana**, including summits of the Conference on Interaction and Confidence-Building Measures in Asia, the Commonwealth of Independent States, the Shanghai Cooperation Organisation, and the Organisation of Turkic States.