**Factsheet on President Tokayev’s State-of-the-Nation Address**

**Overview**

On September 8, President Kassym-Jomart Tokayev delivered his annual state-of-the-nation address, *“Kazakhstan in the Era of Artificial Intelligence: Key Tasks and Their Solutions through Digital Transformation.”* The President outlined an ambitious reform agenda centered on digitalization, economic modernization, and institutional change to secure Kazakhstan’s long-term resilience.

Among the headline initiatives, he announced the creation of a **Ministry of Artificial Intelligence and Digital Development**, proposed renaming the **Illegal Asset Recovery Committee** into a **Committee for the Protection of Investors’ Rights**, and called for the adoption of a new **Banking Law** by the end of the year. He also ordered a fundamental renewal of the **investment attraction system** and directed the establishment of a **State Digital Asset Fund**.

To improve the business environment, Tokayev instructed the introduction of a **Regional Investment Attractiveness Index**, while on political reform he proposed transitioning to a **unicameral Parliament** through a nationwide referendum in 2027.

He also emphasized the need to ensure **fair wages for skilled workers**, transform Kazakhstan into the **leading aviation hub in Eurasia**, and pursue **public sector reform** to reduce the state’s footprint in the economy.

**Key Tasks Set by President Tokayev**

**1. Digital Transformation and Artificial Intelligence**

The President set a strategic goal to turn Kazakhstan into a fully digital nation within three years.

* Establish a **Ministry of Artificial Intelligence and Digital Development**, led by a Deputy Prime Minister–level specialist.
* Accelerate adoption of the **Digital Code**, covering AI, platform economy, big data, and other digital priorities.
* Ensure **total integration of AI** across all sectors of the economy.
* Develop a **comprehensive ecosystem for digital assets**, scaling up the use of the digital tenge in national, local, and state holding budgets.
* Create a **State Digital Asset Fund** to build a strategic crypto reserve of promising assets.
* Introduce a new **Banking Law** to boost competition, attract new players, advance fintech, and liberalize digital asset circulation.
* Strengthen measures against **cybercrime and online fraud** through biometric ID, anti-fraud centers, and new legislative tools.

**2. Investment Policy and Economic Modernization**

The President emphasized the need to overhaul the investment system to attract capital into priority sectors.

* Launch a **new investment cycle**, shifting focus from extractive industries to **manufacturing and high-tech sectors**.
* Government to **revise investment policy**, with potential preferences for technology-focused investors.
* Within 10 days, the Government must propose **new measures to strengthen investment attraction**.
* Introduce an **Investment Attractiveness Index for regions**, holding akims directly accountable.
* Consider renaming the General Prosecutor’s **Illegal Asset Recovery Committee** into the **Committee for the Protection of Investors’ Rights**.
* Encourage **public-private partnerships** and support both state and private large-scale initiatives.
* Reassess **tax preferences for investors**, prioritizing significant, profitable projects.

**3. Transport and Transit Corridors**

* **Over 1 billion tons** of cargo crossed Kazakhstan last year.
* Integrate **North–South, East–West, BRI, and Trans-Caspian routes** into one system to increase revenues and jobs.
* Complete the **Dostyk–Moyinty double track** (836 km) this year; proceed with **Bakhty–Ayagoz** and **Kyzylzhar–Moyinty**.
* Create a **competitive, unified, flexible tariff policy** across modes by **year-end**.
* Launch by October a **Smart Cargo digital customs and logistics platform** with AI; digitize border services and ensure reliable internet.
* Upgrade **8 border checkpoints this year**, 34 more within three years, creating a **green corridor** for freight
* Aviation: expand **air cargo capacity**, create a **National cargo carrier**, and position Kazakhstan as the leading **Eurasian aviation hub**.

**4. Balanced Foreign Policy and UN Reform**

* Maintain a **balanced, constructive foreign policy** serving **strategic national interests** to underpin sustainable growth in the AI era.
* Recent/coming engagements with **China, Türkiye, Kyrgyzstan, Russia, Uzbekistan**; hosting leaders of **Azerbaijan, Armenia, Turkmenistan**; active **Kazakhstan–U.S. dialogue**; expanding ties with the **EU**.
* Kazakhstan **welcomed** outcomes of the **Russia–U.S. summit in Alaska** and a **Washington peace declaration between Azerbaijan and Armenia**.
* Reaffirm the **UN as the primary platform** for fair resolution of global issues; call for **UN reform, especially of the Security Council**.
* President to address the **UN General Assembly** with Kazakhstan’s assessment and **reform proposals**.

**5. Parliamentary Reform**

* Move **in the foreseeable future** to a **unicameral Parliament**, a major constitutional change.
* **Process & timeline:**
	+ **Year-long** open public debate (civil society, experts, sitting Parliament).
	+ **2027 nationwide referendum**; if approved, **constitutional amendments** to follow.
* The unicameral chamber to be **elected solely by party lists**, aligning with widely used parliamentary traditions.
* The current **Mazhilis** continues its work up until the term-end; the **Senate** functions **until** referendum results and new elections.
* Political parties to **prepare for genuine competition**; the President commits to an **open, transparent** process.

**6. Energy Transition, Nuclear Build-out & Clean Coal**

* First nuclear power plant (NPP) construction started in Almaty region; begin planning **second and third NPP** now.
* Add **6.3 GW** of renewables in 5 years.
* Leverage **high-quality coal** with **advanced clean technologies** to support national development.

**7. Macroeconomic Stability and Financial Sector**

* High inflation remains the **main macroeconomic challenge**, eroding incomes and growth.
* Develop a **$1 billion high-tech investment program** with the National Bank.
* Mobilize the **free liquidity of second-tier banks** into the real economy.
* Strengthen the role of **investment agreements** as a proven tool for attracting capital.

**8. Alatau City – New Innovation Hub**

The President announced the creation of **Alatau City** as a new center of business and innovation.

* **Special status** with direct Government subordination to be granted within 10 days via Presidential Decree.
* A dedicated law on governance, financing, and management to be adopted within six months.
* City to become the **region’s first fully digital city**, using Smart City technologies and enabling crypto payments.

**9. Manufacturing and Industrial Diversification**

The President called for a step-change in manufacturing and value-added production.

* Shift to high value-added, export-competitive goods; end fragmented support.
* Within 3 years, launch at least **3 high-tech enterprises** in rare earths/critical materials and deep processing of hydrocarbons.
* Create a guaranteed, **long-term gas supply** **mechanism** and ensure sufficient electricity for project timelines and digitalization.
* Mining–metallurgy (8% of economy) to pivot toward **downstream value creation**; prioritize **rare earths/critical minerals** i**ntegration** into global value chains.

**10. Geological Exploration and Subsoil Data Modernization**

* Replace **outdated surveys** with modern digital subsoil maps; involve international expertise.
* Open a **certified geological laboratory** by mid-next year.
* Digitize geological information and apply **AI** for analysis.
* Finalize reforms in geology and subsoil use by year-end.

**11. Agriculture and Food Security**

* Record **1 trillion tenge** allocated to agriculture this year; focus on **effective use**.
* Scale up **$2 billion deep-processing projects**, creating **3,000+ jobs** and export products.
* Replicate successful **vertically integrated agro-holdings** using digital tech.
* Develop **agro-hubs, logistics centers**, and livestock programs to ensure meat sufficiency and boost exports.
* Reduce **import dependence** and create a **concrete agricultural export plan**.
* Standardize **digital land allocation via e-tenders**; integrate land, subsoil, and infrastructure into a **single digital map**.
* Expand **satellite monitoring with AI** for farmland and forestry.

**12. Tourism Reform**

* Tourism infrastructure to be a **permanent priority for akimats**.
* Central government to focus on **international promotion** and legislative support.
* Priority: develop **modern ski and mountain infrastructure in Almaty**, turning resorts into a **national brand**.

**13. Utilities, Smart Cities and PPP**

* Utilities at a **critical state**; liberalize tariffs but ensure quality services.
* State to regulate, **private sector to modernize** infrastructure.
* Scale **Smart City solutions** nationwide; ensure transparency through digital monitoring.
* Adopt a new **Construction Code by year-end**; use **BIM with AI** for quality control.
* Launch a **national construction digital platform** for planning and monitoring.

**14. Water Security and Environmental Protection**

* Water is a **strategic resource**; sector becomes a **core pillar of digital transformation**.
* Create a **unified AI-driven water platform** merging surface/groundwater data; build a **National Water Balance** for long-term policy and investment.
* Train **water diplomacy** and technical specialists; implement reforms through the new **Water Code** and sector ministry.
* Continue restoration of the **Aral Sea** (+36% surface area, water volume doubled).
* Develop an **interstate program** for the preservation of the **Caspian Sea**.

**15. SME Growth, Deregulation and Regulatory Intelligence**

* SMEs already account for **40% of GDP** and **50% of jobs**, but few small firms are in production.
* Conduct an **AI-assisted audit of legislation**; create a **Center for Regulatory Intelligence** under Agency for Strategic Planning and Reforms (ASPR).
* Fully implement the **Register of Mandatory Requirements** to protect business from over-inspection.
* Reduce state footprint in the economy: **25,000+ state entities** to be streamlined; update the **State Property Law** to set clear limits.

**16. Human Capital, Education, and AI Skills**

* Out of **217 Keleshek (Schools of the Future)**, 15 already operational. Complete construction of all in three months.
* Involve **100,000 students** in high-tech projects under the **Al-Sana program**.
* Introduce **AI basics into school curricula**; train teachers in AI skills.
* Develop the **Qazaq Digital Mektebi** for rural schools via AI and distance learning.
* Scale early childhood centers with **private investment**.

**17. Healthcare Modernization**

* **540 rural healthcare facilities built**, 115 more this year; new oncology and infectious disease centers in Astana and Almaty.
* Commission new hospitals without delays and expand **PPP in healthcare infrastructure**.
* Expand **domestic pharmaceutical production** as a strategic priority.
* Introduce an **AI-based system** to monitor healthcare quality and volume.

**18. Culture and Sports**

* Support for culture and arts to continue, with adaptation to the **AI era**.
* Expand sports clubs for **children, seniors, and people with disabilities**; promote **family sports traditions**.
* Accelerate **privatization of football clubs**; treat professional sport as a **commercial industry**.

**19. Social Policy and Demographics**

* Standardize **social benefit levels** across regions; reduce **benefit proliferation** that fuels dependency.
* Create an **ASPR Center for Demographic Analysis** using AI for forecasting labor and infrastructure needs.
* Strengthen the **pension system’s sustainability** with National Bank and ASPR.
* Continue the **Debt-Free Society program**, which trained **845,000 citizens** last year, improving financial literacy and easing debt burdens.

**20. Rule of Law, Civic Culture & National Unity**

* Embed **“Law and Order”** through **zero tolerance for offenses**; fully support enforcement bodies.
* Strengthen **national unity**, civic decency, and patriotism as foundations of sovereignty.