Dear citizens,

The entire world is facing new challenges and threats today. The world economy has still not recovered from consequences of the global financial and economic crisis. The recovery is ongoing at a very slow and uncertain rate, and some countries still are in a decline. The geopolitical crisis and the sanctions policy of the leading powers create an additional obstacle for the recovery of the world economy.

From my experience I feel that the years to come will become the time of global challenges. The entire architecture of the world will be changing. Not all the countries will be able to get through this complicated stage in a decent way. Only strong states, consolidated peoples will cross this line. Kazakhstan, as a part of the world economy and a country, which is located very close to the epicentre of geopolitical tensions, is experiencing negative influence from all these processes. We see the results: prices in global markets are dropping, and the general economic growth is slowing down.

As you know, the forecasts of development of the global economy for 2014 and next two years were subject to a downward revision by the International Monetary Fund and the World Bank. This is why we need to operatively revise some positions, as well as to make adjustments to the plans for the forthcoming period. We have no time for hesitation. The measures I will talk about today should be implemented starting from 1 January 2015. We must operatively undertake all possible measures to prevent negative trends.

Today the Government is working actively at my order. We have reviewed the parameters of the republican budget for 2015. And this is right, as the drop in prices of our export raw materials leads to the reduction of flow of money to the income part of the budget. At the same time, the Government has uneasy yet specific task – to fulfil its social liabilities in full scope.

In crisis conditions, as the world experience shows, the economic policy is reoriented. Those sectors need support, which create the highest multiplier effect on economic growth and employment. We have already had such an experience. Suffice to recall our successful anti-crisis measures in 2007-2009. As you see, life makes adjustments to our plans. And we should add new content to the platform of our party based on today’s reality.

At my order, the Government has completed the development of a new large-scale development programme. Today, as we respond to the threats we face, I proclaim Kazakhstan’s New Economic Policy – The Path to the Future (Нұрлы Жол). I devote to it my new Address to my people for 2015. It will be countercyclical in nature and will be targeted to the continuation of structural reforms in our economy. What does this mean?

In the years, when the situation in external markets was favourable, but prices of oil and our export products were at sufficiently high level, we diverted funds from exports of raw materials to the National Fund. One of the main tasks of the National Fund is to increase resistance of our economy to external shocks, including when prices of natural resources drop.

We were putting income from extraction and sales of raw materials into this Fund during all these years. We diverted 10 billion US dollars to fight the crisis of 2007-2009. As to the rest of the money, we have not eaten them away or spent, we saved and multiplied them. Now we are in the period, when we must use these reserves. They will help to overcome uneasy times and stimulate the growth of our economy. These resources are not intended for short-term measures. We will spend them on
further transformation of our economy. Namely – the development of transport, energy, industrial and social infrastructure, small and medium business.

In February, a decision was made to allocate one trillion tenge from the National Fund to support economic growth and employment in 2014-2015 in two tranches of 500 billion tenge. To finalise the initiated projects and resolve the most pressing issues, I instruct the Government to divert the second trench of money from the National Fund to the following goals.

First. 100 billion tenge should be diverted to issue easy-term loans to small and medium businesses, as well as large enterprises. This will secure the implementation of projects in food and chemical industry, engineering, as well as the service sector.

Second. To revive the banking sector and buy out "bad" loans I order to ensure additional capitalisation of the Fund of Problem Loans in the amount of 250 billion tenge in 2015.

Third. To raise new investments, we need to improve respective conditions. For these purposes, I order to divert 81 billion tenge in 2015 to complete the construction of the “dry port” complex, infrastructure of special economic zones Khorgos – East Gate and the National Industrial Petrochemical Technological Park in Atyrau and Taraz.

Fourth. To continue the construction of the EXPO-2017, I order to allocate 40 billion tenge in 2015 to crediting in addition to already allocated 25 billion.

Fifth. On the eve of EXPO-2017, we need to take care of the development of Astana’s transport infrastructure. This year the capital airport will reach its maximum capacity – 3.5 million people. Therefore, to increase its potential, I order to allocate in 2015 29 billion tenge on the construction of a new terminal and a reconstruction of the landing strip. This will allow to increase airport capacity to 7.1 million of passengers per year by 2017.

Dear citizens,

In view of new external risks for the development of our economy, we need new initiatives to stimulate business activity and employment. The Infrastructure Development Plan, which I want to make public today, will become the core of the New Economic Policy. It is intended for 4 years and matches the Second five years of the implementation of the programme of forced industrial and innovative development of the country, where over 100 foreign companies intend to participate. The total investment portfolio makes 6 trillion tenge, the share of the state makes 15 per cent.

Kazakhstan owns a territory so vast it would tire the wings of a bird to fly over it. Thus, this plan requires huge funds and hard work. There is a saying: “If you want to know a nation’s prosperity look at its paths”; as road connections are of high importance, not only for travel, but also for the transportation of goods. In ancient times our big cities were located along the Great Silk Road.

Nowadays, all essential life depends on access to the main highways. Roads are indeed the essence of life, the source of a modern existence. All the regions of Kazakhstan need to be closely connected by railroads, highways, and air services. The nine roads, connecting with each other in Astana are like the roots of life, spreading our capital’s creative spirit. Improving interconnection between the regions will eventually lead to a greater domestic well-being. It will strengthen trade and economic ties between the regions. There will be new markets emerging from inside the country. Therefore bringing together distant parts is the main focus of today’s Address.
First. Development of transport and logistics infrastructure. It will be implemented within the framework of formation of hub-like macro regions. At the same time, the infrastructure backbone will interconnect macro regions with Astana and among themselves by highways, railways and airlines according to the radial principle. First of all, we need to implement the main road projects. They are China – Western Europe; Astana – Almaty; Astana – Ust-Kamenogorsk; Astana – Atone – Atyrau; Almay – Ust-Kamenogorsk; Karaganda – Jezkazgan – Kyzylorda; Atyrau – Astrakhan.

It is also necessary to continue the creation of a logistic hub in the east and marine infrastructure in the west of the country. Large-scale ferry site from Kuryk and the railway line Borzhakty – Yersay will contribute to the growth of the export potential in the western direction through ports in the Caspian Sea. I order the Government to work on the construction or rent of terminal powers in “dry” and marine ports of China, Iran, Russia and EU countries.

Second. Development of industrial infrastructure. The implementation of infrastructure projects will raise big demand for construction materials, products and services for transport, communication, energy, housing and utility areas.

In this regard, firstly, we need to complete our work on the formation of infrastructure in existing special economic zones. The Government and akims should operatively undertake measures to fill them with real projects. Secondly, they need to work on the matter of construction of new industrial zones in regions aimed at the development of production facilities of SMEs and raising extra investments. Tourism infrastructure is a separate line. Its main advantage is the opportunity to create many jobs. The creation of one job here costs 10 times less than in industry.

Third. Development of energy infrastructure. Extensive work has been carried out within the framework of the industrialisation programme in the last five years in energy. Nevertheless, limited transmission systems create a deficit of electric energy in southern regions of the country and natural gas – in central and eastern regions. We need to focus on two projects. To construct high voltage lines in directions Ekibastuz-Semyr-Ust-Kamenogorsk and Semyr-Aktogay-Taldykan-Almaty. This will allow to create balance energy supply from Kazakh power plants to all regions of the country.

Fourth. Modernisation of housing and utilities infrastructure and water and heat supply networks. The total demand for investments makes no more than 2 trillion tenge with annual allocation till 2020 from all sources of founding of no less than 200 billion tenge.

Today we see big interest to the investments into the modernisation of housing and utilities from the European Bank for Reconstruction and Development, the Asian Development Bank, the Islamic Development Bank and private investors. We need to ensure their maximum involvement through provision of long-term investment rates. Such projects should be co-funded by the state to prevent significant increase in rates. In this regard, it is appropriate to allocate up to 100 billion tenge each year to the acceleration of rates of modernisation of heat and water supply systems in addition to the funds already envisaged in the budget.

Fifth. Strengthening of housing infrastructure. The formation of agglomerations is accompanied by a significant cross-flow of the population. This creates pressure on the labour market and city infrastructure, including on the housing fund. Therefore, the approaches to the construction of housing to rent should be revised. The state will construct social housing to rent and provide it to the population for long term rent with the right to buy it out. The provision of housing directly, without mediators, with low-interest loans will allow to reduce the cost of its acquisition. No first instalment and low mortgage interest will make housing more affordable for various strata of the Kazakh
population. Therefore, we will additionally increase funding of housing to rent for the amount of 180 billion tenge during 2015-2016.

Sixth. Development of social infrastructure. First of all, this means the resolution of unfit school and studies in 3 shifts. This is one of the main indicators of our Election platform. The funds envisaged in the 3 year budget do not let us to resolve this problem by 2017. Therefore, I order the Government to allocate another 70 billion tenge. Another matter – lack of kindergartens. I order to allocate additional 20 billion tenge to cardinally reduce the deficit of places in preschool organisations within 3 years. Akims must deal will this as much as possible and attract the private sector.

10 higher education institutions were defined within the framework of the industrialisation programme based on which the link between science, economic sectors and staff preparation will be ensured. I order to form the material and technical framework of these education institutions, allocating up to 10 billion tenge to these purposes by 2017.

Seventh. We need to continue the work to support small and medium businesses and business activities. As at today, the 100 billion tenge from the National Fund aimed at support and crediting of small and medium enterprises has been fully used. This allowed to create 4500 jobs. The demand for these funds exceeded the supply by 23 billion tenge. Unprecedented conditions of crediting for business at 6 per cent only for 10 years were created. There were no such conditions in our country before. We should continue our work to develop small and medium business as a driver of economic growth and increase its share to 50 per cent of GDP by 2050. Therefore, we need to effectively use credit facilities for small and medium business at the account of the ADB, EBRD, the World Bank or the total amount of 155 billion tenge in 2015-2017.

Dear citizens,

The situation in the world economy makes it sufficiently hard to achieve the set goal in crisis conditions without extra financial resources.

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I would like to call your attention to the reason why we established the National Fund. It was mainly aimed at providing stable social and economic development, and protecting our country’s economy from unpleasant circumstances. Right now it is high time to use this fund for our needs. Kazakhstan should avoid repeating the mistakes of other countries and use its internal resources for economic growth efficiently.

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I have made the decision regarding additional allocation of 3 billion US dollars from the National Fund for the period from 2015 to 2017. I order the Government within a week to prepare respective decisions for the allocation of funds from the National Fund and to take account of the required funds in the draft republican budget for 2015. The Government should also undertake measures and ensure effective and rational use of these funds.

The commission created by me will strictly monitor the effective use of funds and report to me personally. I will request to report about each tenge spent. Special responsibility is imposed on all the akims. NurOtan must actively get involved into this work and to establish strict party control at all levels.

I am entrusting the Government with ensuring that National Fund resources are allocated efficiently and appropriately to the relevant areas. Every tenge will be under strict control. “NurOtan” should take an active part in it, and monitor it closely for the Party.
The investments from the National Fund must be accompanied by structural reforms in respective economic sectors. For this we need to ensure joint implementation of projects with international financial organisations. For instance, the World Bank, the Asian Development Bank, the EBRD and the IDB are ready to allocate about 9 billion dollars for 90 priority projects. The allocated funds should support investment activities, prevent a drop in population’s income and to stimulate the creation of new jobs. This will result in sustainable economic growth in the short and medium term.

Our education, health care and agriculture development programmes will continue. We will have a substantial talk about this at the first extended meeting of the Government next year. The New Economic Policy The Path to the Future is our global step on the path to become one of 30 most developed countries of the world.

All the necessary conditions for successful work have been created. An administrative reform was carried out, the new structure of the Government and executive power is working. Every minister knows what to do. We removed redundancy and unnecessary links in management. Akims have the necessary scope of authorities. The region has everything – programmes, resources, finances. Everybody is responsible for its area of work. They just need to knuckle down and set to work.

The New Economic Policy The Path to the Future will become a driver of the growth of our economy in the nearest years. 200,000 new jobs will be created only at the account of construction of roads. And this means employment and growth of income of the population. The Path to the Future will create a multiplier effect in other economic sectors: production of cement, metal, machinery, bitumen, equipment and related services. Roads are lifelines for Kazakhstan. Life has always emerged and developed in our vast expanses around roads. We must create such a transport network that car, railway and air lines stretch to all directions from Astana. Like arteries from the heart. Like rays from the sun.

The new lines built by Kazakhs will renew our economy and community. They will firmly link all the corners of our country with its centre. Cargo traffic will accelerate and increase. Amounts of transit through the country will grow. Our nationals will drive on modern and qualitative highways, will be able to get to any region in a safe and fast way. The social infrastructure will improve, new and modern schools and hospitals will provide high-quality services. Finally, this will affect the welfare and the quality of life of each Kazakh. And the main thing – all of this will remain in our land as wealth of our future generations.

Dear citizens,

There is big and responsible work in front of us. We must be united to pass this global maturity exam. We must strengthen trust among all the Kazakhs! Be tolerant to each other! These are keys to Kazakhstan’s future. Interethnic consent is grateful oxygen. We never notice it, when we breathe, we do it automatically – we just live. We must safeguard our unity and interethnic consent. No outsider can come and do this for us. Our young grow in a new and independent country. Our generations did not see interethnic war or conflicts, the devastation of 90’s. Many people perceive stability and comfortable life in Kazakhstan as something given since their birth.

What is stability and consent? It is family welfare, safety, roof over our head. Peace is the joy of paternity and maternity, health of parents and happiness of our children. Peace is stable work, wages and feeling confident about the future. Peace and stability is the achievement of our entire population, which must be protected and reinforced by everyday hard work. I always say: the young
are the support of our future. The state has opened up all the doors and all the paths to the new generation! The Path to the Future is where our creative and dynamic young can invest their efforts and develop!

Next year we will solemnly celebrate 20 years since the adoption of the Constitution and the creation of the Assembly of Nations of Kazakhstan. When we celebrate these dates, we should make Kazakhs spiritually stronger, united even more tolerant. I am convinced that our core principle – Kazakhstan, Ahead Only! – will sound in a new way and will acquire a deeper meaning at this new responsible turn of our history! I wish success and reaching new heights to all of you, because they will raise our Homeland even higher!

Dear citizens,

We are united by our nationwide ideal – An Eternal Country, making its way to the independent development “Nurlyzhol”. To follow this path we need to work hard, and unite our efforts on the way to a brighter future. An Eternal Country is a unifying force and an inexhaustible source of energy. It is the basis for not only the “Kazakhstan 2050” Strategy, but also the strong ideological foundation of Kazakhstan’s Statehood in the XXI century! An Eternal Country is itself the source of a new Kazakhstan Patriotism. It is a great principle for all Kazakhstan society.

Adoration for our historical past: pride for today’s fortunes, and faith in our blossoming future – are all covered by the powerful concept of “MangilikEl” (The Eternal Fatherland). Love for the fatherland – is respect for the great legacy of our ancestors, keeping it as safe as the apple of your eye, making a contribution to its development, and passing it on to future generations. This is – the ultimate goal of all Kazakhstan.

The foundation of the idea of the Eternal Fatherland runs very deep. 13 centuries ago, the sage Tonykok stated the “Eternal Fatherland is the goal of all Turkic people.” This means that our national ideal, just as the roots of our nationhood, originates from our ancient history. The unity of the people - that’s what makes a viable national ideal. Where there is no unity, and discord flourishes, no national ideals can ever come to life. Unity and wealth – are the main reasons for the heights of success achieved by Kazakhstan.

Thanks to our respect for stability, today we have managed great strides forward. Humiliating nobody, denying nobody’s language or cultural heritage, - while giving all citizens equal opportunities, helps us only to strengthen the stability of our country. National unity must be our main treasure to pass on to future generations. We must introduce the concept of national values in the mind of every young person.

Astana, 11 November 2014