

A New Decade, a New Economic Growth, and New Opportunities for Kazakhstan

Annual Address of President of the Republic of Kazakhstan Nursultan Abishuly Nazarbayev to the People of Kazakhstan

Dear people of Kazakhstan!

One of the difficult periods in the development of our country in the history of the 21st century is coming to an end. The storm of global crisis damaging the world economy still remains. Nevertheless, its force is already different from its original condition. Thanks to our complete readiness, its consequences have not had much impact on our country.

In the pre-crisis period, we achieved a high level of development along with China, India and other countries with rapidly developing economies, because we knew the path we should use in order to achieve this high goal.

The development of our country has been successful thanks to a proper planning and competent implementation of our policies.

Through jointly taken constructive measures, we embarked on the right path of the development. Kazakhstan, with its successes recognized in the world, has increased its capacity and dynamism of the economy.

The model of Kazakhstan's unity was fully recognized and highly appreciated at its true value by the heads of state and leaders of world confessions.

Thus, Kazakhstan has managed to become a strong and successful state and thanks to its initiatives, has reached high international standing.

Through its creative policies, Kazakhstan is widely known for its significant achievements. With regard to all these factors our country was honored to chair the Organization for Security and Cooperation in Europe.

We have started this new decade with that important global mission. And I strongly believe that all our future achievements will have the same success and high results.

My key task in the forthcoming decade is to provide further economic development for country, open new opportunities. This address is devoted to this goal. Following the Strategy "Kazakhstan-2030", we have successfully realized the first decade of that development program. Nowadays, the task is moving towards the next decade of the Program.

1. Implementation of the 2010 Strategic Plan, the Critical Stage of State Development

In 1997, upon adoption of the “Kazakhstan – 2030” Strategy we drew up a long-termed agenda, paramount goals and priorities of the country, which were further logically developed in the Strategic Plan until 2010.

We started to live in such a way as we have planned and achieved the following results.

As early as in 2008, i.e. two years before the pre-planned terms, we doubled the GDP volume in comparison with 2000 and effectively fulfilled social commitments of the state.

Average monthly salaries increased fivefold, and average pensions rate increased threefold.

The share of citizens with substandard income decreased fourfold, *from* 50% to 12%.

Basic criteria of the health of population were improved. Life expectancy increased from 65 to 68 years. Maternal mortality decreased twofold, and birthrate increased by one and a half time.

A total of 652 schools and 463 facilities of healthcare have been built during the 10 years.

Today, we have world-class medical centers, the Maternal and Child Health Center and the Institute of Neurosurgery.

This year, we will commission the Cardiac Surgery Center. Medical Care of Kazakhstan’s citizens is being improved across the country.

Thanks to these efforts, we will save thousands of lives of our citizens!

Recognizing our developments, the UN included Kazakhstan in the ranks of countries with high index of human development in its 2009 report. This is an indisputable evidence of our increased welfare! In one decade, 350,000 families, approximately 1.2 people, received new housing. A total of 32,000 kilometers of roads were built and repaired, which equals to one third of all roads in Kazakhstan.

Following the letter and spirit of the Development Strategy of Kazakhstan until 2010, we have fulfilled all the goals outlined for the first decade of the 21st century.

2. Period of Crisis – Time for Right Decisions

The world financial and economic crisis affected our economy’s growth rate, but failed to stop our development. The accumulated economic potential ensured our sustainability in the most severe battles with crisis over three last years.

We protected the financial system of the country, saved major banks.

We didn’t leave behind small and medium businesses.

We attained the unheard of growth in “Kazakhstan’s share” in public purchases of national and transnational companies.

Unprecedented assistance was rendered to the agricultural sector.

The state undertook all expenditures related to completing the mortgaged housing construction.

Owing to the successful implementation of the “Road Map-2009” program, 862 projects on reconstruction of the municipal housing have been implemented, 737 kilometers of electrical lines, 1,029 water supply networks, 284 kilometers of heating pipelines, motor roads, hundreds of schools and hospitals, cultural and sport objects have been repaired.

It was the first time we fulfilled such a substantial work, touching every village. People are grateful to us, we did a good job.

All the work was done under my control, in a swift and open manner.

We avoided recession because we knew what had to be done and we did it fast.

The great Nehru once said: “Success mostly come to those who act bravely”. And we did act bravely. In 2009, the economic growth amounted to 1.1%, and the industry grew by 1.7%. We entered a “breakthrough” group of countries with positive expansion rate.

Gross foreign currency reserves and assets of the National Fund have already exceeded 50 billion dollars, and have increased more than 25 times during the past ten years.

It is worthwhile to say that even though last year we spent some portion of funds, today the volume of the Fund exceeds the amount of last year.

Thanks to the Fund, we not only took anticrisis measures, but also returned considerable assets to the state which we had had to sell in tough times. These include the Ekibastuz State District Power Station – 1, the Bogatyr coal mine, our shares in Kashagan, Mangistaumunaygaz and all three oil refineries.

The unemployment rate amounted to 6.3% which is below the rate noted at the pre-crisis period.

More than 400,000 jobs were created throughout the country owing to the effectively implemented “Employment Strategy”.

We have withstood the hardships. We now begin implementing the development strategy until 2020.

3. The Strategic Plan 2020, Kazakhstan’s Way to Leadership

We are to:

1. Prepare the economy to post-crisis development;
2. Achieve sustainable economic development due to expedited industrialization and infrastructure development;
3. Invest actively in the future in order to increase competitiveness of the human capital;
4. Provide Kazakhstan’s citizens with qualitative social, housing and utility services;
5. Strengthen the interethnic harmony, national security, and further develop international relations.

3.1 The Diversification of the Economy, the Way to Success

Sustainable and balanced development during the nearest decade will be provided due to accelerated diversification and raising the competitiveness of national economy.

The critical task is to achieve a comprehensive growth in productivity.

In Kazakhstan, based on the economic situation as a whole, one worker manufactures products worth 17,000 dollars annually. In developed countries, this index exceeds 90,000 dollars.

The conclusion is very simple: we should improve this situation, i.e. increase efficiency and introduce innovations.

The assessment and financial assistance at all levels management and control according to these operational criteria will be the paramount task for our Government.

Only innovations will give a strong impetus to boosting the productivity.

I have charged the Government to draw up a state program for expedited industrial and innovation development and a detailed Map of the country's industrialization.

These two documents are a detailed action plan of what, where and how we will build in the nearest five years.

Today, we are talking about the realization of 162 projects with the volume of investment of 6.5 trillion tenge (KZT) which is more than 40 percent of the country's GDP and which will help us directly create more than 200,000 jobs in the nearest three years.

In the forthcoming five years, a major gas chemical complex, mineral fertilizer plants, and a range of major electric power plants such as the Balkhash thermal power plant, Moynak hydro electric power plant, a new block of Ekibastuz power station and others, will be put in operation.

By 2014, we will modernize all three oil refineries and will have the capability to fully satisfy our domestic needs in all oil products.

Each industrial project in each region should be taken under special control not only by local authorities, but also by all the community. Only in such a way will we enable to join the 50 most competitive countries of the world.

The implementation of the 2020 program should become the cornerstone of the work for the Nur Otan party. Nobody should stand aside because only in such a manner will we ensure new economic growth in Kazakhstan.

A unified management centre (headquarters) headed by the Prime Minister is to be created on the Program implementation, as well as centers in regions headed by the akims (governors). We should work in a manner we acted in 2009 under the "Road Map" program.

The ministers and the akims are responsible for solving all current problems. They will also mobilize all resources.

The industrial development is our chance in the new decade, bringing new possibilities for the development of the state.

Kazakhstan will be a successful industrial power, I am absolutely certain of that.

Another important segment of diversification is the development of the agricultural sector. Its development should proceed in three main directions.

First, the main accent should be placed on the growth of productivity.

In the agricultural sector, productivity is the lowest economy-wise and annually comprises approximately 3,000 dollars per person engaged in the manufacturing process, while this index reaches 50-70,000 dollars in developed countries.

Here lie the perspectives of growth for rural areas. Therefore, our task is to increase the productivity in the agricultural sector by 2014 by at least twofold.

Only through the agrarian and industrial diversification will we be able to solve this uneasy task, i.e. through the rapid growth of processing of agricultural raw materials, introducing new equipment, new technologies and approaches in agriculture. It is necessary to use world experience, faster introduce it into our agriculture.

Second, ensuring food security of the country.

Domestic food products should comprise more than 80% of internal market by 2014. We have all the possibilities for this.

Third, realizing the export potential, primarily in the markets of the countries members of the Customs Union, in Central Asia, the Caucasus and the Middle East.

We have already been building the Zhetygen - Korgas and the Uzen -border with Turkmenistan railroad lines, which will basically open access for our products to the markets of China and countries of the Arabian Gulf. The Western China - Western Europe motorway which we will start to build is an important highway for goods.

I would like to pay special attention to the sectors of the “economy of the future”. An efficient and effectively functioning national innovation system should become its foundation.

We have already had some developments in this direction. We will go further. Three new scientific centers will be established as part of the New University in Astana.

The Life Sciences Center will conduct research jointly with the leading world scientific centers in the sphere of organ transplantation, artificial heart and lungs, stem cells and the medicine of longevity.

The Energy Research Center will be dealing with issues of renewable energy sources, physics and high energy technologies.

The Interdisciplinary Instrumental Center will be an engineering center, and will include laboratory facilities and a design bureau.

All three centers will be established this year.

I task the government to development an inter-sectoral joint industry plan for scientific and technological development of our country until 2020, based on the priorities of our industry this year.

It is also necessary to expedite drawing up a new law “On Science”. This is important for further development.

3.2 Proper Trade Policies, the Support of Economy’s Competitiveness

Kazakhstan is an active participant of integration processes throughout the CIS. The establishment of the Customs Union with Russia and Belarus that came into force since the first of January 2010 is a breakthrough for all of Kazakhstan’s integration initiatives.

The creation of a Single Economic Space since January 1, 2012, becomes the next stage of integration of the three countries. It will mean a higher level of integration when free movement of capital and manpower will be provided.

Supporting regional economic integration in the CIS, the Government should expedite the processes of accession to the World Trade Organization on the conditions meeting the priorities of economic development of Kazakhstan.

I believe that already now it is important for our entrepreneurs to evaluate the emergence of new possibilities, seriously engage in elaboration of effective strategies on entering new markets, increase competitive advantages.

Certainly, as they say, “where is no competition, one sleeps better but lives worse”. Citizens of Kazakhstan do intend to live better, and will not allow anything to stand in the way of their plans.

3.3 Attracting Investment

It is obvious that state resources would not be enough for the realization of our diversification plans. Foreign direct investments should become its basic source.

The issues of attracting investment to Kazakhstan were of high priority during my international visits. Many states see reasons in investing in our economy.

Today, the issues of attracting investments from China, South Korea, the United Arab Emirates, as well as the French, Italian, and Russian companies amounting to 20 billion dollars are resolved.

These investments will be channeled to the non-raw materials sector, will provide commissioning of dozen of facilities under the industrial program, of infrastructure and joint ventures.

The issues of attracting approximately three billion dollars in investment for the “Western China – Western Europe” motorway and two billion dollars for gas pipeline from the west to the south of the country are also resolved.

All of this is notwithstanding investments into materials sector which will comprise more than 10 billion dollars. As you see, great work on supporting this program with financial and material resources has been done.

We must create most attractive environment in Kazakhstan for investors willing to work in our region.

Taking into account priorities of industrial development, new approaches to the functioning of Special Economic Zones and industrial parks are required. I charge the Government to develop a new bill on Special Economic Zones.

The mechanism of the public-private partnership carried a substantial potential for attracting private investments.

We have launched this mechanism in Kazakhstan, but it requires improvements in accordance with the best international practices.

I charge the Government to make appropriate changes to the legislation on concessions in the first half of the year. In order to introduce the principle of project financing, we need to stipulate the legislative possibility of establishing special project organizations with the special legal status.

3.4 Entrepreneurship, the Driving Force of New Economy

The entrepreneurship will be the core of diversification.

We would like to see a powerful entrepreneurial class emerge, ready to undertake risks, master new markets and introduce innovations.

It is entrepreneurs that constitute the driving force of economic modernization.

In this regard, I charge the Government to ensure the introduction of a single budget program on entrepreneurship development in the regions starting in 2010.

I propose to call it “The 2020 Business Road Map”.

The purpose of this program is to create permanent jobs due to development of a new layer of enterprises in the regions, especially small and medium businesses.

The funds under the program should be used in the following directions:

- financing the interest rates on loans;
- partial credit guarantees for small and medium businesses;
- service support for businesses;
- retraining personnel and professional development, youth practical training and social jobs.

“The 2020 Business Road Map” opens up new opportunities both for entrepreneurship and banks and investors for financing non-material projects.

The Government, together with the akims, will develop within the three-year budget overall funding limits, broken down year to year, based on calculations of the economic potential of each region. These funds are to be transferred to the regions.

The akims will be fully responsible for SMB (small and medium businesses) projects financed by the program.

I charge the Government to transfer the responsibility for SEC to local executive bodies, which, in fact, should become regional business development corporations.

3.5 Domestic Goods, the Measure of Successful Implementation of Plan 2020

Support of our exporters from non-extracting industries should become the key direction of industrialization.

A wide range of domestic brands will represent Kazakhstan's industry in export markets. Therefore, the task of the Government is to create an integral export support system which provides financing the acquisitions of capital assets, service support of exports, grants for exporters and export trade financing.

3.6 Development of the Regions, Development of the Country

We will not be able to achieve accelerated diversification without the reform of regional development. Therefore, we need to start establishing centers of economic growth. In the west of Kazakhstan, it is necessary to develop the oil and gas sector, chemical industry, equipment production and transport capacities.

In the center, north, south and east, the priorities will include mining and smelting complex, atomic, chemical industry and agriculture.

We need to develop sectors based on domestic demand along with traditional industries, as well as in the cities of Almaty and Astana which possess powerful human resources.

It is reasonable to develop non-primary sectors with high export potential as well as agricultural sectors in northern and southern regions of the country.

The sectors of the economy of the future should be developed in Almaty and Astana.

Special importance will be attached to further development of our capital, Astana, the city with the competitive economy, attractive for citizens of our country and tourists.

A new regional policy is the most important part of the Strategic Plan 2020.

I charge the Government, together with the akims of regions, as well as of Astana and Almaty, with thoroughly working through the issues of investment policy in the regions.

3.7 Basic Conditions of the Implementation of the Strategic Plan 2020

To prepare the economy for the global revival and for increasing its resistance to outside challenges, we have to solve a three-pronged task:

- first, significantly improve business climate;

- second, ensure stable functioning of financial system;
- third, continue building a reliable legal environment.

I charge the Government with reducing operational business expenses related to registration and business conduction by 30% by 2011 and by another 30% by 2015.

By the end of the decade, the share of small and medium businesses in the GDP should increase to 40%.

By 2020, Kazakhstan will enter the top 50 countries with the most favorable business climate.

It is important to ensure stability and steady work of the financial system.

It is necessary to make the domestic stock market work, which by 2020 will be the regional center of Islamic banking in the CIS and Central Asia, and will enter the top 10 financial centers in Asia.

Regulating of domestic financial system will adequately address the challenges and threats of the post-crisis world.

The financial regulator will ensure the reduction of the share of external liabilities of the banking sector in the cumulative amount of its liabilities.

Herewith, the overwhelming bulk of foreign borrowings should be aimed at establishing efficient and competitive industries.

It is necessary to cut off banks from explicitly or implicitly affiliated structures.

We need to monitor banks strictly to make sure they deal with banking exclusively and that their activity is extremely transparent.

We helped the banks to survive during the crisis, and now the banks have to help the economy actively in its post-crisis recovery and development.

During the crisis, the National Fund acted as a sort of “airbag” for us. Now, the Fund’s goal is to become a guarantor of stability and prosperity.

The Government needs to engage seriously in building the potential of budget revenues earned from sources other than export of raw materials.

By the end of this decade, the non-oil budget deficit should not exceed 3% of the GDP. In the future, it needs to be reduced to zero.

Starting this year, guaranteed transfer to the national budget will be fixed at the absolute amount of 8 billion dollars.

This transfer should be channeled, first of all, to the implementation of industrialization.

No loans from the National Fund, no other additional transfers to the budget will be made.

Given these approaches, the assets of the National Fund will increase to 90 billion dollars by 2020, which will amount to at least 30% to the GDP.

I charge the Government with submitting a new concept of formation and use of the National Fund for my approval in the first quarter of this year .

Overall, by 2020 we must achieve the following main results of accelerated diversification of the economy.

The share of manufacturing in the GDP should be at least 13%.

The share of non-primary exports in total exports volume should rise from 27% to 45%. Productivity in the manufacturing industry should be increased twofold, and at least fourfold in agriculture.

The energy use in the GDP should be reduced by at least 25%. The share of enterprises active in innovation should increase from 4% to 20%. By 2015, the export potential of agricultural sector should increase from 4% to 8%, while Kazakhstan's building materials should satisfy 80% of domestic demand for construction.

This is the specific task facing the government and akims at all levels. That is what we will exact an account for. Therefore, it is necessary to raise the responsibility of managers of all companies and businesses. This is a global issue, the issue of nationhood, and the issue of independence.

In five years, the Government should ensure the doubling of production and export of metallurgical products, and the tripling of the production of chemical products. By 2015, the budget revenues from new projects will grow by 300-400 billion KZT, reducing dependence on sectors related to export of raw materials.

4. A Person, the Main Wealth of the Country

The success in implementation of the strategy of modernization of the country depends, first of all, on knowledge, social and physical condition of Kazakhstan's citizens.

4.1. Education

By 2020, all children, both in urban and rural areas will be involved in preschool upbringing and education. We have a considerable potential in the sphere of public-private partnerships. Private family kindergartens and mini-centers are an alternative to state institutions.

I charge the Government, together with akims, with developing and proceeding to the implementation of a special "Balapan" program in the first half of this year, aimed at expanding the involvement of children in pre-school upbringing and education.

The Government will take all necessary measures to ensure the 12-year model of learning in the secondary education to be successfully applied by 2020.

Vocational and technical education will be based on professional standards and tightly interconnected with the needs of the economy.

Quality of higher education will meet the highest international standards. Universities of the country should strive to enter the ratings on par with the leading world universities.

By 2015, the National Innovation System will be fully operational, and by 2020 it should already yield results in the form of developments, patents, and ready technologies to be introduced in the country.

Special priority in educational sphere will be attached to projects, such as those unique educational institutions being established in Astana, including the New International University, the Special Fund and intellectual schools which are already operating successfully.

I have agreed that they to be named after me.

We should do all that it takes to make them the flagships of the national educational system, the main platforms for the development and testing of advanced educational programs with their further implementation throughout the Republic.

I charge the Government with developing and submitting a relevant bill to the Parliament in the first quarter of this year so that these educational organizations would operate adequately.

4.2. Healthcare

People's health is an integral component of Kazakhstan's success in achieving its strategic goals.

Today, we are preparing to introduce a results-oriented system for financing and payment of medical services. We have created all necessary basic conditions for an effective system of medicine provision.

Fifty per cent of medicines will be manufactured in our country.

It is necessary to accelerate the introduction of amendments into the legislative acts of the Republic on activities of public enterprises in the sphere of education and healthcare.

Healthy lifestyle and the principle of people's joint responsibility for their own health, that is what should be principal in public policy on healthcare and daily life of our population.

The sport infrastructure, which we are preparing for the Asian Games in 2011, will create the necessary prerequisites for development of mass sports movement, making the regions keep up with Astana and Almaty.

The Ministry of Tourism and Sports, together with the akims, needs to identify joint activities to develop mass sports in the country and to translate them into reality.

Up to 30% of people in Kazakhstan should be involved in mass sports. We will see progress only in this case. This is also the task for the whole Government.

A set of governmental measures on construction and equipping of health facilities, training personnel, promoting healthy lifestyle by 2020 will reduce the maternal and infant mortality twofold, total mortality by 30% and the incidence of tuberculosis by 20%.

At that, life expectancy is expected to increase to up to 72 years. Behind these dry figures, there are thousands of saved lives of our citizens. This is the most important goal. Therefore, we must achieve it by all means!

4.3. Improving of Quality of Life and Social Protection

The major task for the forthcoming decade is to improve quality and standard of living for all citizens of Kazakhstan, strengthen social stability and security. The state will create all necessary conditions to increase the population of the country by 10% by 2020.

Our primary priority in governmental social policy is to provide employment to the population.

Therefore, I set the task that by 2020 unemployment rate would not exceed 5%, and the share of citizens with substandard income is no more than 8%.

Social services should be rendered only to needy citizens and correspond to modern standards and standard of living in Kazakhstan.

By 2015, standard pension rate should be increased to the level of 60% of living wage rate, and the rates of state social allowance should be increased by 1.2 times with respect to 2010.

We are coherent in our actions. Last year, rates of pensions, grants, wages of employees of the state-financed organizations increased by 25%. Social allowance on average increased by 9 %.

A twenty-five per cent increase in pension rates from the first of January, and in grants and wages to public employees from the first of July is provided in the national budget for the current year.

I believe positive economic growth dynamics last year allows to carry out a 25% increase of grants and wages to public employees three months earlier, as of April 2010. I charge the Government to take necessary measures to this end.

4.4. Caring for Veterans

This year, we celebrate the 65th anniversary of the Victory in the Great Patriotic War. This date is important in our common history.

The lump-sum aid of 65,000 KZT will be paid to each veteran and disabled soldier from the budget.

Persons equated with veterans and disabled soldiers, parents, spouses of military men who died in the Great Patriotic War, widows of disabled soldiers and invalids equated with them, workers of the home front of the military years will also get material support.

Besides, in connection with large-scale celebration of the 65th anniversary of the Victory, 383 million KZT are to be provided for payment of travel privileges to veterans and disabled soldiers.

It is the tribute to our fathers and grandfathers for their self-sacrificing fight, victory and for our peaceful life owing to them.

4.5. Housing and Utility Sector Policy

The lessons from crisis require improvement of the policy of housing construction. I believe the system of housing construction savings for this purpose has considerable potential. It is necessary to use the principle of equal partnership of citizens, the Zhilstroisberbank, the state and construction companies.

What does this mean?

Citizens accumulate a part of cost of housing in the Zhilstroisberbank and have an opportunity to take an inexpensive mortgage credit.

The Zhilstroisberbank forms a pool of preferences of citizens in terms of housing, searches for construction investors and second-tier banks ready to finance construction of housing and finally act as a customer.

The state, through local executive agencies, allocates land and supplies utilities.

Thus, citizens may fully participate in the construction of their homes. Both consumer demand and controllable construction will be provided. I charge the Government with continuing in 2010 of the reconstruction of objects of the housing and utility sector initiated according to the 2009 Road Map plan, and by 2011 with developing a plan of large-scale modernization of the housing and utilities infrastructure until 2020.

Modernization of the housing and utilities infrastructure should be accompanied by a decrease in specific operational costs and introduction of resource-saving technologies.

It is necessary to continue work on tap water provision in rural areas. In small cities 100% of the population should have access to quality water.

5. Internal Stability, Reliable Foundation of Strategic Plan 2020

Preservation of harmony and stability in the society, strengthening of the state's security are the main objectives in the sphere of the internal policy and national security until 2020.

In the new decade, we will continue to improve our political system, supporting the success of our economic plans with the consecutive political modernization. The legal reform will play a key role in this.

Serious work on reforming the law-enforcement system is expected. Today, unfortunately, all of us see problems which have arisen due to ineffective management, conflict in law enforcement bodies' functions, absence of due personnel work, and also absence of transparency and control over law-enforcement system activity in the country.

This sector has kept many defects of the previous system. Penalties comprise less than 5%, corrective works only 0.4 %, and public works comprise 0% in our penal system.

Imprisonment remains the main type of punishment. Nobody deals with the rehabilitation of people released from prisons.

As a result they join the ranks of serial criminals.

I would single out several general directions of the reform.

First, it is necessary to optimize the law-enforcement system, build well-defined competence of each state body.

It is necessary to humanize our laws, increase their quality.

In the activities of the law-enforcement system, accents should be moved from intradepartmental interests to the protection of rights of citizens and interests of the state.

We should provide tight parliamentary and public control. Therefore, it is required to improve the system of reporting and estimation of activity of each law-enforcement body.

The criterion of effectiveness should be not quantitative indices, but quality of work, which will be indicated through the growth of trust of citizens, legal bodies and foreign investors.

In other words, in the new decade we need a new law-enforcement system corresponding to high international standards of the law-enforcement service in a democratic state. The project of a corresponding document has been prepared on my order.

Therefore, I ask the Presidential Administration, the Government, the Supreme Court, and law enforcement bodies to start this comprehensive and systematic work on modernizing legal policies immediately.

I also charge to introduce into the Parliament the bill on reforming of the law-enforcement system this year.

Dear fellow people of Kazakhstan!

The political process aimed at the support of civic and public institutions in the country will continue. Our cooperation is one of the main conditions for our common success. In the coming decade, great achievements await us.

I charge the Government to allocate one billion tenge to the news media and nongovernmental organizations in order to explain the main principles of the program of social, economic and political development of Kazakhstan up to the year 2020. This should be done through the state procurement.

Last year, from this podium, I call on political parties to establish a dialogue between themselves in order to support the country and the society in this difficult crisis period.

My initiative was taken up as seven political parties jointly developed and signed a memorandum on ensuring economic and political stability in the conditions of economic crisis. I am deeply grateful for that. This was an event of major importance. We note that the political rhetoric during that period was reasonably, while criticism in many cases was indispensable.

This has turned into a national value helping preserve peace, calm and mutual understanding in a country where we live and where our children grow.

It is time to move forward from a dialogue among political parties to concrete deeds. For any party and association works in the interests of the people of Kazakhstan. That is why I propose to all political parties and public associations to develop a new model of interaction which would effectively lead to national unity and development.

This will bring together all political forces in the interests of the Motherland. The Nur Otan party should play a unifying role in that effort.

Distinguished people of Kazakhstan!

It is impossible to carry out the planned grandiose tasks of the future without a national strategy uniting all.

If we strive to achieve success, each of us should proceed from the following principles:

The first one, our Motherland, the independent Kazakhstan comes first!

The second means the state and each citizen refuse to take any steps, affecting stability in the society and welfare of people of Kazakhstan in a negative way, both in the country and abroad.

The third means the economic growth is the business of everyone. This is a key to solving priority social problems, and to the welfare of the whole society and each citizen of Kazakhstan!

The fourth means the integration into regional and world market is the most important condition of development.

6. Foreign Policy

Kazakhstan's foreign policy will be based on the Concept of Foreign Policy.

We will pursue an active, pragmatic and balanced foreign policy aimed at ensuring national interests, increasing the international prestige of our country and strengthening national, regional and global security.

Kazakhstan intends to participate in the processes of global decision-making in the formation of a new architecture of international relations and outlines of the world trade and financial system.

Kazakhstan will actively promote regulation of strategic dialogue between all existing systems of collective security.

Kazakhstan realizes in full its role as a responsible participant in regional and worldwide economic processes and faultlessly carries it out throughout all the years of its independence.

Therefore, the heads of leading countries of the world and the heads of authoritative international organizations, from economic to humanitarian, consider themselves friends of Kazakhstan.

We should be proud of this.

Kazakhstan's high international reputation allowed our country to become the chairman of the Organization for Security and Co-operation in Europe. It is a great honour for us. It brings the highest responsibility of chairing the OSCE during the most complicated period of modern history of mankind.

The OSCE with its unique geographic structure of participants, including 56 states located on three continents, with a wealth of experience on interaction of the states, is one of key mechanisms of international security and co-operation.

We have already outlined our vision of the chairmanship in the OSCE. Therefore, I will not go into details.

Kazakhstan's chairmanship in the most authoritative organization for security will have the motto, "Trust. Traditions. Transparency. Tolerance".

Jointly, we will search for common ways of tackling many pressing problems, develop joint mechanisms for prevention of possible crisis situations.

We intend to expand and strengthen the consensus on basic security issues, as well as concerning development of the Organization itself.

We will do everything it takes to make the OSCE a structure recognizing diversity of the world of the 21st century.

Many OSCE Participating States supported plans of Kazakhstan, as well as my proposal on holding an OSCE Summit in Astana this year.

I suggested discussing actual problems related to security in the area of the OSCE, the situation in Afghanistan and tolerance issues at the Summit.

Our Chairmanship in the OSCE will be aimed at development of security and prosperity of the people all over the world.

Dear people of Kazakhstan!

Distinguished members of Parliament!

As you see, we are ready to a new stage of development of our country. Such a complicated and considerable task we have not yet solved before.

We have carefully analyzed and weighed all our possibilities for one decade forward.

The Development Program until 2020 will be given to you and published in the press. There, we basically preview on a monthly basis, what, where and how will be made and built. And the most important thing, as it was mentioned above, all our efforts are supported by necessary financial resources.

We know what difficulties we will face. The world crisis is not over yet, but its critical stage has passed. As well as last year, I warn that force-majeure circumstances may change our plans, but our general line will be kept.

This is the essence and importance of our program.

Everyone will get access to qualitative medical services.

Qualitative education from kindergarten to university will be accessible to each family throughout the country.

Quality of housing-utility services will be essentially improved in the country.

Pensioners, disabled and needy families will be safely protected.

The youth, the basis of our future, will receive new possibilities to build their future.

These are new possibilities which are being opened before each of you, before your family, before our country.

Having united for the sake of achievement of our strategic objectives defined by the Development Strategy until 2030, we successively carry out our mission: we are building an independent, prospering, politically stable Kazakhstan.

We place high hopes on members of the Nur Otan party who should mobilize all the society, all members of the party in order to explain and implement the tasks of the forthcoming decade, basically leading this work and making it their own program.

My fellow compatriots!

Concluding my address to you, I would like to tell you: together we have succeeded in making Kazakhstan successful and together we can make it prosperous.

There is a wise folk saying, “A nation which lives in accord is accompanied by success.”

Having strengthened our statehood, we praised the valor of the Kazakh people. We have reached high results, but there is still much to do, and there are many ambitious goals ahead.

The country with small population and developing economy requires new technologies. Only under this term will we be equal with advanced global powers and regional states.

The final goal of this program is to strengthen the independence of Kazakhstan, the Kazakh people as a nation and to open opportunities for developing and flourishing of the Kazakh language and culture.

And this aim can be achieved by keeping unity of the people of Kazakhstan.

This goal we can achieve only by preserving the unity of the people. Recently, I have been receiving letters and telegrams from all parts of Kazakhstan, most of them with questions on the present Chairmanship of Kazakhstan in the OSCE and my personal work. In this regard, I will give an example of one of the letters in order to visualize sentiments of the people:

“Dear Nursultan Abishuly, Kazakhstan is playing a leading role in Europe today, which is the source of pride and joy for us. For 85,000 residents living near the border area, security and cooperation is of particular importance. This is the main goal and desire of the people. Was it ever that the Kazakh people played such a prominent role in Europe, when at best we had even dreamt of looking that way? I wish you and the Kazakh people success in worthily fulfilling this important mission. In our region, people live in peace and health. The most important thing is, nothing is disturbing the dreams of our children. The living conditions have been gradually improved. May God support you in your work.” Signed, Sovet Orazhev, an honorary citizen of the Rayimbek District.

Numerous letters with outright support reflect the generosity and patience of the people. They show high literacy and deep understanding and awareness of present situation in our own country and in the rest of the world.

Therefore, in this sense, with knowledge and perseverance, we must, we must achieve the successful implementation of this program. This is a task not only for the President, the Parliament and the Government.

We want to see our own future bright. In this case, we must take on extra work, roll up our sleeves.

I wish you, dear compatriots, success in achieving these noble goals!

Thank you for your attention.