





Message from
His Excellency
Nursultan Nazarbayev,
President of the
Republic of Kazakhstan

To the people of Kazakhstan: Congratulations on the 20th anniversary of the independence of the Republic of Kazakhstan, an occasion that presents an opportunity to look back on our achievements. During the first years of independence, 40 per cent of the population lived below the poverty line; industrial production had fallen by half compared to 1990, while agricultural output had fallen by nearly one third. In 1995, the average monthly salary was only 35 per cent of that in 1991, while pensions were just US\$29 a month, and inflation was out of control at 2,000 per cent a year.

During those early days we began to implement an economic reform programme that would take us toward a market economy: this involved price liberalisation, the introduction of a national currency, the creation of a banking system, the privatisation of state property, and the appearance of small and medium-sized businesses. By the end of the decade we were already making progress: from 1999 to 2007 annual GDP growth averaged 10 per cent. In 1993, GDP per capita was US\$700 dollars: today it is US\$11,000.

These policies have earned us the world's trust: the country has attracted investors such as Chevron; British Petroleum; Mittal; Samsung; General Electric; General Motors; and many other important international companies.

These are just the initial results of a development strategy that will run until 2030 and that has given Kazakhstan, out of all the CIS countries, the most successful transition to a market economy so far. This year, the World Bank's Doing Business guide ranked Kazakhstan in 47th place, way ahead of the rest of the CIS countries. Out of the 25 most dynamic economies of the first decade of the twenty-first century, Kazakhstan is ranked third, behind China and Qatar.

Furthermore, since independence, the number of small and medium-sized businesses has increased from 19,000 in 1993 to more than 675,000 in 2011, employing more than two million of our citizens. Over the past 10 years production in this sector of the economy has grown 20-fold.

In 1993, the National Bank did not even have the \$500 million required to introduce a national currency. We had to pay a British company to print the money for us. Today, the reserve stands at around US\$80 billion.

This rate of development and improvement in living standards has never been observed in the global economy before, even among the Asian tigers. For example, South Korea's GDP per capita grew three-fold during the 20 years after World War II, in Malaysia it doubled, in Singapore it grew four-fold. In Kazakhstan the economy is now 16 times bigger than it was in 1991.

Kazakhstan has made great strides in improving education. Over the last decade, spending on education has increased from US\$42 million to US\$500 million. Kazakhstan is the first among the CIS countries to have implemented the Bolashak programme that is providing thousands of young Kazakhs with access to the world's leading universities, allowing them to work for the good of their country. The country has also established a network of innovative higher education schools, led by the Nazarbayev University.

We have also radically improved the health care system. Since 1991, funding for health care increased by 107 times to more than \$4.5 billion this year. The years of independence have seen a significant improvement in the living conditions of more than half a million Kazakhs.

Since 2006, we have implemented an integrated system of support for families with children that has seen the birth rate

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increase from 250,000 in 2003 to 360,000 in 2010.

We have also addressed our housing shortage. Between 2005 and 2007 alone, more than 17 million square meters of housing has been built. Ours is the only country to help people who were defrauded by real estate companies, returning their properties to them.

Over the last decade, the volume of gross agricultural output has grown fourfold. I think we should express our special thanks to the farmers, who in this anniversary year produced a record-breaking grain harvest of nearly 30 million tons.

By 2003, recognising the need for diversification, we introduced the 12-year Strategy for Industrial Innovative Development. By 2010, we had entered a phase of accelerated industrialisation. In the early 1990s, average annual industrial output was worth barely \$15 billion; by 2011, the figure had reached \$85 billion. The result of this industrial diversification strategy is that finished goods from our manufacturing industries have found a place in the global market.

In 1990, Kazakhstan had no export sector. Today, our exports are worth more than US\$75 billion. The volume of export in the manufacturing industry amounts to \$21 billion, and Kazakhstan's products can be found in 126 countries.

Thanks to industrialisation, in the last two years alone more than 350 different factories have been set up, creating 200,000 well-paid, skilled industrial jobs. Our goal up until 2015 is to create the same number of new jobs.

Over the last 20 years, we have increased oil extraction by more than 3 times, while the coal industry feeds 78 per cent of electricity production.

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in the *Western Europe - Western China* transport corridor. This year, we will have added 1,000 kilometres to the 2,700 already built by a workforce of 50,000 people. In the next few years, we aim to complete the highway from the Chinese to the Russian border. More than 1,000 kilometres of railway track have been laid since independence, with more than 40,000 kilometres of roads built and repaired. This infrastructure will create work for thousands of people while boosting the country's transit potential tremendously.

We have created an open liberal economy and a democratic political system, carrying out deep-rooted legal reforms, while at the same time fighting corruption.

Over the past three years, Kazakhstan has significantly improved its position in the global anti-corruption ranking, coming in at 45th place, ahead of its CIS neighbours.

The country now has a multiparty parliamentary system. In just 20 years we have created a great legacy - a strong state, a new economy, a single society. We have built our new capital - Astana, a miracle of Eurasia. Astana has become a unifying idea, the epicentre of the country's economic, cultural and political life.

The historic OSCE Summit held in our capital city in 2011 has introduced to the world of politics a new concept, the *Spirit of Astana*.

All Kazakhs, whether farmers and shepherds on the vast steppes, or scientists in their laboratories, along with teachers, doctors, and builders, all have invested their heart and soul to the benefit of the country. I am grateful to all citizens of Kazakhstan for their support, faith, patience, hard work. Today we are talking about achievements. However, many challenges remain. We will work to resolve them. This is what industrialisation, employment programmes, health, and

education are aimed at achieving.

I am confident that we will all continue to work together for the benefit of the country.

The 21st century has set in motion great changes. Over the next 10 to 15 years, the world will witness another technological revolution. Fundamental changes will determine the basis for a new economic world order. The world was on the verge of a global depression and the direct loss to the world economy is estimated at trillions of dollars, and there are no longer any safe havens. We also expect difficult times.

Furthermore, in the 21st century, the world will continue to face the threat of hunger and disease, lack of clean water, and a shortage of fertile land. These are real dangers for regions like ours with a growing population. We must be prepared for all difficulties.

In the first decade of independence, we created a strong economy and a strong state. Our second decade has been a time of growth. The third and fourth decades will see this country continue to move forward. We will achieve all our goals and adequately complete the implementation of the Kazakhstan - 2030 strategy.

We now face the fundamental dilemma of independence: how will Kazakhstan continue to flourish?

We need to be aware of the tremendous responsibility that God has laid upon our shoulders. It is important to have a clear understanding of what will nourish and strengthen our independence in the present and in future.

First: the most important achievement will be to enhance the conditions of our independence - the unity of the people. This will be important at all stages of Kazakhstan's development.

Second: industrialisation. Our task is to become an active part of the post-industrial world. Industrialisation is a perpetual engine of independence. Today in Kazakhstan new electronic industries, mechanical engineering, aerospace, manufacturing locomotives and railcars, construction, and other industries are being created that never existed in our country before. The whole nation must be part of this project.

Third: innovation. This must be applied not only the economy but to

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His Excellency
Nursultan Nazarbayev
with Rupert Goodman,
Chairman and Founder of FIRST

all other sectors of society. This is the only way to keep up with the global developments of the twenty-first century. This is why I propose the *One Hundred Innovations* programme, a roadmap for innovative development in Kazakhstan. Manufacturing, science, and education must work together to achieve these goals. We have created an unprecedented scientific and technological base, creating centralised laboratories throughout Kazakhstan where our scientists can full this country's potential. We already have innovative projects awaiting implementation.

Fourth: integration. In the twenty-first century, true independence cannot be maintained without our active participation in regional and global projects: this is the way to the future. There are huge opportunities for Kazakh businesses and for all Kazakhstanis as a whole through integration. Countries with isolated economies have no future. Integration is the guarantee of a state's sovereignty and integrity; it is the foundation for regional security. In our globalised world, no country can be fully confident about the future, if its neighbours are poor, unstable, and subject to risks.

This approach lies at the heart of my idea for a Eurasian Union, and today it is coming to life. This will be the way for Kazakhstan to improve its geo-economic situation, as the first Central Asian country to emerge from continental isolation. We already have access to Russian and Belarusian transport infrastructure, taking us to the borders of the EU in the west, and to the markets of Japan and other Asian nations to the east. Through us, our partners will be able to enter the vast Chinese market.

Fifth. As I have stated on numerous occasions in the past, a just social protection system, a fair health, and education system, as well as youth and housing

policies are the priorities on Kazakhstan's development agenda. To implement them we must develop a clear strategy of social modernisation. This will mean defining our priorities while simultaneously turning them into reality.

Chief among these is the *Quality of Life 2030* programme, which involves establishing specific prosperity indicators that we will need to reach after five, 10, and 20 years. This means creating decent jobs, affordable housing, and quality health care and education systems.

We need to address the needs of our young: this means providing those travelling to the cities to work and study with concrete projects concerning housing, employment, and access to educational and health services.

We are also implementing the *Healthy Nation 2030* programme. By developing medical technology and health care infrastructures, we will further increase life expectancy in Kazakhstan. We have invested huge funds in this already. We need precisely calculated parameters of population growth, along with further reductions of maternal and infant mortality, as well as fertility clinics. This programme will oversee long-term measures to develop sports and a healthy lifestyle.

Sixth. The continued modernisation of Kazakhstan requires wider access to information technology. We need a national programme up to 2030 to implement this goal.

In short, Kazakhstan must have the best education, healthcare, governmental and judicial systems. A new social strategy based on the welfare of every citizen of Kazakhstan has to be the concern of all executive powers in our country. As such I have instructed the Government and the state apparatus to begin preparing a strategic document along these lines.

I now would like to turn to the

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international community. At the beginning of 2009, in the midst of crisis, I proposed global financial reform.

In my articles *Keys to the Crisis* and *Fifth Way*, I stated that current measures will not save the world from the shock waves of the crisis. Events have since confirmed my words. So far nobody has been able to come up with a viable global anti-crisis plan, acceptable to all nations. Unfortunately, the G8 and G20 have proved unable to even begin discussing a global anti-crisis plan. I propose to radically expand the number of participants in the search to find a solution. I have called this project G-Global. The idea would be to create a modern-day equivalent of the Bretton Woods agreement. The Astana Economic Forum can serve as a working platform for this project. Kazakhstan, together with the states of the Organisation of Islamic Cooperation is proposing to hold a World Anti-Crisis Conference under the auspices of G-Global in Astana in 2012. All countries are invited to join and to develop a draft plan for worldwide reform, and which could serve as a UN anti-crisis plan.

Kazakhstan heads a worldwide movement for a nuclear-free world, unveiled at the United Nations in the early years of our independence. We continue to work closely with the UN, and we are proud that former Foreign Minister Kassymzhomart Tokayev was appointed head of the Geneva branch of the United Nations in 2011, the UN's second-most important office after New York.

We have successfully chaired the OSCE, holding the first OSCE summit of the 21st century in Astana. This year, we headed the Organisation of Islamic Cooperation. The world community believes in Kazakhstan, we have a mandate for action, therefore I am confident that our appeals will be heard.

As mentioned before, the next twenty years will be crucial for our country, not

only for the current generation, but also for our descendants. My historical duty as the President and leader of the nation is to guide our people along the road of independence. I have dedicated my life and my strength to this project. This is my destiny, my responsibility, and my deep commitment to the ideals of independence.

We are entering the second decade of the twenty-first century with no illusions, but in the belief that we can achieve a stable and secure life for all the people of Kazakhstan.

It will only be through unity and continuity, handed down from generation to generation, that we will be able to rally the nation to meet the challenges of this century. This will take many years: I believe that all of us understand that one generation is not enough to build the powerful state we dream of.

Appropriately, the first significant event in the political calendar of the third decade of independence will be multiparty elections to both houses. I have no doubts that the people of Kazakhstan will support the course of stability and unity, the course of rapid industrialisation, innovation, and integration: there are no alternatives; it is our common task. Kazakhstan is one nation and has one future. I urge the country to further strengthen ethnic and religious harmony. These are our eternal values.

Only by adhering to these canonical truths will we one day be able to speak of an eternal nation, and eternal capital, and an eternal state.

This will be a century remembered in our history as the century of peace and creation. The road has been hard at times, but united by common hardships and successes, united by a common destiny, we have reached this point believing that time chose us, and that we have grasped our historic opportunity. F