

Dear participants of the meeting!

The last two months have not been easy for our country. The crisis is not over yet.

However, we have reached the peak of the epidemic.

The state commission on ensuring the state of emergency has done a great job.

About 500 decisions have been made and implemented in order to protect the health of the population, to increase their income and to support business.

Now the State Commission for Emergency Situations will be reorganized into the State Commission for the Restoration of Economic Growth.

Today the state of emergency in the whole country is over.

However, in some areas the spread of the disease has not decreased.

The epidemic has not completely disappeared. The pandemic is still dangerous to public health.

Therefore, quarantine restrictions will be gradually lifted as the situation in each region improves.

Nevertheless, many industries have begun to recover.

More than 1.1 million people have already been employed.

Since today, several shops will be opened throughout the country, fashion salons, educational centers and other facilities will be reopened.

Parks will open.

The work of air transportation for passengers will be restored.

Previously, airports were opened in 6 cities. Now 7 more cities will join it.

Many restrictions have been lifted.

However, it is important to take precautions in everyday life.

The government needs to develop and implement new sanitary regulations. Small, medium and large companies must work in accordance with the new rules.

Maintaining social distance and wearing a mask in public should become the norm.

Restrictions on transportation between regions remain.

Public transport operates on half capacity.

Passengers are required to wear a mask.

The number of people walking on the street should not exceed 3 people.

Fifty percent of civil servants work remotely.

Directors of private enterprises must decide for themselves how many employees they will hire.

Most people should to stay home. It's first and foremost a matter of human security.

Social distance and strict sanitary regime must be observed in the workplace.

The second stage of the epidemic may begin.

Therefore, we must first and foremost be responsible for our own health.

In the event of a recurrence of the epidemic, the Government will develop a clear emergency plan.

As you know, on my instructions, two packages of anti-crisis measures are being implemented in the country.

More than 4.5 million people receive financial assistance in the amount of 42,500 tenge.

Food and household items are distributed to over 1 million people.

Utility tariffs have been lowered.

Socially vulnerable people will receive additional assistance.

Loans have been deferred to about 2 million people.

Significant funds have been allocated for the affordable lending, spring sowing campaign, creation and preservation of jobs.

The tax burden has been reduced for more than 700,000 companies and entrepreneurs.

Thus, they managed to save about 1 trillion tenge.

We must also acknowledge that there were shortcomings in the work.

It is true that the epidemic has spread and economic problems have worsened.

Therefore, we took urgent measures.

Many issues were resolved through the active participation of the public.

This was an important stage in the implementation of the concept of "a state that listens to the people".

The coronavirus pandemic caused a global recession.

It could even lead to a protracted economic crisis.

Protectionism is on the rise everywhere.

Whole sectors of the economy are stagnating.

Over 400 million companies are on the verge of bankruptcy.

The incomes of about half of the world's working population have fallen.

Experts predict that the world economy will fall to a level that it has not been in the last hundred years.

Despite this situation, I would like to say that our country has a number of advantages.

We have enough financial reserves and the amount of public debt depends on our capabilities.

Most importantly, we know where to spend resources to provide employment and increase economic efficiency in the new situation.

Let me now turn to the priorities of development during and after the crisis.

The main thing is to protect the lives and health of all citizens.

To increase the income of citizens.

Business support and development. Improving the system of education and science.

We need to address the following issues in the near future.

The first: Improving the self-sufficiency of the Kazakhstani economy.

For this, new redistributions in industry should be developed on the basis of the existing powerful raw material base. We will have to take a fresh look at the future structure of the Kazakhstani economy. Define the role of each of its main sectors: industrial, energy, agricultural, service. In other words, an urgent need to build a new economic structure. Obviously, significant reforms will be required by the energy sector. After the crisis, it will not be the same. In the medium term, a move towards green energy is an urgent need. Our approach to industrialization will also require a revision - it is necessary to identify real opportunities in the export and domestic markets, outline achievable goals, instruments and move forward. The competent use of public procurement and the procurement of the quasi-public sector should be considered as a means of restoring economic activity. A special public procurement procedure aimed at supporting domestic producers will continue until August of this year. The maximum use of domestic materials and equipment will be recorded as a priority condition for business development. According to infrastructure programs, it is necessary to increase the current level of localization from 40 to 60-70%. Assessment of the work of the Government, governors and heads of quasi-public sector companies will be based mainly on this indicator. The current situation has clearly confirmed the well-known truth: food security is a key element of the security of the state as a whole. Therefore, we will continue to provide maximum support to farmers. In addition to the forward purchases already underway, financing mechanisms will be expanded through the introduction of off-take contracts and restructuring of debts on loans from "KazAgro". In Kazakhstan, about 1 million 700 thousand personal subsidiary plots. However, their products are not officially sold through retail outlets and do not go to processing enterprises. The state does not receive taxes from them; those employed in such farms are practically not socially protected. I entrust the Government together with NCE "Atameken" to launch a pilot project in several regions on the development of a cooperation chain in the village "from field to counter". Then we can start scaling up the project and by the middle of 2021 develop a full-fledged Program. During the implementation of this program, preferential microcrediting will be applied at a rate of 6% per annum through the "KazAgro" line using the guarantee instruments of the "Damu" Fund. It is also necessary to establish a system of constant procurement and marketing, launch training and increase the agro-competencies of participants. All this will increase the income of about 2 million villagers, increase the load of domestic agricultural enterprises from 53 to 70% and reduce the import of socially significant products.

The second. We are allocating about 1 trillion tenge for the implementation of the "Employment Roadmap".

That's a significant sum. It can also be used for small business lending.

All this should be under the control of the authorities and spent in full.

At this difficult time, it is necessary to create new jobs through funded projects.

It is necessary to involve as many workers as possible.

Initiatives that constantly bring economic benefits or develop human capital should be taken.

In this regard, schools, hospitals and other facilities should be built and modernized.

It is important not to allow homogeneous objects to have different prices in each region.

Unfortunately, this situation is very common in our country.

The socio-economic efficiency of the implemented projects is analyzed.

The third:

A powerful incentive for economic development, employment growth and social support should be the construction of affordable housing.

The 7-20-25 program initiated by the First president gave a great push to mortgage lending and housing construction. To solve the waiting list issues, I instruct you to launch a new project on providing credit housing “5-10-20”. For these purposes, within the framework of anti-crisis funds, we will send 390 billion tenge. This year, record volumes of construction in the country are planned - 15 million square meters, or 150 thousand apartments and houses. It is important to continue work to improve the living conditions of our citizens. In fact, this is one of the strategic directions of the Government. To do this, it is necessary to modernize the institutional structure. By the end of the year, the government should create on the basis of “ZHSSBK” JSC (Zhilstroybank of Kazakhstan) a full-fledged development and support institution – “Otbasy Bank”, which will centralize the accounting, setting up and distribution of housing. A continuation of systemic transformations in this area will be the use by our citizens of part of their pension savings for the purpose of improving housing conditions. I previously gave such an order, but in connection with the state of emergency, the discussion dragged on. It's time to make a decision. The government must decide on its approaches by July 1.

Fourth. I believe that in the name of social justice, the time has come to work out the issue of introducing a progressive scale of individual income tax in respect of wages and other types of income. The meaning of the progressive scale is that citizens with low salaries will pay less than today, and for highly paid workers the amount of tax paid will increase. Our main goal is to remove from the “shadow” the most massive, non-transparent lower wage segment. If the rate on them is reduced, there will be less incentive to pay in the envelope. In the face of declining in population income, it is important to continue monitoring the state of the consumer lending market in order to prevent an increase in the debt load of citizens. The financial market regulatory agency should consider rehabilitating borrowers with problem loans. Should also review approaches to calculating interest rates on loans depending on the type of borrower and type of product. To protect the interests of citizens, control over non-bank credit organizations will be strengthened, and licensing of microfinance activities will be introduced from next year.

I want to emphasize on another aspect of our social policy. The condition for receiving a new social payment was the payment of the One complete payment (OCP). More than 40% of its recipients are people who first paid OCP. These are precisely those citizens who need real state assistance. They need to be involved as much as possible in the economy. These people must not be allowed to go “into the shadows” again, left alone with their problems. Indeed, state support, social protection in the event of unfavorable conditions, and a decent pension in the future can be expected primarily by those who work officially and pay taxes. Therefore, it is precisely such citizens, along with temporarily unemployed, that should become the subject of close attention of the Government and governors.

Within the framework of a market economy, everyone can temporarily lose their jobs, in connection with which the Government should simplify registration on the labor exchange as much as possible, shorten procedures, time for obtaining unemployment status and related benefits.

Fifth. Support for national business.

In the face of falling demand, a decrease in the market value of assets and collaterals, it is extremely important to use the “Damu” Fund loan guarantee tool. Fund guarantees will be extended to loans issued under the National Bank's working capital lending program. I recall that its volume is 600 billion tenge and will be increased if necessary. To expand lending to the economy, the Agency for Regulation and Development of the financial market took measures to weaken prudential standards and reduce pressure on liquidity. This allowed to release about 600 billion tenge in the banking sector, which should be directed to the country's economy. An additional set of temporary prudential measures should be developed that expand the ability of banks to lend to the economy. Special attention is required to micro and small business. Their ability to fully use standard banking products is very limited. In this connection, I instruct you to provide special measures for small businesses within the framework of the Business Roadmap program. The government and “Atameken” should determine the amount of funding for this area. Another measure of business support will be the expansion of the list of industries to which banks and other financial organizations provide deferred payments on loans. This should include trade, manufacturing, transportation and warehousing, accommodation and food, information and communications, education and health. Creating a diversified economy with a focus on manufacturing remains our priority. To implement long-term projects in this sector, it is necessary to provide additional capitalization of the Development Bank of Kazakhstan.

In addition, at the expense of funds raised under the extended obligations of manufacturers, the Industrial Development Fund can be created. His work will be aimed at providing affordable lending to breakthrough manufacturing enterprises at a rate of no more than 3%.

Sixth. In conditions of increased competition for foreign capital, we should switch to direct work with each capital holder. It is necessary to develop individual support measures for each investor based on priority and potential effect on the economy as a whole. As part of this important work, the Government should ensure a stability regime for all investment legislation for strategic investors in priority sectors. It is necessary to intensify the use of the potential of the “Astana” International Financial Center to attract investment and develop the stock market. This is especially important in light of the upcoming privatization of state assets. It should also ensure access for Kazakhstani entrepreneurs to take advantage of the English law and arbitration of the “Astana” International Financial Center in resolving business disputes. It is necessary to begin work on the phased transfer of certain structures belonging to national companies from foreign jurisdictions to the International Financial Center “Astana”. We will not be able to achieve the trust of foreign investors if our own companies choose foreign jurisdictions. The Government, the Ministry of Foreign Affairs and Foreign Representations should strengthen the promotion of the investment tax residency program of the “Astana” International Financial Center. The administration of the Center is working on a new Strategy until 2025. In the current difficult conditions, the confidence of investors, businesses in the national currency and monetary policy is playing a key role. In this regard, it is extremely important to reduce speculative attacks on the

national currency. This is the task of the National Bank and the Agency for Regulation of the Financial Market.

Seventh. Unfortunately, as in the whole world, we will not be able to save all enterprises and all jobs, and ensure the stability of each business. Therefore, it is important at the normative level to recognize the introduction of the state of emergency as a force majeure circumstance for the sectors of the economy that are most affected by the introduction of the state of emergency. In this case, when applying to the court of representatives of individual entrepreneurs and small businesses, a state of emergency should be recognized as a force majeure circumstance. It is also important during this difficult period to maintain the economic activity of existing entrepreneurs, to protect private property and competition. In order to prevent pressure from unscrupulous creditors, I instruct to suspend the institution of bankruptcy proceedings against legal entities and individual entrepreneurs until October 1 of this year.

Further. As a result of previous crises, a significant number of non-performing assets that have been excluded from economic turnover have accumulated on the balance sheets of banks. Banking structures need to develop substantive plans for the sale of non-performing assets, while strengthening monitoring and evaluation of the responsible personnel of banks. The Agency for Regulation and Development of the Financial Market, as part of a risk-based supervision, needs to strengthen monitoring and control of banks with stressful assets. The systemic solution is to create a civilized market for non-performing assets. A simple and working mechanism for securitization and insurance should be created.

In order to implement these and other measures to support citizens and business development, a comprehensive plan on restoring economic growth is being developed.

This plan will be approved soon.

Government agencies need to carefully consider all ways to implement it.

They must also not allow their inappropriate actions to undermine the importance of these measures.

It depends on how we overcome the difficult period of the crisis, how we adapt the country and the economy to further development.

We clearly see that the crisis has radically changed the situation in the world and the national economy.

The current situation and factors, the forthcoming changes must be taken into account in the new version of the Strategic Development Plan until 2025.

The plan should include institutional and structural reforms that will maximize economic and public governance.

Dear Colleagues!

The current crisis has shown the world how important the issues of the social sphere are: medicine, education, social protection. We need fundamental transformations directed at improving the quality of the health care system, full-fledged technological re-equipment of medical facilities, and increasing the competencies of medical personnel. The system needs to be adapted to quickly respond to emergencies of any nature. Approaches should be developed for infection control of the population, introduction of telemedicine and remote diagnostics. It is necessary to radically strengthen the national sanitary and epidemiological service. Apparently, COVID-19 and similar

viruses are not a one-time occurrence. Therefore, we should be constantly prepared not only from a practical, but also from a scientific point of view. The government should formulate a Biosafety Council with the involvement of reputable scientists and experts. Education should be made much more flexible, protocols and methods for teaching children and students remotely should be developed, and the real digitalization of all educational institutions in the country should be completed. It is necessary to forcibly introduce modern remote technologies. It is necessary to revise the content of educational programs, make them accessible and interactive.

Teachers themselves should be trained to meet new requirements. The most important area of the country's Strategic Plan will be the transformation of the public administration system.

New approaches will be introduced, including in accordance with the post-pandemic rethinking of the situation.

The successfully implemented remote work format has shown the relevance and sufficiency of the use of modern technologies in making important government decisions.

I propose, as a well-established innovation, to conduct meetings and sessions of the Government, ministries, and akimats in remote format as much as possible.

Unnecessary procedures, approvals, meetings, waste of time and money should be eliminated. This practice has become expired. Decisions need to be made quickly, and, most importantly, to implement them. It is important to maintain a certain charge of initiative, taking responsibility on yourself and in the post-viral period. We need an updated, efficient and compact political machinery that quickly and efficiently makes decisions in response to a changing situation. Reform of state development institutions will continue. As part of the implementation of my Message to the people, the reform of their structure, the clarification of goals and objectives, has finally begun. It is up to the end to resolve issues of duplication of a number of functions, issues of further privatization, access of domestic entrepreneurs to the procurement of the quasi-public sector. It is necessary to rethink the essence of the concept of e-government, completely bring online operations for obtaining consultations, certificates, filing applications, and make the language “egov” simple and understandable for the population.

Communication between business and the state will completely switch to digital format and become contactless. For this, the digitization of the entire process of obtaining public services and support measures will be completed. It is important to give a new push to all the processes of digitalization of the economy and society.

We are going through a difficult period.

The strong unity of our people gives us strength.

We have gone through many tests before that. I hope that we overcome this difficulty.