
KAZAKHSTAN CAN BECOME ONE OF GLOBAL LEADERS IN INVESTMENT ATTRACTIVENESS

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Kazakh President Kassym-Jomart Tokayev, during his inauguration speech last month, stated that one of the key priorities for Kazakhstan is to create new jobs and provide people with good wages. One of the ways to achieve this objective is to attract more foreign investment to Kazakhstan.

This is why the Government has been actively working to create a favourable investment climate in the country. The results so far have been promising. Fifty-seven projects with foreign capital, worth \$5.1 billion, will create more than 10,000 jobs in Kazakhstan by the end of the year. This is in addition to 6,000 new jobs that were created between January 2018 and the present day, thanks to 29 projects that are currently being implemented.

Overall, Kazakhstan remains the number one investment destination in the region. As was noted recently by Kazakh Deputy Prime Minister Zhenis Kasymbek, the country accounts for approximately 75 percent of the total foreign direct investment inflows into the Central Asian region. Given Kazakhstan's active involvement in major international projects, such as the Belt and Road Initiative, this figure is not surprising. For instance, right now Kazakhstan, together with Chinese companies, is implementing 55 industrial projects worth almost \$28 billion as part of the New Silk Road project.

But to further improve Kazakhstan's economy, which would contribute to the country's development, Kazakhstan needs to work to reach new levels. This is why new targets have been set. For example, gross foreign direct investment should increase by 26 percent by 2022 compared to 2016, and the ratio of foreign direct investment to GDP should reach 19 percent, up from the current 16.5 percent.

However, as is well known, the global business and investment climate is extremely competitive, with every country vying for foreign investments. Countries need to continuously aim to improve their investment climate. Kazakhstan will need to focus on a number of issues to further stimulate investments. For instance, investors and diplomats at dialogue platforms, such as the Council of Foreign Investors, the Council to Improve the Investment Climate and the recent first meeting of EU ambassadors in Kazakhstan with the Prime Minister, have noted a number of issues that need to be addressed. These include the rule of law, the volatility of the tenge rate, infrastructure, allocation of land, decriminalisation of tax offenses, and migration.

These are undoubtedly not straightforward issues. But the Government has been working hard to address them. For example, earlier this year the new Coordinating Council on Investment Issues was established under the chairmanship of Prime Minister Askar Mamin. In addition, Foreign

Minister Beibut Atamkulov, stressed the need to modernise current legislation. It is encouraging to note that Parliament is already working on this.

Attracting foreign investment is also directly linked to diplomacy. The Government of Kazakhstan has been busy in this regard recently. As already mentioned, on July 1, Prime Minister Askar Mamin met with European Union diplomatic mission heads to discuss investment cooperation, including increasing agricultural product trade, as well as promoting the export of Kazakh products to the EU.

Overall, Kazakhstan is on the right track when it comes to improving its investment climate and attracting foreign businesspeople. But it is important not to become complacent. Our competitors are also not standing still. Therefore, it is important to address any remaining issues and to push forward with investment reforms. Once this is achieved, Kazakhstan can go beyond being a regional frontrunner in terms of investment attractiveness and become one of the global leaders.

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