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President Kassym Tokayev's Remarks on Reshaping Trade Routes and Resources



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On January 28, 2024, during an expanded government meeting, Kazakhstan President Kassym-Jomart Tokayev outlined his strategic vision for reshaping Kazakhstan's trade routes and resource management. His remarks focused on economic diversification, enhancing infrastructure, and boosting



foreign investment in the country. Tokayev's emphasis on utilizing Kazakhstan's transit potential, developing the Trans-Caspian International Transport Route (TITR), and modernizing key infrastructure projects. He also underscored the urgent need for a comprehensive strategy to attract high-quality investments and enhance regional connectivity.

Building a Resilient Economy

Economic diversification remains a central pillar of the president's strategy to reduce Kazakhstan's dependence on natural resources. The country's manufacturing sector grew by nearly 6% in 2024, marking its highest growth in the last decade. This growth was driven by the implementation of 180 investment projects worth 1.3 trillion tenge (US\$2.4 billion) in the manufacturing industry. He urged the government to sustain this momentum by attracting more investments and promoting medium-sized enterprises and emphasized the need for a holistic ecosystem to support investors at every level. Kazakhstan's untapped



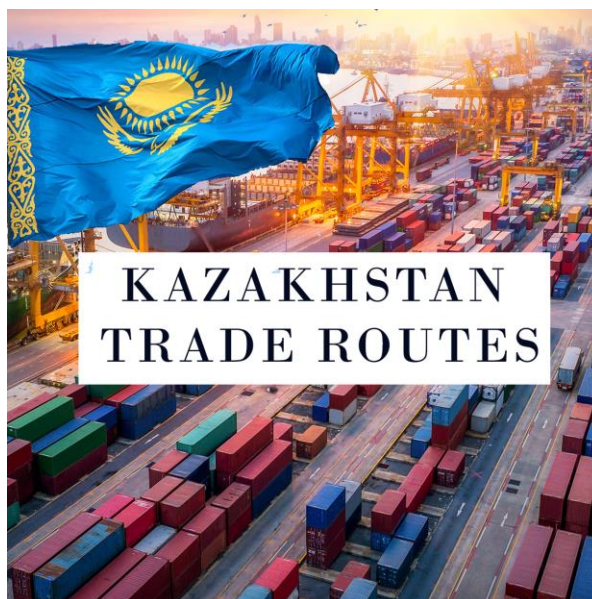
potential in rare and rare-earth metals such as lithium is essential for the global transition to clean energy. Investments in the extraction and processing of these resources could open new avenues for economic growth and technological advancement.

President called for reforms in subsoil use rights and the creation of a unified platform to streamline related processes. His vision includes integrating technologically complex oilfields and shale oil reserves into Kazakhstan's economy, reflecting his desire to modernize the country's resource management system while attracting foreign expertise and capital. Moreover, he pointed to the potential of the tourism sector as a driver of economic growth and called for an urgent start to building the necessary tourism infrastructure, urging private investors to play a more active role in its development.

Modernizing Transportation and Logistics

Transportation and logistics are at the heart of Tokayev's development strategy. He highlighted the need for multimodal transport hubs that integrate various modes of transportation to streamline cargo movement and also proposed expanding the Altynkol-Zhetygen section, which will boost the transport corridor's capacity between China and Central Asia. He stressed the importance of accelerating key infrastructure projects such as the Moynty-Kyzylzhar railway line and the modernization of the routes connecting Kyzylzhar station to the Port of Aktau. The president called for the establishment of an international air hub in Kazakhstan to simplify cargo handling procedures and reduce aviation fuel costs, which remain prohibitively high.

Addressing these logistical challenges is crucial to ensuring the success of the TITR and attracting foreign investors. These projects will further solidify Kazakhstan's position as a key player in regional trade and connectivity. The vision for modernizing Kazakhstan's infrastructure is closely aligned with global best practices in logistics and supply chain management. He tasked the Antimonopoly Agency and the government



with resolving these issues by mid-2025, demonstrating his commitment to creating a more efficient and competitive transportation sector. He also identified tourism as a potential driver of economic growth, urging the government to prioritize building essential infrastructure and involve private investors in developing the sector.

Promoting Innovation and Entrepreneurship

In addition to infrastructure and trade, Tokayev emphasized the importance of the digital economy and innovation. Kazakhstan has introduced tax incentives, startup grants, and support programs for small and medium-sized enterprises (SMEs) to promote entrepreneurship. The government is also actively attracting foreign technology companies and fostering the development of IT infrastructure. Simplifying business registration processes and creating a more investor-friendly environment are key steps in this direction.



By promoting digital transformation, Kazakhstan aims to diversify its economy further and reduce its dependence on traditional industries.

Strategic Importance of Trans-Caspian International Transport Route (TITR)

The most significant aspects of Tokayev's remarks was his focus on infrastructure development, particularly the Trans-Caspian International Transport Route (TITR), also known as the Middle Corridor. The Middle Corridor offers a shorter and more secure alternative to the Northern Corridor, which has been severely impacted by geopolitical tensions. According to the World Bank, the Middle Corridor is approximately 2,000 kilometres shorter than the Northern route, providing faster and more efficient transportation between Asia and Europe. In the face of growing geopolitical tensions, Kazakhstan has emerged as a constructive player on the international stage, advocating for dialogue and peaceful solutions to regional conflicts.

He emphasized the need to enhance Kazakhstan's economic ties with neighbouring countries and major global economies, including China, Russia, the United States, EU countries, and the Middle East. He called for close monitoring of major investment projects with these countries and strengthening Kazakhstan's role within the Eurasian Economic Union (EAEU) and Central Asia.

Under his visionary leadership, Kazakhstan has strengthened its ties with neighbouring countries and major economies in Asia and Europe. Successful implementation of the Middle Corridor will accelerate this trend, transforming Kazakhstan from a transit country



into a key influencer in global trade. This project will open new avenues for economic growth, create jobs, and attract foreign investment, making Kazakhstan a preferred destination for businesses seeking to access the vast Asian markets.

President Kassym-Jomart Tokayev's remarks on reshaping trade routes and resources reveal a comprehensive strategy for positioning Kazakhstan as a critical hub in Eurasian trade. His focus on economic diversification, infrastructure modernization, and regional connectivity underscores his commitment to fostering sustainable growth and attracting high-quality investments. His leadership reflects a forward-thinking approach that will shape Kazakhstan's future for years to come.