

KAZAKHSTAN*

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First of all, allow me to greet all participants of the 37th Annual Meeting of the Asian Development Bank (ADB) and to express our gratitude to ADB for organization of this meeting.

The Republic of Kazakhstan has been a member of ADB for 10 years. During this time ADB has provided valuable assistance for the Republic of Kazakhstan, extending 12 loans for a total amount of \$501.6 million.

Initially, the main attention was given to reforms in the agricultural and financial sectors, with focus on creation of legal, regulatory, and institutional bases. After 1996 the accent was placed on reforming the pension system and education system, rehabilitation of infrastructure and strengthening of the general management structure of the agricultural sector, development of a target policy in social security, social protection of the population and mobilization of potential savings, and poverty reduction—spheres in which significant institutional improvements were still required. The economic situation in Kazakhstan has undergone significant changes since the time when the economy was in a condition of sharp macroeconomic imbalance. On the contrary, Kazakhstan has reached macroeconomic stability, and economic growth for the last 3 years has averaged approximately 12% per year. It must be pointed out that external help has played an important role in development of the Republic of Kazakhstan, and created important institutional and economic opportunities for the country, has hugely contributed to achievement of the macroeconomic stabilization, allowed creation of new legislation, implemented the programs of privatization, thus providing significant progress in transformation of the Kazakhstan economy and in development of democracy.

The main priorities of ADB and the Republic of Kazakhstan cooperation consist of development of rural territories, poverty reduction, industrial and innovational development, investments in social sector, and regional cooperation.

ADB with the Government of the Republic of Kazakhstan plan to carry out a new initiative on crediting private sector without guarantees of the Government. ADB's private sector operations would complement public sector operations. The opportunity of cooperation with Development Bank of Kazakhstan, using the tools of ADB, is being considered. ADB is going to develop cooperation with local agencies and also to carry out a program of economic, special, and branch research in the Republic of Kazakhstan.

* Statement delivered in Russian. Translation supplied by the delegation.

The ADB project—initiative of Regional Economic Technical Assistance in Central Asia (RETA)—is especially important for Kazakhstan. The project aims at definition of investment potential in infrastructure and reforming of policy in power, trade, and transport in neighboring states. The project consists of realizing the following: continuation of political dialogue in the context of trade and regional cooperation; meetings and seminars for institutional strengthening of key public institutes; research in support of the advanced policy (politics) and the legal environment, connected to regional trade and movements through borders; preliminary economic, social, technical, and financial analysis before certain infrastructural projects; and definition of other needs for development of a regional infrastructure.

The ADB Annual Meeting will give a new pulse of mutual friendship between member countries of ADB, one of the leading international financial institutions in the world. There are many directions for development of multilateral cooperation at the moment. Existing opportunities for mutually advantageous cooperation, I hope, will present mutual interest for a favorable investment of energy and the capital.