

## **Speech - presentation**

On November 20, 2008 the Head of the State signed the Law of the Republic of Kazakhstan “On Introducing Amendments and Addenda to the Law of the Republic of Kazakhstan “On Public Procurement” (hereinafter – the Law).

On November 22, 2008 the mentioned Law was published officially and became effective.

Key amendments to the legislation are aimed at providing state support to the real sector, encouraging local commodity producers and suppliers of works, services, and increasing the Kazakh content by using funds of the government and companies with state participation to place orders with national enterprises.

The Law also contains a number of norms proposed by the working group on development of proposals on increasing the share of Kazakh content when procuring goods, works and services in the process of public procurement, which was established in Instruction № 113-r of the Prime Minister of the Republic of Kazakhstan dated April 28, 2008.

A definition of the Kazakh content, national entrepreneurs, commodity producers, suppliers of goods, works and services has been adopted; a new principle of support to local entrepreneurs has been established, which shall be also observed when procuring goods, works, services without applying the norms of the Law, regulating the selection of a supplier, and concluding a contract on public procurement with him.

Criteria influencing on the price bid for the preference of local potential suppliers have been supplemented with a criteria of Kazakh content.

Amendments have been introduced obliging the customers when conducting bidding to provide conditional discounts to reduce the conditional price of the bid of potential suppliers who have Kazakh content.

The rules for collection, aggregation and analysis of reporting given the information on the volume of Kazakh content when procuring goods, works and services have been developed and approved by Order № 647 of the Minister of Finance dated December 30, 2008.

To increase the Kazakh content when procuring goods, works, services for implementation of investment projects, the Law envisaged a waiver for national management holdings, national holdings, national management companies, national companies and legal entities affiliated with them. This will enable such legal entities to place orders with national manufacturers without applying the procedures as envisaged by the Law.

The Law envisages a mandatory transfer, since 2010, to e-public procurement, by requesting quotations, and the price ceiling has been removed (4000 **MPIT**) when conducting procurements by this method.

A web-portal for e-public procurement has been established, and the Single operator in the area of public procurement has been specified – TOO “E-Commerce Center”.

E-public procurement will enable to reduce the corruption-prone nature of procurement procedures, increase their transparency and will promote fair competition and effective spending of budget funds.

Sincerely, E. Maraimov