



## Kazakh Officials Propose Tax Incentives and Funding to Strengthen Creative Industry

By Dana Amirgazy - THE ASTANA TIMES



Kazakhstan's creative industry continues to employing some 143,600 people across various sectors, Minister of Culture and Information Aida Balayeva said during a March 18 government meeting.

During the event, Balayeva outlined the creative industries' ongoing development, presented initiatives to further stimulate its growth, and reported the Prime Minister's press service.

The creative industry in Kazakhstan consists of 12 sectors, covering 43 economic activity classifiers. There are 45,597 registered entities in the country's creative industries, contributing 1% to Kazakhstan's gross added value.

Many of these entities are based in Almaty and Astana, with individual entrepreneurs making up 70% of the total. Folk crafts dominate the sector, accounting for over 12,000 small and medium-sized enterprises (SMEs), while the IT sector also plays a major role, with 40% of limited liability companies (LLPs) operating within this field.

The most labor-intensive sectors include IT, architecture, fashion, cultural institutions, libraries, museums, and folk crafts.

To promote the creative industry, Balayeva proposed introducing preferential tax conditions. She recommended maintaining the current retail tax regime and establishing reduced rates for VAT (value-added tax) and corporate income tax (CIT) for businesses in the creative sector. As the new Tax Code is under discussion, these measures would support creative enterprises and encourage innovation and growth.

One key initiative to boost the creative industry is the establishment of a Creative Industry Development Fund.

Balayeva explained that this fund to be created in collaboration with leading creative and educational organizations, will support the sector in four main areas: talent identification, project development, infrastructure development, and export promotion.

"The Creative Industry Development Fund will be financed by a 3% deduction from the national lottery operator's revenue. One of the main areas of its activity will be the development of venture investment in the creative industries. In this regard, a venture division will be created on the basis of the Astana International Financial Centre (AIFC), with the involvement of a pool of management companies that will facilitate the effective placement of funds based on urgency and repayment," she said.

Balayeva highlighted the importance of nurturing and promoting the creative industry as a key sector of the economy, emphasizing the need for talent development, infrastructure, and international exposure to ensure its continued success. The government's commitment to fostering this sector is expected to yield long-term benefits, not only for Kazakhstan's economy but also for its cultural and creative heritage.

Prime Minister Olzhas Bektenov said global exports of creative goods and services surpassed \$250 billion last year. Forecasts from the research company G20 Insights predict that by 2030, the creative economy will account for at least 10% of global GDP, underscoring its growing significance in the global economy.

Last year, the development of computer games contributed 460 billion tenge (US\$923.1 million) to Kazakhstan's gross added value, while the number of Kazakhstan's film releases rose by 58%. Half of the top 10 box office films were domestically produced, with revenue from foreign and local films nearly equal, indicating growing viewer interest in national content.