

A new world free of constants

Kazakhstan edition of 28th
Annual Global CEO Survey 2025

Message from the Managing Partner of PwC Kazakhstan, Azamat Konratbayev



We present the results of the 13th annual Kazakhstani edition of the survey of CEOs of the largest companies of the world conducted as part of the 28th PwC Global CEO Survey. Over 4,700 CEOs of private businesses from 109 countries participated in the global survey, including 62 CEOs from Kazakhstan.

This year, the main focus of discussion was on prospects for the development of the global and Kazakhstani economies, the volume of planned investments, and key threats affecting business. Particular attention was paid to the country's investment attractiveness and the impact of various factors on the economic viability of private companies. According to the results of the private business survey, in the context of global uncertainty and economic instability, the forecast for 2025 remains ambiguous. The majority of respondents, both globally (58%) and in Kazakhstan (52%), expect the global economy to grow. However, these expectations depend on many factors, including the geopolitical situation, which affects oil prices, which is a critical indicator for the state budget of Kazakhstan. This year, 15% of CEOs believe that the rate of global economic growth will slowdown, while in 2024 this figure was 18%. The dynamics of expectations for Kazakhstan's economic growth is a point of interest: 67% of CEOs surveyed believe that growth will be higher than last year's indicators, but 83% of them believe that this growth will be insignificant. 28% of CEOs believe that the economic growth rate will remain at the 2024 level or will decrease. This year, we asked our respondents to talk about the volume of investments planned for 2025. Most Kazakhstani CEOs (42% of respondents), like their colleagues around the world (also 42%), are ready to invest USD 1 to 25 million. However, many who planned significant investments (over USD 50 million) for this year changed or postponed this decision due to the inability to calculate the return on capital. The main reasons for this were negative expectations for inflation growth due to proposed changes in tax legislation and other uncertainty factors. As a result, investments were suspended, revised in volume or redirected to other countries.

In 2025, the top 3 most important countries for the prospects of income growth for Kazakhstani companies included Uzbekistan (39%), China (36%) and Russia (34%). Uzbekistan continues to be of significant interest to Kazakhstani entrepreneurs who see opportunities for growth and business development in this country. The

opinions of Kazakhstani and global entrepreneurs reflect a high level of business exposure to various threats in 2025. Geopolitical conflicts have predictably become the most significant threat to business in Kazakhstan (66% versus 51% in 2024). Inflation and a shortage of workforce with key skills (39% each) also remain significant threats in Kazakhstan.

The economic viability of companies in Kazakhstan and globally depends on many factors, among which are innovative technologies, the right strategic choices, organizational efficiency, changes in the regulatory framework and increasing demand for products and services. Respondents in Kazakhstan emphasized state regulation and the availability of financing, since these factors affect purchasing power and business development. In 2024, expectations for the implementation of generative AI were high, especially in terms of improving working time efficiency and profitability. However, the 2025 survey results showed that the actual outcome was lower than expected. The efficiency of employees' working hours and executives' personal working time has indeed enhanced thanks to AI, but this has not had a significant impact on profitability. Investment attractiveness of the country should remain the state's priority goal. This opinion is expressed by Kazakhstani businessmen for the second year in a row. The fight against corruption and infrastructure development take second place. The rule of law and an effective tax system should also remain important priorities for the state, according to Kazakhstani CEOs. As for the investment climate, 37% of respondents note its worsening in Kazakhstan in 2024, while 44% of CEOs believe that it has remained at the same level. We would like to express our gratitude to each participant of our survey who took the time for a personal or online meeting and completing the questionnaire. We hope that the result of our joint efforts will contribute to a deeper mutual understanding and effective cooperation between private business and the government and will allow to consider the current issues and expectations for further economic growth, implementation of investment prospects, and development of our country.



Content

3

Private business in Kazakhstan

- Respondents' opinions on the prospects for economic development in Kazakhstan and the world
- Volume of investments planned in 2025
- Key countries for stable growth
- Main threats affecting business
- Economic viability of business: influencing factors
- Environmentally friendly investments – business opinion
- 12-month and 3-year revenue expectations

31

Generative Artificial Intelligence and Business

- Implementation of AI and its impact on business and personnel

40

Interaction with the state

- Priority tasks for the state and the effectiveness of their achievement. Cooperation between business and the state
- Investment climate in Kazakhstan in 2024
- Reasons for changes in the investment climate in Kazakhstan
- Improving the investment climate in Kazakhstan – business proposals
- The role of the state and its assistance to business

55

Best of 2024

- Main quality of a CEO for successful work in a modern business environment

59

Meet the CEOs

61

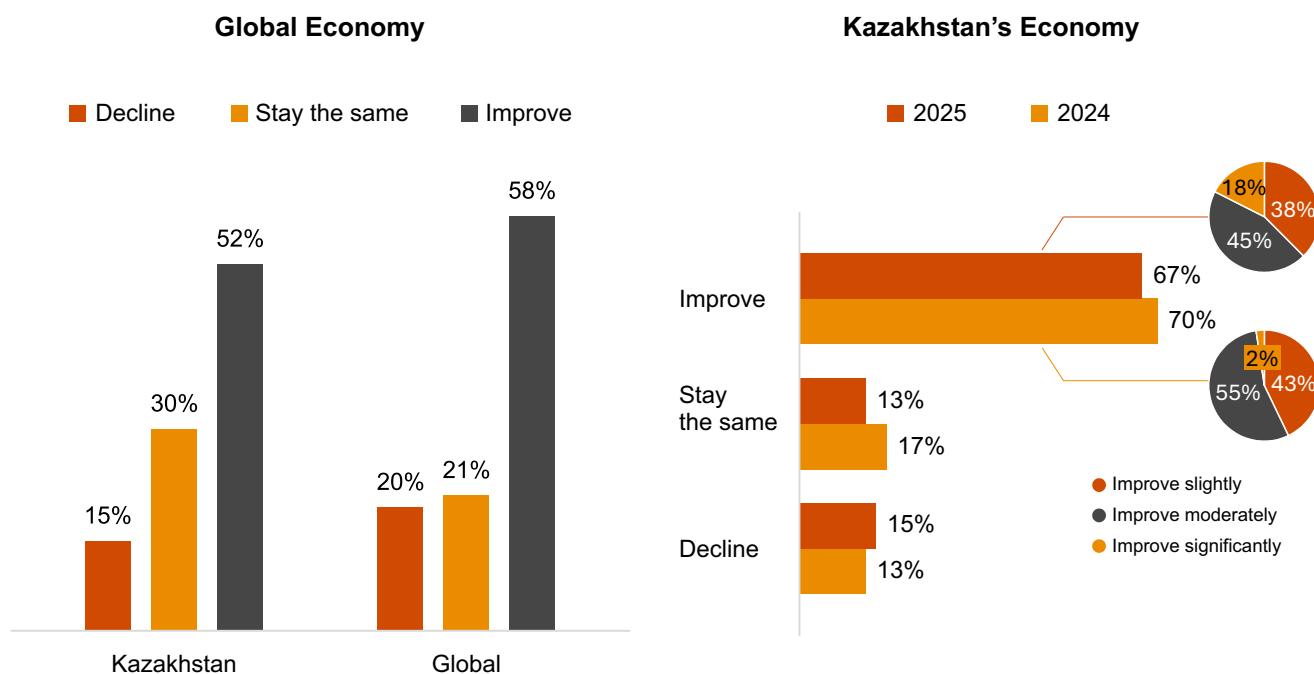
Research methodology

Private business in Kazakhstan

Theme

Respondents' opinions on the prospects for economic development in Kazakhstan and the world

How do you believe economic growth will change over the next 12 months in the global economy and in Kazakhstan?



"The majority of respondents, both globally (58%) and in Kazakhstan (52%), expect the global economic growth in 2025. Nevertheless, these economic forecasts remain ambiguous and depend on many factors including the geopolitical situation affecting oil prices, which is a critical indicator for the state budget of Kazakhstan. This year, only 15% of CEOs believe that global economic growth will slow down (in 2024: 18%).

However, the dynamics of expectations for the economic growth in Kazakhstan is a point of interest: 67% of CEOs believe that economic growth will still be higher than in the last year, but meanwhile 83% of them respond that the growth, if any, will be insignificant. 28% of CEOs believe that economic growth will remain at 2024 level or even decline. Many noted that Kazakhstan is subject to the influence of both external and internal factors, which are difficult to predict at the moment, and there is an awareness that the main tool for controlling inflation is the base rate of the National Bank, and the growth of inflation is accelerated both by government decisions and imported inflation. Respondents noted that government needs to have deep insights of economic effects, both short-term and long-term, as well as engage business, reputable economic analyst (including international ones), and certainly the NBRK to make right decisions in terms of GDP growth, budgeting, fiscal and monetary policies. Globally, it is difficult to say, the forecast may vary by region. However, talking about Kazakhstan's economy, even though we mention growth, it seems to me that our economy is not growing, there is a stagnation."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Let's put it this way: if Comrade Trump does not do something with oil to finally destroy everything, as he said "drill, baby, drill", then, probably, the global economy can grow a little. In Kazakhstan, I think, too, but if there are suddenly some troubles with oil, then quite big shocks may arise. Plus, the Chinese announced DeepSeek, which brought down the entire stock market. The year will be unpredictable, but I still think that everything will be positive. The war must end anyway, after three years everyone is already tired, everyone says that they want to come to an agreement. The question is how. Sanctions will not be lifted, on the contrary, they are being tightened. In Belarus, there is a "new" president, against whom the European Union can tighten sanctions, and this is bad for us again, because logistics will be even worse. Now everyone has more or less adapted, but the new sanctions may affect growth. I think that in Kazakhstan, the economy should grow moderately, from 2% to 4%, because we are an emerging market and cannot afford to grow little, because then we will lag behind the rest of the world."

Arminas Macevicius
STADA

"Global economic growth, in my opinion, will increase slightly within 0.5-2%. This growth is driven by a variety of factors, including current world events, which have a significant impact on economic development. Wars and conflicts, as well as financial injections into the economy, play an important role in this process. However, high refinancing and mortgage rates reaching 30% may slow down this growth, as the purchasing power of the population decreases. Kazakhstan's economy will show a moderate growth. Russia's economy is expected to grow by 2.14%, which is explained by the country's ability to bypass sanctions and continue the production of oil, metals and military equipment. These goods remain in demand in the global market, which promotes economic growth. The only question is how effectively countries will be able to sell their products in the international arena. It is important that these are our neighbors, we are connected, and the Russian economy still has a tangible impact on us."

Ilya Martinenko
Aurora Holding

"The global economy will grow slightly, but its growth rate will not change. I do not see reasonable background for this. The unstable situation in general, including the geopolitical one, current negotiations between the United States and Russia regarding Ukraine, possible elections in Ukraine, rapid development of China's economy wherever possible, in particular, in the area of high technologies and artificial intelligence, all this creates rather nonuniform environment, and in such an environment, there are usually no bursts of growth. It is also critical to recognise the enormous importance of developing countries. If earlier they influenced the world economy indirectly, now the economies of developing countries have a significant impact on the overall economy. Plus, the large investments that flow into developing countries also affect the worldwide market. Economic growth in Kazakhstan will be at least 3-5%, i.e. it will accelerate slightly. I attribute this to the fact that the government has made quite significant progress in creating favorable conditions for foreign investment. Perhaps this is due to the background of our president, but obviously it should be noted that foreign investors started to show an increased interest in Kazakhstan. And they invest not only in some large-scale projects, but also in smallscaled-down cases."

All this will certainly affect the growth of the economy in Kazakhstan. However, there is a second trend associated with possible spiking inflation, which will arise due to the increase in value added tax and changes in the Tax Code, as well as the budget deficit. This whole story, coupled with a decrease in purchasing power, is moving the economy exactly in the opposite direction. But I am an optimist, I believe that these two opposite stories will still come out in positive growth of 3-5%."

Alexei Khegai
TSPM.

"In my opinion, there will be moderate economic growth in Kazakhstan within 2-3%. This is due to the fact that the incomprehensible taxation system creates nervousness in the business environment, and people are afraid to develop their business. Globally, I expect growth in all developed markets, including Europe, the Americas, China and Japan."

Armanzhan Baitassov
Tan Media Group

"It seems to me that for the global economy, Donald Trump's coming to power in the United States is a cornerstone event that will affect the next 12 months. From an economic point of view, this is more of a positive signal for the whole world than a negative one, and precisely in the short term. Therefore, I think that the global economy will be in a healthy state, growth will be about 3-3.5%. If we talk about Kazakhstan, then, most likely, there will be the same 3.5% growth. I do not see any prerequisites for the situation to improve compared to last year. Now many analysts have added 1-1.5% growth to Kazakhstan. They could show up, but many factors will impede. I am less optimistic about our country."

Serik Tolukpayev
Aitas Group

"I do not see any fundamental reasons for a sharp economic growth both in the world and in Kazakhstan. I assume that GDP growth in Kazakhstan will remain at the same level, within 5%. The global economy will also remain at the same level.

I would like to note that if earlier the period between economic crises reached 10-15 years, then later it began to decrease noticeably. For example, the global financial crisis in 2008-2009, then the world experienced a serious crisis in 2014-2015, when the price per barrel fell sharply, then the pandemic happened in 2020, thus the time interval gradually decreased to 5 years. And what is currently happening in the world (slowdown in China's growth rate, sanctions against Russia, geopolitical situation) are all prerequisites for changes in supply and demand in the oil market, as well as a decrease in world oil prices, which will have a negative impact on the country's economy. Another global economic crisis, in my personal opinion, may arise at the end of 2025 or in 2026."

Yerzhan Tazabekov
Kazpetrol Group

"With Donald Trump taking over as US President, there may be a slight growth in the global economy. In Kazakhstan, I do not see prospects for growth, most likely it will remain at the same level."

Askar Baitassov
abr

"Speaking about the global economy, Trump won the presidential election in the US, cryptocurrency is growing, and it seems that everything should be positive. It is difficult to make forecasts regarding growth in Kazakhstan: the KZT exchange rate is changing, while anti-Russian sanctions are also hitting Kazakhstan. In general, it is difficult for me to judge, I am not an economist, so I will choose the option "difficult to answer"."

Bolatbek Ospanov
Smart Satu

"I believe that the global economy will remain at the same level. The fact that Trump came to power will certainly play a significant role, but there will be other factors as well. As far as I understand, he is focused more on the internal development of the country, and I do not think that this will have any impact on global economic growth. As for Kazakhstan, I expect a moderate increase in economic growth, around 4% this year, followed by a significant increase over the next 5 years, up to 20%, since serious projects are being launched. First, we are waiting for decisions on the nuclear power plant. Then, in Western Kazakhstan, new projects will soon be launched at KPO. KPO and NCOC are changing the composition of management.

Russian companies are entering the game quite aggressively: the construction of the Silleno plant in the Karabatan area is in progress, the joint project of KMG and Lukoil Kalamkas-Sea – Khazar is being implemented, and something is expanding in KATKO. We are monitoring this, as we are engaged in logistics: purchases from mining companies are stable, and I think this will continue. Infrastructure will also improve in Kazakhstan: new airports and new logistic hubs are being built. Commodity price fluctuations have a great impact on the growth of our economy."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"At the global level, there is a trend towards restrained growth due to geopolitical challenges and fluctuations in commodity markets. In Kazakhstan, there is a positive shift due to active investments in digital infrastructure and support for local innovation initiatives."

Nurlan Sadykov
Dell Technologies

"I think we will see a slight growth in the global economy. 2024 was not a good year, both for Europe and for the whole world. Our company showed a decline of up to 30% in the European markets in the first and second quarters, but at the same time there was an increase in sales in the American market, which balanced the negative situation in the European market. As a result, in Europe there is a decline, and quite a noticeable one, and in America there is growth, which leveled this decline, and in general the picture is not bad. In Kazakhstan, we expect a slight growth as well. It could be higher, but now there are huge difficulties with supply chains, exchange rates are unstable, producer prices can change significantly in a short period of time, and there is a general feeling of vulnerability to external factors."

Mikhail Borisov
Fluidra Kazakhstan

"Global economic growth will decrease slightly, while economic growth in Kazakhstan will decrease significantly, given KZT devaluation, the uncertainty of tax legislation, resulting in an increase in inflation. It seems to me that everything will be bad."

The increase in the number of Kazakhstani companies subject to secondary sanctions is also a negative factor for foreign investors."

Marina Kuznechevskaya
Fly Dubai

"I believe that 2025 will be very active in terms of various challenges. And, by the way, they have already begun. I am now waiting for what the team of the previous US president left as a legacy to the successor, because any movement on the other side in one way or another affects ours. But currently the most worrying thing is that their financial sector shows losses that exceed those in 2008. No matter what anyone says, we are a "dollar" country, so we will certainly feel this influence, and everyone needs to prepare for this. On a global scale, 2025 will create a tough business environment and intensify competition, so those who can cope with this may even grow. In general, the rate of economic growth in the world, I think, will slow down, and I do not see any new prerequisites for growth in Kazakhstan either."

Konstantin Kulinich
Mary Kay

"Based on economists' research, we believe that the global economy will grow by 2.2-2.8%. In Kazakhstan, growth was predicted at 4-5%, but an increase in the VAT rate could significantly change the situation. The state is going to raise VAT already in 2026, and we believe that this will have an adverse impact on GDP, there will be no growth or there will be a decrease, depending on when this initiative is implemented."

Yakov Fishman
Magnum

It is difficult to make predictions. Economically, we depend on oil, so its prices will remain a key factor. Even if they fall slightly, energy dependence on oil in the world will be maintained, as there is no alternative to this energy source yet. Accordingly, in 2025, everything will grow approximately the same as in 2024 in both the global economy and the economy of Kazakhstan, since we are very closely connected to the global economy. Unfortunately, we are tied to the Russian ruble, the trade turnover between our countries is very large, we have a single economic zone, so we are waiting for the end of the military confrontation, and until the war is over, it is difficult to make forecasts. Even if there is a change of power in Russia, there will still be some kind of "freeze" at the first stage, and nothing will change globally, at least in 2025."

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"There are forecasts indicating moderate economic growth globally. In Kazakhstan, growth will also be moderate, between 2% and 4%, closer to 4%, we do not expect increased growth."

Marat Seitkulov
Caravan Resources

"I remain confident but balanced optimism about the development of both the global and Kazakh economies in the next 12 months. Global GDP, according to the forecasts of leading international institutions, will grow by 2.7-3.3%, which indicates stability, but without a noticeable acceleration compared to 2024."

Advanced economies will continue to grow modestly below 2%, while emerging markets, especially India and Southeast Asia, will maintain rates above 4%, remaining the main engines of the global economy. Within Europe, the dynamics are uneven, with Germany, Italy, France and Austria teetering on the brink of stagnation, while Poland is showing strong growth of 3.5%, well ahead of the European average. Kazakhstan continues to outpace the global pace with projected growth of 4.5-5.2%, supported by infrastructure investment, economic diversification and positive demographic trends. One of the key events of the year will be the implementation of the FGP project at Tengizchevroil LLP, which strengthens Kazakhstan's position in the oil and gas sector. However, despite the positive trends, it is necessary to closely monitor the dynamics of Brent crude oil prices, as market volatility will remain a key factor influencing the investment climate and economic stability."

Lukasz Skowronski
Global Development

"In my view, the global economy most likely will stay the same or slightly improve. Because of many uncertainties such as trade war, currency war, China economy is struggling, geopolitical situation is critical in many places like Europe, Middle East etc., cost of capital intends to increase etc.

Kazakhstan economy to continue growing due to export of energy and the role that is Kazakhstan is playing more and more as a connection between Asia and Europe. However, there are some risks such as inflation and currency devaluation, geopolitical uncertainty and Kazakhstani investments outside of Kazakhstan."

Edgard Bou-Shahin
Schneider Electric Central Asia and the Caucasus

"A situation in which the economic crisis is superimposed on geopolitical crisis will become an even greater challenge for us. Injections into the economy in countries that are the main global consumers of our products have not shown sustainable results.

Kazakhstan's economic growth, given the current dynamics and preconditions for development, showed a predictable growth of 5-7%, but the global impact of the crisis affected our company. But I think that the company has growth potential."

Serik Shakhazhanov
ERG

"For the economy of Kazakhstan, we predict 5% growth. This is attributed to the successful launch of the Future Growth Project of Tengizchevroil LLP (TCO). One of the main criteria why we lowered the forecast for 2024 was the postponement of this project to 2025. The successful implementation of the Future Growth Project is a good signal for our forecast for this year."

Saule Zhakayeva
Citibank Kazakhstan

"Based on the available data and my assessment of the global context, I can say that the economic downturn continues around the world, holding back growth. In my opinion, the world economy will continue to have low growth rates at the level of 2-4%. For developing countries like Kazakhstan, our growth is above the global average. The last few years have shown that, despite the difficult context, our economy has done quite well. I believe that there will be an increase in economic growth within 4-6%."

Zhanibek Abdiyev
Mars Kazakhstan

"Given the widespread fear of attack triggered by the war in Ukraine, many countries, especially in Europe, have sharply increased their defense budgets. Trump's election, whose statements are reflected in prices for oil, metals and other goods, definitely affects the economies of many countries. But to be fair, Trump has always played in favor of the United States, the world's largest economy, so my guess is that the global economy will grow by around 2%. As for Kazakhstan, there are many questions and not enough answers. There are external factors that our country has little influence on (including Russia, the United States, OPEC), and there are internal factors where government decisions will either lead us to economic growth and prosperity, or vice versa. Based on the ideas proposed by the government, including tax reform, and taking into account the fact that about 65% of exports relate to oil, gas, metals, and we import everything else, then if we remove export raw materials from the trade balance, our economy is almost completely dependent on imports of goods. Therefore, with an increase in the tax burden, an increase in social contributions and an increase in prices for POL and utilities, we not only import someone else's inflation, but also create conditions for its incredible growth within the country. Thus, I expect Kazakhstan's economic growth to decline by more than 4%."

Farrukh Makhmudov
Orbis Kazakhstan

"Global economic growth faces a number of uncertainties at present. On the positive side, the fragile peace in the Middle East and the possibility of an end to the conflict in Ukraine should result in lower energy prices, which would be good for growth in non-energy-producing economies; whereas the prospect of a series of international trade wars induced by reciprocal tariffs threatens to raise prices of consumer goods, decreasing consumption and forcing interest rates higher than they would otherwise be. On balance, I predict a slight decline, but the outlook is clearly uncertain.

Regarding Kazakhstan in particular, and in relation to my comments above, lower energy prices would be negative, and lower global consumption would impact demand for other commodities; but on the other hand, an end to the conflict in Ukraine could ease some of the trade tensions of the past three years, hence my neutral view, on balance, for Kazakhstan"

Gavin Ferrar
Central Asia Metals

"In 2025, I expect a moderate increase in the global economy. A key factor is a change of administration in the United States, as the political course of the new president will influence global economic trends. In addition, there are continuing risks associated with possible trade wars. But in any case, I stay positive. A possible easing of the sanctions policy against Russia and the start of negotiations on Ukraine may help improve the economic climate. As for Kazakhstan, the dynamics of GDP growth remains within the existing trends. Last year, the increase was about 5%, and a decrease in rates below 4% would already be critical. An additional contribution to the economy will be made by the completion of the TCO expansion project, which will also have a positive impact on growth indicators."

Almas Idrissov
TSPG REIT

"I do not see prerequisites for the global economic growth in 2025, because promising steps have only just been made, and this will result in some kind of economic result either at the end of 2025 or in 2026. For Kazakhstan, the outlook is more positive as country is on the sidelines of economic and political storms. So economic growth will increase by 2.1-4%."

Andrey Porolo
Knauf Kazakhstan

"The global economy, I think, will decline slightly, by 0.5-2%. In Kazakhstan, it will increase. In my opinion, with the new US president, the crisis will subside, but the resuscitation process will be difficult and long. As long as all this is settling down, I think the global economy will fall – a realignment of forces and so on. At the same time, I expect that due to external changes, the influx of good specialists to us will increase, which will increase competitiveness and qualifications, although it is also necessary to take into account the trend of the outflow of talented young people abroad."

Valikhan Ten
Krida

"Apart from small shutdowns at three major projects, the oil and gas industry as a whole survived 2024 well. There were plans that more than 90 million tons of oil would be produced in Kazakhstan in 2024, but production decreased to 87.7 million tons, which is even lower than in 2023. Also, the revenues of Kazakh oil and gas companies fell due to the decline in world oil prices.

If we look at the oilfield services industry, where more than 100 thousand people work, we see a significant decrease in the volume of work, mainly due to the fact that large expansion projects at Tengiz (future growth project) and Karachaganak (KEP) have been completed. But the outlook for 2025 is very positive, Tengiz project, worth more than \$45 billion, will start paying off, and perhaps at peak we could see just under 1 million barrels of oil per day at Tengiz, which is almost 1% of global production. Due to it, it is planned that production in Kazakhstan will be more than 96 million tons of oil per year, which will be a big record."

Almas Kudaibergen
Centrasia Group

"The beginning of 2025, which coincided with an expanded meeting of the government of Kazakhstan, the speech of Donald Trump and his advisers actually draw a line under the past period and change the vector of development. We could never have thought that the largest world and Western power would lay claim to the world's largest island of a Western country, and the Danish authorities will allocate billions of dollars to strengthen the island's defenses. The world is changing very quickly, a couple of months ago it was unimaginable.

The statements announced in January on the reform of Kazakhstan's tax policy indicate that changes are taking place in budget planning, and how socially oriented the new policy will be is a big question. The principles of taxation are changing seriously, and this affects our economic potential and the development of the country. What will be the assessment of these statements by investors against the backdrop of an economically very restrained 2024? Economic growth both in the world and in Kazakhstan will remain at the same level, fluctuations within 0.5% are possible, because 2025 will be a transitional year in all possible senses. Breakthroughs in one direction will be compensated by declines in the other. The transition year will be very unusual. in the medium term.

The war in Ukraine is in its fourth year, and wars, whatever they are, usually do not last longer than 4-5 years. After each big war, there is recovery and rapid development. I would like this period to have already begun."

Kairat Mazhibayev
RG Brands

"In the United States, Donald Trump came to office, and he will work on the growth of the US economy. Most likely, US Dollar will rise in price, while KZT will become cheaper. For Kazakhstan, the time is not the best, but many expect growth in the US economy. In my opinion, both the growth of the global economy and the growth of the economy of Kazakhstan will be within 0.5-2%."

Doszhan Zhussupov
Cerebra

"Both in the global economy and in Kazakhstan, there will be moderate growth. I'm not an economist, but I read World Bank forecasts from time to time. Past forecasts came true well, there is no point in doubting now. In our region, growth is predicted to be about 3-4%. And if earlier growth in our region was expected to be slightly higher than the world average, now the forecasts for us and for the world are approximately the same. Final recovery from the consequences of the pandemic, tourism (although, perhaps, we are talking more about Turkey than about Kazakhstan), rising wages of the population, and growth in sales of goods and services are indicated as growth factors. In general, these are quite healthy factors."

Dmitriy Botanov
Kolesa Group

"I believe that global economic growth will increase moderately, and in Kazakhstan, probably, as well. The current trend shows development: new businesses are launched, the economy is moving forward. Despite the geopolitical situation, we observe stable growth in most industries, at least among our partners."

Laula Stamkul
Wolt Kazakhstan

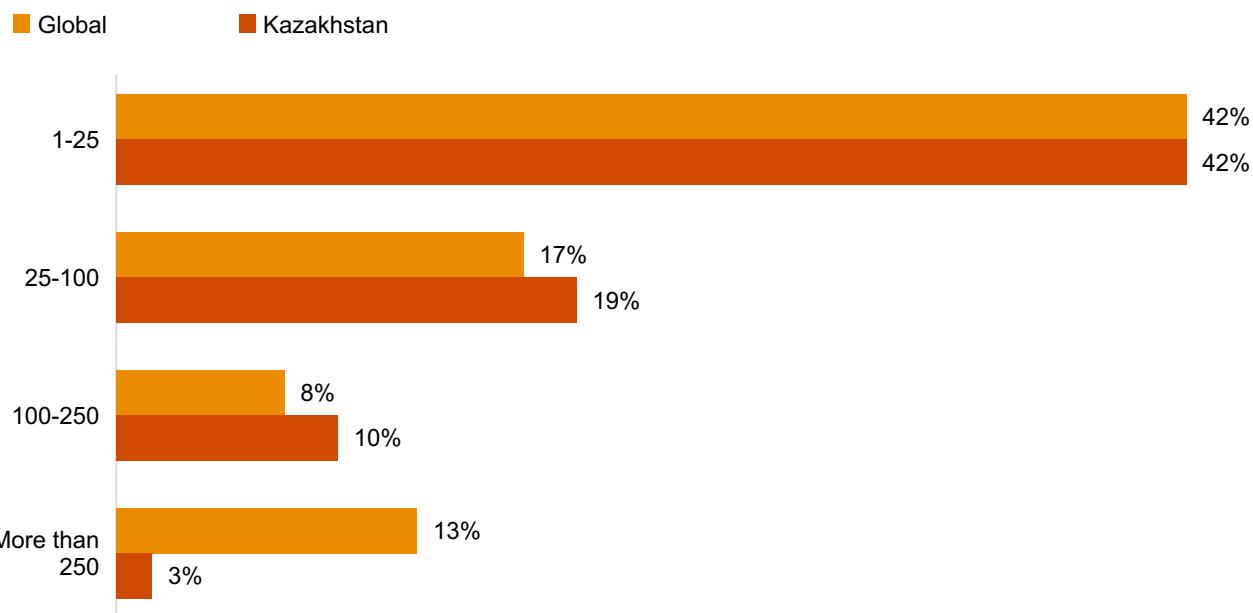
Volume of investments planned in 2025

This year, we asked our respondents about the amount of investments planned for 2025, and the majority of Kazakhstani executives (42% of respondents), as well as their peers in the world (also 42%), noted that they are ready to invest USD 1 to 25 million.

One of the most interesting trends that we noticed was that at the end of 2024 most businesses planned significant investments (over \$50 million) for the next period but changed their minds due to the inability to calculate the return on capital. As we understand, the main reasons, according to the survey, were negative expectations for inflation growth due to changes in tax legislation proposed by the government. As a result, due to unpredictability, investments have been suspended, significantly revised in volume (i.e. reduced) or redirected to other countries where capital returns are higher and the investment climate is better.

What is your company's total amount of investments planned (in US dollars) in the next 12 months?

Total Investment, million USD



"Last year, investments in ERG amounted to USD 1.163 million, this year we plan to invest at about the same level. Since we are a global company, we have good assets in the international market, so about 20% of investments will be directed to international projects and at least 80% to Kazakhstani ones."

Serik Shakhazhanov
ERG

"Initially, we planned investments in the amount of USD 150 million. But they had to be frozen since there was a decrease in economic activity in Kazakhstan due to difficulties in forecasting the investment climate."

Farrukh Makhmudov
Orbis Kazakhstan

"We plan for 2025 the same amount of investment as last year, but with the proviso that the updated version of the pricing order lacks clarity with the practical application of a number of points, as well as there are no draft regulatory documents on the deregulation of the circulation of medicines – so far this is only at the level of declaration. applications, companies cannot plan the production and import of medicines. This applies to all companies, both local producers and international players. If the uncertainty lasts long enough, investment will slow down."

Arminas Macevicius
STADA

"In Kazakhstan - from 5 to 10 million. For 2025, we have slightly reduced this figure and selected priority projects. The bulk of our investments are in three areas: modernization of our factories, purchase of trucks for milk procurement, and investments in our farm."

Arman Aldabergenov

Lactalis – FoodMaster Kazakhstan

"From USD 50 to 100 million . We are still in the investment cycle, trying to follow the Sustainable Profitable Growth (SPG) model. The balance between profitability and sustainability varies from year to year, but we try to follow this course."

Kairat Mazhibayev

RG Brands

"This year, we have almost no investment commitments; we ended last year with a large amount of investment in a new project. This year, we need to digest" all of this, set up production . Therefore, we are planning only a supporting investment budget for this year. We are looking "softly" at something new , but there are no clear commitments yet."

Marat Seitkulov

Caravan Resources

"We plan to invest in the construction of our own warehouses, office, and showroom. We have already purchased land with a production base, but it requires complete reconstruction, so we are already at the design stage, and all the main investments will be made in the next two years. I think that next year we will invest at least one or two million, and in 2026 there will be more or less the same amount.

We planned to open an office in Uzbekistan, but due to the fact that at the moment there are a lot of risks associated with sanctions and supply chains, it was decided to suspend this process. This year, another country was transferred to our area of responsibility, this is Mongolia, so we now have four countries, where we represent Fluidra products.

Currently, we are not considering opening an office or a warehouse, for example, in Mongolia or in Kyrgyzstan, as we work in these countries through our dealers, but perhaps with the growth of sales in these markets, we will return to this issue. Now all investments are concentrated in Kazakhstan."

Mikhail Borisov

Fluidra Kazakhstan

"We have developed a good financial shape for all previous periods, so we do not need any investments, we serve ourselves. We do not plan to open or develop any new areas or go into a completely new industry – in this sense, we are committed to our traditional customers, the market and the product. Therefore, all efforts are aimed at strengthening here and not investing in something new."

Konstantin Kulinich

Mary Kay

"Our employees are located in Kazakhstan, from here we connect other countries - Georgia, Kyrgyzstan, the United States. Now the volume of investments attracted by the company is more than USD 10 million , and subsequent investments and revenues will be directed to the development of the team in Kazakhstan."

Bolatbek Ospanov

Smart Satu

"Wilo came to Kazakhstan in 1998. As a result of systematic development, in 2002, a subsidiary of WILO SE was established in Kazakhstan - WILO Central Asia LLP. Since the launch of the subsidiary WILO Central Asia, branches have been opened in the cities of Astana, Atyrau and Ust-Kamenogorsk. In 2018, the first WILO SE complex in Central Asia was opened in the Almaty region in Kazakhstan, which was an important step in the development of the company in the region.

At the next stage, it is planned to localize certain product models. However, since the product line is very wide, it is unrealistic to localize everything in one place."

Azat Jalairov

Wilo Central Asia

"In 2025, we plan to invest about \$5-10 million. During the coronavirus, we purchased a lot of real estate and plots, and now we will develop these items through construction. In addition, we are starting the construction of a business center for own needs."

Ilya Martinenko

Aurora Holding

"Our company has been in the market for more than 17 years, and we are at the natural stage of declining production volumes due to the reduction / depletion of reserves, so the volume of investments will decrease. We have already made all the necessary and required capital investments earlier, and in 2025 we have several projects to complete, including the construction of a gas pipeline and a reservoir pressure maintenance system. As a result, we plan to invest about USD 25 million . A few words about the participation of our company in the country's gas project within the Memorandum on ensuring the safety of the resource base of the region, where funds were invested for the construction of a gas pipeline from our field to the receiving point of QazaqGaz JSC. From the beginning of 2025, it is planned to launch a gas pipeline and supply raw gas.

It should be mentioned that in the near future the country will face a gas shortage due to the depletion of the resource base and the lack of major discoveries. Gas is becoming a very valuable resource, and in the future it will become higher in value and priority than oil. Unfortunately, Kazakhstan focused on gas as a priority resource rather late, and only now a large-scale program of gasification of the country is underway. Geological gas reserves in the country are sufficient, and they need to be developed.

The government is moving in this direction, and 2 years ago, together with subsoil users of the Kyzylorda region, we signed a memorandum with the Ministry of Energy on the construction of a gas pipeline to transfer the gas available at our fields to the existing infrastructure. Our company has relatively small gas reserves, nevertheless, we are pioneers in this memorandum on the project for the construction of a gas pipeline in the region, which should be put into operation on January 1, 2025. This project for our company is unprofitable due to the low price of gas, however we position it as a social and important one for the population of the republic, as well as for solving the issues of utilization and use of associated gas."

Yerzhan Tazabekov

Kazpetrol Group

"We plan investments within USD 1-5 million . This is mainly due to the update of our technology programs, which is carried out from Citi's headquarters."

Saule Zhakayeva
Citibank Kazakhstan

"We plan to invest USD 5 to 10 million within the holding every year. These investments will concentrate in the domestic market and will not be directed to international operations."

Armanzhan Baitassov
Tan Media Group

"We plan to invest USD 20 to 50 million through REITs. With successful placement of shares, we will additionally have USD 60-70 million of free share capital, which we will also use for investments. Obviously, we will not spend these funds at once, but this year we will begin preparatory work. Key areas of investment include the acquisition of land in Astana and Shymkent, projects with budgets of \$25 million or more. We are also considering the possibility of expanding the Shymkent Plaza shopping center, which will increase the total investment. Since construction is a capital-intensive process, the projects will be implemented in stages. The pace will depend on various factors. Currently, we keep focusing on Astana, since this is where we plan to launch the first facility. In Almaty, we already have a landmark asset - Dostyk Plaza, so new projects are not a priority here. In Shymkent, on the contrary, we see significant population growth and high demand, so this city will become a second priority. We are also considering entering foreign markets. The search for sites has already begun, but this is a long-term strategy. First of all, we are focused on Kazakhstan, and in the future expansion to Uzbekistan, Azerbaijan and Georgia is possible."

Almas Idrissov
TSPG REIT

"USD 5-10 million. We plan to invest in a large greenfield project, which will start in 2025, in standard projects - maintaining technical capacities and in several sustainable projects, including those related to solar energy."

Andrey Porolo
Knauf Kazakhstan

"We plan to open 9 restaurants in Kazakhstan: in Astana, Almaty and Karaganda. Investments in opening one restaurant will range from USD 200 to 700 thousand. All contracts have already been signed, and design work has begun on some of them. The opening of all restaurants is scheduled for 2025.

We thought about other countries, but it is difficult for the restaurant business, for example, in the UAE there is a seasonality factor. In Uzbekistan, we are looking for franchise partners. We had two partners, but for various reasons, the joint work did not work out. Now there is one partner, we recently had negotiations and approved a couple of locations, now we are negotiating rental payments. Uzbekistan, on the one hand, is a promising market, on the other hand, there are also great risks there. There are not as many foreign currency receipts as in Kazakhstan, large investments in the economy have recently been made, but it is not entirely clear how they will return. Development is underway, but mainly on credit money. When foreign investors understand that they will not return the funds so quickly, it seems to me that investments will stop.

We started talking about the sale of Pinta. We have about 30-35 Pinta restaurants together with franchise ones, including 17-18 our own, not counting those that will open in 2025. Now is the moment when it is worth selling, because there is a long-term stable presence in the market, there is a franchise that has a history, sells well and works well, and there is a clear profit. At the end of last year, we started restyling."

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"We plan to invest USD 5-10 million in the new development. There are good locations where we are likely to go during the year. The total planned amount of investment is higher, but it is associated with the renewal of fixed assets as they become obsolete."

Yakov Fishman
Magnum

"There is no clear picture of international investments yet, we plan to invest \$10 million in Kazakhstan. In 2025, there will most likely be small investments in the international market, about \$1-3 million."

Serik Tolukpayev
Aitas Group

"We have not invested in international operations yet. Despite the fact that our service has been operating for 5 years, the market in Kazakhstan is still considered young, and therefore the emphasis is on development within the country. We are still being invested, which allows maintaining growth and strengthening positions in the local market."

Laula Stamkul
Wolt Kazakhstan

"All major investments are still planned in Kazakhstan, but a small project, the so-called "flying cinema", is likely to be implemented in Georgia, investments will amount to about \$2.5-3 million."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"USD 10-15 million . About 50% of our expenses are in Kazakhstan, because we have R&D here, and 50% (about \$7.5 million) cover other countries, mainly the United States."

Doszhan Zhussupov
Cerebra



Theme

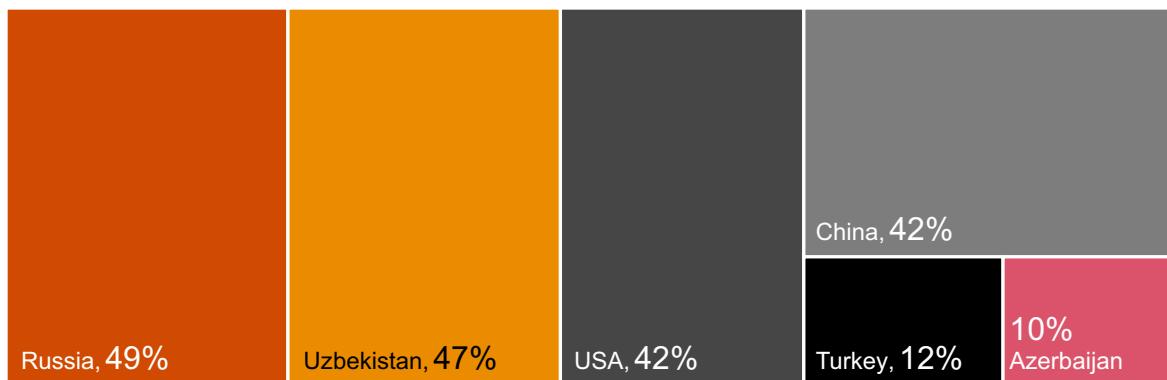
Key countries for stable growth

In 2025, the top 3 most important countries for the prospects of income growth for Kazakhstani companies included Uzbekistan (39%), China (36%), and Russia (34%). The United States moved to the 4th place (23%) and was noted by our respondents almost half as often as in 2024 (42%).

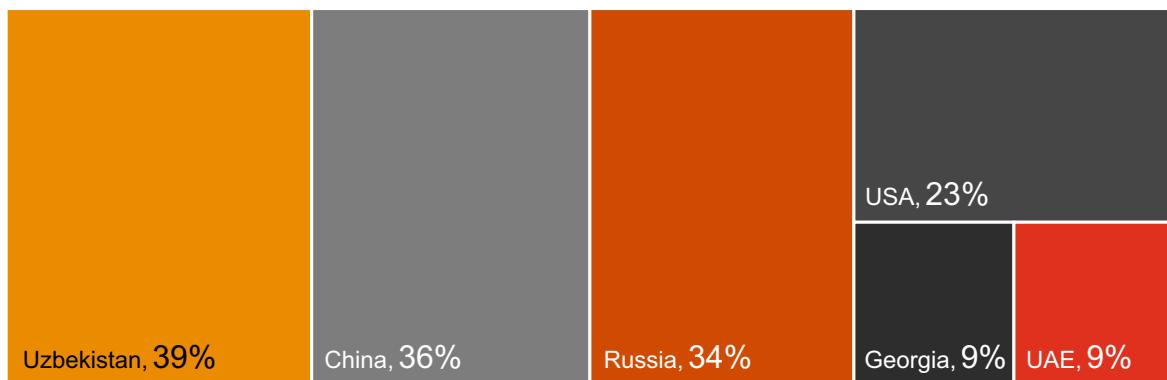
Uzbekistan continues to be of significant interest for Kazakhstani entrepreneurs: they see opportunities for business growth and development there, making it a priority region over the past three years.

Which three countries, with the exception of the country you are based in, do you consider the most important for your company's revenue growth prospects in the next 12 months?

Kazakhstan 2024



Kazakhstan 2025



"Georgia, Uzbekistan and Kyrgyzstan. In Georgia, the tourist flow continues to grow, and since the activities of the Georgian branch are mainly concentrated in the hospitality sector, we expect the development of the market for hotel equipment. It is also planned to reconstruct the airports of Batumi and Kutaisi, which is the main driver of tourism growth. Uzbekistan is a promising market. For example, in 2024, the growth of our company's income increased almost tenfold due to large corporate clients. In Kyrgyzstan, the Airports Authority plans to reconstruct more than 10 regional airports in 2025. Moreover, the company expects projects related to ecology and hydrometeorology through international financial organizations."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"Absolutely Uzbekistan. Also, I think that Azerbaijan – I believe that they are reviving quite steadily after 2015 and the "draconian" laws. And Georgia."

Arminas Macevicius
STADA

"I am responsible for Kazakhstan and some Central Asian markets. If we talk about priorities, then this is the development of exports to countries such as Turkmenistan and Mongolia. In terms of supplies, we do not depend on any specific country, but on the source of raw materials. We import raw materials, packaging, starter cultures from manufacturers from different countries. In terms of supplies, the difficulty for us lies in the logistics itself, that is, how to deliver it to Kazakhstan, and suppliers are determined by the global procurement department."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Uzbekistan. We plan to enter the market of this country with DelPapa and Daredgiani formats. We are currently negotiating this issue in Tashkent. In Kazakhstan, we plan to launch 10 facilities in the first half of 2025."

Askar Baitassov
abr

"Узбекистан, Кыргызстан, Китай. Эти страны будут важны и с точки зрения экспорта, и с точки зрения возможного создания СП. Мы очень активно работаем с Китаем. Мы пересмотрели страновую стратегию и видим, что мы представляем интерес для инвесторов в том случае, если Казахстан является платформой для выхода в Китай и Центральную Азию. Исходя из этих ожиданий мы перестраиваем компанию."

Serik Tolukpayev
Aitas Group

"We highlight Uzbekistan and Kyrgyzstan, and we are also considering expanding our presence in countries with a growing technology sector. These markets are showing significant interest in hybrid cloud and digital transformation solutions. For example, adapting innovative products, including Dell's lightweight and mobile devices, is helping to gain the trust of new customers in these regions."

Нурлан Садыков
Dell Technologies

"Uzbekistan, Kyrgyzstan, Russia. We look at Central Asia as a region with a population of about 80 million and predict its growth to 100 million by 2030. Almost 2 million residents per year are added in the region, half of which are in Uzbekistan, and the population of Tajikistan is also growing at a high rate."

The population is increasing and, very importantly, getting younger. For consumer-oriented businesses, this is interesting. The region's base with a population of 100 million and a growing economy by 2030 is a serious alternative to many key markets.

Historically, Russia is a very important region for us. It is close in terms of consumer culture. In the current conditions, the Government of the Republic of Kazakhstan is trying to find new forms of developing economic ties with Russia."

Kairat Mazhibayev
RG Brands

"In addition to Kazakhstan, we assess Turkey and Uzbekistan as markets with high growth potential, given the large consumer base in these countries. Both areas – confectionery and pet food – are well developed in Turkey, and Uzbekistan has shown significant growth in recent years, providing many business opportunities."

Zhanibek Abdiyev
Mars Kazakhstan

"USA, Georgia, UAE. In Georgia, we are preparing to launch with local producers, we also have a project in the United States. We also plan to launch in the UAE, which is an attractive market for us."

Bolatbek Ospanov
Smart Satu

"Our office in Almaty is the Wilo platform for Central Asia and the Caucasus, which means that I have 10 countries under my command: Armenia, Azerbaijan, Georgia, Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, Kyrgyzstan, Mongolia and the newly added Israel. Israel is a small country, but with a lot of potential. So far, we have a rep-office there, as in other countries, except for Uzbekistan, where a subsidiary company "WILO NASOS TIZIMLARI" was opened in 2019. Uzbekistan is the most populous country in Central Asia. We are betting big on it as the country is developing and reforming, which encourages us to invest in it. The second country is Azerbaijan, where there is a budget for investment. Now many projects are being implemented there to replace Soviet-era equipment, in particular, well pumps for water supply, which are credited by the Asian Development Bank. I cannot fail to mention Armenia, where we cooperate with a French company and almost completely supply equipment for water supply systems throughout the country."

Azat Jalayirov
Wilo Central Asia

"We produce copper, and the world price of copper is determined by the United States, China and the European Union. The fourth market, which is important for us, is Russia, because in any case there is logistics, and where there are geopolitical tensions today. But the main ones are the United States and China. During Trump's last presidential term, copper prices soared, then trade wars with China began, and against this background, oil prices fell. A new administration came, trade wars ended, the "green" agenda began, and this requires a huge amount of copper. Currently, about 24 million tons of copper are produced in the world, but there are forecasts that 38 million tons of copper per year will be needed already in 30s. There is no such amount, and there is no real demand yet, but the price began to rise on expectations."

Now the United States wants to withdraw from the Paris agreements, but at the same time it is going to build physical facilities and infrastructure. This is good, but we do not yet know what the direct impact on our market will be. Another factor is the gradual slowdown in China's economy, and since it is the main consumer, the price of metals is correcting. And the third factor is the Fed rate, if it increases, it slows down investment activity, and the price for many metals also decreases. Copper is not so much affected by this influence, because its price is compensated by the green transition, but in general, everything is determined by the global agenda."

Marat Seitkulov
Caravan Resources

"North Macedonia Central Asia Metals has two key operating assets: a copper operation in Kazakhstan and a zinc-lead operation in North Macedonia. Our operation in Kazakhstan has been a very reliable and efficient producer over the past 12 years and will remain in production until 2034, but is unlikely to increase its production in future owing to the nature of the operation. On the other hand, we have invested significant capital to modernise our zinc-lead operation in North Macedonia in the past three years, and we expect to see a modest recovery in output from that operation over the next few years as a result. In addition, both operations could give significant revenue growth if the relevant commodity prices improve."

Gavin Ferrar
Central Asia Metals

"Localization and new investments in Oil and Gas in the USA, energy transition in the 3 countries, infrastructure investments in Saudi Arabia."

Edgard Bou-Shahin
Schneider Electric Central Asia and the Caucasus

"For us, this is primarily the United States. I think Russia and China also have a significant influence. Since Wolt is a part of the American company DoorDash, we are directly affected by the US economy and the events taking place there. As a public company, DoorDash is also subject to external factors that affect its shares.

Russia and China play an important role, as they are our neighbors, and the Kazakhstani economy largely depends on them. Therefore, their influence can be considered significant. If we talk specifically about our business in Kazakhstan, the impact of other countries is manifested mainly at the macroeconomic level."

Laula Stamkul
Wolt Kazakhstan

"For us, it is definitely China. We also hope that the geopolitical crisis will be resolved, trade relations with companies from Russia are important for us. If the geopolitical crisis is resolved, then the increase in income for the company will give an increase of about 5%. Well, US monetary policy is having an impact."

Serik Shakhazhanov
ERG

"For us, China, the United States and Uzbekistan are significant countries. In the U.S., our business is growing steadily. China is our business partner. Uzbekistan has a stable tax regime and a fairly high potential."

As an investor, I can make long-term forecasts and make investment decisions, so Uzbekistan is becoming a significant region for us."

Farrukh Makhmudov
Orbis Kazakhstan

"These are China, the United States and Russia. The choice is due to the impact of these countries on the business of our tenants. In the retail sector, the key suppliers are China (production of clothing, electronics and other consumer goods). Russia remains Kazakhstan's main economic partner, and any changes in its economy – sanctions, devaluation, changes in logistics – directly affect us. The United States plays an important role in the global economy. Global crises usually start here, so the economic situation in the United States affects markets around the world, including Kazakhstan."

Almas Idrissov
TSPG REIT

"Tajikistan, Kyrgyzstan. The production facilities that we have in Kazakhstan are logically and economically rational to maintain sales in these two countries."

Andrey Porolo
Knauf Kazakhstan

"USA, Saudi Arabia, Uzbekistan. The United States is the main market we are targeting. We do clinical trials, apply for FDA certification, and the main market is here. There are two main markets for AI in medicine – the United States and China. We will not go to China, but we are already entering the United States.

In Saudi Arabia, we were allocated money, USD 200 thousand, just to enter the country's market. We do not have a clear business plan for this country, but the market is very interesting, and it is also at the stage of transformation. There was a system of state medicine, now they are moving towards private medicine, and the role of the state in medicine is being reduced - 20 medical clusters are being created and state assets are being sold to them. Because of this, it is not yet possible to build a business plan, but we have already opened our own company in Saudi Arabia, made a pilot and now we want to pass local certification. We will be driving for free for quite a long time, about a year, but it will also cost us money.

In Uzbekistan, the situation is about the same – we have received investments from local funds, opened an office there, and are doing pilots. There, as in Kazakhstan, there is no commercial system for working with AI in medicine, but the country's government has included Cerebra among the priority projects."

Doszhan Zhussupov
Cerebra

"Today, the main supplier of KRIDA fitness equipment is Russia. We intend to continue working with the current supplier. The coaching staff of the club annually attends forums and seminars for advanced training, mostly in Russia. We also work closely with Uzbekistan - there is a rapid development of the fitness industry, and we, of course, only welcome this trend. Kyrgyzstan is also the closest neighbor for Kazakhstan. We are ready to continue to cooperate with colleagues from friendly countries, to share our experience and knowledge, from aspects of technical support of projects to marketing."

In addition, of course, we constantly monitor and are aware of all global trends in the fitness industry."

Valikhan Ten
Krida

"Uzbekistan and Russia. Our partnership with our northern neighbor is not very good for the country, but we cannot ignore this neighborhood. We have a very long common border, and everything that happens in Russia hits us, affects us, whether we like it or not.

If we talk about Uzbekistan, many useful reforms have been carried out there, in the near future money will be poured into the country's economy. According to our estimates, the purchasing power in Uzbekistan is half as much as in Kazakhstan, but it is growing from year to year. Given the size of the population, purchasing power can be compared to Kazakhstan if you count in absolute terms. In Kazakhstan, the check is higher, but there are fewer people, in Uzbekistan it is the opposite. And the market looks like it will continue to grow, because new clusters of the economy are opening up that were previously inaccessible. We have a large share of private label in turnover, and we carry out a number of production facilities in Uzbekistan, because Kazakhstani production, unfortunately, is inferior in terms of manufacturability and cost. It is cheaper for us to bring from Uzbekistan and clear customs than to produce in Kazakhstan with comparable quality. As a citizen of Kazakhstan, I am worried about this, but our southern neighbor can pull the center of Central Asia to itself. The country is large, the potential for growth is great, and this cannot but affect us. If Uzbekistan joins the EAEU, this may affect the goods market, because their goods are cheaper than ours."

Yakov Fishman
Magnum

"China, Uzbekistan and Russia.

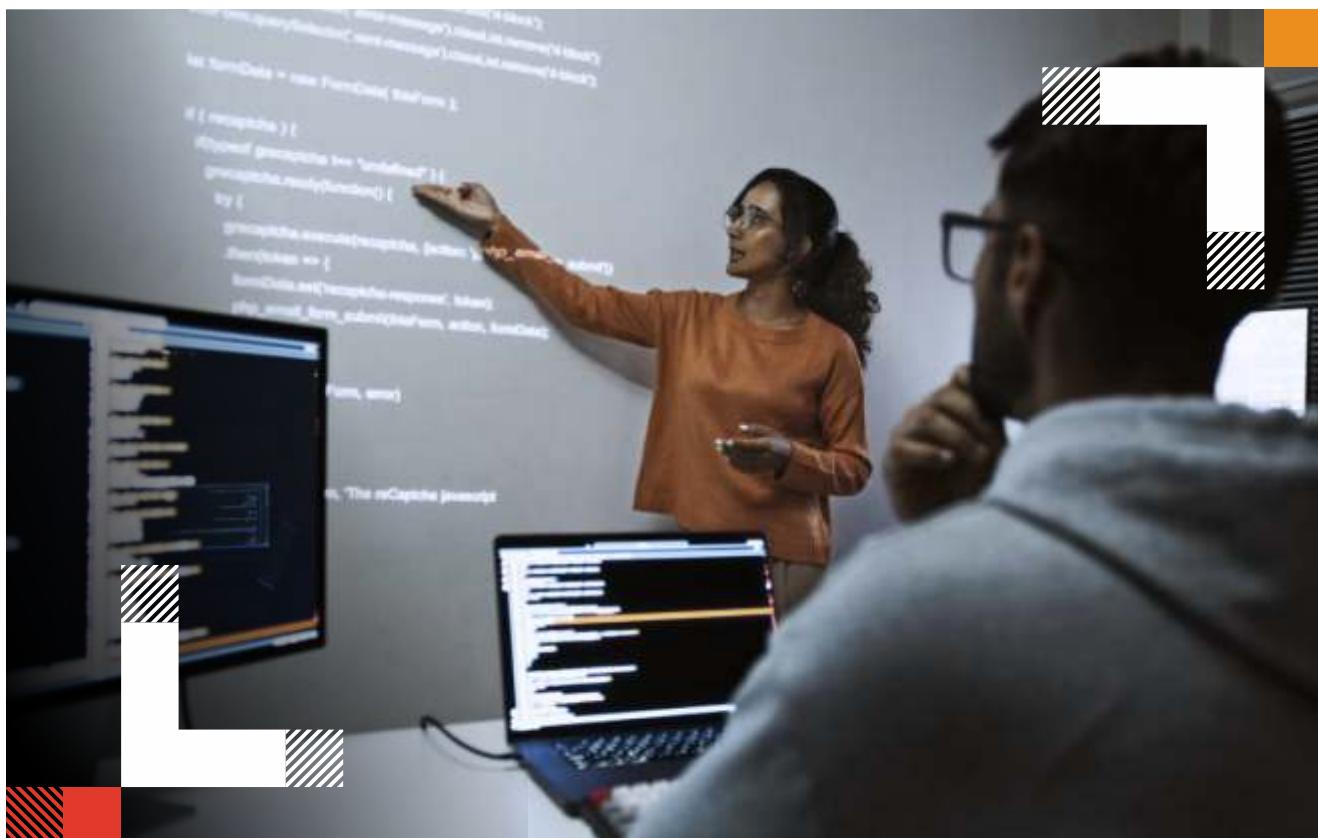
In Uzbekistan, we have a product Avtoelon.uz that has reached good indicators this year, we have taken a large market share, and this means that external economic factors and market behavior are important for us. First of all, these are credit policy, the pace of digitalization, the proportions between sales of new cars and used cars.

Over the past year, we have encountered an interesting situation when the National Bank of Uzbekistan has imposed restrictions on the issuance of car loans, linking this decision with the high debt burden of the population and the fact that most of the loan portfolios of banks are car loans. As a result, car sales in the market fell sharply, up to 50%, since then the market has been gradually recovering.

Russia has an influence on us for obvious reasons – our economies are closely linked. Plus, car sales between Kazakhstan and Russia have always been actively circulating. Russian car brands are no longer in first place in terms of sales, but they are still in the top. "Grey" imports and exports are also still strong, although their main impact has been in the past couple of years. In addition to the fact that it affects the economy of the whole world, China is important for us because now about 30% of new cars sold are from China. In the total mass of Chinese cars on the roads, there are still not many, about 3%, but this figure is growing.

These machines have to prove themselves, and this process usually lasts about three years. So far, Chinese car insurance is expensive, and banks are not very active in lending to them. But the situation is changing before our eyes. Now you can already find publications from large networks of Russian car services that the frequency of arrival of two-three-year-old "Chinese" at the service station is not much different from cars from other countries. There are no such statistics for Kazakhstan, but I believe that it would not be much different."

Dmitriy Botanov
Kolesa Group



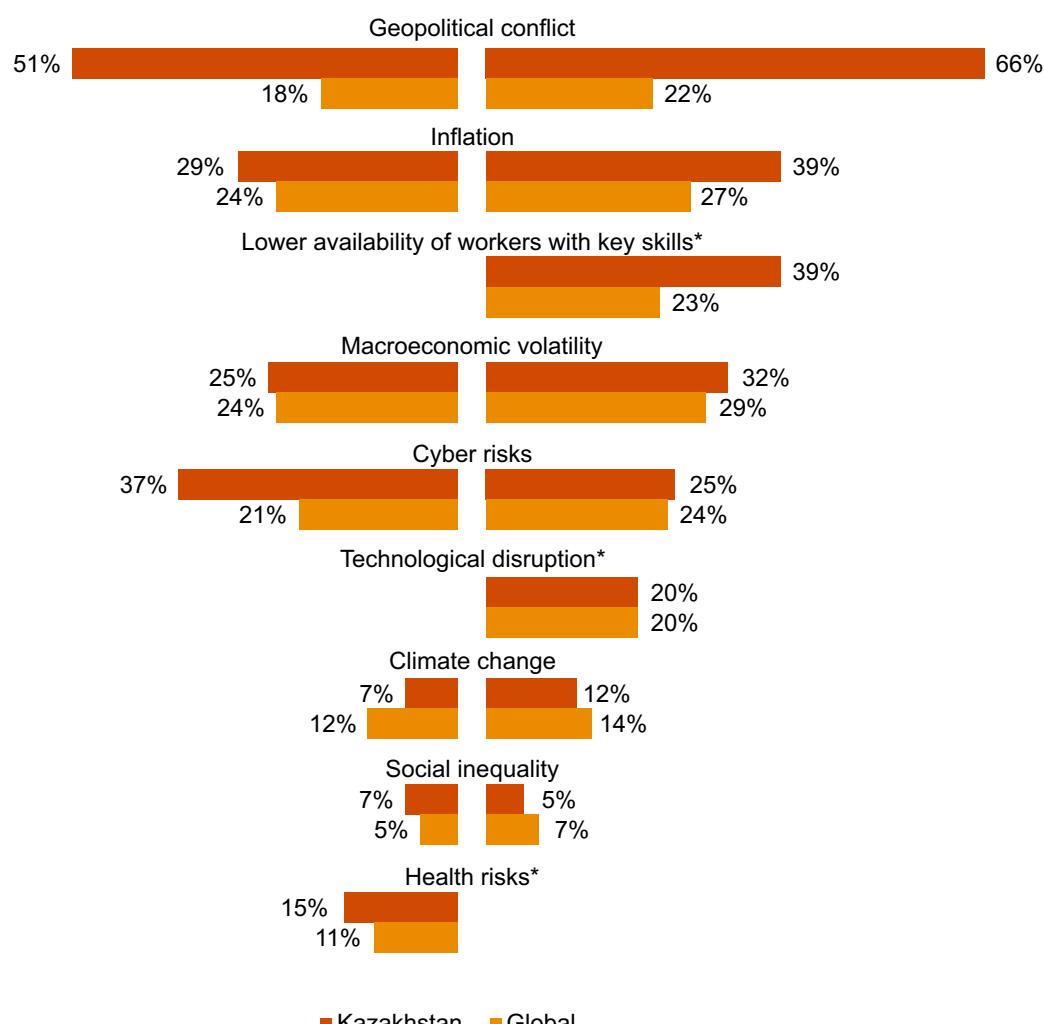
Main threats affecting business

The opinions of Kazakhstani and global entrepreneurs reflect a high level of business exposure to various threats in 2025. A comparison of the level of exposure to business threats in 2024 and 2025 shows significant changes in the perception of geopolitical risks. In 2025, geopolitical conflicts have become a more significant threat to business in Kazakhstan (66% vs. 51% in 2024), which may be due to increased international tensions and increased fears related to its consequences. In Kazakhstan, inflation (39%) and a shortage of workers with key skills (32%) also made it to the top. It is notable that Kazakhstani CEOs are more concerned about the shortage of workforce with key skills than their global colleagues (23%) and note that this threat may become more critical in the short term.

Macroeconomic volatility and cyber risks also pose significant threats, with the threat of macroeconomic volatility being rated higher in Kazakhstan (32%) compared to the global survey (29%). Technological breakthrough and climate change have a moderate level of threat but still have an impact on the business environment. Social inequality, although it has a minimal level of exposure, still affects the purchasing power of the population and, accordingly, economic activity. It is important to note that all these factors are interrelated and can have a comprehensive impact on the economic development of Kazakhstan.

How much do you think your company will be exposed to the following key threats in the next 12 months?

The level of exposure to business threats in the next 12 month in 2024 The level of exposure to business threats in the next 12 month in 2025



*Lower availability of workers with key skills and Technological disruption were not included in the list of options in 2024.

*Health risks were not included in the list of options in 2025.

"The digitalization trend and transformation are a major threat to any company. Therefore, competition landscape is changing and data / tech companies are becoming more and more a threat."

Edgard Bou-Shahin

Schneider Electric Central Asia and the Caucasus

"Inflation is a high level of exposure. First of all, people will give up travelling."

Marina Kuznechevskaya

Fly Dubai

"Macroeconomic volatility is quite high. If the level of devaluation is within the last years of 10-15%, then we can regulate it, since we have already learned to survive in such conditions. If it is above 15%, i.e. a sharp devaluation, which was in 2016, then definitely it will be very difficult. Obviously, we will not "die", but the profitability of the company will be completely different. Climate change also has an impact: if it is very hot, there will be a crop failure, this affects the cost of producing a liter of milk for farmers and the purchase price of milk, and it directly affects the cost of finished products. Social inequality, I would say, affects all producers, because it is directly related to the purchasing power of the population. In this case, we rely on our diversified product portfolio, which includes traditional products for which we do not raise prices as food inflation rises. We are trying to raise the price by about 3% per year. Geopolitical conflicts also have an impact, because there are routes for the delivery of raw materials, packaging, finished products that we import from France. If transit through the territory of Russia is closed, then it is necessary to use the southern route, which is Georgia, Azerbaijan, a ferry across the Caspian Sea. This is plus 10-11 days to the delivery time and plus about Euro 10 thousand to its cost. The cost of logistics increases, and the final cost of finished products increases accordingly. Cyber risks, in my opinion, affect everyone, but our group controls this situation. There have been hacking attempts at the global level, but we are in the information channel of the group, and everything is fine here. I am very wary of artificial intelligence, I do not use it myself and do not allow my management team to use it, since the more you allow artificial intelligence to enter your life, the less your brain will strain and work. Therefore, I prefer the "collective brain", as I call it, when my team and I discuss all possible options and choose the best and most effective solutions for us. There is a shortage of employees with key skills, which I must admit appears at certain levels. This is no longer top management, and not even middle management, it is mainly workers, as in recent years we have paid much attention to the development of the management's key competencies."

Arman Aldabergenov

Lactalis – FoodMaster Kazakhstan

"We do not expect the impact of inflation yet. Certainly, there is an increase in prices, but we are trying to include it in our pricing. In addition, we have clients who pay in a foreign currency, this also matters, since we do not lose on exchange rate differences. Geopolitical conflicts may have a great influence, and are already having a negative impact, as the cost of delivery is becoming more expensive and the transit time is lengthening, and this is the main KPI in our work with customers. In this situation, logistics becomes more complex and less profitable."

Our risk manager, who has a list of companies under sanctions, checks potential customers, and if they are on the list, then we immediately refuse such work. Next, we check which ways to transport the cargo. For example, now we do not transport anything through Russia, because there is a system for collecting tolls for the use of roads, owned by people subject to sanctions.

In addition, we have all the information about the manufacturer of the goods, which means that we see the origin and history of the cargo that we carry. There is a probability of the impact of cyber risks, but it is low, since we have our own IT company that is quite seriously engaged in cybersecurity. As for the shortage of workforce, there is a low-level threat as we have an aging workforce. For example, Tengiz staff have been working there for 30 years, and now they have begun to retire. But I think that there will be no serious problems with headcount replacement yet."

Aliya Zhaksylykova

Bertling Kazakhstan Logistics

"Macroeconomic volatility is high, as nothing has changed here, if not to say that it has become worse. Inflation is also affecting – the cost of living has risen significantly. In Spain, it is cheaper than in Kazakhstan, in Switzerland - at about the same level. But we are still not in Europe – what about the standard of living and wages? Literally 5-6 years ago, there was a huge difference, here everything was much more affordable. Social inequality is at minimum level, since the products we work with have always been business class and higher, or these are some state or investment projects. Geopolitical conflicts are of a high level. This is a given, which we live in. Cyber risks are moderate, because we face them to a lesser extent. We are an international company, and we invest a lot in data protection at the head office level, to the point that we receive part of the equipment from there and install it here so that the overall global system is protected. But in general, this becomes a problem. A technological breakthrough is a low level in our field, because so far everything that I see at exhibitions and production facilities is not breakthrough technologies, just an evolutionary process and optimization are underway. Artificial intelligence is interesting, but it will not be some kind of breakthrough for us. This will help in the future to simplify the work, to optimize it, but not in such a way that it becomes some kind of new world for us. The shortage of workforce with key skills is a significant level, as this is the wall that we run up against every time. Many projects are simply stalled due to the fact that there is no one to rely on, and there is no time to get involved in each project yourself, and this is wrong. It's not even just about people, but about entire companies – I can contact a company, pay the market value for its services and face catastrophic unprofessionalism."

Mikhail Borisov

Fluidra Kazakhstan

"Macroeconomic volatility – low level of exposure. Our system works in different countries, we earn in different currencies, and even if incomes fall somewhere, the overall result will remain at a good level at the expense of other countries."

Geopolitical conflicts are a moderate level of exposure. If we linked development plans to one country, the impact would be greater.

Cyber risks are a moderate level of exposure. We choose reliable hosting companies that have proven themselves over time.

Technological breakthrough (including advances in AI) is low. We haven't implemented AI yet, but we're exploring it. We have collected a lot of data on sales and orders, and in the future we will implement individual solutions so that we can make forecasts for the most popular products or, for example, place pre-orders."

Bolatbek Ospanov

Smart Satu

"First, Central Asia Metals, in common with most producers of basic commodities, is essentially a price-taker, and thus our revenue, profitability and cash generation are all linked inextricably to the prices of the relevant commodities which, in turn, are subject to macroeconomic volatility.

Secondly, in common with all producers of minerals around the world, we have large fixed investments in mineral assets which cannot be moved; in contrast with, for example, companies that are service providers. Thus, geopolitical conflicts in the countries that host our assets have the possibility to disrupt our production and thus our revenues, and our ability to move our operations to unaffected areas is extremely limited.

Finally, the mining industry in many countries faces a skill shortage. The reasons for this shortage are complex, but a key factor is typically an ageing workforce, as young people are attracted to other sectors perceived, we believe wrongly, as more modern and 'hi-tech'. There may also be an expectation among potential applicants of arduous working conditions in the mining and metals sector; again we would argue, certainly in our case, this would be a misconception."

Gavin Ferrar,
Central Asia Metals

"Our business faces risks of volatility when fluctuations in macroeconomic indicators can affect demand for capital-intensive solutions such as data center systems and enterprise cloud services. Inflation causes an increase in costs, which requires flexible adjustment of pricing policy, especially when selling premium products. At the same time, our adaptive strategies and technological innovations help mitigate these risks, allowing us to remain competitive even in a volatile economic environment."

Nurlan Sadykov
Dell Technologies

"Inflation, despite forecasts of its decline, remains a serious threat. The risk of price increases above 8% per year may increase operating costs, construction and utility costs, reducing the profitability of facilities. The weakening of the tenge increases currency risks, and tenants, in an effort to optimize costs, are revising the area and adapting models for the use of commercial premises. This could potentially limit demand, reduce occupancy rates and ultimately slow income growth in the real estate sector.

In the coming year, the main challenge will be the balance between rising costs and market opportunities, which requires flexibility, strategic planning and effective asset management. In the context of macroeconomic instability, inflationary pressures, as well as currency and geopolitical risks, commercial real estate, despite the current phase of high activity, remains exposed to potential threats."

Lukasz Skowronski
Global Development

"The shortage of workforce with key skills is a high level of influence. I can say for sure that even in the media part of the business, we do not have enough specialists, and I would still hire people to strengthen the work of my media. In addition, there are also management functions of the holding, and there is also a lack of qualified specialists in financial management in other areas. I understand very well that personnel decide everything, and the higher the qualifications of people, the more successful the company."

Armanzhan Baitassov
Tan Media Group

"Inflation has a significant impact on us – we feel it year after year, and this makes it difficult to grow. The threat of cyber risks to us is also high, but we have strong protection thanks to a global office with a dedicated cybersecurity department. As for the recruitment of employees, we are experiencing moderate difficulties, especially with the search for specialists of the senior level. Two main problems often arise here: either candidates have inflated, sometimes unrealistic expectations, or their qualifications do not meet the requirements. It can be difficult to find a strong candidate right away, since not only the professional level is important, but also compliance with the corporate culture, which is a key aspect for us. When hiring, we always pay attention to the coincidence of values, so we often prefer to develop our own specialists. However, internal growth to leadership positions can be more difficult, and in such cases, we are forced to look for candidates in the market."

Laula Stamkul
Wolt Kazakhstan

"Macroeconomic volatility – high level of exposure. The same devaluation affects us, taking into account the fact that we import products. In this regard, the susceptibility to the influence of inflation is also high.

Geopolitical conflicts represent a significant level of impact because they directly affect operational processes in the supply chain. Given that our office in Kazakhstan is responsible for operational management in 10 countries, and Mars imports products from more than five different countries, we need resilient and reliable operational processes in the supply chain.

It was easier for the Central Asian markets to import products from neighboring countries, because the logistics link is short, and in terms of the operational component, it is more profitable. A lot of work has been done to stabilize our operational processes in the supply chain, and we have decided on the choice of countries from which products are imported to the region. On the other hand, it should be noted that today the same products can enter the market in both official and alternative ways. In our view, this is an issue that needs to be addressed through supportive regulatory mechanisms."

Zhanibek Abdiyev
Mars Kazakhstan

"Macroeconomic volatility and inflation certainly affect our business. Climate change is not yet putting much pressure on most of our business, but the agriculture business is certainly highly exposed to drastic climate change, such as drought or too much rainfall. Therefore, diversification is important for us, as it reduces risks for the group as a whole. I don't know how my colleagues or other business owners respond, but social inequality in the country affects purchasing power, so I believe that this is an important issue, and consumer demand has a moderate impact on us. The geopolitical conflict between Russia and the United States, which resulted in the war in Ukraine, affected the economy of Kazakhstan and, of course, business, so it is difficult to say how this or that conflict will affect us. As I noted earlier, the lack of employees with key skills is our constant problem."

Farrukh Makhmudov
Orbis Kazakhstan

"Inflation is high. The main risk of inflation is an increase in operating costs. Personnel costs are increasing because it is important to maintain competitive salaries and index them to inflation.

The cost of operating shopping centers is also increasing: cleaning, security, façade maintenance, purchase of spare parts and other services, the cost of which increases due to price revisions by contractors. At the same time, inflation has a positive effect on the revenue component, as it increases the turnover of our tenants, which, in turn, increases their solvency."

Almas Idrissov
TSPG REIT

"Macroeconomic volatility is high. The company is large and the macroeconomics has a noticeable impact.

Cyber risks – on a global scale, the level of influence is high and constantly growing, but internal security systems and preventive measures that the company implements globally mitigate risks and provide confidence that cyber threats will not lead to significant incidents.

Technological breakthrough – low level of influence. Knauf is one of the leaders in its industry in terms of technology, and it cannot be said that any of our competitors will come to us and turn the market upside down with their technologies. The shortage of workforce with key skills is a low level of influence. There is a sufficient stock of skills and abilities to train people within the company. We have a low staff turnover, a stable team, and in the next 12 months, we will most likely not suffer losses due to the shortage of employees with key skills."

Andrey Porolo
Knauf Kazakhstan

"Climate change has a negative impact. With any climate change, people leave the house less, whether it is a hurricane or heavy snowfall, there are difficulties in getting to the restaurant. Our revenue indicators immediately fall. Social inequality has a minimal impact, because we are focused on the mass market.

Cyber risks have a high level of influence. We have already been attacked, the system has been hacked, and we have incurred costs to restore everything.

The shortage of workforce with key skills is a significant degree of influence. There is a possibility that it will get worse in the future, at least judging by the Russian market, where the situation is worse than ours."

Yuri Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"Probably, like everyone else, inflation concerns us. Everyone definitely knows that the actual inflation rate is much higher than the official one. Last year, they talked about 9%, but it's not 9, it's all 25. The shortage of workforce with key skills is at high level. Neither university in our country educates trainers for the fitness industry. One began to do it, and I even began to teach there. Unfortunately, according to my observations, those who scored the minimum points on the UNT go to the physical education university today. And I am very sorry for this, because when you choose profession consciously, you become a competent, highly qualified specialist in any field."

Valikhan Ten
KRIDA

"Macroeconomic volatility associated with oil prices and the availability of transportation of Kazakhstani oil to international markets. Perhaps we will see a certain decline in oil prices, as there is a constant increase in shale oil production in the United States and other countries, including Kazakhstan. Another issue is Kazakhstan's great dependence on the CPC oil pipeline, through which the bulk of our country's "black gold" is exported. Over the past 2-3 years, we have seen "repairs" and "bad weather", which have sharply reduced oil exports from our country.

Another big threat to business is the persistently high interest rate, which is unattractive for the creation of new industries in the country.

It is also necessary to note geopolitics, in particular, the further development of the situation in Ukraine. If everything goes according to a negative scenario, it will definitely painfully affect our businessmen.

The increase in taxes is another factor that makes our entrepreneurs critically analyze the profitability of new projects."

Almas Kudaibergen
Centrasia Group

"Macroeconomic volatility – in the light of the latest discussions in the government, it would be correct to answer that exposure is high.

Geopolitical conflicts have a high level of influence, as we are strongly connected with Russia, and all geopolitical moments that affect them affect us as well.

Cyber risks have a high level of influence. We are a very recognizable brand, and we are regularly attacked by scammers who conduct giveaways under the guise of Magnum, a huge number of fake channels are created. Over the past year, there were two cases when they tried to attack us, they managed to do it once, but without serious consequences.

We do not regard a technological breakthrough as a threat. We use all technologies and here we are on the crest of a wave.

The shortage of workforce with key skills is a high probability. The labor market is changing a lot, young people are not eager to work. Every year we try to measure the Employee NPS, the employee loyalty index, and we see that our indicator has begun to stratify. People over 35 and 45 are ready to recommend Magnum to their friends as a place to work, value stability, career lifts, and people aged 18 to 24 are not ready to recommend. The main reason is a lot of work, a heavy workload. Older people want and can work, they are ready to show their skills and knowledge. Young people are willing to receive less money in order to work less. We understand that people who are appropriately minded will soon become the main workforce and have great problems finding specialists in a certain field. It is difficult to find an electrician, baker, engineer, butcher-boner, because young people do not go into these professions. We are ready to train people, but a baker, for example, is not a profession that young people are ready to go into. The average age of employees employed in blue-collar professions is high, and in 10-15 years there will be a huge hole in human capital. Therefore, we consider it necessary to teach people, train professional bakers, cooks, etc.."

Yakov Fishman
Magnum

"All of these threats have been a market reality since about 2007, the cycles between crises are shortening, and few people in business do not reckon with them, burying their heads in the sand. Everyone lives in the usual conditions of increased turbulence, so macroeconomic volatility is already moderately affecting us. Our strength of the balance of payments is built with the expectation of the existing macroeconomic volatility. There is, of course, some kind of conflict of interest between the beneficiaries of the business and the business managers. It is necessary to find a balance so that the business is stable and uses the next turbulence as a new opportunity, and not a reason for stress and a decrease in income. Inflation is a moderate impact. We adhere to the principle of value for money, we clearly understand how to manage pricing so that the price of our products is relevant for consumers. If inflation is something like an indicator for someone, then this factor has a direct impact on revenue. We clearly understand that inflation is a tax on our consumers and we try to contain its impact.

Climate change has a moderate impact in light of last year's flood situation. Floods affected 30% of Kazakhstan's territory, including the regions where our factories and our consumers are located. People received certificates for new housing. We are not going anywhere from climate change. There is a joke that beverage manufacturers are happy about global warming, but last year's floods showed that the problem is very serious and systemic, we felt it and were convinced of it by the example of our employees, consumers, customers. We physically had to help all these people. It is important to come out of such situations stronger, and I hope that we succeeded. Our team has passed this test.

Social inequality is a low level of influence. We are against social inequality and are interested in not having a big difference in the income of the population. Within the company, we also do not like it when there is a big difference in earnings, in the access of employees to opportunities. Geopolitical conflicts are a low level of influence, firstly, due to the fact that the well-known military conflict has been dragging on for a long time, the resources of the main initiators of the conflict, as we can see, are depleted. The situation requires a serious rethinking, a new generation of strong, effective philosophers, strong politicians. In 2025, the relevance of force is seen in the economic paradigm, but not in the military paradigm, and this is encouraging.

Cyber risks are a moderate level of influence, although it has recently increased and will continue to increase every year. We sometimes have incidents in connection with the transfer of this or that activity to the IT space. The security system worked, everything went without large financial losses, but the risks came true.

We do not perceive technological breakthroughs as a threat, they are rather an opportunity. It all depends on the choice. In a proactive strategy, a technological breakthrough makes it possible to control the situation a little more. As for AI, from the beginning of 2025, each of our key divisions must select and test specialized AI solutions for them. Configuration. I see that there are still risks, because there is a different degree of interest among departments and employees."

Kairat Mazhibayev

RG Brands

"Geopolitical conflicts have a moderate impact. If Kazakhstan falls under sanctions, and there is such a risk, albeit small, this will affect us as well. Cyber risks are high. We have had incidents, but we try to host on secure clouds. The shortage of workforce with key skills is a moderate probability.

If there is rapid growth, such a threat may arise. In general, we do not have a problem with the selection of personnel, although sometimes difficulties arise in all countries of presence. In Kazakhstan, for example, there is no certification expertise in the United States, so you have to hire American specialists, and this is difficult to do due to the difference in mentality. We learn from experience, and it comes at a very high cost."

Doszhan Zhussupov

Cerebra

"Of course, we are experiencing the pressure of inflation, but it is short-lived. With the collapse of the tenge in 2015-2016, it took us almost six months to recover. Evenly distributed inflation – 14-15% last year according to official data, and even real inflation – we are experiencing very easily. In the "medium plus" segment, in which we work, the recovery takes place within one month - prices are pulling up, and with them consumption. For the mass market, this has a slightly different effect: it freezes instantly, stops buying anything at all, and this can last up to three months. The mass market can go into the red, buy exceptionally cheap goods, leaving civilized trading platforms. We work in the "medium plus" segment, and therefore inflation does not affect us so much. The lack of workers with key skills is also acute. The younger generation – millennials born after the 2000s – are not ready to work in an office, they need at least a hybrid work format. Any discomfort in the workplace - and they leave. They can disrupt an interview, they can schedule an interview and not come to it, they can pass an interview, sign an offer and not come to work. In my subjective opinion, this is strange behavior. The older generation has vast experience and knowledge. There are few of them, and companies "hunt" them from each other, thereby forming a kind of super-price for them."

Alexei Khegai

TSPM

"The shortage of workforce with key skills is the minimum level of exposure. We train the staff ourselves, because we have long understood that our path is not to hire expensive specialists from the market, but to develop them within the company to meet our processes, requirements, and most importantly culture. Time has shown that this strategy shows itself well in the long term. We have a loyal team that is ready for any challenge. About 90% of managers grew up within Kolesa Group."

Dmitriy Botanov

Kolesa Group





Theme

Economic viability of business: influencing factors

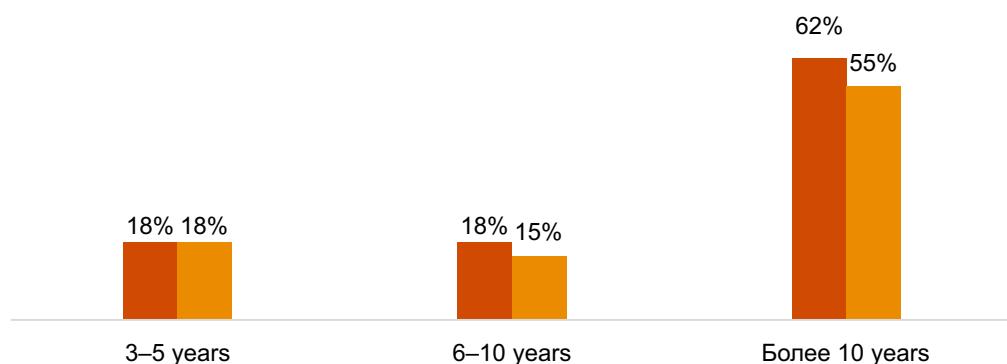
A survey of private business CEOs shows that the majority of respondents are confident in the long-term viability of business both in Kazakhstan and globally. In Kazakhstan, 62% of respondents believe that their business will be viable for more than 10 years, which is higher than the global figure by 7% (55%). The Central Asian region, according to Kazakhstani businessmen, demonstrates significant potential for growth, as increases in population and consumption create favorable conditions for business development in the region. It is notable that high-tech companies predict the viability of the business for 6-10 years based on current trends and market dynamics. They regularly review their strategies and adapt to new conditions.

The economic viability of companies in Kazakhstan and globally depends on many factors, among which are innovative technologies, the right strategic choices, organizational efficiency, changes in the regulatory framework and increasing demand for products and services. Respondents emphasize the importance of innovative technologies and the right strategic choices to maintain the competitiveness of companies. In Kazakhstan, special attention is paid to state regulation and the availability of financing, which affects purchasing power and business development. Businessmen note that they face high competition and the need to adapt to changes in the regulatory framework.

If your company continues running on its current path, for how long do you think business will be economically viable?

■ Kazakhstan

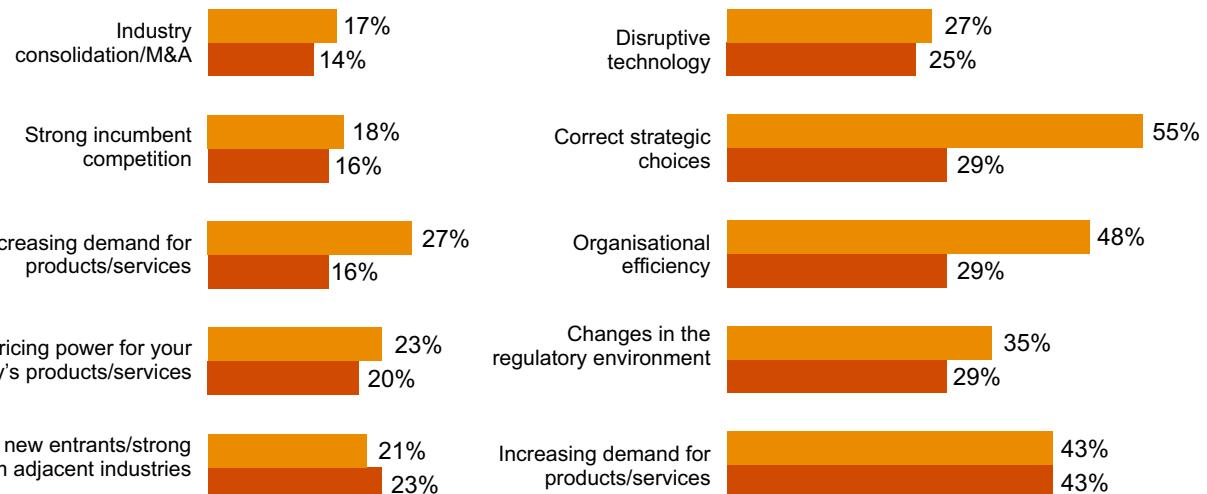
■ Global



Which factors do you think will have the greatest impact on the economic viability of your company?

■ Kazakhstan

■ Global



"These are definitely innovative technologies, a high level of new market participants, and strong competition. Also, perhaps, the wrong strategic choice. We believe that new competitors will appear, and these will most likely be national companies. Previously, there were no strong participants among local companies in international logistics that could compete with us. Now, with the growth of globalization and the development of innovative technologies, everyone has access to everything. That is, you can find agents, contact any suppliers and hire personnel with knowledge and experience in such work, i.e. this competition is already quite possible."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"A high level of new market participants – yes, because Kazakhstan and Russia are now, in fact, one market, and I think that companies from Russia will increase their presence here. Our competitors are also not standing still, they are developing, and I think that this will be one of the main factors of influence. The supply chain - nothing has changed here, now we are also forced to transport goods through Turkey or some other countries, although we have all permits, and the goods are not under sanctions. Anyway, the countries bordering Russia and Belarus are introducing some additional restrictions, which does not allow these goods to be transported through their territory even with the permission of the European Union. I don't think anything will change anytime soon. In terms of financing, we work through large construction companies in both public and private projects, and I often hear about financing problems on both sides. A lot of state support programs are being reduced: either there is no money, or the target group of business areas supported by the state is significantly narrowed. And people are forced to stretch what they plan to do in a year or two for 3-5 years. Accordingly, these are certain risks associated with changes in the cost of the project. Several projects, for example, were suspended for a considerable time this year: we received advances, began deliveries, but due to lack of money, they were either simply canceled or postponed to the end of the year. This is a problem, and so far I do not see any changes for the better in this part. The increase in the cost of products will also have an impact. In Europe, there is no jump in prices for goods now. A year or two ago, the change during the year could be up to 50% - due to changes in the cost of raw materials, an increase in the cost of logistics, and now everything has more or less stabilized, the markets have adapted to the new reality, all additional costs have already been taken into account. Therefore, now the increase in the cost of goods is on average from 1 to 5 percent per year. This is not much, but due to the lack of stability with the exchange rate, the price in tenge is recalculated and, of course, grows."

Mikhail Borisov
Fluidra Kazakhstan

"A high level of new market participants, strong competition from related industries, if we talk about such a competitor as Emirates Airlines. Risks in supply chains - if sanctions hit us, we will not be able to import anything to Kazakhstan. An increase in the cost of products and services – if the dollar exchange rate rises, we will have a downfall, as purchasing power will fall very much, and people will stop buying tickets even in installments. After the dollar rose at the end of last year, several cargo orders left us."

Marina Kuznechovskaya
Fly Dubai

"Several key factors will affect the economic viability of our company. The first is the high level of new entrants to the market, such as Chinese manufacturers. Their main advantage is the price, the quality of their products is also noticeably improved. Chinese companies are progressing rapidly, and their products are becoming more competitive. An example of this is the Chinese auto industry, which used to be mistrusted, but is now in demand. Secondly, strong ongoing competition and a high level of risk in the supply chain. The pandemic and geopolitical conflicts have shown how vulnerable global supply chains are. Previously, we could quickly receive goods from our warehouse in Russia, but now we are forced to look for alternative routes, which creates additional difficulties. We try to maintain maximum stock in the local warehouse, but we cannot afford to "freeze" money for a long time. These factors require us to be flexible and ready to adapt to new conditions in order to maintain economic viability and continue to develop successfully."

Azat Jalayirov
Wilo Central Asia

"We have a lot of contracts in foreign currency, so the factor that affects us, and which we cannot influence, is certainly the exchange rate and the inability to predict in which corridors it will change further. Another factor that can greatly affect us is the availability of raw materials, because there is a catastrophic shortage of raw milk in Kazakhstan. There are not so many large farms that can survive in the current economic realities, and they are very concentrated - these are mainly Northern and Eastern Kazakhstan. Plus, Kazakhstan is a zone of risky farming, because if you do not have your own several thousand hectares of land where you can plant feed, then there will be no fodder for cows. Well, administrative regulation, which to one degree or another has existed in Kazakhstan in recent years, is acquiring some kind of uncontrollable character."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Increased demand for the product. The construction industry is developing, and given the stable people's expectation to improve the standard of living and the quality of the conditions in which they live, we reasonably expect that the demand for our product will grow. Innovative technologies are a positive factor in which the company invests. The right strategic choice is a strength, the fact that the company feels a reliable foundation on which to build all other forecasts and processes. The right investments, profitable positions - here we are talking about our projects that we are currently engaged in. All of the above areas provide us with a stable position and economic viability."

Andrey Porolo
Knauf Kazakhstan

"Since we are in the food sector, and this is a fairly conservative industry, state regulation can have the greatest impact. Now we see that the state is trying to regulate almost everything quite strongly. Climate change is definitely affecting us, and in 2024 its impact turned out to be positive: warming had a positive effect on the amount of precipitation, and the food supply improved. On the other hand, prices fell as a result, so the impact was twofold."

Serik Tolukpayev
Aitas Group

"This is definitely a change in the regulatory framework. Availability of financing, which affects the purchasing power of households and the financing of market participants – pharmacies, distributors, hospitals. Now the state and the Compulsory Medical Insurance Fund have large debts. A sufficient level of skills, because personnel training and development is a critical issue. People have changed their behavior and thinking, but the level of training has not improved, there are no ready-made personnel. Organizational efficiency also influences, which helps to survive. Innovation is also important."

Arminas Macevicius

STADA

"If we are talking about Kazakhstan, then the number one is the regulatory framework, I think all businessmen understand this. It changes so quickly and in such unpredictable directions that you not only do not have time to adapt to the changes, but you do not even understand where it will all go next. Number two in importance is the availability of financing. And I am not talking here about the fact that banks are not ready to lend money or issue loans at a high rate that businesses cannot afford. Banks are also a business, and a loan as a product has its own cost and risk of non-repayment. The cost of the loan also depends on the base rate of the National Bank. As a businessman, I am not an analyst in the field of economics, but I clearly understand that the National Bank keeps the base rate high, because we have high inflation, and it has to make unpopular decisions as a regulator and responsible for monetary policy. And inflation depends not only on the National Bank, but also on government decisions. Therefore, government decisions will either lead to an increase in people's well-being and, as a subsequent effect, to a stable increase in GDP, or "boost" inflation, and we will be another example in the world along with Brazil, Argentina and Turkey."

Farrukh Makhmudov

Orbis Kazakhstan

"Difficulties with implementation and introduction. Now we cannot receive income even in Kazakhstan. Everyone would like to do this, but the state system does not allow it."

Doszhan Zhussupov

Cerebra

"As a manufacturer and importer, we have a long supply chain. Risk levels in this chain are now high. This may be a factor restraining growth.

There is a high probability of rising inflation and an increase in the debt burden of the population. This may force most consumers to "migrate" from the premium segment to the middle or mass segment. In this case, with our price positioning, we will have fewer customers left. This is a hypothetical scenario, although we have also gone through this in previous years. Now the company feels good and stable - at the end of 2023, Euromonitor recognized us as the market leader in Kazakhstan in the Skin Care category. If we talk about pricing, then we are in the upper part of the middle segment, closer to prestige: not yet premium, but no longer middle. We have found a place that we really like, and we call it "mastige".

Konstantin Kulinich

Mary Kay

"The world's innovative technologies, the uniqueness of the solutions offered by our company, the qualification and competence of the company's personnel, the commercial and marketing policy of our vendors have definitely had and continue to have an impact.

Locally, of course, these are the expected changes in the regulatory and tax legislation of our state."

Erik Shortanbayev

SKYMAX TECHNOLOGIES

"Weak current competition – we do not have many competitors. Increased demand for products and services. Innovative technologies, availability of financing, strong pricing policy for products."

Bolatbek Ospanov

Smart Satu

"First, a theoretical decrease in demand. If we are talking about macroeconomics, then these are things that we have absolutely no control over. The second is the change in the regulatory framework. Subsoil use both in Kazakhstan and in the world is quite strongly regulated. The environmental agenda is heavy, taxes, in particular, the mineral extraction tax. In general, the mineral extraction tax is a complex tax, because it is calculated from the presence of a useful component in the ore, and no one is interested in what the extraction will be. CIT, royalties on finished products are more fair."

Marat Seitkulov

Caravan Resources

"With Mars operating in growing categories, it's important to make the right strategic choices and increase demand for our products and services. It is necessary to continue to invest in affordable innovative technologies and to continue to work on measures to improve organizational efficiency. As we continue to address key challenges, it is important for companies like ours to have a supportive and predictable regulatory framework as well. For example, discussing a VAT increase carries the risk of reducing the purchasing power of consumers, which will lead to higher prices. Given inflationary pressures, we estimate that this will have a negative impact on demand."

Zhanibek Abdiyev

Mars Kazakhstan

"Making the wrong strategic choices is a serious risk. The second factor is organizational inefficiency. Organizational development should be one step ahead of product solution development to ensure good performance. It is impossible to compensate for the archaic form of business organization with improved content. Yes, you can help each employee reach the ceiling of capabilities, but his work must be properly organized. So strategic decisions and organizational development are directly linked. We are very much dependent on a decrease in demand for goods and services, on a fall in the consumer confidence index. Accordingly, there are risks associated with a weak pricing policy. I said that Uzbekistan, Kyrgyzstan and Russia are important for us. In Russia, the consumer confidence index is 15-20% higher than in Kazakhstan, respectively, and prices there are about 10% higher. In Uzbekistan, they are higher than in Kyrgyzstan, but still lower than in Kazakhstan. Correct pricing is an important factor of competitiveness. Our brands are regional, that is, the strategy assumes that they should be close to all consumers in the region, and they are sensitive to the price and to the value that is offered to them for this price. Buyers are selective, they react sensitively to price changes of even 5-7%.

Industry consolidation. We believe that the region is slowly but surely consolidating consumer industries, and in this environment, companies must make the right strategic choices, regardless of whether they themselves or their competitors are consolidating the market."

Kairat Mazhibayev
RG Brands

"We definitely expect an increase in demand for our products. We are among the world leaders in the production of cobalt, copper, and we are the leader in the production of ferrochrome. These products are critical metals and the basis of the global green agenda and many other areas."

Serik Shakhazhanov
ERG

"Rising prices. Due to the devaluation, food prices will rise, and we will have to raise prices, this may affect the number of visits. We see positive changes in the fact that Kazakhstan, especially Almaty, is becoming a tourist destination, and this has a good effect on our revenue. I see an increase in the number of tourists by hotel occupancy. This is good for our business, as well as any problematic situations in Russia: when there is a flow of relocators to Kazakhstan, we have an increase in the inflow of staff and guests. We have problems with staff shortages, especially with waiters and cooks who do not believe that they have come into the profession forever."

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"Our customer base has been retained, even with an increase in the cost of the annual pass and brand change. We have a waiting list for all VIPs. The percentage of those who extend their passes has also increased. That is, the new KRIDA concept "suited" everyone. There are five key things in fitness, five components – strength, flexibility, body composition, endurance, cardiovascular system. We also added mental health. Previously, these things "lived" separately from each other, but we combined them. We realized that it is very difficult for the modern human to work. A person may have reached perfection in five components, physically everything is perfect, but his emotions run high that he cannot control anger, he panics, he is afraid all the time because external factors are at work. Life has changed, and now it is very important to work on mental health, just as it used to be necessary to work on physical health. Fitness has not addressed this topic before, while we do it with the help of fitness technologies.

KRIDA is a premium segment fitness club. We are also about emotions and balance, and for us people are more important than the product, we build trusting relationships with our customers, both external and internal. We show our clients their transformation, we attract people here, demonstrating the client's life changes . One of the striking examples is our popular program "Challenge Another You" and many others."

Valikhan Ten
Krida

"You rely primarily on intuition, not on data-driven analysis" – 50/50. In this case, it often happens that I do some things intuitively, outside the framework of the decisions made, and then, looking back, I realize that from a strategic point of view, these decisions were correct."

Serik Tolukpayev
Aitas Group

"You rely primarily on intuition, not on data-driven analysis" – not often, but yes. Intuition is very important, these are the things that sometimes you can't explain to yourself, but you feel that this is so. If it is inside, then, of course, you need to use this gift.

"You determine the quality of a decision by its outcome, rather than by its process" – of course, because after all the trial and error, I am very tired of processes. The process itself can last endlessly, so you always get some satisfaction and motivation when something is finished, when you see the result. And in the process, you can burn out, and exhaust yourself, and not get this result."

Mikhail Borisov
Fluidra Kazakhstan

"You rely primarily on intuition, not on data-driven analysis" – both. Although, according to psychologists, the decision is made before all the factors are weighed. Probably, I still rely on data, and if my intuition conflicts with them, I will ask you to double-check the data (unless it is crisis management, there is initially a situation of uncertainty and high risks, so decisions will be intuitive).

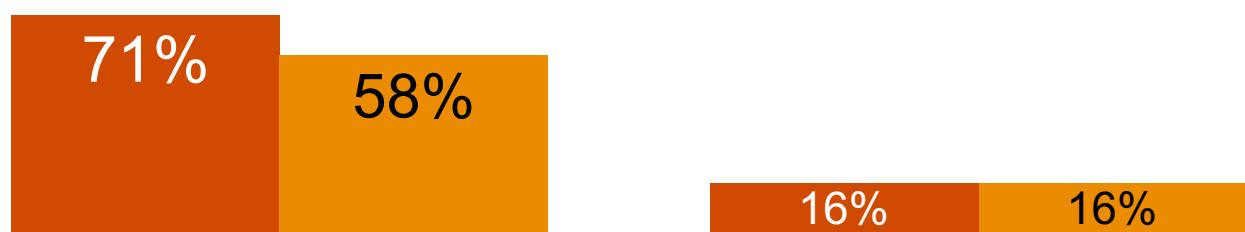
"You determine the quality of a decision by its outcome, rather than by its process" depends on the goal, but it seems to me that both are important. Victory at any cost is not always appropriate, if it conflicts with values, then it is clearly unacceptable. Where the result is important for people, the process is also important."

Konstantin Kulinich
Mary Kay

As part of strategic decisions, how often do you take the following actions?

The survey results show that a significant proportion of respondents in Kazakhstan (71%) and globally (58%) determine the quality of a decision by its outcome, rather than by the process. This indicates that many people care about the end result, which brings satisfaction and motivation. However, some CEOs note the importance of the process, especially in the context of long-term projects or high-risk situations. It's important to consider both the process and the outcome to ensure sustainability and avoid burnout. Interestingly, only 16% of respondents both in Kazakhstan and globally prefer to rely on intuition rather than on data-driven analysis as part of strategic decision-making. CEOs note the importance of intuition and emphasize the need to back it up with data analysis to make informed decisions.

■ Kazakhstan ■ Global



Determine the quality of the decision by its outcome rather than its process

““You determine the quality of a decision by its outcome, rather than by the process” – both the outcome and the process are important, because error correction is necessary in any case.”

Erik Shortanbayev
SKYMAX TECHNOLOGIES

““You determine the quality of a decision by its outcome, rather than by the process” – the process is important, and the quality of execution affects the outcome.”

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

““You determine the quality of a decision by its result, rather than by the process” – it happens that we make decisions that make it very difficult to reach the result, so we evaluate both by the process and by the outcome. Sometimes years pass before the result is obtained, so the process is also important.”

Marat Seitkulov
Caravan Resources

““You rely primarily on intuition, not on data-driven analysis” – no, I wouldn't say so. Of course, sometimes there is simply not enough data, and somewhere you have to feel, trust your instinct and follow your intuition. “Taking the time to think about whether you're missing any important opportunities” – probably yes in most cases. Sometimes, there is not enough time for that.”

Laula Stamkul
Wolt Kazakhstan

““You determine the quality of a decision by its result, rather than by the process” – always, because KPI is a must. “Consciously assess whether you are pursuing the wrong opportunities instead of the right ones” – we try to review our strategic initiatives regularly, once a year for sure.”

Arminas Macevicius
STADA

““You rely primarily on intuition, not on data-driven analysis” – in February 2022, our intuition failed us, so we now rely more on data analysis. “Consciously assess whether you are pursuing the wrong opportunities instead of the right ones” – now it is difficult to find the right option, you need to find a quick one.”

Serik Shakhazhanov
ERG

““You rely primarily on intuition, not on data-driven analysis” – I rely on data analysis because intuition is good, but data always helps you make an informed and non-emotional decision.

““Determine the quality of a decision by its outcome, rather than by the process” – in most cases, by the outcome, because you can reach the goal in two or twenty steps. Speed is important as it gives you a competitive advantage. However, as for compliance, since we work with international partners, we, of course, follow all the procedures and take as many steps as necessary.”

Farrukh Makhmudov
Orbis Kazakhstan

Environmentally friendly investments – business opinion

To what extent have the environmentally friendly investments initiated by your company over the past five years led to an increase in the following indicators?

■ Decrease ■ Little to no change ■ Increase

Kazakhstan Global

Revenue from products/services sales



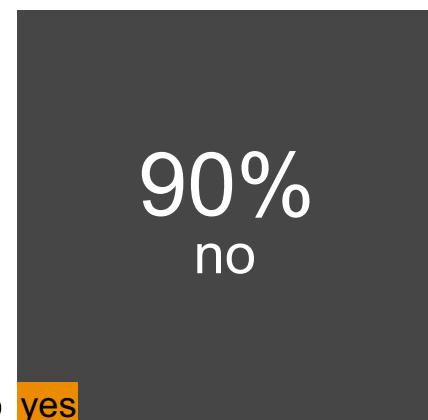
Cost



Initiated climate-friendly investments in the last five years



Received government incentives



"We have not initiated environmentally friendly investments because we believe that our market is not ready for this. By the end of next year, we plan to receive subsidies and issue green bonds."

Askar Baitassov
abr

"Spending increased by 5-15% as these are measures that required capital expenditures. We have production, and the main problem in production is waste management. In fact, our costs are spent on meeting the standards in some ways and surpassing them in others. Our legislation is changing dramatically, and this must also be taken into account."

Serik Tolukpayev
Aitas Group

"In Kazakhstan, environmentally friendly investments have not yet been initiated in our country. In Europe, they have already been applied, and in Kazakhstan we are planning this, but so far it is difficult, logistics is not so well developed. But we have implemented carbon footprint monitoring, and our customers can see this information on dashboards. In the office, for example, filters were installed instead of bottled water. We thought about sorting garbage, but unfortunately, this direction is not developed in Kazakhstan. We have appointed a sustainability lawyer in the company, sustainability initiatives are always implemented, but at the technological level, this is still used only in Europe."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"We have invested in energy-efficient equipment and modernization of data centers using advanced cooling and energy management technologies. Although these measures do not lead to sharp changes in costs or revenues (changes within 5%), they contribute to the sustainable development of the company. In addition, our recycling and carbon footprint reduction projects improve the brand image, which is reflected in the long-term growth of the customer base."

Nurlan Sadykov
Dell Technologies

"As a company as a whole, we initiate environmentally friendly investments, as it is important for our group. The income from the sale of products has not increased for us, but for the head office, I think, yes. This is a huge market of modern technologies that are applicable in almost all products of our company, and this is in demand in Europe. Such technologies are usually more expensive, but the client, for example, in Europe, is ready to pay more, having some social responsibility, and often savings when operating this kind of equipment. In Kazakhstan, it is different, customers do not see value in this for themselves and are not ready to overpay. If there was state support, then it would be possible to develop it, but there is no support."

Mikhail Borisov
Fluidra Kazakhstan

"While we focus on these three very important things in terms of environmental impact and are very pleased with the results of our work over the past five years. We are not very happy, because we have introduced a lot of new technologies, and we need to get used to them well in order to take the next step. In any case, we have laid the foundation. What we have done already looks quite effective, but not as effective as it can be. Anti-Russian sanctions affect us as well, and we have implemented some environmental initiatives several months behind the plan. The eco-friendly technologies that we have implemented have significantly reduced plastic consumption over 10 years. In terms of water and energy saving, we have managed to save resources, minimize the impact on the environment and, importantly, change the culture of people. It is not easy, but we notice that people have begun to clean up after themselves after visiting cinemas, stadiums, after trips to nature. In terms of environmental initiatives, there is still a lot that can be done, for example, whether we have reduced the amount of water consumed for the production of a litre of finished products from 3 litres to 1.63 litres, which is already great, but it can be reduced to 1.3 – 1.35 litres."

Kairat Mazhibayev
RG Brands

"In theory, we are pioneers in the market in terms of environmentally friendly issues – we have always tried to provide autonomous power for our solar panel design solutions. Last year, we replaced some of the company cars with electric vehicles. In the near future, we are planning a global reconstruction of the office building, and it is possible that we will build a new office in accordance with the "green" ESG program, LEED. Preliminary investments in electric vehicles have significantly reduced our operating costs - if earlier the monthly costs for the purchase of fuel and lubricants were KZT 400-500 thousand per month per car, now it is KZT 20-30 thousand. In general, the company's income increased by 16-25 percent in various business areas."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"On a global level, one of our significant projects is Wilopark, our headquarters, which includes production, office space and other infrastructure. Wilopark is an example of environmental responsibility, as the complex is 98% carbon neutral.

Locally, we can be proud that our building in Kazakhstan has received LEED Platinum certification, which confirms our efforts to minimize our environmental impact. We also regularly report on emissions, demonstrating our commitment to transparency and environmental responsibility.

In addition, we actively cooperate with the state, which informs us about projects in which we could take part. We are considering the possibility of localizing production, which also contributes to sustainable development. Our communications with the state are clear and effective, and we receive information support from it."

Azat Jalayirov
Wilo Central Asia

"The environmentally friendly investments we initiated have slightly reduced costs, in the range of 5-10%, and revenues have also changed slightly. There are mandatory standards for production, we follow them, this is not a matter of choice, but our duty."

Ilya Martinenko
Aurora Holding

"Lactalis is globally committed to three strategies, one of which is to reduce CO2 emissions by 2050. In Kazakhstan, two years ago, we converted our last plant to gas. In Kazakhstan, we have fulfilled this task, although Lactalis still has many plants around the world that run on coal, fuel oil. The transition to gas does not directly affect revenues, but rather reduces and optimizes costs, and also makes them independent of the supply of coal and fuel oil. We did not receive state support, it was purely our investment."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Our technology itself is quite eco-friendly, because we do not have stoves that smoke and pollute the environment. We use electrical and chemical processes that replace furnaces. There is waste biorecycling, water recycling, sulfuric acid recovery. Moreover, the use of these technologies is also economically justified. There are more claims to classical metallurgists, and our technology is more modern."

Marat Seitkulov
Caravan Resources

"Central Asia Metals' main climate-friendly investment in the past five years has been the US\$3.1 million we spent to establish a solar power plant at our Kounrad copper operation in Kazakhstan. During 2024, the plant's first full year of operation, it contributed approximately 14% of the operation's power requirements, at an average operating cost of under 1 US cent per kilowatt-hour, which compares with around 6 US cents per kilowatt-hour for power from the grid. Even taking into account depreciation on our investment, the plant's total cost of electricity is approximately 4 US cents per kilowatt-hour, and thus it is contributing to lower costs by any measure."

Gavin Ferrar
Central Asia Metals

"I am convinced that environmental investments are not just a trend, but a strategic necessity that determines the future of business. Over the past five years, our investments in energy-efficient and sustainable solutions have led to increased demand, increased revenues and lower operating costs. But ESG is not only about adapting to changes, but also about creating new market standards. We prove that environmental investments can not only be justified, but also bring real financial benefits.

Each of our facilities is certified according to international LEED or BREEAM standards, which confirms our commitment to the principles of sustainable development. The introduction of green standards is not a compromise with profitability, but a competitive advantage. We see a direct link between environmental investments and business results: reduced operating costs, increased attractiveness for occupiers, especially multinational companies, and increased market value of assets.

Our approach to sustainability is internationally recognized. Park View Office Tower was the first green building in Central Asia to receive BREEAM certification in 2015, and Talan Towers was the pioneer of LEED Gold in the region in 2018. In addition, Park View Office Tower won the BREEAM Awards in London, taking first place in the Regional Award – Asia category.

For international tenants, green building is a key factor in the choice. Without a clear sustainable strategy, today it is impossible to attract global partners, ensure the liquidity of assets and long-term investment attractiveness. That is why we continue to develop ESG initiatives, including the installation of charging stations for electric vehicles in all our buildings.

But ESG is not only about the environment, but about the deep transformation of the entire industry. I think that the next 2-4 years will be decisive for the global real estate market. The question is not whether ESG will be important – this is already obvious. The question is who will be ahead, and who will be forced to catch up. We have made a conscious choice: act now, invest strategically and ensure the long-term value of our assets.

The future is shaped by those who are one step ahead."

Lukasz Skowroński
Global Development

"Costs, I think, have decreased, because, for example, even one car with a hybrid engine already spends less gasoline. Sales revenue was unchanged. We did not receive state support, but we do not need it, because it is more bureaucracy than profit. If we install, for example, solar panels, then the state does not have such a program. For example, in Lithuania, every household that installs solar panels receives subsidies because they want to stimulate the consumption of alternative energy."

Arminas Macevicius
STADA

"We are the only company in Kazakhstan that, within the framework of integrated environmental solutions, has developed measures to improve the environmental situation at enterprises. This is a significant investment, about KZT 100 billion has already been invested over the past 2 years. This did not directly affect the increase in income, for the company this is our social responsibility. So far, our main consumers are not ready to pay extra for a "green" product."

Serik Shakhazhanov
ERG

"As a global corporation, Mars is doing a lot of work to reduce its carbon footprint. Our impact on the environment as a business in Central Eurasia is quite limited. Up to 85% of the impact on the environment is exerted by the production of raw materials and industrial production. We mainly have marketing and sales structures, their impact on the environment is minimal, but despite this, we are actively working to reduce our carbon footprint, for example, by switching to vehicles with lower fuel consumption, more efficient use of electricity in office spaces, etc.

In addition, I would like to separately note our commitment to sustainable development through the implementation of several projects in this area, which I am very proud of. One of the projects is our new program for commercial equipment. Very often, companies have commercial equipment that is no longer used in any way. Our colleagues decided to give it a second life. Through the creative use of unused materials from the point of sale, they have created cozy houses and toys for animals in shelters, in accordance with all standards for ensuring the welfare of pets. The transformed materials not only brought joy to the furry inhabitants of the shelter, but also underscored our commitment to reducing waste, making a positive impact and ensuring operational efficiency."

Zhanibek Abdiyev
Mars Kazakhstan

"Of course, we are concerned about how our business affects society and the environment. We are implementing a plan to introduce an alternative energy source, namely solar panels in the automotive and agricultural divisions. We also invested in a triple reverse water purification system. The costs of these initiatives have increased by about 15%, but this has not yet brought profit. As for your question whether we received any state assistance for this, the answer is no."

Farrukh Makhmudov
Orbis Kazakhstan

"Over the past five years, we have invested in environmentally friendly initiatives in Kazakhstan, but these investments cannot be called large. Our efforts are mainly related to recycling, and on a global level, we have commitments to reduce CO2 emissions. To compensate for this impact, we participate in global campaigns and support various environmental initiatives."

Laula Stamkul
Wolt Kazakhstan

"Our facility is certified to the Gold Environmental Standard, a green building that meets the requirements of local environmental certification based on international standards. Certification included independent verification, which gives us access to state support and subsidies. This, in turn, can affect cost reduction. In terms of revenue, our target audience values environmental responsibility. We are implementing initiatives together with akimats, planting trees, and installed the first eco-reverse vending machines in Kazakhstan. Moving towards environmental friendliness is our conscious choice, which is also supported by our consumers. In 2025, for the convenience of our customers, we have planned to install charging stations for electric vehicles in the parking area."

Almas Idrissov
TSPG REIT

"We use electronic menus instead of printed on paper, somewhere we have replaced plastic with bags (mainly in BAO), we have almost no plastic boxes left, we have almost completely switched to eco-friendly packaging. This increased costs: the cost of one box, for example, increased by 40%. Revenues have not yet grown, but we hope that customers will appreciate our initiative and be more loyal to us. This is an investment in the future."

Yuriy Negodyuk

restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"We keep reducing the use of electricity, but we are doing this due to rising tariffs. This is an attempt to reduce consumption in kilowatt-hours, and in three years we have reduced consumption by about 7-8%, slightly. In terms of money, costs have still increased."

Yakov Fishman

Magnum

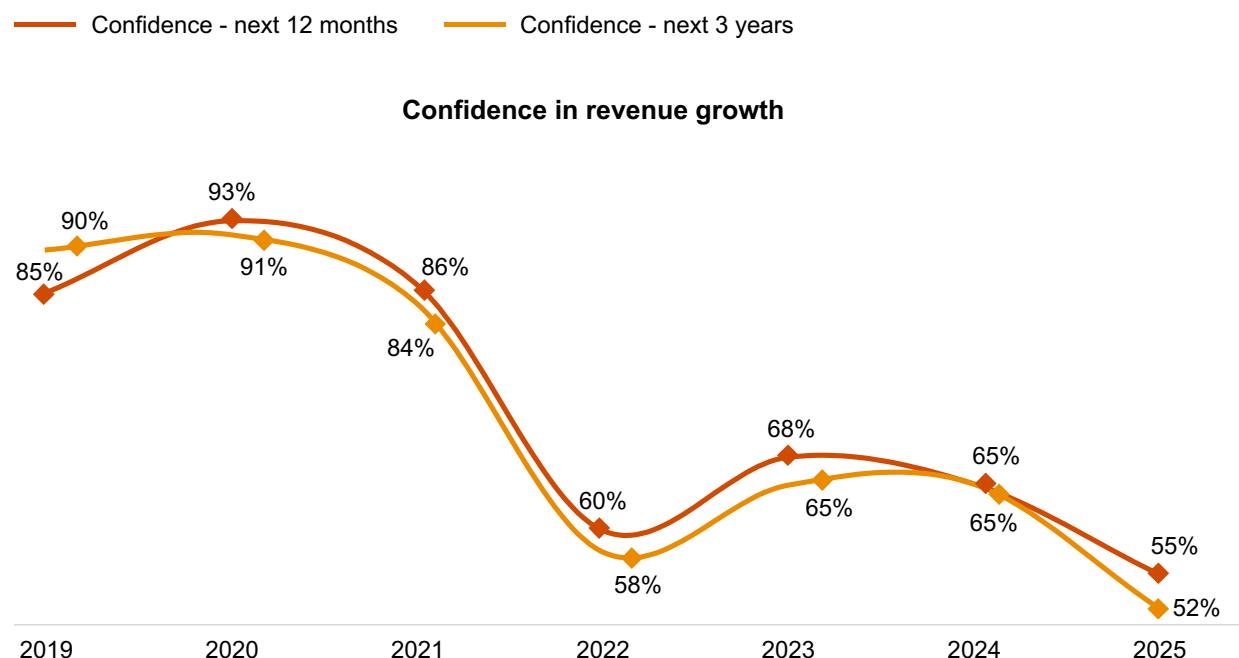


12-month and 3-year revenue expectations

This year, the confidence of Kazakhstani respondents in the growth of their companies' revenues has reached its lowest level since 2019. Only 55% express confidence in the outlook for 2025, and 52% in the outlook for three years. For a period of 12 months, confidence in revenue growth ranges from moderate to high, which is associated with current economic and geopolitical challenges. However, companies actively implementing innovative products and digital solutions remain more optimistic despite the instability in global politics and the economy.

In the long run, the confidence of private business CEOs is less stable. Economic challenges and an unstable regulatory environment have made the greatest contribution to the lack of confidence in future earnings growth.

How confident are you in the prospects for the growth of your company's income in the next year and three years?



"In the 12 –month perspective, I am moderately confident that this is due to intensive growth, and this is not an easy task. In the three-year perspective, I am very confident."

Serik Tolukpayev
Aitas Group

"For the next 12 months and 3 years , confidence is moderate. Our optimism is based on the launch of a number of innovative products, including mobile solutions and infrastructure technologies for data centers, as well as on the active support of the state for digital transformation."

Nurlan Sadykov
Dell Technologies

"I am confident in the growth of incomes, but I am not sure that prices will remain at the same level. I hope that the geopolitical and economic crises will be settled in the near future."

Shakhzhanov
ERG

"I am moderately confident. I see the dynamics from the very beginning, the way we grow. Certain nuances are influential, but even during COVID, we had growth due to the fact that we were able to quickly supply equipment. We always monitor what equipment we need, taking into account logistics, customer needs, seasonality, so we approach any situation "armed"."

Azat Jalayirov
Wilo Central Asia

"I'm an optimist, but I'm not sure. Within a year - a little confident, within three years - confident in moderation. Because politics, elections in all large European countries, Trump's coming to power, who literally arranges customs wars, have an impact. He wants to stop the war, but he is less inclined to diplomacy, and this will not bring us anything good. And again, it all comes down to logistics, no matter how you look at it. Just last week, we looked at how to strengthen logistics independently of Belarus and Russia, mitigating the possible risk. Now there seem to be no risks, but this is unpredictable. The goods are not stolen yet, but it can start at any time. Trucks are stopped at every intersection, the police extort money. Countries that live on this have sharply raised transit fees since the new year, and this all affects the cost. Now the goods still have to be insured, and this is a very high cost. Western carriers do not go further than Europe, and there are not enough high-quality trailers in Belarus and Russia. Therefore, we are expensive, but we are confident in the quality of transportation – for example, we can track the temperature in the trailer online, and we are confident that the quality of our medicines is preserved."

Arminas Macevicius
STADA

"In the next year or two, there will be no growth, we will try to stay at about the same level. And in the next 3 years - I am moderately confident."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"In both cases, I am very confident. There are a lot of projects that we have started or plan to start implementing next year. Even if we talk not about retail, but about project work in general, the groundwork is huge. It is probably one and a half times more than this year. I think that the fact that we started working with B2C gives us confidence in revenue growth in the longer term."

Mikhail Borisov
Fluidra Kazakhstan

"I am very confident. We have existing customers and new contracts with global manufacturers."

Bolatbek Ospanov
Smart Satu

"We have launched the second plant, so we expect growth."

Marat Seitkulov
Caravan Resources

"Strategically, Citi Kazakhstan has withdrawn from operations with Russian rubles, that is, we currently do not make any payments related to Russian business. 2024 was a critical year when we came out of these operations. This was a significant volume, and it took us to make an effort to minimize this impact. But there is confidence that we will grow. Within Citigroup, we are a growing business, and we are used to double digit growth, but we must understand that now it can be a single digit due to the current challenges."

Saule Zhakayeva
Citibank Kazakhstan

"In the next 12 months, until the end of 2025, I am very confident in the growth of the group's business revenues. With a stable and predictable macroeconomic environment and the absence of significant risks of geopolitical conflicts that could negatively affect the growth of economies in the regions where we operate, where Kazakhstan occupies the main share (PwC note: Halyk Group is also present in Georgia and Uzbekistan) – with such assumptions, I am confident in the further growth of the Halyk Group's business, as well as other businessmen in our country, for whom predictability and investment protection are important."

Umut Shayakhmetova,
Halyk Bank

"In the long term, I am very confident. On the other hand, like other industry players operating in the chocolate category, we see that today's cocoa market dynamics are unusual and make headlines. Recent crop failures due to well-documented causes related to climate change require increased attention to cocoa supply chain management. This is likely to affect prices in general."

Zhanibek Abdiyev
Mars Kazakhstan

"I am very confident in the prospect of three years. There are prerequisites for the development of the construction industry, but they have not yet been embodied in square meters. There are forecast data, there is an expectation of a return on the efforts that the state is making in terms of increasing the focus on construction, investment in the industry, subsidies. Therefore, in the next three years, I am confident in growth due to the revival of construction. This year, there is less confidence."

Andrey Porolo
Knauf Kazakhstan

"I am very confident for the next year. But in connection with the geopolitical situation in the world, I can say that I am moderately confident for three years. My uncertainty for three years is due to the fact that I am very worried about significant geopolitical changes. If it concerned only, for example, Russia and Ukraine, this is one thing. Now Israel has pulled up there with the Middle East."

Valikhan Ten
Krida

"I'm a little unsure about the year, but I'm very sure about the next three years. We give ourselves a time range of three years to start earning income. We have huge R&D expenditures, and they are only growing. There are many requirements to meet to enter the U.S. market, all of which involve expensive research and clinical trials that cost millions of dollars. In Kazakhstan, it is much cheaper, but the United States does not accept the results of Kazakhstan's efficacy trials."

Doszhan Zhussupov
Cerebra

Generative Artificial Intelligence and Business

Theme

Implementation of AI and its impact on business and personnel

In 2024, expectations for the implementation of generative AI in Kazakhstan were high, especially in terms of improving working time efficiency and profitability. However, the 2025 survey results showed that the actual outcome was lower than expected. The efficiency of employees' working hours and executives' personal working time has indeed enhanced, but this has not had an impact on profitability.

In some cases, AI is used to improve efficiency and customer experience, but its impact on companies' financial performance remains limited. Overall, companies continue to adapt to new technologies to maximize their potential.

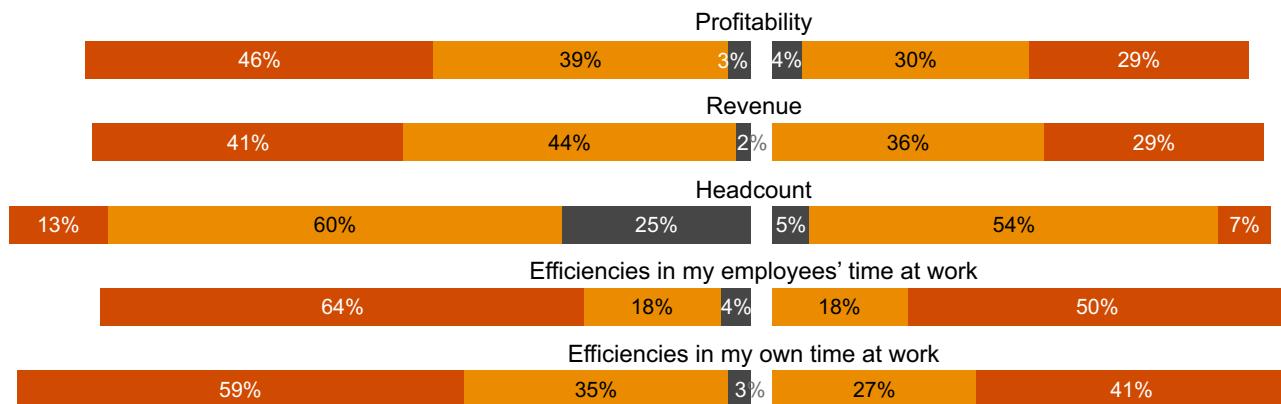
To what extent has generative AI increased or decreased the following business metrics over the past 12 months?

■ Decrease ■ Little to no change ■ Increase

Kazakhstan

Expectations in 2024

Result in 2025



"We haven't implemented anything yet, because the queue for development is very long, and fintech is now a priority. In the restaurant business, we see opportunities to implement generative AI in the application. I would like to see personalized recommendations for each guest based on generative AI, so that everyone can see what is relevant to them: restaurants, reservations, posters, tickets, so that the lifestyle ecosystem is tailored to each user. If we develop the lifestyle direction, and a person buys movie tickets through our application, then he will automatically be offered a restaurant located near the cinema to which he bought a ticket, so that before or after the show he can have a snack or go to a bar. My task is to lead the client's leisure time. We are now actively developing foodtech, the next stage is lifestyle."

Askar Baitassov
abr

"We have introduced elements of generative AI in crop production. This did not affect the efficiency of my working time, the efficiency of employees' working hours increased slightly. In crop production, we began to hire a little less staff, revenue and profitability improved."

Serik Tolukpayev
Aitas Group

"We have partially implemented artificial intelligence in the company, specifically machine learning. We have created real-time dashboards that receive all the data on the basis of which reports are generated. We started by creating the simplest dashboard for the client, and now we have already developed a whole system. The client can see all documents, attachments and declarations to the cargo, its location in real time. Invoices are uploaded there through the interface, approved by customers, and then transferred to the financial system for payment. As a result, the efficiency of working hours, of course, has increased by more than 25% for both me and my employees. But this has not yet affected the headcount, revenue or profitability either."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"We haven't implemented AI to a significant extent yet. I try to look at it from the outside and understand its capabilities. The only thing I decided to do was to send the head of sales and marketing for AI training, because I think that it will be most applicable to our company there. This is market analysis, processing of data arrays, translation of any content. I believe that pricing can also be used for this. I would like to do all this and will do it, but so far there is no specific case."

Mikhail Borisov
Fluidra Kazakhstan

"At the local level, FlyDubai has not implemented generative AI and, to be honest, we are afraid to implement it. The activities of our company involve ensuring flight safety, and the introduction of generative AI can have unpredictable consequences. This risk cannot be ruled out."

Marina Kuznechevskaya
Fly Dubai

"Some employees of the company use AI, and both the marketing department and operational managers use it. The results are not yet visible and it has not yet been widely implemented at the corporate level, but we plan to test bots within our website."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"The efficiency of working hours of some of the company's staff has increased significantly, by 25 percent. Their productivity increases due to the fact that costs become lower, as well as due to time savings."

Kairat Mazhibayev
RG Brands

"I've never used AI, and now I've started learning. However, I can note that WILO SE is actively implementing AI in its processes and sharing its experience with us."

Azat Jalayirov
Wilo Central Asia

"We actively use generative AI, it is already built into many processes. The efficiency of my time has increased moderately, while the employees have not much. It did not affect the number of personnel, and revenue and profitability increased slightly."

Ilya Martinenko
Aurora Holding

"We do not use it systematically in our work, but many people use it for personal needs. I use it myself, and the efficiency of my working hours has increased significantly. For example, I was sent a large report – it used to take me all day to study it, but with the help of ChatGPT I got a brief overview in Russian, answers to questions – and all in 20 minutes. I tried uploading Excel files as well, but I wasn't impressed with the results. It writes letters well. It would be great to connect it to Outlook, so that it, knowing the history of correspondence, immediately offers some kind of draft answer - this will be fantastic. It seems to me that in another year or two, AI will be able to become a powerful personal assistant. At the corporate level, we have not yet implemented it, but I am sure that we will all come to this in the near future."

Marat Seitkulov
Caravan Resources

"Artificial intelligence is more and more used in our internal systems and tools (finance, HR, demand planning and others), therefore, we see more efficiency in the way of working as well as in our time management."

Edgard Bou-Shahin
Schneider Electric Central Asia and the Caucasus

"We have implemented AI – we have an internal ChatGPT, we actively use what Microsoft has. In sales and marketing, they began to actively use it. As a result, the efficiency of my personal working time increased slightly. The number of employees has not yet changed, and AI does not yet affect revenue and profit, respectively."

Arminas Macevicius
STADA

"We implemented AI mainly to improve the efficiency of work processes. I can't say that AI has increased the efficiency of my working hours, rather, it has improved the process itself and the speed of information delivery. AI has definitely helped to increase revenue by optimizing processes, while profits have so far increased slightly, within 5%, but projects to introduce industrial AI are in full swing in the company."

Serik Shakhazhanov
ERG

"We have already implemented AI, and its role in our processes is gradually growing. It is actively used in the support service, although in Kazakhstan it is still less common than in our global shared services offices (a support service that serves several countries at once). In particular, AI helps to translate chats with couriers, process transfers, and is also often used to create brief summaries of calls or projects. The efficiency of my working hours has increased moderately, as I also sometimes use AI as an auxiliary tool. At the same time, the number of personnel remained at the same level - until AI replaces jobs."

Laula Stamkul
Wolt Kazakhstan

"New technologies and artificial intelligence naturally affect Citigroup as a whole. But if we talk specifically about Citi Kazakhstan, then we use those products and services that are created in regional hubs, and artificial intelligence is used there. We perceive this as business as usual, that is, this area is developing, a lot of investment is being invested in it, but I can't say that anything has changed dramatically for us in terms of the main business processes related to payment processing or currency control. Therefore, it is premature to say that this gave us any surge in terms of profitability or efficiency. Artificial intelligence fits very well into operating systems, at this stage it helps not so much to increase income as to optimize costs. Citi Kazakhstan is rather a recipient of products that are developed at the global level."

Saule Zhakayeva
Citibank Kazakhstan

"It's not that it's fully implemented, it's just that we use it from time to time. For example, to "comb" the text through ChatGPT, process the visual... But AI has huge potential that we haven't used yet, because it's a very expensive story for commercial use at the moment. 4 cents for one request in ChatGPT – if we connect it, for example, to the TS Online system, then the annual budget will be spent in a month. But there are also risks associated with AI. Now it is possible to mark AI-generated content on social networks. By consuming content created by humans, AI forms its content, it gets into the network, and in a year or two, AI is already using its own content as human. After a certain number of iterations, the unimaginable happens, just some kind of mutation begins, and we move on to something that becomes potentially dangerous. Therefore, it is necessary to solve the issue of labeling the generated content now so that the AI does not use it for its own regeneration."

Alexei Khegai
TSPM.

"The efficiency of my working time has definitely increased in the range of 5-15%, I began to use the capabilities of AI a lot. Generative AI has not yet affected the number of personnel, revenue, and profitability, but it definitely will."

Armanzhan Baitassov
Tan Media Group

"It would be great to see companies that actively use artificial intelligence in at least 50% of their activities, because the field is new and very expensive. Do you want to implement it? Yes of course. Does it help? Of course, even if you take personal stories using ChatGPT. At the same time, I haven't seen large corporations that are already implementing AI for complex, end-to-end solutions. Basically, this is the prerogative of small companies that have room for maneuver. Large corporations, due to the specifics of their activities, cannot quickly change internal rules. At Mars, we use artificial intelligence responsibly.

The efficiency of my working hours using generative AI has improved a little bit because we don't use that many tools. The efficiency of employees' working hours has also improved slightly. There are certain departments where we have implemented generative AI, there are departments in which it has not yet been implemented, so on average it has increased slightly. For example, in the sales department, we use Image Recognition technology, which helps to automatically recognize products presented in stores. AI helps to assess how the actual picture corresponds to the picture of success. This technology definitely increases the efficiency of specialists. Generative AI technology helps allocate resources to focus on more important things."

Zhanibek Abdiyev
Mars Kazakhstan

"At the moment, I cannot assess that my team or I personally have begun to work faster due to the use of existing tools developed by "big techs", as they are now called. So I don't see how AI could affect our revenue. However, it is certain that AI will change the future, including the processes we are now used to. This always happens within the framework of technological revolutions."

Farrukh Makhmudov
Orbis Kazakhstan

"We are already actively implementing AI in the process of our work. We already have internal digital solutions at our disposal - the Smart Plaza loyalty program, the TS Online ERP system. At a time when we already had an expanded staff of our own developers, artificial intelligence was something new and unknown for others. Today, this is already becoming the norm. Based on our experience, we can talk about the effectiveness of AI implementation. At the moment, we do not define strict boundaries between AI and human processes. So far, this has not affected the number of employees, but it has had a positive effect on revenue growth and profitability. An example of technological automation is the ASSP – an automatic sales collection system developed by the TSPM team that manages the fund's real estate. It gives us access to real-time tenant trading data. Since our income directly depends on their turnover, operational analytics allows us to adjust interaction with tenants in a timely manner. For example, in 2022–2023, we identified an increase in tenant sales and revised the terms of cooperation, which led to an improvement in commercial performance."

Almas Idrissov
TSPG REIT

"It did not change my time. We're implementing AI, but I'm not using it. My employees use it, and the efficiency of their working hours has increased. Revenue has increased, but I hope it's not just because of AI. We can't know for sure if it's because of it or not, but in general, we use AI in both marketing and fitness. I tried using it myself, but I didn't like the way it generates like there's no soul. Everything is correct, beautiful, but it does not reflect my personality, identity."

Valikhan Ten
Krida

"The number of employees remained almost the same, everything else increased by 5-15%. Auto-ordering and AI in terms of revenue forecasting significantly increased our revenue because we were able to avoid stock."

Yakov Fishman
Magnum

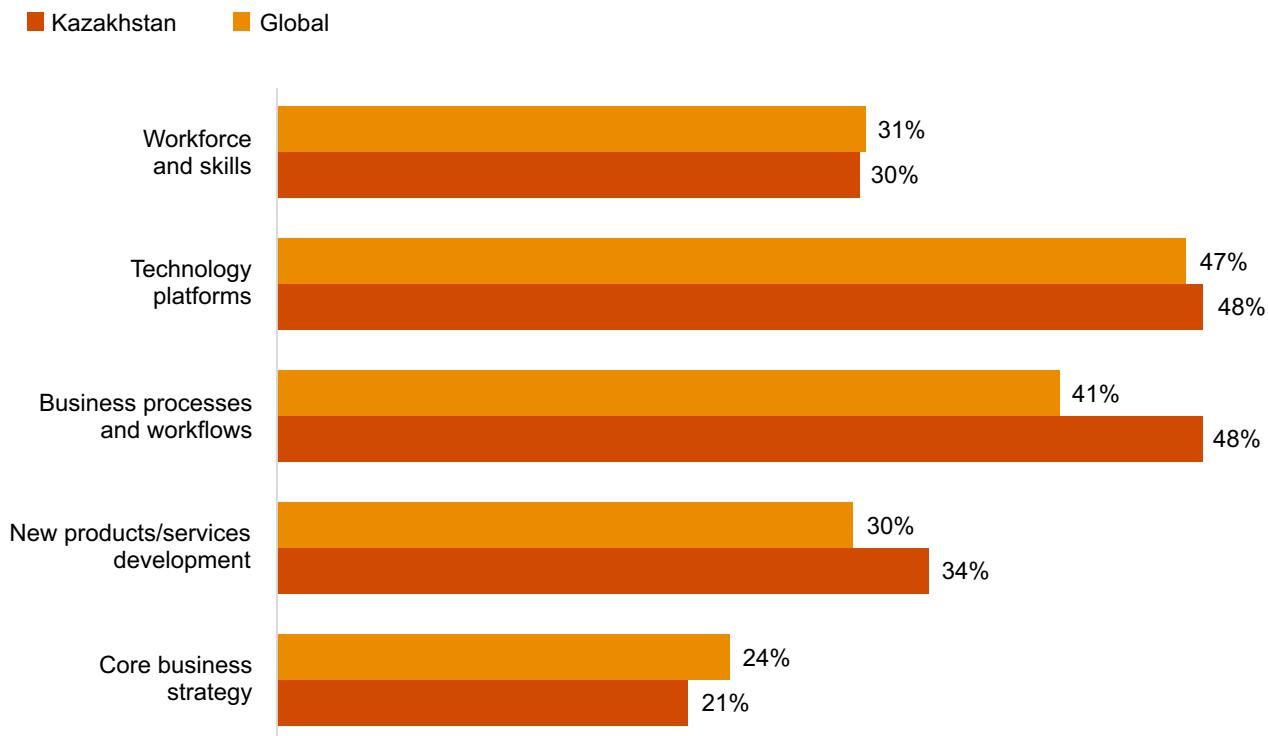
"We use AI at different levels. Small tasks are no longer surprising: generating content for marketing using conventional market services, working with tables on a daily basis (sometimes it's faster to analyze a table with "raw" data through ChatGPT than to wait for people to analyze it and make a presentation with the results of the analysis). There are also many complex projects that have been optimized for years. We have an ML service called Hermione, it moderates 90% of the ads in the Kolesa.kz. There is a robot that the guys called Chuck Norris — it is very effective at calling customers. There is a small but very useful service that optimizes the marketing budget, distributing it between channels, depending on the effectiveness of the resulting combinations. Speech synthesis and speech analytics are some of the latest innovations that make work much easier. For example, a robot can call several thousand people, conduct a study among them to make analytics with a fairly narrow segmentation.

In other words, the prospects of generative AI do not scare us at all. Fears of possible job losses are not justified, in practice, people get the opportunity to engage in intellectual work, and routine can be given to neural networks. Certainly, artificial intelligence will not be able to take on strategic-level tasks anytime soon.

At the same time, it is important to understand that AI is a collective name. Now, someone out of ignorance, and someone to attract attention, calls any service in which algorithms are at least somewhat involved artificial intelligence. Although often some recommendation systems or ML microservices are just the use of statistics at maximum speeds. In this broad sense, we have been using AI for decades."

Dmitriy Botanov
Kolesa Group

To what extent, if at all, do you predict AI will be systematically integrated into the following areas of your company over the next three years?



"Business processes and workflows - to a large extent, technology platforms - to a significant extent, and workforce and skills - to a large extent. From the 2nd quarter of 2025, we plan to actively develop AI."

Askar Baitassov

abr

"Most likely, it will be integrated into the main business strategy to a significant extent, because we have an area where we need data, analytics, and for this we need AI. Business processes and workflows are also to a large extent, because this is where we need it in order to create some business plans in addition to reporting, and so on. The workforce and skills are probably to a moderate extent. I myself took courses in data analytics, I want to study language models, I use ChatGPT in my work - it makes some tasks very easy. But it is very difficult to convince young people of the need to continue their education, now other values, perhaps."

Aliya Zhaksylykova

Bertling Kazakhstan Logistics

"I admit that there is a place in our R&D for such implementations, because this is one of the areas where AI is expected to be of great benefit. In the service sector, we implement bots, but when people realize that the program is talking to them, they often ask to talk to a real employee. I have already talked about the advantage of our business model - we rely on the fact that it is important for people to have a person talk to them. We are a traditional company in the good sense of the word, because we are for people and about people. We want people to provide services to other people, say "thank you" to them, help them solve problems, and give emotional support. Even if some technology can help, it is more of a recommendation to a human specialist, who must somehow "digest" it and still convey it to others in "human language". Now we look at AI as a tool, but there are also risks there - if you transfer some of your functions to it, they begin to atrophy. Our basic competence in this sense should be the ability to set a task, formulate it, but how can you do this if you do not understand the issue, because the function has atrophied as unnecessary? Therefore, it seems to me that you need to educate yourself and keep AI in the category of tools, and not in the category of a substitute for your own brains. AI will be integrated into our core business strategy to the extent that it will help our business partners, that is, for the benefit and not as a replacement. I admit that companies that have different business goals may take a different path, but this is the choice of the organization. We have our own history, our own mission, and we remain faithful to them."

Konstantin Kulinich

Mary Kay

"I think that AI will be integrated in small volumes and in stages in terms of business processes for control and monitoring, and possibly analytics. Today, the situation is such that while we are looking closely, experimenting, analyzing, but usually the results show that AI does not always produce what we expect. In our daily work, creativity, thinking, accurate technical calculations are important, as projects are unique and are developed independently. We do not have finished products, and therefore it is not easy to move forward in our areas of activity. Perhaps this is even the best option so that we do not relax our brain neurons."

Erik Shortanbayev

SKYMAX TECHNOLOGIES

"We do not plan to integrate generative AI into the main business strategy, if only to a limited extent."

We will integrate to a large extent into the development of new products, business processes, and technological platforms. If we talk about the workforce, then to a limited extent."

Ilya Martinenko

Aurora Holding

"If AI is to be integrated, it will be in a very limited format. At the global level, the decision to adopt AI everywhere is also unlikely to be made. The business will be reviewed from market to market. I don't know what artificial intelligence can tell me in terms of business strategy. As far as I can see, mostly our people turn to artificial intelligence when they are under pressure in terms of deadlines. My process is structured in such a way that I know my calendar and do everything in advance so as not to resort to AI."

Arman Aldabergenov

Lactalis – FoodMaster Kazakhstan

"Probably not in the development of new products and services, but it will be implemented in business processes. Accounting, legal, HR management, I think, will use AI more and more. Herman Gref said 7-8 years ago that a lawyer who does not work with neural networks can no longer work effectively, then it was a little incomprehensible to me, and now it is a matter of course. At the same time, from my experience, I see that AI often lies primitively, and it needs to be double-checked."

Marat Seitkulov

Caravan Resources

"The main business strategy is yes, absolutely. I think it's going to be everywhere, the capabilities of AI are evolving, but there are two things: people are either a little wary of AI or they lack the skills to use it. Data processing with AI is fast enough, it helps to draw certain conclusions, but it won't help us find new drugs."

Arminas Macevicius

STADA

"In 2025, we will introduce AI in geology and development, for example, using technology that will increase the accuracy of recognizing oil deposits to distinguish them from water. Previously, this was carried out with the help of magnetic radiation and had errors, which in turn led to a loss of time and resource."

Yerzhan Tazabekov

Kazpetrol Group

"Apart from operational business processes, AI will not be integrated anywhere else, because it is expensive for commercial use. We always weigh the physical cost we pay and the benefits we receive. Now our HR says that they are going to implement AI for routine work. We'll look at the efficiency, but even this I consider to be operational activities, and I won't give the AI budget, because so far no one has shown me a super-result from its use."

Alexei Khegai

TSPM.

"The main business strategy – to be integrated to a moderate extent, although there may be explosive development. The development of new products and services – will be integrated to a large extent, especially as far as the media is concerned. We may even have virtual hosts as early as this year."

Business processes and work processes - already being implemented to a moderate extent."

Armanzhan Baitassov
Tan Media Group

«I hope that human intelligence will not become worse because of the use of AI, and that a person will use logic, the brain that is given to him, to use AI tools, but will also be able to check the validity, come up with ideas and make decisions on his own, based on his experience and knowledge, and not what ChatGPT offers him. Therefore, in terms of business strategy, I do not think that AI will play a significant role even in 10 years. I am not against AI being involved in the development of products and services, in automating and speeding up business processes and increasing their transparency, but I do not think that AI will replace humans 100%».

Farrukh Makhmudov
Orbis Kazakhstan

"Within the framework of the fund, our business processes are quite simple: we own the facility, and its management is handled by separate structures. The main operations are outsourced, which makes the need for AI minimal. However, at the strategic level, we are actively engaged in the search and analysis of locations, land plots and new investment opportunities. For example, it is still difficult to imagine how AI can replace expert analysis in this matter. Such tasks require deployed databases that AI could process, but there are not enough of them in Kazakhstan yet. Therefore, in the foreseeable future, we do not predict the mass integration of AI into our activities, but we continue to explore the possibilities of integration."

Almas Idrissov
TSPG REIT

"Business strategy – we actively use generative AI, but not the language model, mostly the visual model. It is already integrated, and we will continue to do so to a significant extent. Workforce and skills – artificial intelligence will not replace humans yet, but its application will contribute to improving the skills of our employees in a wide range."

Doszhan Zhussupov
Cerebra

"In the next three years, generative AI will be implemented to a moderate extent in business processes. It will be introduced to a large extent in the development of new products, in technological platforms – to a large extent and even to a significant extent, in the field of labor and skills – to a moderate extent, because I see the level of resistance. There are employees who do not want to implement AI at all."

Kairat Mazhibayev
RG Brands

"The development of strategy and new products and services in Knauf is carried out not at the level of Kazakhstan, but at a more global level. Accordingly, if generative AI is implemented, it will also happen in the company at the global level. Business processes and workflows – will be implemented to a limited extent. Workforce and skills – if we are talking about training artificial spaces, models aimed at developing the skills of personnel, then in three years it will be introduced, at least to a limited extent".

Andrey Porolo
Knauf Kazakhstan

"Generative AI will definitely be integrated into our business. I think this will be used to a large extent in marketing and business processes. At our company, marketers are already using it to create content."

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"The main business strategy – to a large extent, and now our entire revenue forecast comes from a model built on the basis of ChatGPT. It will be integrated into business processes to a limited extent. Workforce and skills will be integrated to a limited extent, because we have a large amount of work associated with the fact that people put goods on the shelf. But artificial intelligence helps to do this more efficiently."

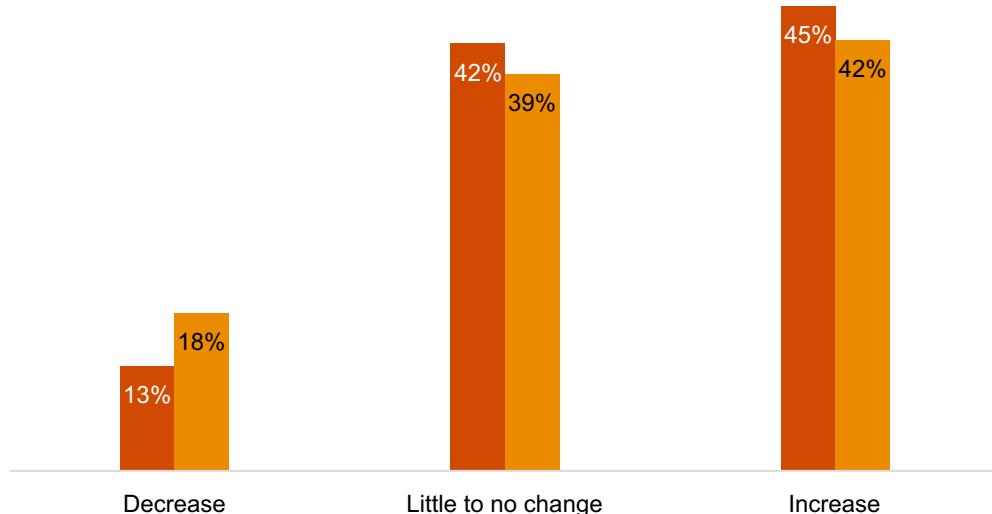
Yakov Fishman
Magnum

"Our developers are already actively using AI, so I think its implementation in the development of new products and services will be significant. As for working skills, in Kazakhstan, we do not yet have requirements for candidates to work with generative AI, as operational processes prevail here. However, at the level of product teams and among developers, such competencies are probably already in demand."

Laula Stamkul
Wolt Kazakhstan

How much will the headcount in the company increase or decrease in the next 12 months?

■ Kazakhstan ■ Global



"It will decrease moderately, and this is due to the completion of the TCO project. This is the Future Growth Project (FGP), the third phase of the plant construction, and it is almost completed. As far as I know, in May the employees who worked on this project will already be laid off, and we will run out of transportation, so we have already reduced some of the employees from January 1, and there will be a reduction in the number of personnel, because TCO now has such a task - to reduce personnel and costs in the field, and this will most likely happen at the expense of rotational personnel, i.e. shift workers. We have the same task - we are already planning to transfer some key positions to the office, and only the most necessary personnel will remain in the field. And this, I am sure, will affect everyone who works with TCO."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"We will remain at the same level. We got rid of open vacant positions, that is, we can say that the staff number has decreased, but we do not make cuts."

Konstantin Kulinich
Mary Kay

"If there is an appropriate conjuncture, then we are positive about increasing the number of personnel. But there will not be much growth. We will need people with special knowledge, because we want to enter the state market for the treatment of complex diseases that require the use of biosimilars. We are already registering them."

Arminas Macevicius
STADA

"I expect an increase in staff up to 20%. We initially had an optimal structure, and we did not allow it to grow quickly. Thanks to this, we now continue to recruit personnel mainly for new positions, and they help us develop new projects, including outside Kazakhstan. I would like to note that despite the constant shortage of qualified personnel, it is easier to find resources in Kazakhstan than in neighboring countries. However, it is necessary to invest in the training of specialists in order to provide the necessary personnel reserve for our group, since we have a very diversified business."

Farrukh Makhmudov
Orbis Kazakhstan

"It will increase by 20% due to the growth of the company."

Askar Baitassov
abr

"It will increase by less than 10%, this is due to those new projects for which we plan to attract additional resources. New projects will be financed in terms of CAPEX in 2026, these are several new large projects."

Serik Tolukpayev
Aitas Group

"I think it will increase by at least 10 percent, because we have an e-commerce direction, that is, an online store. Until now, Fluidra's policy has been to work only in B2B, since our main product is complex commercial solutions in the field of the water industry, but in the production line of our company there are many products for retail and B2C, and we, taking into account new trends, decided to become closer to our client in this segment. The online store will allow us to work with the end customer in the field of household product solutions and improve the level of service in this segment. The launch was in November, and I plan that next year we will already get some result. Certainly, to maintain this platform, additional people are needed in the field of IT, marketing, sales, and we are growing in a natural way. In the commercial segment, we are the leaders, but in the B2C segment, we currently occupy a small market share. This is exactly where we will grow – we have the potential for this and products that, in my opinion, can be sold through an online store. Within the Fluidra Group, we have factories that produce equipment for the household sector. These are not complex commercial solutions, but products that can compete in a certain price niche even with products made in China and Turkey."

Mikhail Borisov
Fluidra Kazakhstan

"We have doubled the staff of FlyDubai and will double it again."

Marina Kuznechevskaya
Fly Dubai

"If we are talking about SKYMAX, then I think the staff will definitely increase by more than 15%. Here we plan to strengthen the hotel business, telecom and media. If we talk about SKYHANSA, then I think it will be a multiple, within the framework of the project for the development of a cargo and passenger airport in Khorgos."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"It will increase by more than 25%. We are working on the implementation of the system, and some of our employees are working on the actual implementation, and some are training customers to work with the system. To enter international markets, we recruit people who know English well, in Georgia, for example, Russian is not as common as Georgian or English."

Bolatbek Ospanov
Smart Satu

"To date, we have exceeded the staff of 3,000 people, the growth continues, it is organic, since we are actively developing almost all areas of our activities."

Ilya Martinenko
Aurora Holding

"It will not increase or decrease. Over the past 5-7 years, we have maintained a stable number of personnel. Now we have more than 1,700 people, and we did not lay off anyone, even in the most difficult moments when there was a pandemic."

People are working, and we are not going to lay off a single person, we even raise wages every year. There is no point in focusing on the official inflation rate, so in recent years we have been looking at indices such as food inflation, which has been more than 20% in the last three years. We increase salaries depending on the position, on the KPIs achieved, corporate and individual goals."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"We have a slight planned increase in the number of operating personnel associated with the launch of a new plant."

Marat Seitkulov
Caravan Resources

"We do not plan to reduce the number of personnel. Our labor productivity increases by 3-5% every year, respectively, the staff will increase by about the same amount."

Serik Shakhazhanov
ERG

"A decrease in the number is not expected. Perhaps a slight increase of up to 5% to fill existing vacancies and strengthen the production unit."

Yerzhan Tazabekov
Kazpetrol Group

"In the next 12 months, it will increase by 16-25%. This will be due to the ongoing expansion in media and real estate."

Armanzhan Baitasov
Tan Media Group

"If we talk about the fund, its structure is quite compact, and possible changes in the staff will only take place in the direction of increase. Recently, we have become an umbrella fund under the TSPG REIT Umbrella Fund brand. This opens up new opportunities for M&A transactions with shopping centers, which, in turn, will require an expansion of the team. When additional facilities come under our management, the staff will increase - perhaps this year, perhaps next year."

Almas Idrissov
TSPG REIT

"It will remain unchanged. Due to the optimization and increase in labor productivity, a certain amount of man-hours will be released, but due to the implementation of a new project, most likely, these resources and, accordingly, payroll will be directed to other tasks."

Andrey Porolo
Knauf Kazakhstan

"The number of staff will increase due to the opening of new outlets. In those points that are already working, the number of staff will not increase, but it will not decrease either. In 2020-2022, we have already optimized: we have seriously cut the management apparatus, the kitchen staff was inflated. We optimized it through processes, increased productivity, and transferred many processes to factory kitchens so that the restaurant would receive ready-made semi-finished products."

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"It will increase moderately, to 5%, although we plan to increase revenue to 30%. Our entire strategy for 2025-26 is aimed at increasing productivity in all possible ways, starting with increasing employee productivity, investing in human capital and ending with the use of new marketing, production, and information technologies. RG Brands as an ecosystem unites 3.5 thousand people – these are employees in our staff, and the so-called "outstaff", that is, independently organized contractors, those whom we integrate into the technological process. It is important for us that we find and develop new forms of cooperation, for example, "Uber-ization" of the customer service system, thus investing in human capital of our society."

Kairat Mazhibayev
RG Brands

"In most cases, when optimizing costs, the first thing that most managers pay attention to is the number of personnel. We have a lot of new projects, we need human resources. But we will not recruit either, because we want to make our employees universal, whether it is a coach or a housekeeping manager."

Valikhan Ten
Krida

"We have a certain decrease in the number of Kazakhstani personnel in the group of companies, and this factor is associated with the completion of work on the expansion project at Tengiz, where at peak we had more than 2,000 people. Anticipating this situation, in 2023 we began work on the entry of our oilfield services division into foreign markets, primarily to the countries of the Middle East. For example, Qatar is now experiencing a boom in investment in the Qatari gas sector, in the next 7 years it is planned to invest more than \$50 billion, which will increase gas production in Qatar by 2 times.

The active work of my colleagues in business development has brought certain positive results: we are the first Kazakhstani oilfield service company to start working in the gas fields of Qatar. Today, more than 200 of our employees from Kazakhstan and other countries are assisting in the construction of new Qatari LNG gas plants."

Almas Kudaibergen
Centrasia Group

"It will remain unchanged. This year we will optimize processes, and this will allow us not to hire many people. We do not lay off employees, but we do not hire new ones to balance the staffing table. This year, the number of people will decrease due to the optimization of processes, within 5%, but this will not affect the money, because we usually invest the savings in the salaries of employees."

Yakov Fishman
Magnum

"The number of employees will increase mainly in the support service, while in the head office the changes will be insignificant. Now we have about 360 people in our team."

Laula Stamkul
Wolt Kazakhstan

"In total, we have 46 employees, of which 38 are in Kazakhstan, the rest are in the USA, Great Britain, Saudi Arabia, Uzbekistan. We plan to moderately increase the number of personnel by 16-25%."

Doszhan Zhussupov
Cerebra

"We expect a slight increase, in the range of 5-10%. We do not seek to increase the staff. There is always more work, but it can often be automated. We have a "company picture" – a visionary document with a vision of how the company will develop in the coming years. In this "picture" there is a point that people are engaged in intellectual work, and routine tasks are automated. Of course, IT is a very fast world, and it is not always possible to predict something for many years in advance. We are constantly testing new business areas, and often this requires team growth. The "Auto from Kolesa.kz" direction is growing well, we have established a subsidiary for it and now we are a used car dealer.

We are also currently testing the scaling of our "Roof of Agents". This product consists of both market realtors working according to the business processes that we have developed for them, and our full-time guys. The real estate market is quite dirty, it is very difficult to find a good specialist. Therefore, we have introduced something like our own certification, and in order to maintain this model, you need to have your own sales staff, your own service, and a call center. In other words, we have taken over part of the work of realtors, up to the step when people already need to meet at the property and negotiate.

By the way, the service departments in the company now have about 100 people: moderation, research, mystery shoppers, care service. But if we did not have "robots", now we would need not 100, but 700 people in the service. Such growth was avoided because seven years ago we began to invest in AI and other types of automation."

Dmitriy Botanov
Kolesa Group

Interaction with the state

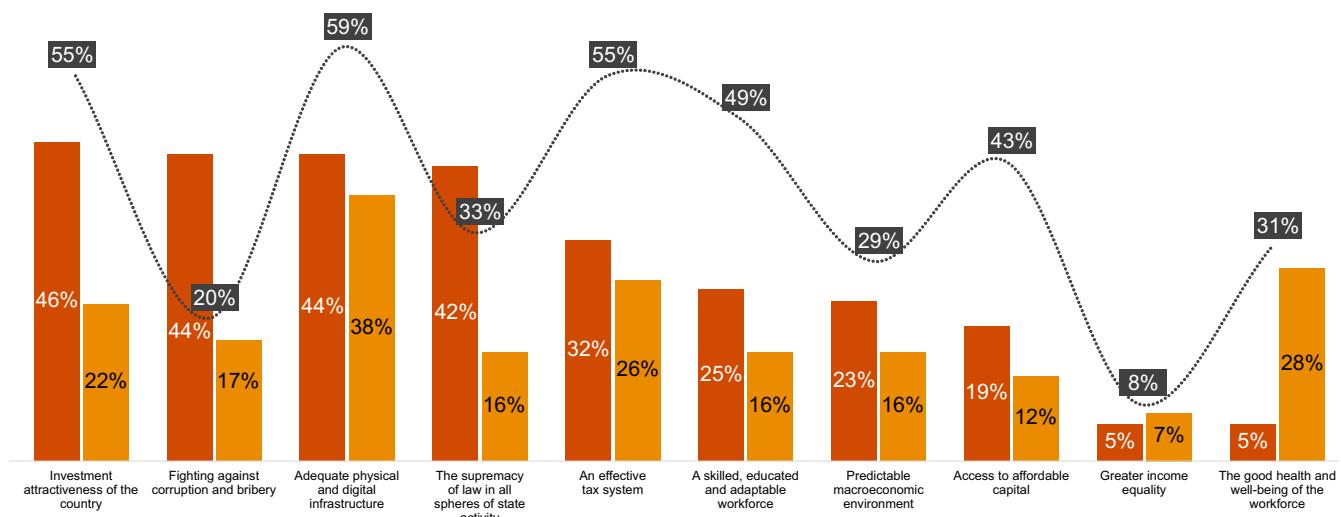
Theme

Priority tasks for the state and the effectiveness of their achievement. Cooperation between business and the state

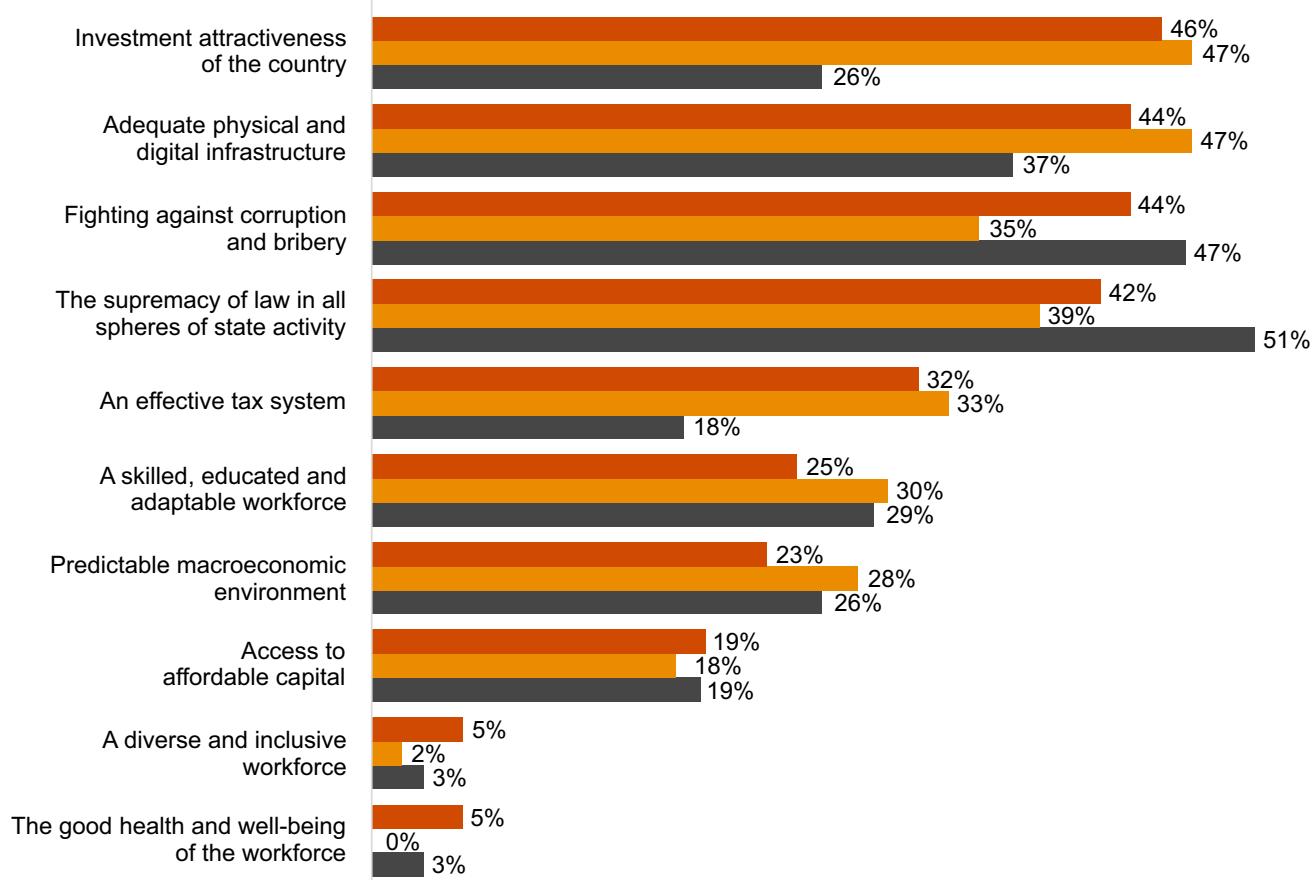
The investment attractiveness of the country remains the main priority goal for the state for the second year in a row, according to private business in Kazakhstan (2025. – 46%, 2024 – 47%). The fight against corruption and infrastructure development take the second place - 44% each. At the same time, the effectiveness of the government's achievement of results in terms of infrastructure development decreased compared to last year (from 45% to 38%), and the fight against corruption increased (from 11% to 17%). It is notable that in 2024, the fight against corruption ranked third in the list of priority goals (35%). The rule of law remains an important priority, according to Kazakhstani respondents - 42% of CEOs noted its importance, and 16% assessed the achievement of this goal as effective. From 2024, the tax system remains among the important issues for the state from the point of view of the Kazakhstani business community: 32% consider it a priority, and only 26% rate it as effective.

Which three of the following development goals should be priorities for public administration in Kazakhstan?

- Prioritisation of outcomes
- Efficiency of the government in achieving these outcomes
- Business interest in cooperation with government



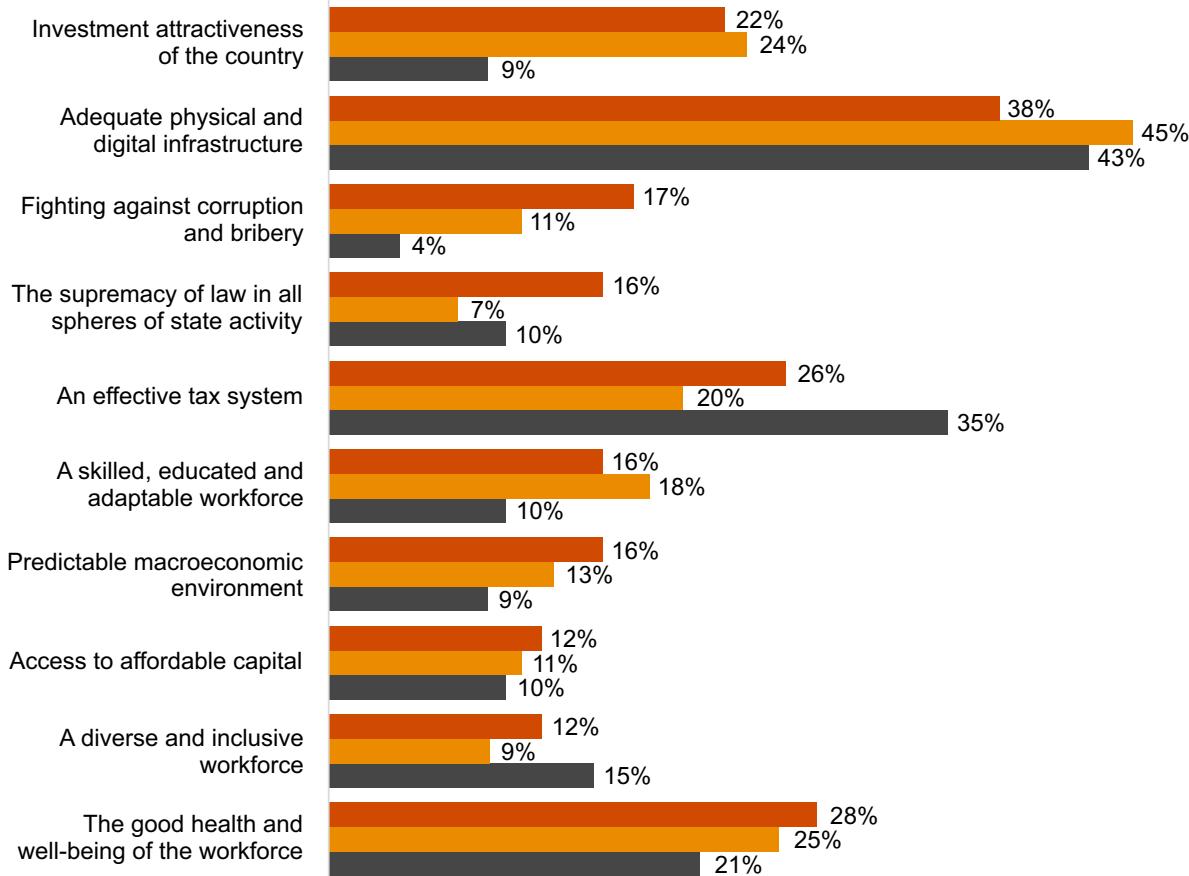
■ Priority 2025 ■ Priority 2024 ■ Priority 2024



■ Government effectiveness 2025

■ Government effectiveness 2024

■ Government effectiveness 2023



"Developed infrastructure, including digital. Recently, I've been thinking about how traffic jams are hurting the profitability of my business. People are spending time commuting instead of consuming. I can geographically locate facilities in such a way that people go to our restaurants close to their homes. It's a polycentric approach, and it's one that I have to focus on anyway. But the transportation situation limits my ability to make money. And not only for me as an entrepreneur, but for the whole city. Instead of standing in traffic jams, people should consume. In addition, there is greater equality of incomes of the population and a predictable macroeconomic environment. Developed infrastructure, including digital. We are discussing the possibility of introducing zero emissions zones in the center of Almaty. But for this concept to work, the authorities must build a well-functioning public transport system."

Askar Baitassov

abr

"The fight against corruption and bribery, the rule of law in all spheres of state activity and a predictable macroeconomic environment. In my opinion, unfortunately, our state does not have the opportunity to eradicate corruption."

Serik Tolukpayev

Aitas Group

"The priority goals are the fight against corruption, developed infrastructure, and the health and well-being of employees. Unfortunately, the fight against corruption has not yet reached an effective level, we regularly see high-profile cases of violations by officials. Developed infrastructure is a key factor for effective logistics development, but in our country it leaves much to be desired, especially in physical terms. Despite the fact that we are located on the main transport routes in the center of the Eurasian continent, our logistics potential remains unrealized. The condition of the roads and the railway system is extremely unsatisfactory. If only 30% of our settlements are covered by transport infrastructure, this is already considered a good indicator. In addition, the number of airports capable of receiving cargo planes is very limited. Hubs and terminals that could facilitate freight transport are not properly organized. In addition, there is almost no digital infrastructure for managing logistics processes. This creates additional difficulties and slows down the development of the industry. Ultimately, in order to realize our logistics potential, serious investments and reforms in the infrastructure sector are needed to provide efficient and modern logistics services."

Aliya Zhaksylykova

Bertling Kazakhstan Logistics

"Predictable macroeconomic environment, fight against corruption. I think that the rule of law and the fight against corruption are more or less the same thing. Unfortunately, so far I do not see any fundamental changes. Well, and access to capital, because it is very difficult to get some kind of financing, a loan. The stakes are very high. If this is not a state program, then it is basically nonsense to pay 20-23%. In Damu, rates have also increased now, the minimum threshold is 10-12%. This is a big burden for business, especially if it is a startup. We have an established business, and if it is very difficult, we can use financial instruments within our group. We can get loans within the group at more favorable interest rates, and the lending conditions are more loyal. There is only one disadvantage - loans within the group in euros, but even taking this into account, in the end it is more economically profitable.

Developed infrastructure, including digital infrastructure, is effective.

At least here I see tangible changes, and every year there are more and more changes for the better. An effective tax system is inefficient, the latest example is transfer pricing. In particular, there are no clear criteria for what is considered a normal margin in transfer pricing. If one company has a profit and another has a loss, then the tax authorities consider this as tax evasion. And how can I regulate these things if there is an established pricing? Here, in any situation, whatever I do, I will be wrong in the eyes of the tax authority, since the situation can be interpreted as it is convenient for them. There are no clear rules, and this is a huge loophole for corruption. I believe that this is as inefficient as possible, and it is a risk for business. Because it doesn't matter with what margin I sold or what I did, you can always come and say that I do business outside the law, arrange an inspection, issue a fine and thereby create reputational risks for the company. Some laws, some new rules are adopted, but no one models how it will really work. Diversified inclusive staff - there seem to be some tax deductions, but it seems to me that they are very difficult to apply. I haven't seen it work. The rule of law is ineffective. There was an interesting precedent in Shymkent. The company won the tender for the maintenance of the constructed pool with forged dealership documents from our brand. She did not provide any confirmation that she is our distributor or dealer, but we provided all the data, certificates and documents confirming the right to own the brand. In the end, the court did not take our side and recognized the tender as valid. It turns out that a company that owns the rights to a brand at the international level cannot be protected from this kind of action.

We have stopped trying to cooperate with the state, because there is no interest, except for ostentation. "You come, you explain to us, you offer us." At some point, I realized that I would just waste time. Perhaps it is necessary to go through some other channels - "Atameken" or something else. I don't know how effective it is. But if we talk about direct communication, then there were a lot of meetings with managers at various levels, all this was discussed, there was some ostentatious interest, but in fact it led to nothing".

Mikhail Borisov

Fluidra Kazakhstan

"I cannot say for sure on all points, because the state is in transition to the formation of a new economic model. In order for the "weather in the house" to be more stable, it is necessary to rely on the right ratio of foreign and national capital in the economy. Moreover, the leading economies of the world, which we are focused on - the United States, China, Europe, Russia - are facing a tough need to make their own difficult choice. We need to form our own agenda, and form it around the GNP. In all strong countries, the GNP is higher than the GDP, because it demonstrates the strength of the national economy and gives the best negotiating position. What long-term sources of growth have been identified in our country, where it is possible and necessary to invest within the framework of the long-term strategic planA.

Precautions when using personal data are ineffective. Making a digital infrastructure without data protection is wrong.

We are ready to cooperate in the development of infrastructure and greater equality of incomes of the population, because this is important for our business and for the country, as well as on the issues of investment attractiveness and the country, since we have competencies in these areas".

Kairat Mazhibayev

RG Brands

"An effective tax system, it is necessary to strengthen control over individual entrepreneurs and LLPs. It seems to me that the fact that they were given concessions had a negative impact on the budget. Diversified and inclusive staff, precautions when using personal data. The number of people who have fallen for the scam is simply frightening."

Marina Kuznechevskaya

Fly Dubai

"Rule of law, qualified personnel and a predictable macroeconomic environment. We need stability. For something to grow, you need justice and people who can realize themselves in this environment. Normal people will find investments and will not create barriers. Predictability depends on how well the country's leadership will be able to fend off unnecessary trends and integrate into some promising global project in which this stability on our territory is assumed.

Qualified adaptive personnel – the cost of hiring has now increased, the terms of recruitment have increased, this indicates a shortage of personnel. Even under the previous president, plans for the next 30 years were announced, and I was a little shocked that then there was a decrease in the number of university graduates, but an increase in the number of graduates of technical secondary specialized educational institutions. Yes, we need people who know how to work with their hands – milling machine operators, welders... But who will manage these productions? People must be qualified not only in technical work, but also in management. Or it is already a completely service economy, when management is carried out from the outside. Maybe some changes were made to these plans, but then it was very unpatriotic, I would say.

Developed infrastructure - in recent years I have changed my opinion in a good way. There was a certain inertia, when the road infrastructure was poorly developed, lighting (even in cities) - now everything is changing for the better. When it comes to digital infrastructure, there has been tremendous progress. In some countries, even those that try to look down on us, there is no such progress.

Reducing the risks of climate change – I don't believe in the idea that we have a significant impact on it. There is too much politics around the topic of climate and not always enough objective knowledge. I think it's much more important that the damage is done to people, not to the environment. For nature, climate change is not about pollution in the city, but for people, it is the situation in cities that is more important. I am sure that the state can do a lot in this matter, even without inventing anything new. It is enough, for example, to correctly use such a tool as technical inspection or to make a politically difficult, but correct decision from the point of view of economics and ecology regarding the gasification of thermal power plants. The level of employment – according to my feelings, there are not so many unemployed. There is a job in the country, and people who want to work will find it. Maybe it is not the highest paid, but unskilled labor is also needed. Effective tax system – the overall tax burden is high. I do not understand why they say that the state wants to support small and medium-sized businesses, but at the same time new administrative requirements are created, and tax increases are called reforms. It doesn't help. It gets in the way. Health and well-being of employees – we have a healthcare system, as well as health insurance. Is it effective? It depends on what you compare it with. There is always a wish list, but if we approach the issue objectively, then I think we have a lot of good things here.

Diversified and inclusive staff – I'm not very good at using fashion trends. But when it comes to people, I believe in equality and human rights, and when it comes to business, I rely on the qualifications and personality of employees.

All other criteria are rather from the devil. From the point of view of the fairness of the law, it will be enough to simply implement what is already written in the Constitution of the Republic of Kazakhstan. Precautions when using personal data – everyone suffers from this or at least periodically quarrels with scammers over the phone. But we need mechanisms – legislative, technical, executive. In my opinion, we are very far behind the need, and the need has already gone far ahead. A predictable macroeconomic environment is ineffective."

Konstantin Kulinich

Mary Kay

"Reducing the risks of climate change and environmental damage. Recently I was in Tashkent, and electric cars are actively used as taxis there. The environmental situation in Almaty is very bad, and the problem of air pollution needs to be solved. We need to develop public transport so that people do not need to use private cars in the city center. It is possible to build LRT, run along major streets to unload roads, lay routes to the nearest suburbs, build intercepting parking lots, and people will use this type of transport as they use the metro."

Bolatbek Ospanov

Smart Satu

"Digital infrastructure, an efficient tax system, and precautions for the use of personal data all play an important role. As for the transport infrastructure, we can say that it is absent. New transport has appeared in the cities - motorcycles, mopeds, but the infrastructure is not ready for it. In this matter, we are ready to contribute, share experience and offer solutions based on examples from other countries. However, the state's interest in cooperation is usually episodic. From April this year, it is planned to introduce mandatory registration of mopeds, and we are really happy about this. For us, this means an additional level of security for courier partners and residents of the city. If the registration process is done wisely, it will not affect the business. The main risk is related to the transition period: some couriers may not have time to complete the documents on time, which may lead to a temporary shortage of staff. A similar situation was observed in Azerbaijan after the introduction of a similar law - in the first month there was a surge of instability, but then the market adapted, and work returned to normal."

Laula Stamkul

Wolt Kazakhstan

"Developed infrastructure, including digital – although Kazakhstan has already made significant progress in this area, there is always room for improvement.

The rule of law is a key factor in creating a stable and predictable business environment. A clear, transparent and fair judicial system is important to attract investors and ensure their confidence in the protection of their rights and interests.

Environmental sustainability – it is important to continue to implement environmentally friendly practices and investments to minimize the impact on the environment and contribute to the sustainable development of the country. These priorities, in my opinion, will help Kazakhstan continue to develop, creating favorable conditions for business and improving the quality of life of people."

Azat Jalayirov

Wilo Central Asia

"Priorities should be the rule of law, the fight against corruption, and the health and well-being of employees."

Ilya Martinenko
Aurora Holding

"The fight against corruption and bribery, the rule of law in all spheres of activity, a predictable macroeconomic environment. We need to cooperate because we are part of society and a very important segment – both for people and for the state. If the fight against corruption and bribery is carried out, the rule of law is ensured in all spheres of activity, there is investment attractiveness coupled with a predictable macroeconomic environment, then there will be more cooperation."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Developed infrastructure, efficient tax system and predictable macroeconomic environment. Although, it seems to me, investment attractiveness includes everything."

Marat Seitkulov
Caravan Resources

"Tax system, efficient and unchanging, investment attractiveness of the country and access to inexpensive capital. Capital is very expensive, and in growing markets, this is probably one of the biggest barriers to development."

Arminas Macevicius
STADA

"This is definitely a developed infrastructure that is important for our further development. Access to affordable capital and, of course, the health and well-being of the population as a whole. We contribute to improving the health and well-being of the population. We are also ready to cooperate in the development of infrastructure, taking into account the direction of our activities and are interested in cooperation in terms of access to inexpensive capital."

Serik Shakhazhanov
ERG

"Skilled and adaptive staff, high employment rates and a predictable macroeconomic environment. I think we have all faced this, and many of our global clients are talking about this – there is a high turnover of personnel in state-owned companies, and therefore I would like to see more qualified personnel, so that there is some continuity between the employees who replace each other. On the other hand, this can be explained by the fact that we are a developing country, and these are all the components and features of the market. Maybe Kazakhstan is not much different from other developing countries in this regard, and there is a fairly frequent rotation in the public sector, but sometimes probably too often. The level of employment, I believe, can "trigger" some kind of social instability. It is also worth paying attention to the growing percentage of the young population, and naturally, the issue of employment is one of the acute issues that worries the state. A predictable macroeconomic environment is important for any foreign company operating in any country. From our point of view, everything is quite stable now, because the National Bank of the Republic of Kazakhstan really has a very high level of competence, and the financial market has greatly "pulled up". But there are many changes in the macroeconomic environment."

Now, for example, there is a discussion of taxes and other significant changes in legislation, and how these issues will develop further, of course, requires attention on our part."

Saule Zhakayeva
Citibank Kazakhstan

"An effective tax system, the fight against corruption and bribery, access to inexpensive capital."

Armanzhan Baitassov
Tan Media Group

"Effective tax system, the rule of law in all spheres of state activity. For a company whose activities are very dependent on logistics, the development of infrastructure, including digital infrastructure, is important."

Zhanibek Abdiyev
Mars Kazakhstan

"Effective tax system, developed infrastructure, predictable macroeconomic environment."

Farrukh Makhmudov
Orbis Kazakhstan

"Effective tax system, investment attractiveness of the country and access to inexpensive capital. Quite recently, there was a broad discussion of the tax code, and in general, everyone understands that we have a gap in the state budget, foreign direct investment is falling, there is a devaluation – all this affects the investment attractiveness of our region and the country as a whole."

Almas Idrissov
TSPG REIT

"Digital infrastructure is well developed, and e-government is one of the best in the world. But the state of transport infrastructure even in such large cities as Almaty leaves much to be desired. There are no direct flights to many countries, we are not directly connected by air with a large number of countries, we are cut off from the world."

An effective tax system is inefficient. In Kazakhstan, income redistribution does not work correctly, the middle class is "killed", and an effective tax system should contribute to its creation.

We work with the state in the field of ensuring the health of citizens in order to reduce the long-term economic losses of the state through early diagnosis and therapy."

Doszhan Zhussupov
Cerebra

"Environmental issues, a perfect system for the distribution of quotas for the sale of products, taxation and a system for the purchase of goods, works and services. Many of our specialists are included in working groups in various ministries (geology, ecology, economics and taxation), which allows us to voice the needs and concerns of the industry, to actively participate in the dialogue."

Yerzhan Tazabekov
Kazpetrol Group

"We need an active dialogue between business and the government, which is visible now. We regularly meet at the level of the Prime Minister and sectoral ministers, to whom we try to convey sectoral issues. For example, at a regular meeting of the National Investors' Council under the Prime Minister in 2024, I informed the Prime Minister and members of the government about the situation in the oil and gas and oilfield services industry and about the issues that need to be addressed.

And, of course, business needs a clear, stable and long-term tax policy."

Almas Kudaibergen

Centrasia Group

"Qualified adaptive personnel – after a number of reshuffles in the government, we noticed that relatively young personnel were mainly appointed to key positions. In 2024, we felt the significant damage caused to the state by the consequences of floods and floods. Practice has shown that young personnel are "lost" in the event of an emergency due to the fact that they do not have work experience, do not have competencies and skills in economic management, in how to deal with the consequences, there was a certain inertia in decision-making. Therefore, there is still work to be done, namely, to improve their skills in the strategy of preventing such cases. Developed infrastructure – if we are talking about airports, then most of the country's airports are in a very deplorable state and need investments for reconstruction, improvement of infrastructure and special equipment, training and advanced training of managers. Reducing the risks of climate change and environmental damage – the climate issue is always in the first place, but we talk a lot about the conversion of industrial enterprises and special equipment to gas, but there are no significant results. To do this, it is necessary to introduce state mechanisms with preferences. The tax system is not very efficient, as always, and a radical restructuring of the format is needed to make the system more transparent, sustainable and fair to increase tax collection. In terms of the health and well-being of the population, with the help of the implemented CSHI, the state seems to have advanced, but the process is not proceeding very correctly. If the experience of insurance programs is adopted, as in the United States, for example, then the transition to the ideal operation of the system may accelerate. Precautions for the use of personal data do not work very effectively in terms of protection and control, because due to the leakage of information and personal data, the actions of fraudsters are gaining momentum. We can cooperate with the state in developing the country's infrastructure, strengthening investment attractiveness and transparency, as well as, probably, in developing a fair tax system."

Erik Shortanbayev

SKYMAX TECHNOLOGIES

"Developed infrastructure, greater equality of incomes of the population, the fight against corruption and bribery. I don't know if there is any point in commenting on corruption and bribery, everything is obvious. As for the rest, our business is growing and feels good when people are doing well. Infrastructure is needed, including digital infrastructure. While mobile Internet on the streets works worse than five years ago, this has a bad effect on digitalization. I will probably express a philistine position: it seems to me that we are making too many concessions to radiophobes. Now, in order to make a decision to demolish a cell tower, an application from the residents of the residential complex is enough, and to put a cell tower, you need to collect a bunch of documents.

This affects the quality of communication, and therefore the business. We need to approach such issues more consciously.

Greater income equality – we are interested in the economic activity of the population. It doesn't really matter to us whether prices on the market are rising or falling. If there are deals, if people buy and sell cars, rent apartments, then we have something to offer customers. And for this, people need to have access to capital, and not only credit.

Qualified adaptive staff is effective. That's the feeling I have right now. I see that in Kazakhstan there are really many IT specialists at a level no worse than in other CIS countries or the world. Specialists from our company are often "hunted" to Western companies. On the one hand, it hurts for us as a company, but on the other hand, it is a good indicator of the quality of training.

And among the officials I see many young, "bright" minds. It is clear that systemic changes are needed, but it is often quite comfortable to work with individuals.

Effective tax system – I would say that the system as such in Kazakhstan is quite loyal to business. We are not chasing preferences. As a large business, it is calmer for us to pay taxes, to be completely "white", than to take any risks. However, there are difficulties with regulation. As I said, sometimes we are at a disadvantage compared to our competitors who are physically based in other countries. We cooperate a lot with universities, help them form the program, often teach ourselves, and often participate in job fairs. In the last couple of years, we have begun to work a lot with state and quasi-state companies. We had many useful meetings with the State Credit Bureau, with NIT JSC, with the Minister of Digitalization, and if the projects that we are currently working on together "take off", it will be very useful for the market, it will help to make the purchase of cars or real estate more transparent and safer.

We also often share data, and we consider analytics to be one of our key expertise. Most often, these are non-commercial projects for us, but in return, government agencies also meet halfway in terms of data exchange."

Dmitriy Botanov

SKYMAX TECHNOLOGIES

"In my opinion, the government of Kazakhstan is making significant efforts to achieve its goals, but the results of these efforts vary depending on the direction.

High level of employment – the assessment of efficiency in this area raises some doubts. Official statistics and the real situation in the labor market may sometimes not coincide. It is important to continue to work on creating new jobs and improving the quality of employment.

The investment attractiveness of the country is very effective. It is especially worth noting the work of Kazakh Invest, which actively contributes to attracting foreign investment. The example of German investors shows that this area functions well and contributes to the development of economic ties.

If we talk about capital, we have everything at our own expense, since the main company, the founder, the Wilo Foundation, provides the necessary funding. We are ready to cooperate in other areas.

First, we are committed to continuing to improve the country's investment image. We are already actively participating in various conferences, exhibitions and forums, which helps to attract new investments.

Secondly, we are interested in the development of education and personnel. We cooperate with universities and conduct trainings and seminars to improve the qualifications of employees. This helps to develop human capital and increase employment.

And, finally, ecology. We are actively involved in projects aimed at improving the environment. For example, the use of our energy-efficient pumping equipment in various projects over the past 5 years has saved a huge amount of energy, equal to the capacity of 200 medium-sized coal-fired plants."

Azat Jalayirov

Wilo Central Asia

"Developed infrastructure – I can say that it is effective, if we talk about digital platforms, everything works fine here. The tax system is still effective, but soon we will have to expect surprises in the field of tax legislation. In addition, the excessive powers of the Agency for the Protection and Development of Competition (AZRK) can be noted."

Arman Aldabergenov

Lactalis – FoodMaster Kazakhstan

"An effective tax system – we are about to introduce a new tax code, we will see how it will affect the economy. The Labor Code is becoming more complicated, and the Environmental Code has also become more complicated. It has become much more difficult to open a new production. Sometimes it seems that we are introducing a regulatory framework at the level of the highest international standards, which often do not correspond to the level of development of our economy and industry. Access to inexpensive capital – we have some kind of colossal problem with rates. Most of the country cannot take loans because of their high cost, someone is forced to subsidize the interest rate, the rest are exporters who can receive financing in foreign currency. It is easier for exporters - they can be financed at rates close to international rates. But with a rate of 20% in KZT, it is impossible to build something, and there has not been an acceptable level of rates in the domestic market for a very long time."

Marat Seitkulov

Caravan Resources

"Qualified adaptive personnel - I cannot say definitely, since there are no big breakthroughs in this direction. A high level of employment – I think the unemployment rate is high, but it is hidden, because there are a lot of "self-employed". But in fact, this is unemployment, so I think it is ineffective.

Precautions for the use of personal data – there seem to be no major leaks, but on the other hand, there is no certainty that the data will not be stolen or used. For example, in the situation with the universal declaration, this was probably the biggest fear for everyone – whether this information would go to someone? Therefore, I would say that it is not effective yet. The fight against corruption - they began to be afraid more, but I don't know whether they take less.

We are trying to cooperate with all our might. For example, the development of infrastructure - we have been suffering for a year. We, like all manufacturers, lend to the entire logistics chain, respectively, pharmacies live at the expense of our money, because we give a deferral of payments up to 120 days. If we immediately switch to prepayment, everything will stop. In fact, it is we who provide access to low-cost capital. Employee health and well-being, yes, as we provide research results."

Arminas Macevicius

STADA

"Qualified and adaptive personnel – in general, I think, not very effective, but there is staff for the mining and metallurgy sector. Reducing the risks of climate change is effective, at least what is accepted at the legislative level.

Zero emissions strategies are effective for the state, but ineffective for us as producers. The macroeconomic environment is now predictable, but wrong."

Serik Shakhazhanov

ERG

"Infrastructure development, including digital infrastructure, is an important aspect. I think that we need to look at it in comparison, and if we look at comparable economies, commensurate countries, then indeed, Kazakhstan has a fairly developed digital infrastructure. It is easy to open a company online, and eGov shows good results. It is clear that there is no limit to perfection, but in terms of the financial industry, we are quite well developed. In the field of transport infrastructure, the development of railways and transport routes is of great importance for Kazakhstan as a landlocked country. It seems to me that a lot is being done here. The energy infrastructure, in turn, requires significant investment and attention, given the high degree of depreciation. Much attention is paid to the development of an effective tax system. There is significant income inequality, especially from FMCG companies, as they are cautious about purchasing power opportunities. The middle class is not very large and, unfortunately, is not growing as actively as we would like. In my opinion, the steps currently being taken to make the country more attractive are not enough – more needs to be done to make the country more recognizable. Citi is an advisor to the Government of the Republic of Kazakhstan on the sovereign rating, we compare the macroeconomic indicators of Kazakhstan with the indicators of comparable countries, and it turns out that in terms of fundamental indicators, everything is quite stable and consistent in Kazakhstan. Citi is promoting this success story in international markets. So, last year, together with the National Bank of the Republic of Kazakhstan and the Embassy of the Republic of Kazakhstan in the United States, we held a financial and investment forum "Kazakhstan Finance Day" at the headquarters of Citi in New York, which attracted a lot of attention."

Saule Zhakayeva

Citibank Kazakhstan

"Infrastructure, including digital infrastructure, is very efficient. In other countries, everyone still fills out paper forms, but we have eGov, there is online notarization, and documents come with QR codes. Everyone thinks that this is normal and that these are everyday things, but this is not so, this is a breakthrough, and it should be appreciated. Precautions when using data – someone complains about leaks, but such a personal data protection system as in Kazakhstan is not available everywhere and not to such an extent."

Alexei Khegai

TSPM.

"Kazakhstan is actively developing digital public services, and in this direction we are really ahead of many developed countries. However, in other areas, the situation is less optimistic. Infrastructure remains a major challenge. Despite the annual significant investment, the quality remains low. Healthcare is not developing as fast as we would like. The CSHI Fund is not yet up to the task, many questions remain open. Business financing is limited. Available capital in Kazakhstan is mainly concentrated in the quasi-public sector, and private companies face high interest rates and difficulties in attracting foreign capital.

The main problem is instability. Constant changes in tax legislation and lack of predictability complicate long-term strategic planning for businesses.”

Almas Idrisov
TSPG REIT

“Developed infrastructure, including digital infrastructure, is effective. Compared to other countries, Kazakhstan is taking effective steps, and the level of digitization is not bad. The tax system is rather effective due to the fact that many processes are automated, and the tax system becomes more transparent and understandable. If we talk about the government's intention to raise the VAT rate to 16%, this will lead to the fact that the entire background in the country will change. To say that as a result of this the demand for our product will change is rather no than yes. People with limited financial resources will spend more money on providing for the necessities of life, but this is unlikely to have a significant impact on us. Although the general background will become less favorable. As a company, we will need to think about cost reduction options to neutralize the impact of this moment. Such situations must be turned into positive ones, and this can only be done by optimizing processes and offering more quality and quantity of products for the same price.

Investment attractiveness is rather effective, because it is in the focus of the president, and judging by the number of investments that come to the country, Kazakhstan is moving well in this direction.”

Andrey Porolo
Knauf Kazakhstan

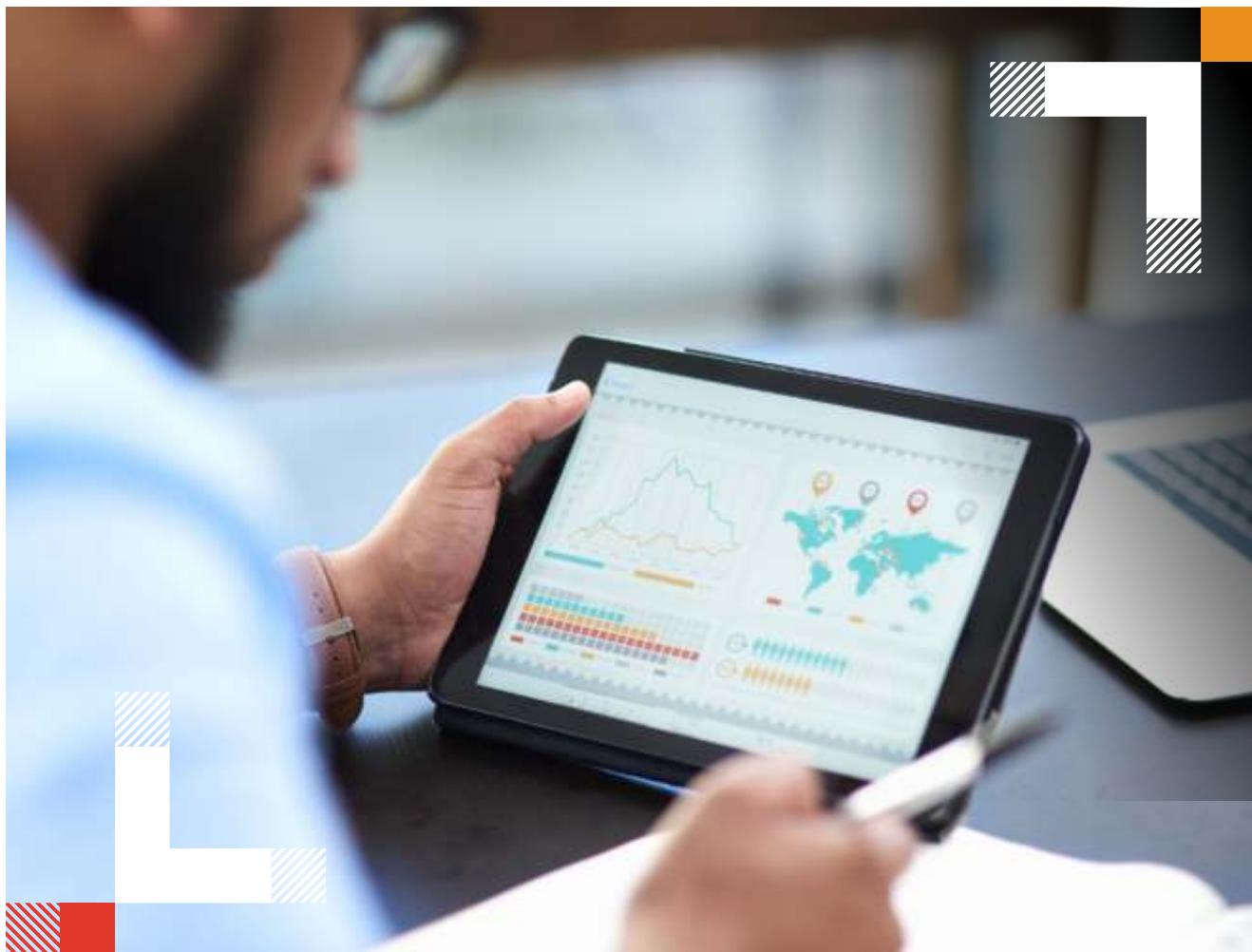
“Qualified adaptive personnel, in my opinion, is ineffective. I judge now only from my experience, especially in terms of sports and medicine. The tax system is inefficient. There are too many instant changes and, in my opinion, gaps. For example, the moment with the declaration. It was not entirely clear who needed to fill it out and who did not, and what to do in this direction next. We constantly monitor any changes in the tax system, and I personally believe that this is ineffective.

In terms of cooperation with the state, my colleagues always monitor what programs are available today in the field of promoting a healthy lifestyle and the fitness industry. If there are any interesting projects, of course, as a business entity, I would like to work with them.”

Valikhan Ten
Krida

“We are constantly trying to cooperate in the field of an effective tax system, access to inexpensive capital, and the creation of infrastructure.”

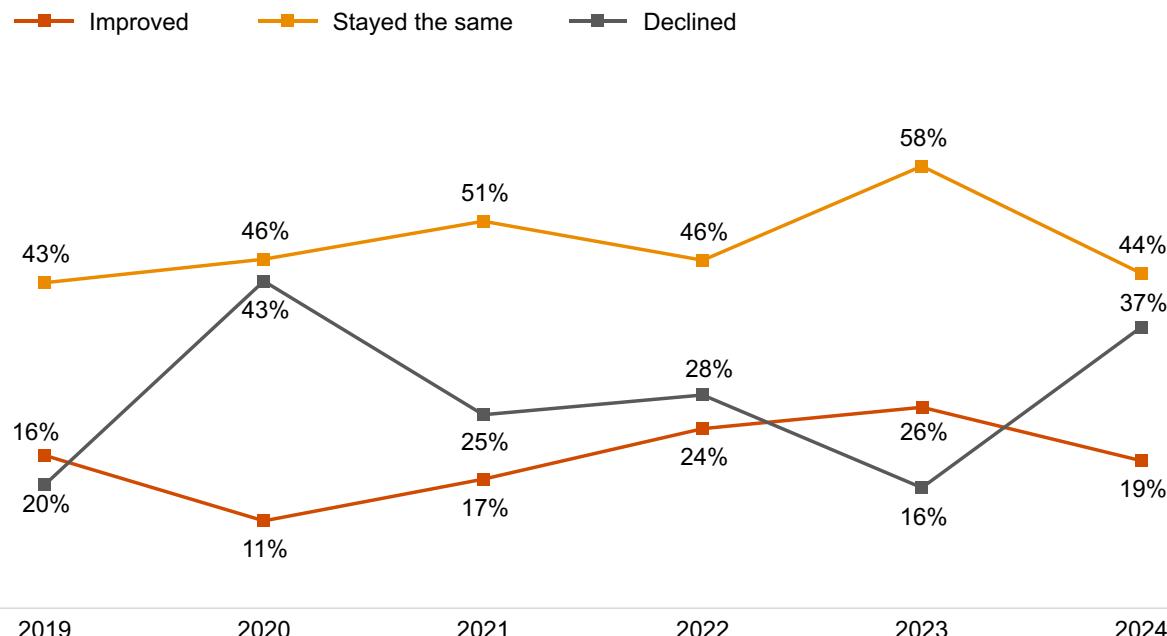
Yakov Fishman
Magnum



Investment climate in Kazakhstan in 2024

According to survey results, the investment climate in Kazakhstan in 2024 has worsened: 37% of respondents think so (in 2023: 16%). At the same time, 44% of CEOs are confident that it has remained at the same level, as it was in 2023, when almost 60% of respondents noted that the investment climate has not undergone any significant improvements after 2022.

How, in your opinion, has the investment climate in Kazakhstan changed in 2024?



"I would say that at the moment the investment climate in our country has deteriorated for some reason. There is not enough work with investors, and the entire system looks non-transparent. The lack of guaranteed investment security causes concern among potential investors. In addition, there are not enough benefits for procedures and penalties, which also restrains the inflow of investment. To improve the situation, it is necessary to create more open and predictable conditions for investors so that they can feel confident and consider our country as an attractive investment destination."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"I think, it remained at the same level, because I didn't see anything breakthrough. All the same risks for business, there is no investment protection as such. At any stage of the project launch, investments are subject to huge risks - raiding, administrative delays."

Mikhail Borisov
Fluidra Kazakhstan

"It remained at the same level. The state began to send a lot of money to Kazakh Invest and other similar structures, to participate in all kinds of events to attract investors. In my opinion, there is interest in Kazakhstan from Chinese investors, we are integrating within the framework of the C5 + 1 platform, so with the investment climate, at first glance, everything is going well, but investments are not protected."

Marina Kuznechinskaya
Fly Dubai

"Improved. It all depends on the industry, on the direction in which the investment project is being implemented. There may be some tax benefits, preferences, access to infrastructure - due to such initiatives on the part of the state, the investment climate improves."

Azat Jalayirov
Wilo Central Asia

"I believe that it has improved, because we managed not to get involved in world conflicts that continued and happened in 2024 and remain neutral."

Ilya Martinenko
Aurora Holding

"In 2023-2024, it has not changed in any way, and in recent years it has worsened, because the regulatory framework has become much more complicated."

Marat Seitkulov
Caravan Resources

"Improved. Perhaps this is due to the growth of our company, to the fact that there are many people who want to invest in it. These are mainly local investors. In my opinion, this is due to the fact that the investment attractiveness of the real estate market has decreased, and there are not so many other options for investment, except for the lifestyle sphere."

Askar Baitassov
abr

"In my opinion, it has improved. The economy in Kazakhstan continues to grow at a higher rate than the global average. This and a number of other factors indicate that investments are coming to the country. In our segment, Mars has many competitors from among international companies. Is it good for the country? Yes of course. If there are international companies, it means that they are quite comfortable working here due to the fact that the country has a good investment climate."

Zhanibek Abdiyev
Mars Kazakhstan

"It remained at the same level, but it was not good in 2023 either."

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"For me as a consumer and creator of new services, it has improved. First of all, due to the quality of our work, since we show that fitness and human health are a good contribution for investors. They didn't see it before, but now they understand and appreciate it as a good depository."

Valikhan Ten
Krida

"Over the past year, I think the investment climate has improved, and the proof of this is the new large investment from Qatar in the amount of almost USD 20 billion. Over the year, Qatari investors have already bought a bank and a large telecom company in Kazakhstan. Oil and gas projects worth more than \$10 billion are currently in progress. To improve ties between the business of the two countries, last year we created the Kazakh-Qatari Chamber of Commerce and Industry and held a large business forum in Doha in December 2024. Another positive factor that has a positive impact on the investment climate is the start of construction of petrochemical projects, where investors are such leading international companies as Sibur and Sinopec. More than \$20 billion is planned to invest in the petrochemical industry, which will allow the country to produce products with high value-added value, and not just export gas or oil."

Almas Kudaibergen
Centrasia Group

"After the January events, thanks to the efforts of the President, and partly to the involvement of business and the demands of workers, there have been noticeable changes in various sectors of the economy. For example, in the oil and gas industry, vacant plots for subsoil use, which were not available for purchase in the past, were put up for auction. This allowed the state to attract significant investments and, as a result, budget revenues. Nevertheless, there are problems in investment policy, and the imperfection of legislation is one of them. Progress is happening, but slower than we would like. There is the problem of responsibility and decision-making. A large number of bureaucratic procedures negatively affect processes."

Yerzhan Tazabekov
Kazpetrol Group





Theme

Reasons for changes in the investment climate in Kazakhstan

In your opinion, what are the main reasons for the decline in investments in 2024?



"The government does not have a clear strategy. A lot is declared, but in fact the promises are not kept, and this is the problem. The main reason that for the next 5 years we have reduced the volume of investments in Kazakhstan from \$800 million to \$400 million is due to the fact that we do not see a responsible government that takes on obligations and fulfills them."

Serik Tolukpayev
Aitas Group

"It is undesirable even to discuss the abolition of benefits that were announced and introduced only 2-3 years ago. In the context of Western sanctions against Russia, Kazakhstan has great risks of gradual transformation into a satellite economy, into an "exchanger", in which the main role will be played by system operators. This is hardly our path, and I hope we can avoid it."

Kairat Mazhibayev
RG Brands

"The regulatory environment, but this is not about taxes, rather about other laws. The lack of investment security guarantees - definitely. But the procedures, in principle, are normal, not very bureaucratic in comparison with some other countries. And I would also add the geopolitical environment."

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

"The lack of investment security guarantees, first of all, in the legislation. Investors, both local and external, can lose their business at any stage. This is happening, has happened and, apparently, will continue to happen until it is somehow regulated at the legislative level."

Mikhail Borisov
Fluidra Kazakhstan

"I agree with all these reasons. The regulatory environment is a guarantee of investment security, but we do not feel it yet. Absolutely all investors are interested in a firm and confirmed guarantee of reducing investment risks and returning investments. Bureaucracy, shifting responsibility and "replies" of state bodies are the main shortcomings of the apparatus that we constantly face."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"In order of importance, these are the regulatory environment, complex state bureaucratic procedures and the lack of investment security guarantees."

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Geopolitical instability, complication of the regulatory framework, increase in taxes, macroeconomic instability."

Marat Seitkulov
Caravan Resources

Improving the investment climate in Kazakhstan – business proposals

What actions (no more than 3) should the government take to improve the investment climate in Kazakhstan?

"It is necessary to take a balanced approach to budgeting, namely, to understand the sources of funding and the economic effect of the decisions made, as well as to practically review the items of expenditure.

Ensure the stability of tax legislation, and not change the rules of the game retrospectively. The inability to predict what income investors can receive on their capital due to constant changes in the regulatory environment has a negative impact on foreign and domestic investors and leads to a decrease in economic growth, real incomes of the population and the well-being of the country.

To ensure uniform rules of the game for all business participants, for the development of fair competition, and the rule of law."

Umut Shayakhmetova

Halyk Bank

"Simplification of the regulatory framework and legal norms, the transfer of more functions to the market and the general liberalization of the country's legislation. Stability and predictability of the tax system, ensuring macroeconomic stability."

Marat Seitkulov

Caravan Resources

"Improving the macroeconomic environment, improving the standard of living of the population and improving the investment climate, but not only for foreign investors, but for everyone, especially those who are already working in Kazakhstan. Since businessmen who are already inside the country understand the country risks and have taken them, but now it looks like the efforts are aimed only at new, not yet existing investors."

Farrukh Makhmudov

Orbis Kazakhstan

"The first is to overcome corruption, the second is to greatly improve the qualifications of employees of the state apparatus. Now it is at a very low level, we face this problem all the time. I would also work on the development of infrastructure, we have big problems with this, this has a negative impact on the tourism industry."

Yuriy Negodyuk

restaurant chains "BAO noodle&sushi", "Pinta", "Tomato", "The Banka", "Paul"

"Select priority areas and provide them with resources. It's not just about financial resources. A strategy is not about what should be done, but about what should not be done. Therefore, there must be clear priorities and the provision of resources."

Serik Tolukpayev

Aitas Group

"First, to introduce the principle of equality, which means that equal opportunities should be provided for all investors. To do this, it is necessary to revise investment legislation, because it is generally "lame". In addition, it is unclear how the mechanism works, and this separately for each country. It is difficult for me to judge here, but I think that the legislation needs to be changed, and to improve the investment climate, it is necessary to legislatively ensure the safety of investments in the field of inspections, the timing of consideration of requests. And it would also be good to slightly revise the visa regulations."

Aliya Zhaksylykova

Bertling Kazakhstan Logistics

"The first is the legal protection of investments. Ensuring stable and transparent conditions for investments, which is especially important for projects in the field of high technologies and infrastructure solutions.

The second is stimulating tax measures. Introduction of tax incentives and support for companies investing in digitalization and innovative technologies, such as modern cloud services and enterprise mobility solutions.

The third is the development of educational programs. Investments in the training of specialists who are able to work with advanced IT solutions, which will improve the quality of service and the development of technologies in the country."

Nurlan Sadykov

Dell Technologies

"Investments and business protection, clear and transparent tax policy, availability of capital. Because external investors are one thing, and internal investors are those people who, as a rule, have some of their own funds, but at the same time need credit funds at different stages of the company's development."

Mikhail Borisov

Fluidra Kazakhstan

"To ensure the transparency of the legislative framework, the stability of the national currency, to prevent corruption and bribery."

Marina Kuznechevskaya

Fly Dubai

"Predictability of the investment environment, trade and economic policy through the prism of security, the priority of GNP over foreign participation."

Kairat Mazhibayev

RG Brands

"Work out guarantees of return on investment and state KPI based on the results of projects, reducing the time for considering investment projects. It would also be perfect to supplement and strengthen the investment conditions in the legislation after each successful case. Probably, it is necessary to actively involve foreign experts who have taken part in projects that have already been implemented. Existing bureaucratic procedures should be replaced with sufficiently effective, simple, transparent, but also controllable ones. In terms of tax legislation, we welcome the resolution of procedural issues."

Erik Shortanbayev
SKYMAX TECHNOLOGIES

"Simplify registration and licensing procedures, remove bureaucratic barriers. But all this is being done, and thanks to digitalization, it is even contactless, especially if it is some kind of large project. Increase the transparency and predictability of the judicial system so that any investor can be confident in it. Well, and to activate attractiveness by providing some tax benefits."

Azat Jalayirov
Wilo Central Asia

"I will name administrative regulation. Because there are a lot of areas where there is still administrative regulation - these are socially significant products for which the state "twists the arms" of business. Costs are growing, and it is impossible to say by administrative means that it is impossible to raise prices for milk, cottage cheese, bread. How to survive then? Then there is bureaucracy – even if some issues are moving towards a solution, the process is very bureaucratic. Non-fulfillment of budget obligations - those subsidies that we have been receiving for more than 10 years, for the 4th quarter are always paid in April next year, but a spoon is dear when lunch time is near. It is clear that the state regulates its cash flows in this way, but why should business adjust?"

Arman Aldabergenov
Lactalis – FoodMaster Kazakhstan

"Stable legislation. For any investor, the predictability of the state's actions is important."

Serik Shakhazhanov
ERG

"First, the protection of investors' rights: the establishment of clear and transparent rules, as well as mechanisms for the protection of investors' rights. Second, infrastructure development: investing in the development of transport, energy and digital infrastructure, which will increase the attractiveness of the country for foreign investment. Third, transparency and anti-corruption: implementing reforms aimed at increasing transparency in public authorities and fighting corruption, which will create a safer environment for investment."

Saule Zhakayeva
Citibank Kazakhstan

"The first is a differentiated tax system, predictable and stable. The second is special economic zones with tax benefits for attracted investment capital. And the third is the formation of infrastructure for tourism and the simplification of bureaucratic processes."

Alexei Khegai
TSPM.

"Transparency regarding the macroeconomic and foreign policy situation, so that business is not afraid to invest. Stable, transparent and systematic tax policy."

Askar Baitassov
abr

"To improve the investment climate in Kazakhstan, in my opinion, the government should focus on increasing the transparency of processes, developing the technological environment and modernizing infrastructure. The lack of transparency of administrative procedures creates barriers for business, complicating the attraction of investments. At the same time, the development of technological solutions and the improvement of infrastructure can significantly increase the competitiveness of the country, making it more attractive to investors."

Laula Stamkul
Wolt Kazakhstan

"Safety, healthcare, ecology. In recent years, many companies have relocated their business to Kazakhstan, and it is important for employees to feel calm and comfortable here."

Bolatbek Ospanov
Smart Satu

"Ensure access to affordable capital so that it is feasible for all. There must be microloans from the state. If the most successful microloan bank, Homecredit, which gives microloans to people, is doing well, then why can't the state do this and give people access to capital for the development of microbusinesses? And at a lower interest rate than banks, because people must survive. Banks lend money at 24%, what margin should a business have? I understand that now they are doing this in Russia to curb inflation and limit the amount of money, but in our country, on the contrary, the amount of money should increase, because there is no turnover. As Arturo Bris, a well-known economics professor, says, it is not the amount of money that creates well-being, but movement, the number of transactions. If money "sits" in banks, it does not create anything. Therefore, this is the first and most important thing, I think, because it is necessary for growth. Secondly, it is necessary to stimulate the purchase of housing by the population, to give preferential loans for the purchase of the first home, because many people still live in large families in one small apartment. To increase investment attractiveness - there should be a very clear list of documents that can be familiarized with even without visiting, on the website. And protection. Is the Astana International Financial Center with English financial law a guarantor of investment protection? Local consultants say yes, but not completely, so there are no precedents to understand this. Due to the geopolitical position, unstable economy and constantly changing tax system, foreign capital comes only to subsoil use. What about infrastructure? The Uzbeks can launch a high-speed train - we can't, they can build roads, a logistics complex, we can't."

Arminas Macevicius
STADA

"Anti-corruption and the rule of law. Businesses need to act transparently and express their opinions openly."

Yerzhan Tazabekov
Kazpetrol Group

"The government must be effective and work as a team with clear strategies, with an understanding of where we are going and a clear action plan to achieve this goal. The government should be a team of like-minded professionals who are clearly aware of the goal they are moving towards and the way they will achieve it. There should be less state participation in the economy; The more the state participates in the economy, the slower all processes go and the higher the level of corruption."

Armanzhan Baitassov

Tan Media Group

"To ensure the protection of investors – the rule of law and the stability of legislation, to continue to develop infrastructure."

Zhanibek Abdiyev

Mars Kazakhstan

"The first is the stabilization of the national currency and the curbing of inflation. The high volatility of the tenge within the year, the tendency to depreciate by more than 40% every 5 years is a repulsive factor for investors and a sign of an unstable economy.

The second is the development of a transparent, understandable tax policy that stimulates the inflow of investment. It is necessary to avoid the practice of frequent revision and adjustment of the Tax Code, since investors value a stable and predictable tax regime for the long term. The third is to improve access to financial resources. Despite the development of the banking system, the emphasis in lending is shifted towards consumer lending, and corporate lending is narrowing due to high interest rates. Cheap financing is concentrated in the hands of the state, which increases corruption risks and favoritism."

Almas Idrissov

TSPG REIT

"Simplify the procedure for investors to enter; to increase the percentage of participation of the state budget in terms of infrastructure."

Andrey Porolo

Knauf Kazakhstan

"Just to be honest, most likely. Unfortunately, not all instructions of the President are carried out by executors. Earlier, I repeatedly raised the issue of purchasing foreign players, at the beginning of the year the President also drew the attention of the relevant authorities to this. Ministers of the industry change every six months, every year. No reform can show results in six months or a year. Each reform takes time for the industry to adapt and then shows results."

Valikhan Ten

Krida

"Ensure a reduction in the refinancing rate. Secondly, the state must be consistent in its actions. Inconsistency undermines the foundation of any investment climate, because it is difficult to plan. When there is no long-term understanding of what will happen in the next 3-5 years, there is a feeling that you are always on a powder keg. We need to develop infrastructure. Everywhere we are faced with the fact that technical conditions, logistics are a big pain. For business development, it is necessary that the law works the same for everyone. We are not against tougher laws, but let the fines be the same for everyone. Now the level of corruption is off the charts, and this definitely has a negative impact on the investment climate."

Yakov Fishman

Magnum

"It is necessary to put in order legislation that would protect the interests of investors and guarantee the safety of investments. In addition, it is necessary to take into account the realities of our country and ensure the continuity of power, so that people understand that after the current president, in any case, there will be a person who can be trusted, and they can make long-term plans for work in Kazakhstan. We need to give more opportunities to new technologies, education and culture. These three factors can provide a powerful multiplier effect and explosive growth."

Doszhan Zhussupov

Cerebra



The role of the state and its assistance to business

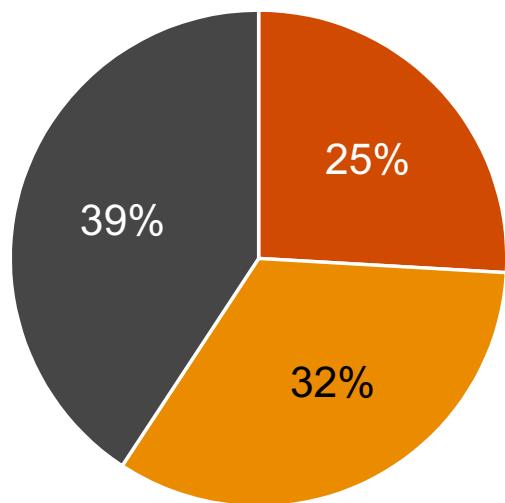
How would you characterize the role and assistance of the state and the government in relation to the development of your business today?

Economic growth, including that supported by the development of society and improvement of the well-being, is contingent on a strong mutually beneficial partnership between business and the state. As part of our survey, we tried to understand how these relations are currently developing in Kazakhstan.

For the purposes of making the right decisions in the context of the deteriorating investment climate, the government needs to have a clear understanding of the current situation. And this is not only about foreign direct investment, but also about investments that Kazakhstani businessmen are ready to make, that is, people working in our country, who understand and accept the current country risk, which makes them the most likely investors. Moreover, the state needs to determine the role that it would like to play in terms of Kazakhstan's economic growth and the improvement of the well-being of its citizens.

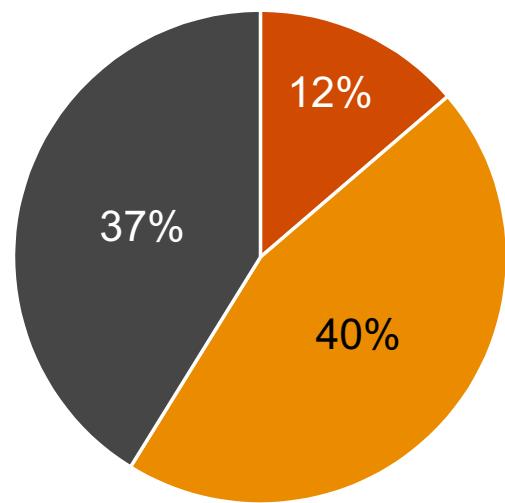
According to the survey, business to a greater extent sees the state, including all available infrastructure and nomenclature, as a fiscal agent (39%), whose assistance is mostly expressed in the form of complicated business processes (37%) or a neutral participant (32%), which neither helps nor hinders development (40%). Only 25% of CEOs noted that the state is an equal partner, actively interested in helping to do business (12%).

Role of the government in relation to the development of your business today



- Partner
- Neutral participant
- Tax collector

Support of the government in relation to the development of your business today



- Actively support to run the business
- Does not hinder to run business in the country
- Complicates business processes

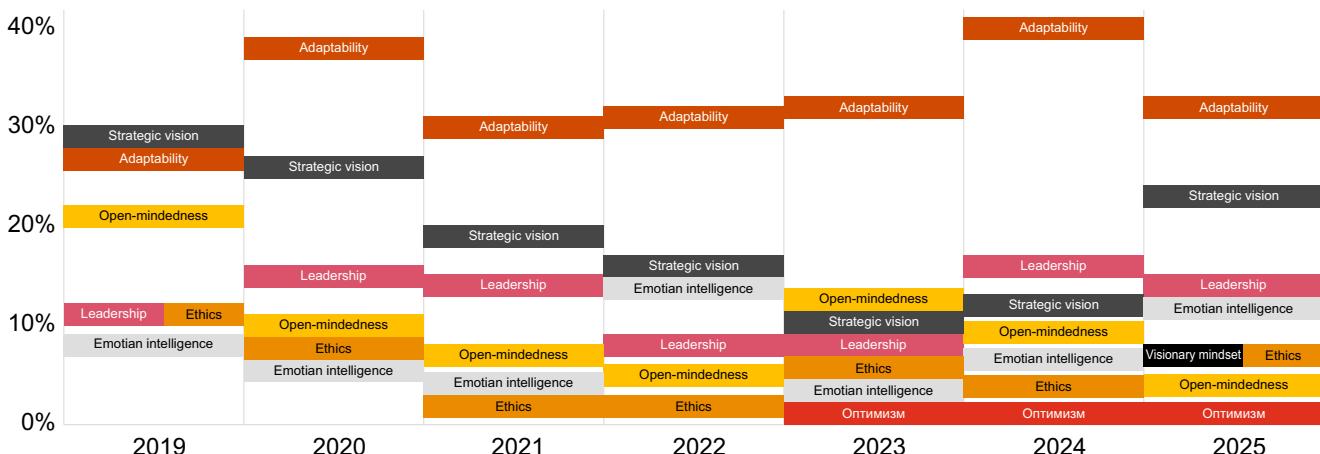
Best of 2024

Theme

Main quality of a CEO for successful work in a modern business environment

Every year, adaptability is becoming an increasingly important quality according to private business leaders in Kazakhstan. In 2025, its importance has not significantly decreased compared to last year (from 40% to 32%), which indicates the need for a quick response to changes and the ability to adapt to new conditions. Strategic vision has become more important and ranks second among the most priority qualities for successful work in today's business environment (23%), highlighting the need for long-term planning and vision. Leadership remains in third place (14%), and the importance of emotional intelligence has increased from 4% in 2024 to 12% in 2025. Businessmen note the importance of understanding and managing emotions - both their own and the emotions of others.

What is the main quality, in your opinion, that a CEO should have for successful work in a modern business environment?



“Be a strategist, be able to develop a strategy and implement it. Have emotional intelligence, be able to build communications, work with people.”

Askar Baitassov
abr

“To be a visionary.”

Serik Tolukpayev
Aitas Group

“I believe that a CEO should have a good education, experience and be open to innovations and new technologies.”

And, probably, the ability to work in rapidly changing conditions, that is, adaptability, resilience.”

Aliya Zhaksylykova
Bertling Kazakhstan Logistics

“A modern leader must combine strategic vision with the ability to quickly implement technological innovations. This includes not only the company's vision, but also the ability to inspire the team to experiment with new products – from portable devices to end-to-end data center solutions – to adapt to a rapidly changing market.”

Nurlan Sadykov
Dell Technologies

"To be a professional in business management."

Kairat Mazhibayev

RG Brands

"I am unlikely to say anything new. Adaptability, because everything changes very quickly. Speed of decision-making – as I said, sometimes it needs to be done very quickly, sometimes, of course, you need to take a break and comprehend the decision. The ability to think strategically is the main function of a CEO. Stress resistance. I know a lot of owners, executives who "burn out", and I also see this in our company. We are trying to somehow support, unload, motivate, and give people more opportunities to relax. But if a person is not stress-resistant, then this is definitely a problem."

Mikhail Borisov

Fluidra Kazakhstan

"Flexibility, a realistic approach, the ability to quickly do business intelligence, the ability to work in a completely unpredictable situation, the ability to retain and build up a team, find new flexible ways of doing business and not lose heart."

Marina Kuznechevskaya

Fly Dubai

"Ethics. Now ethical issues are coming to the forefront. Too many changes are happening around us, simultaneously and in different planes. In order to effectively manage a business in these conditions, you need your own internal pillars. A lot of things are changing, related to AI, ecology, and global instability, and this means that traditional management competencies will not be enough. That is, there will be no ready-made solutions, but there will be problems, both new and growing ones. To make decisions in such conditions, you need those internal pillars that you can rely on in the search for new approaches. I call it ethics or my own system of values. The more power managers have in this matter, the better we will cope with any crisis. Strong ethics will help you correlate your business decisions not only with how much you can earn, but also with whether it is right, sustainable in the future, and whether it is harmonious in the world around you. It would be great if this skill was developed at the state level, because even the institution of the family will not survive without state support. There are also many uncertainties with AI. We invest in it, but when developers are asked what this thing will be able to do, they say: "we don't know." Opportunities and risks are beyond the comprehension of even developers, but everyone is confidently striving for it. I don't understand why you would create something that you can't control and that is beyond predictability. This means that questions will arise when we find ourselves in this future, and it may turn out that the rules of the game will change, which means that there will be no ready-made solutions, and it will be necessary to create something on the basis of which it will be possible to negotiate: both people with each other and with this new essence called AI."

Konstantin Kulinich

Mary Kay

"As always, I stand by my opinion - this is honesty and decency."

Erik Shortanbayev

SKYMAX TECHNOLOGIES

"Decency, the ability to build trusting relationships with employees and partners."

Bolatbek Ospanov

Smart Satu

"Adaptability. The ability to make decisions quickly, to react quickly."

Laula Stamkul

Wolt Kazakhstan

"I think a CEO must be charismatic in order to be able to lead the team, to inspire, to be a leader. It is important to note that a CEO is not always a leader, and a leader may not be a CEO, but when these qualities are combined in one person, it is perfect. In addition, a successful CEO must be open to new trends and skills in order to keep up with the times and adapt to the rapidly changing conditions of today's business environment."

Azat Jalayirov

Wilo Central Asia

"I still believe that optimism is the main quality. Only optimists can do business."

Ilya Martinenko

Aurora Holding

"A CEO must be stress-resistant, must listen and hear. When I evaluate department directors, 50% of the evaluation is performed based on core goals, both corporate and individual, and the other 50% is based on what was done for people in terms of HR. If I do not see progress in terms of the development of subordinates, then for me it is alarming."

Arman Aldabergenov

Lactalis – FoodMaster Kazakhstan

"Do not freeze, adapt, change, perceive criticism, perceive new things. Now strategy is largely a goal, not a toolkit or movement. Everything is changing very quickly, and with so many "black swans", how can you plan and predict anything? The models are too multidimensional, and we cannot evaluate them due to our limitations. The agenda changes instantly: GenAI changes a lot, many issues will soon go into oblivion. The world is changing very quickly, and it is impossible to predict this, you just need to see it and change with the world, because many companies left simply because they did not want to change."

Marat Seitkulov

Caravan Resources

"I believe many of the questions in the PwC survey demonstrate the validity of this answer, as they are mostly about factors that are difficult to predict and for which it is hard to plan. Thus, a CEO needs to be able to adapt his or her plans rapidly in response to changes in the business environment."

Gavin Ferrar

Central Asia Metals

"I think that a successful CEO is not a universal formula. Leadership depends on the country, industry and market specifics. A strategy that works in Europe may not work in Kazakhstan, just as management in FMCG requires different approaches than in real estate. But there are qualities that are relevant everywhere.

Today, the world is changing faster than ever: economic instability, geopolitical risks, digitalization and new business models are making outdated management methods ineffective. Flexibility, strategic adaptability and speed are not just advantages, but a necessity.

The CEO must not only anticipate change, but also use it as an opportunity for growth. In my sector, competition for capital and tenants is intensifying, and investors are choosing projects with a clear strategy and stability. But today this is not enough - speed is decisive.

The winners are those who are able to make decisions quickly, respond quickly to challenges, and transform change into a competitive advantage. In 2025, a CEO is not just a manager, but a strategist, risk manager and innovator who is not afraid of change, but sets its pace."

Lukasz Skowroński
Global Development

"The main qualities of a company's CEO are leadership, digital acumen and adaptability."

Edgard Bou-Shahin
Schneider Electric Central Asia and the Caucasus

"Speed of decision-making. Kazakhstan borders the main country involved in a large-scale geopolitical conflict, and all the restrictions that arise in this regard have forced us to prioritize the speed of decision-making so that our clients remain them. Of course, we would like the speed and quality of solutions to be at the same level, but in the current business environment, speed is more important."

Serik Shakhazhanov
ERG

"Adaptability to a rapidly changing environment."

Yerzhan Tazabekov
Kazpetrol Group

"The main quality that the head of the company must have for successful work in the modern business environment is leadership. This quality includes several key aspects:

1. Adaptability – the ability to respond quickly to changes in the market, technology and customer needs.
2. Strategic thinking is the ability to develop and implement long-term strategies that ensure sustainable growth and competitiveness.
3. Communication skills – effective interaction with the team, partners and customers, as well as the ability to inspire and motivate employees.
4. Emotional intelligence is the ability to understand and manage one's own emotions and the emotions of others, which helps in building trusting relationships and effective teamwork.
5. Innovativeness – openness to new ideas and willingness to innovate to improve processes and products.
6. Ethics and responsibility – commitment to high standards of ethics and social responsibility, which contributes to the creation of a positive image of the company.

These qualities help the head of the company not only to successfully manage the business, but also to create a sustainable organization capable of adapting to the challenges of the modern world."

Saule Zhakayeva
Citibank Kazakhstan

"Speed of decision-making, stress resistance, ability to act adequately in situations of uncertainty. In the past few years, leaders have had to make decisions on the go. They need to be able to turn off emotionality, that is, to make informed decisions, but at the same time not to be robots, to remain human. It's very difficult. There is one more thing that no one voices – it is maintaining a balance between micromanagement and strategic management. If you let go of micromanagement a little, the operating system begins to "crumble". If you immerse yourself in micromanagement, you have no energy for strategy. Accordingly, it is very difficult to find a balance between them, but this is what everyone needs."

Alexei Khegai
TSPM.

"a CEO must have leadership qualities, clearly define his strategy, goals, and understand the ways to achieve these goals. He must be a sociable, educated person with a broad outlook."

Armanzhan Baitassov
Tan Media Group

"The traditional school has always taught that the head of a company must first and foremost have a strategic vision, but current trends show that due to rapid changes in micro and macroeconomics, it is important to develop flexibility and adapt strategy to changes in context. In my personal opinion, it is still important for any leader to follow a strategy, but you can't stop there. You can have a good strategy, but if you don't implement it well, it won't work. Again, you can have a great team, but without a good strategy, there will be no result. Therefore, both the strategy and the ability of the manager to unite the team and motivate it, to be a leader, are important."

Zhanibek Abdiyev
Mars Kazakhstan

"There are different types of managers and management styles. For me, a good company leader is a person whose opinion is listened to regardless of his position. The leader performs logical actions that coincide with his words - this is how the respect and trust of the team and business partners are earned. It is important for a leader to understand that leading people is not a one-time act or beautiful speeches, it is a constant work on oneself in order to become a role model and motivate everyone to become bigger and better than they realize themselves."

Farrukh Makhmudov
Orbis Kazakhstan

"The head of the company is partially immersed in the operating system, but his main area of responsibility is the strategic development of the company. I believe that the main quality for the head of the company should be strategic thinking, which will allow us to talk about the long-term development of the company. Skills in managing processes, people, and technology are also important."

Almas Idrisov
TSPG REIT

"The ability to think strategically, otherwise there will be no long-term development of the company."

Andrey Porolo
Knauf Kazakhstan



“Flexibility. Leaders with an authoritarian style of work find it difficult to survive in today's business environment.”

Yuriy Negodyuk
restaurant chains "BAO noodle&sushi", "Pinta", "Tomato",
"The Banka", "Paul"

“As Pyotr Kapitsa and many other greats once mentioned, an effective leader must first of all be able to find, value and support talented employees, creating the necessary resources and opportunities for their self-realization. His role is to coordinate joint efforts, set strategic goals, remove obstacles, delegate authority to professionals in accordance with business processes and KPIs, along with reasonable freedom of action and focus on the final results. This is, of course, trust in people, respect for their competencies and potential.

A CEO must be flexible in accordance with the rapidly changing world, make decisions in a timely and conscious manner. Of course, this is a vision of the prospects for the company's industry development in the world.

For example, I was born in this industry and realized that if we do not change this industry ourselves, we will no longer be able to keep up with someone else. Why is it convenient to be a pioneer? Firstly, because you "draw" the rules yourself, and others follow your rules. Secondly, there are no competitors there. I say: "Don't look for a million reasons why you shouldn't do something, but find one reason how you can do it in a way that makes it stunning."

A zone of discomfort is often mentioned, but for me, this zone of discomfort should turn into a zone of absolute happiness. We create emotions for ourselves – fear, pain, anger, and we can change all this if we approach it consciously. We try to create small gaps of happiness through our products. It is very important to find people who hear you, understand, trust you and can walk with you, and we are always looking for such people.”

Valikhan Ten
Krida

“Ability to understand people and attract people. A CEO must be able to select the right team, then work processes will begin to regulate themselves.”

Doszhan Zhussupov
Cerebra

“Ability to make data-driven decisions, leadership skills, and ability to work with professionals. Now is not the time when business depends on one visionary who closes all decisions on himself. We are surrounded by a large amount of data that needs to be collected, processed, and interpreted correctly. And now the right company (especially an IT company) is still specialists, highly specialized, cool, with whom it is important to be able to work. This is my paradigm: recruit cool people, give them a goal, give them resources and not interfere with their work.”

Dmitriy Botanov
Kolesa Group

Meet the CEOs



Azat Jalairov
Wilo Central Asia



Alexei Khegai
TSPM.



Aliya Zhaksylykova
Bertling Kazakh Logistics



Almas Idrissov
TSPG REIT



Almas Kudaibergen
Centrasia Group



Andrey Porolo
Knauf Kazakhstan



Arman Aldabergenov
Lactalis – FoodMaster
Kazakhstan



Armanzhan Baitassov
Tan Media Group



Arminas Macevicius
STADA



Askar Baitassov
abr



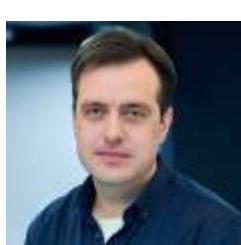
Bolatbek Ospanov
Smart Satu



Valikhan Ten
Krida



Gavin Ferrar
Central Asia Metals



Dmitriy Botanov
Kolesa Group



Doszhan Zhussupov
Cerebra



Yerzhan Tazabekov
Kazpetrol Group



Erik Shortanbayev
SKYMAX TECHNOLOGIES



Zhanibek Abdiyev
Mars Kazakhstan



Ilya Martinenko
Aurora Holding



Kairat Mazhibayev
RG Brands

Meet the CEOs



Konstantin Kulinich
Mary Kay



Laula Stamkul
Wolt Kazakhstan



Lukasz Skowroński
Global Development



Marat Seitkulov
Caravan Resources



Marina Kuznechevskaya
Fly Dubai



Mikhail Borisov
Fluidra Kazakhstan



Nurlan Sadykov
Dell Technologies



Saule Zhakayeva
Citibank Kazakhstan



Serik Tolukpayev
Aitas Group



Serik Shakhazhanov
ERG



Umut Shayakhmetova
Halyk Bank



Farrukh Makhmudov
Orbis Kazakhstan



Edgard Bou-Shahin
Schneider Electric
Central Asia and
the Caucasus



Yuriy Negodyuk
restaurant chains
"BAO noodle&sushi",
"Pinta", "Tomato",
"The Banka", "Paul"



Yakov Fishman
Magnum



Research methodology

In Kazakhstan, 62 private business leaders took part in the survey, more than half of the CEO surveyed gave us complete and detailed interviews. To get the most complete picture of the country, we have selected CEOs from various industries: metallurgy, finance, energy, oil, telecommunications, automotive, consumer goods, construction materials, transportation and logistics, information technology, hotel and restaurant business, retail, fitness industry and pharmaceuticals. The CEOs were asked to answer questions regarding the growth prospects of the Kazakhstani and global economies, threats affecting the business, the introduction of generative artificial intelligence, factors affecting business viability and expectations for revenue growth in the short and long term, as well as environmentally friendly investments. Survey participants were also asked to express their views on the priorities of the state affecting Kazakhstan in general and their business in particular, as well as on cooperation with government agencies, the reasons for changes in the investment climate in the country and ways to improve it. The interviews in Kazakhstan were conducted between November 2024 and February 2025. All quotes of Kazakhstan CEOs given in this survey have been previously agreed with the respondents. These positions of managers are relevant at the time of the interview. All face-to-face interviews and e-questionnaires that provided quantitative indicators were conducted on a confidential basis.

Note: not all figures provided in the survey add up to 100% as a result of rounding percentages, respondents being able to select multiple answers to one question and excluding the following options: "I can't say definitely", "I don't know", "refuse to answer".

The survey was conducted by:

PwC:

Azamat Konratbayev,
Natalya Lim,
Victoriya Abrossimova,
Alexandra Lee,
Zhangir Aktan,
Marina Malchenko

Editorial support:

Anna Reznik,
Forbes Kazakhstan

Portrait photographers:

Andrey Lunin,
Ruslan Osmankhan

PwC contacts:

Azamat Konratbayev

Managing Partner of PwC Kazakhstan
azamat.konratbayev@pwc.com

Natalya Lim

Strategy & Partner
and PwC Advisory Practice
Leader in the Eurasia region
natalya.lim@pwc.com

Victoriya Abrossimova

Manager, Consulting Services
viktoriya.abrossimova@pwc.com

Please send questions about the survey and media inquiries to:

Victoriya Abrossimova
viktoriya.abrossimova@pwc.com

OPwC offices in Kazakhstan:

Almaty

AFD Business Centre, Building A,
4th floor, 34 Al-Farabi Ave.
Almaty, Kazakhstan, A25D5F6
T: +7 (727) 330 32 00

Astana

Q2 Business Center, 4th floor,
15/1 Kabanbay Batyr Ave.,
Yesil District, Astana, Kazakhstan, Z05M6H9
T: +7 (7172) 55 07 07

Atyrau

River Palace Hotel, 2nd floor,
office 10, 55 Aiteke bi St.
Atyrau, Kazakhstan, 060011
T: +7 (7122) 76 30 00

www.pwc.com/kz

© 2025 PwC. All rights reserved. Not for further distribution without the permission of PwC. "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.