

Kazakhstan edition of the 21st Annual Global CEO Survey 2018

Conscious growth



1354

s from 86 countries

61

s from Kazakhstan



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Global and Corporate Growth

Accelerated growth expectations for the world economy in the next 12 months

"There are certain factors and prerequisites for growth. More specifically, accelerated development of any sector can stimulate the same in related sectors in the supply chain. Today we know for a fact that 90 % of the sectors involved in supplying key industries are working at full capacity".

Stanislav Ryaskov
AltynEx Company

"According to International Monetary Fund forecasts, the world economy will grow at about 3.5–3.7 %, so growth rates will be maintained if we can avoid international disasters".

Dmitry Provkin
Arena S (Sulpak)

"There are several risk factors existing today. It's clear that new technologies are starting to "disrupt" traditional business, so that old business formats no longer work. New technologies are usually not as marginal or aimed at cost cutting, so world economic growth rates will remain at the previous level, although there will be a gradual upward trend. With respect to world economic growth, we have to remember that a person is the basic consumption unit, and as the world population increases, each new inhabitant will consume something. There is no real proof that the

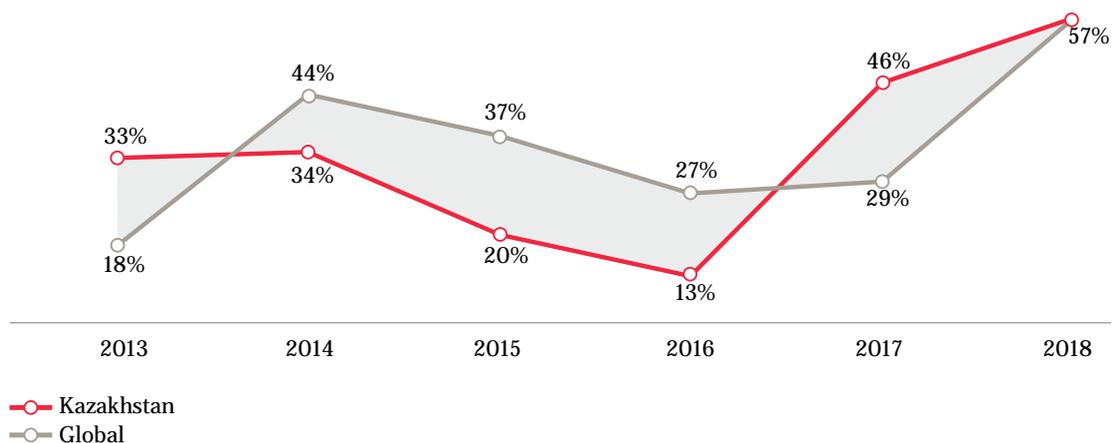
economy is crashing — we also don't see any major "bubbles" that could burst, causing the world economy to crash. There's a lot of talk about Bitcoin today, but it's still too insignificant in absolute terms to affect the market".

Ramil Mukhoryapov
Chocofamily Holding

"If we're talking about economic growth, we mean GDP, so the trend will stay the same; if we're talking about capitalisation, it's an upward trend. The value of the world economy is growing exponentially, but GDP growth in all countries is stuck at about the same level of 1–2.5 % per year".

Rula Raim
The Froot Company

"If there are no major negative geopolitical shocks, growth will continue, but it will be mainly driven by the continuing soft policy of the world's largest central banks. What we're seeing is that the U.S. Federal Reserve Bank, the European Central Bank, the People's Bank of China and the Bank of Japan are doing everything they can to keep their countries' economies afloat and save paper money at any price. I don't think any of these banks will take unexpected risks. They make fairly quick decisions to smooth any fluctuations and shocks as





escalating tensions between the U.S.A. and North Korea, but that's no longer within the competence of central banks. Other key central banks are focused on stimulating slight but stable growth, and this is evident in the economies of the U.S.A., Europe and China. They're showing a more or less upward trend".

Arnat Abzhanov
Halyk Finance

"I think the world economic situation has improved, so we can expect growth this year. I'm seeing that the Europeans and Americans are starting to trust their governments more, and they're more confident about the future, which means they're ready to spend more. So we're expecting the world economy to grow".

Marc Loucheux
Leroy Merlin Kazakhstan

"Economic growth rates will definitely increase in the near future. The world is becoming increasingly global, and borders are disappearing due to technology and the appearance of totally new types of transactions. Transaction costs are dropping, at least superficially, because transactions with cryptocurrencies are already drivers of certain kinds of trade. For trade between countries, where they deliver goods or services to each other, there probably won't be any major trends in the next 12 months. But when it comes to e-commerce, the development of new payment systems and technologies will be the driver. Growth rates will pick up because of them".

Alexey Sidorov
Silkway Ventures

"The world economy is growing. This could be the greatest economic surge ever. The reason is that very few countries are in recession. Nearly all countries are experiencing growth: Europe, the U.S.A., the Middle East, Asia, even Japan, are growing rapidly. I think this growth will continue this year. The world economy will probably grow by 3–4 %, and this growth will take place in both developed and developing countries. Growth in the U.S.A. will be about 2.5 %, maybe more, growth in Europe will be about 2 %, and growth of about 1 % will continue in Japan.

In our region, Russia will probably also do better than last year, with growth of about 2 %. Growth in Kazakhstan will be about 2.5–3 %.

In countries outside Europe, the UK could have problems caused by Brexit. Growth in India will be about 7.5–8 %, and major land reform is expected there. As a result, growth in India will be even faster than in China, where growth will be 5.5–6 %. There is some concern about China's debt burden. Overall, China's policy is stable and consistent".

Ranga Welaratne
Sanofi Kazakhstan

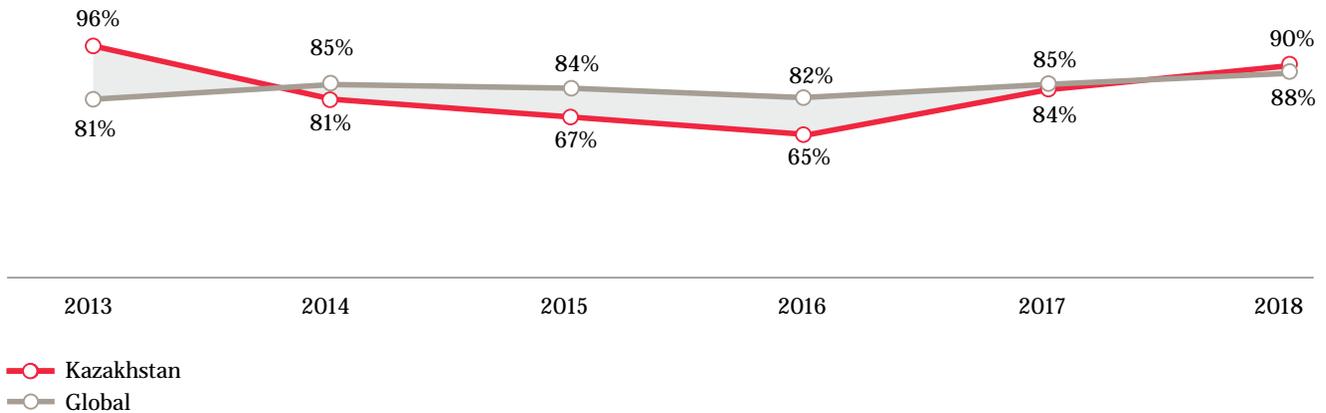
"According to Fitch Ratings, the growth outlook for the world economy for next year is positive. Global GDP is expected to rise to 3.3 % in 2018".

Denis Van den Weghe
Atakent

"I'd rather go by last year's forecast, where growth rates stay the same, because there is no obvious driver of economic growth".

Dmitry Zabello
VTB Bank Kazakhstan

Confidence in your company's revenue growth in the next 12 months



"During the crisis, we took a lot of actions to cut costs and stay afloat. As a company, we've overcome our internal crisis, and now we're very confident in growth for 2018. We've also acquired some companies, diversified in some places and consolidated in others, and updated the business".

Farrukh Makhmudov
Orbis Kazakhstan

"Policy swings are a problem in Kazakhstan. There was discussion of a lot of reforms last year, especially in healthcare. Sometimes they started a right turn, but swung left at the last minute. We have to be consistent. The compulsory medical insurance policy is a good example. This policy should have been implemented, but it was put on hold. If reforms are done properly, I'm confident that we'll continue to grow. We achieved significant growth at Sanofi Kazakhstan last year due to our portfolio, improved customer service effectiveness and real innovations. However, in our main therapeutic areas, we're dependent on reforms".

Ranga Welaratne
Sanofi Kazakhstan

"The situation last year was quite difficult. Last February was obviously difficult, but this year, our situation has actually improved in all business areas. We expect profit to remain at the same level this year and at least double in the next 3 years, assuming the market has no surprises for us".

Dmitry Zabello
VTB Bank Kazakhstan



Confidence in your company's revenue growth in the next three years

"I have every confidence in growth in the coming year and the next three years. The market is growing, and there's no saturation in any sector. When we look at demand for our products relative to other emerging markets, no matter which segment we take, there's a lot of room for growth. On the air ticket sales market, we sell 20 % online, while that figure for Russia is 60 % and for America it's over 80 %. We realise that we need to reach at least the level of these countries, which means the market will grow. In terms of market share, we're growing, so we're still fairly confident about the future".

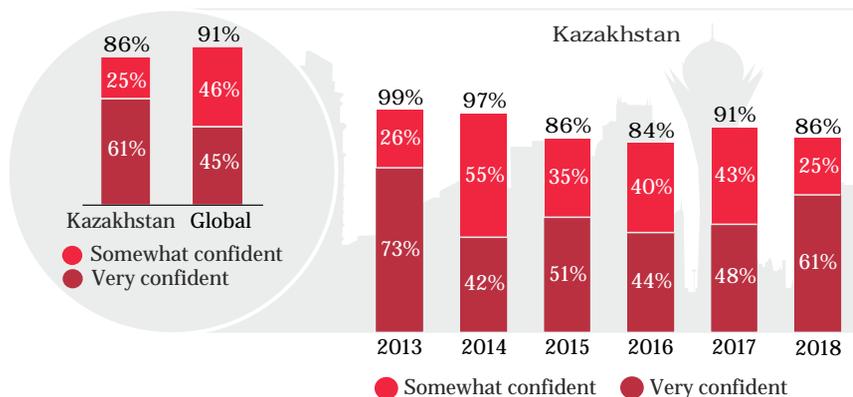
Ramil Mukhoryapov
Chocofamily Holding

"All the companies in our holding are in the oil and gas industry, so we're mainly dependent on oil prices, which are quite high at present. The worst period was 2014 to early 2016. In the next 10–20 years, I'm not overly confident about the prospects for the industry, because alternative energy sources are showing more rapid growth".

Rakhmet Khairullayev
ICS, KazPetroDrilling

"We'll grow and expand to the extent that our customers grow and expand. Our papermaking equipment is working at 100 % capacity. At the second corrugating process stage, everything depends on the growth of customer demand. This equipment is currently working at 70 % capacity, so there's room for growth. If our customers grow, demand in the country will increase, so we'll obviously grow too. The prospects for the next three years are harder to predict. There will be growth, but it will be about 3 %".

Victoria Gorobtsova
Kagazy Recycling



"We're opening our first store in 2018, and we'll make sure to attract the attention of customers in Kazakhstan. We know that our competitors are also getting ready to enter the local market, but our experience in Russia shows that we did a better job. So we'll also do everything possible in Kazakhstan to become a leader more quickly".

Marc Loucheux
Leroy Merlin Kazakhstan

"I'm confident that our company will grow in the next 12 months and over the next three years. We started expanding only recently, but we're growing very fast and aggressively. On top of this, there are hardly any competitors in our low-cost food segment, so I think we'll grow significantly".

Kseniya Kozyura
Mama's, Parmigiano Express

Drivers for business growth and profitability in the next 12 month

Just like last year, the majority of CEOs (77 %) are counting on organic growth at their companies. As before, mergers and acquisitions as growth drivers are not very popular with them. Some CEOs admit that even if they have specific plans for deals, closing them is unlikely because of strong differences of opinion between buyers and sellers.

"A foreign investment fund wanted to invest in our company, but we didn't reach an agreement and the deal fell through".

Alexey Sidorov
Silkway Ventures

"By organic growth, we mean growth at existing sites by improving performance and quality of service. We now operate in Kazakhstan and Kyrgyzstan. We currently have 101 stores in the two countries. In the next three years, we expect to grow through internal efficiency reserves. The period of headlong expansion is over, and the challenge is to improve existing sales outlets".

Dmitry Provkin
Arena S (Sulpak)

"We expect organic growth and new alliances. We're always trying to work with new partners like international companies and Russian coaching leaders and we're working actively with our Canadian colleagues".

Galiya Khamitova
Erickson International Kazakhstan,
Central Asia & Caucasus

"We're negotiating with several companies about our joint projects in order to set up new strategic alliances or joint ventures. We already have actual strategic investors for some of them. We don't have this kind of experience yet, but we're aiming for it. We're always making efforts to cut costs by tightening control".

Rakhmet Khairullayev
ICS, KazPetroDrilling

"We'll definitely grow organically with our customers. We're planning a project to install machinery to make pulp from non-narcotic hemp. There isn't much pulp in our country that's suitable for our plant. Scrap is the lowest quality pulp feedstock, but it can be used with various chemical additives. There are options for making pulp from wheat and rice straw and raw hemp. If we're able



Kazakhstan



Global

	Kazakhstan	Global
Organic growth	77%	79%
Cost reduction	56%	62%
New strategic alliance or joint venture	43%	49%
Collaborate with entrepreneurs or start-ups	21%	33%
New M&A	18%	42%
Outsourcing	15%	21%
Sell a business or exit a market	13%	16%

to gather enough feedstock this year, we'll install a unit to process pulp from hemp. At the end of 2018 we plan to start up 20 % of our capacity, and if everything goes smoothly, we'll start looking for additional sites. This will allow us not only to replace scrap partially, which becomes outdated each time it's processed, but also to launch production of new, high-quality packaging, such as for perfumes, and marketing display stands".

Victoria Gorobtsova
Kagazy Recycling

"We have a diversified business, so we can buy in some divisions and sell in others. We're currently looking at the possibility of buying two projects and selling one of them".

Orazkhan Karsybekov
Kusto Group

"In June 2018, we're opening a store in Almaty, and in June 2019, we plan to open another store here. In the next two years, we expect to open stores in Astana and Shymkent. We decided to get into the Almaty market, because it's the largest and most economically successful city in Kazakhstan. Our development plans to 2030 include opening 25 stores. After Astana and Shymkent, we plan to enter the Karaganda and Pavlodar markets. We hope that opening our first stores will help us grow and progress, and we'll make every effort to achieve positive results".

Marc Loucheux
Leroy Merlin Kazakhstan

"We plan to cooperate with enterprises or new companies (startups) by setting up our own small venture fund. We're financing two of our own startup projects that will get underway by the end of 2018".

Farrukh Makhmudov
Orbis Kazakhstan

“Our future plans include entering other markets, along with expanding our business in Kazakhstan. This also means geographic expansion, entering new markets, and opening branches in other countries. We’re also planning to cooperate with enterprises or new companies (startups). We’re considering several potential deals that could take place in the next 12 months”.

Alexey Sidorov
Silkway Ventures

“I’d like to mention two things: The first is organic growth. The second is that we’re in an ongoing state of optimising costs and processes.

We’re part of a large holding and our parent company provides all necessary resources, so there’s no need for mergers and acquisitions”.

Dmitry Zabello
VTB Bank Kazakhstan

“Our plans include new strategic alliances and joint ventures. My first priority here is joint network construction with Beeline and Kcell, because the new law on communications, which we expect will be passed in the current version, will allow us to do this. As of early 2018, the laws on sharing bandwidth and joint network construction are also being amended. For us, this means the possibility of a strategic alliance to expand coverage in the regions”.

Roman Volodin
Tele2 Kazakhstan

“As for trends in the banking sector, it’s undergoing a period of transformation: from classic banking to the creation of new platform solutions and ecosystems. There is also the option of setting up a niche bank focused on a specific, narrow segment. Concerning our bank, given the size of the group and the subsidiary bank, we’re moving toward an ecosystem. This means development in several areas: the basic and classic areas, which we’ve been involved in for the last several years — performance improvement and cost optimisation; key area — creating more customer value or entering new markets. Bank services aren’t a target requirement for customers. People are more worried about meeting priority needs: paying for kindergarten, buying an apartment or car, and paying taxes. As a result, banking operations are an intermediate step in meeting customers’ basic needs”.

Alexander Kamalov
Sberbank

“Last August we started up the Makinsk Poultry Farm. Production is expected to start in November. We’ve invested a lot and will continue to invest in crop farming, and are trying to promote vertical integration. Our idea is to expand the value-added chain “from field to supermarket shelf”. So next year, we plan to supply UKPF entirely from our food reserve”.

Serik Tolukpayev
Aitas Group, UKPF



Most important countries for business in the next 12 months

“The Russian market has enormous influence due to its proximity and location in the same economic zone. Our suppliers — LG and Samsung — have some plants in Russia, and about 60 % of deliveries are from Russia. So we’re dependent on the ruble exchange rate. There’s a cross flow of goods. Everyone remembers that in late 2014 to early 2015, there were a lot of imports from Russia due to the difference in the tenge to ruble exchange rate. The situation was reversed several months later due to the devaluation in Kazakhstan”.

Dmitry Provkin
Arena S (Sulpak)

“We’re thinking about moving beyond Kazakhstan by setting up alliances and joint ventures. We think that in market segments where we’re present, we have both profitable areas and areas that are still at the investment stage. It’s conceivable that next year, for the first time in Chocofamily’s history, the profit “generated” by our income-producing areas will be enough on its own to develop our investment areas. We’ll have some resources left over, and we’re planning to enter other countries. We have Chocotravel which can easily be scaled in other countries, especially our neighbours. Uzbekistan, Kyrgyzstan and Belarus are markets we understand, and where airline tickets are either not sold online at all, or are sold in very limited numbers”.

Ramil Mukhoryapov
Chocofamily Holding

“With respect to doing business in Uzbekistan, I think it’s too early for Kazakhstani banks to enter the market there due to the untested legal system. But for other businesses as a whole, the time has come”.

Magzhan Auezov
ForteBank

“Geographically Kazakhstan is between Russia and China, so our growth prospects depend on the economic health of these countries. The U.S.A. has an influence, first because the U.S.A. economy is the world’s largest, and second, because our funding rates depend largely on American funding

rates. So there’s a fairly high correlation between our economy and funding base and prevailing rates in the U.S.A.”.

Arnat Abzhanov
Halyk Finance

“Our building material division is already present in China, India and Vietnam. Some African countries represent a huge market for expanding the construction industry. It’s the same in Vietnam where construction and production have grown in the last 10 years. With a population of 90 million people, Vietnam is a huge consumer market for products like roofing and wall panels. Vietnam and Israel are already present in African countries, and we need to study this market and find our place there”.

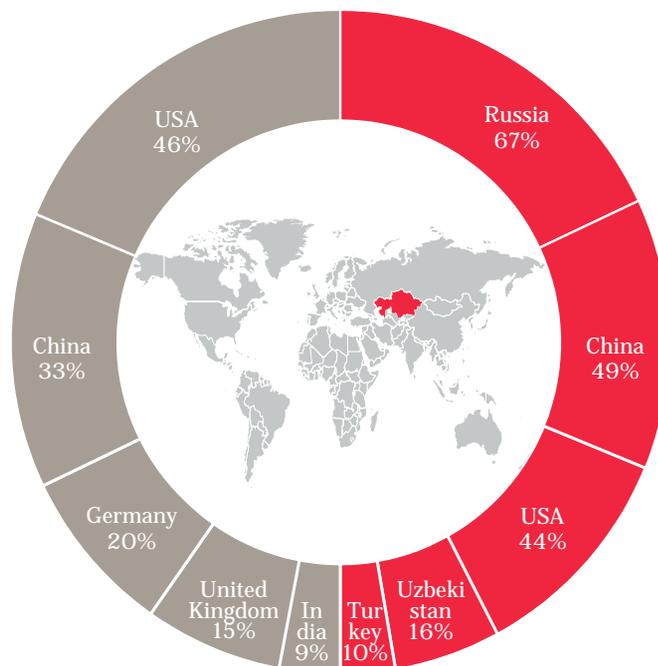
Orazkhan Karsybekov
Kusto Group

“Uzbekistan has been showing fairly positive changes toward openness. We’re seeing fairly consistent economic growth in our southern regions, and I totally agree with government agencies who have noted this positive trend”.

Dmitry Zabello
VTB Bank Kazakhstan

Top-5 for CEOs Globally

Top-5 for CEOs in Kazakhstan



“The countries where we have the most traffic exchange, that is, Russia, Turkey, Kyrgyzstan and Uzbekistan, are important ones for us. China is important to us in terms of delivering network and user equipment”.

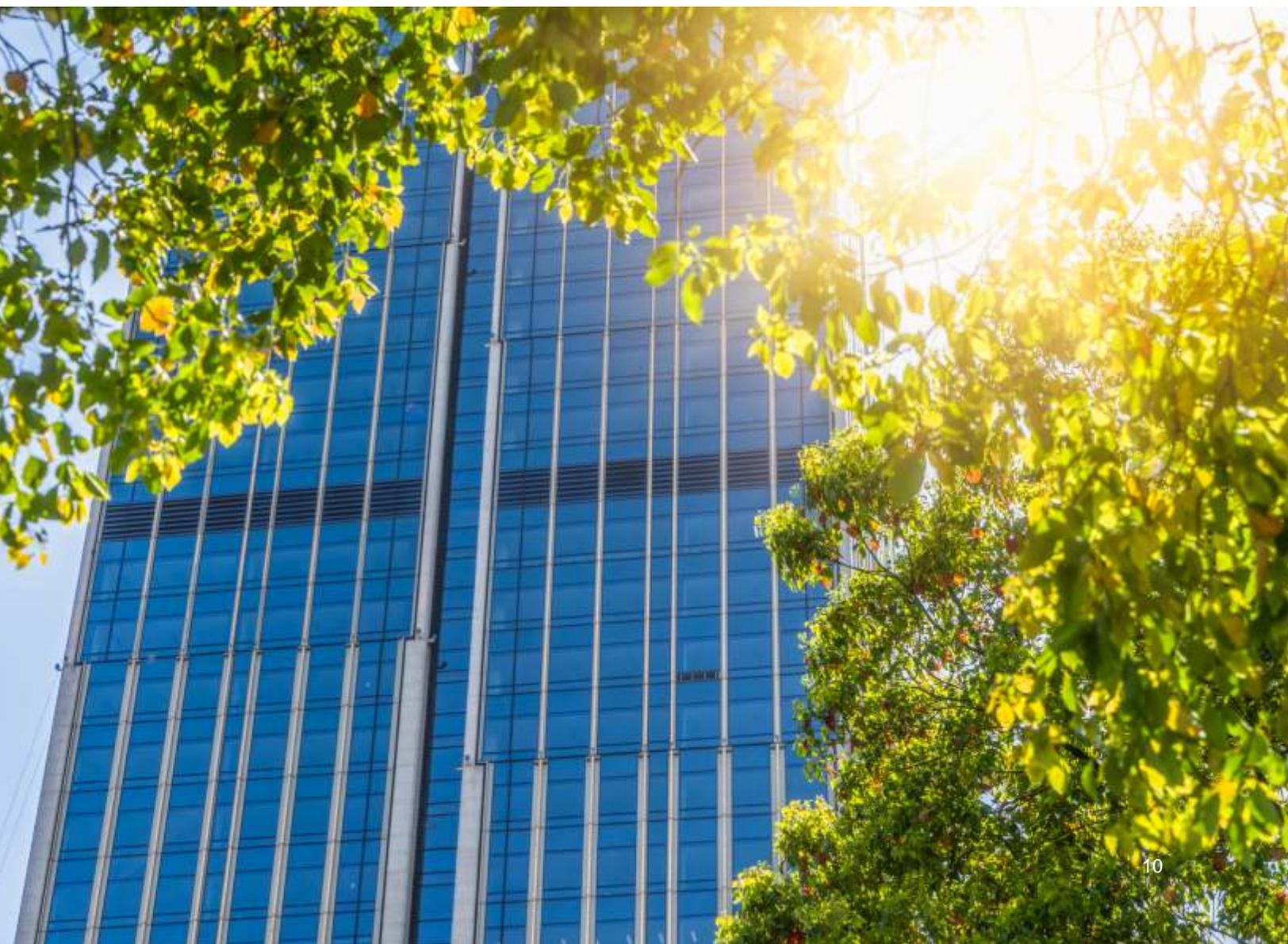
Roman Volodin
Tele2 Kazakhstan

“Central Asia is a very interesting market for us. I mean Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan. We plan to enter Afghanistan and Pakistan next”.

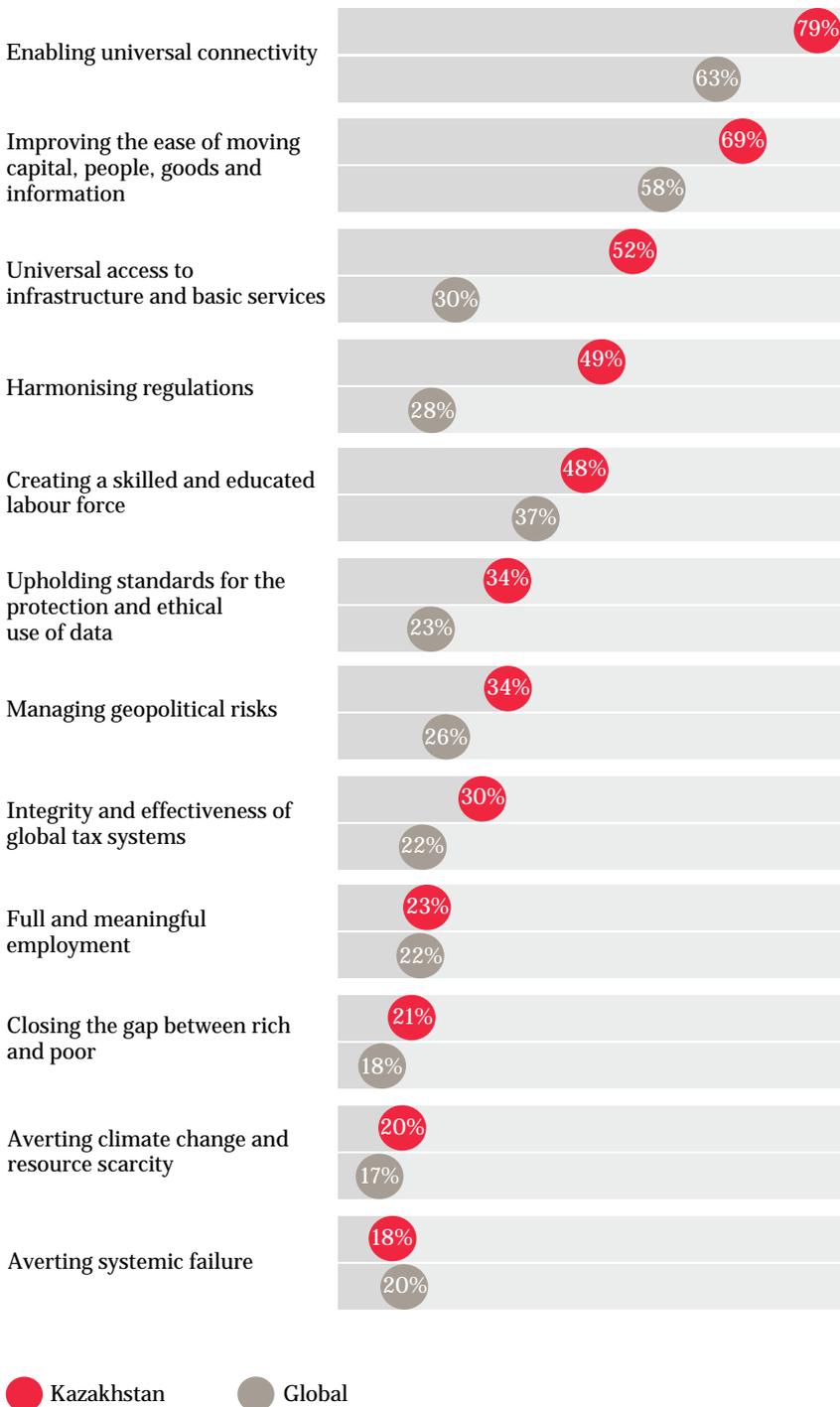
Serik Tolukpayev
Aitas Group, UKPF

“Russia, Turkey and China are countries where we have the most operational interaction, and which have a significant effect on Kazakhstan’s trade balance. We opened our International Desk in 2014 and started interacting with Turkish business, because our group includes Deniz Bank, a large division in Turkey. We’re currently working with our European divisions. During EXPO, we held an Austria Day, and we actively interact with the Czech Republic. China is another important area. The fourth country that determines world macroeconomic trends is the U.S.A. It may not have any direct impact on us, but we’ve been watching events in the U.S.A. closely, especially the recent election campaign”.

Alexander Kamalov
Sberbank



Assessment of globalisation impact



“The gap between rich and poor is growing. Extreme poverty is decreasing, and today’s poor are not the same as 20 years ago. Everyone has a fridge, a TV and a mobile phone. But this doesn’t mean the gap between rich and poor has become smaller. Globalisation has had, and still has, a major effect on the creation of a skilled and educated workforce. All knowledge is on the Internet, and all you need to do to be the world’s best educated person is get on the Internet. Globalisation is making it much simpler to move capital, people, goods and information. A lot of Kazakhstanis have no problem with moving to the U.S.A. or Europe’ for a month. I don’t like that”.

Ramil Mukhoryapov
Chocofamily Holding

“Globalisation is an objective process that affects all governments to some extent. Its effect on business operations is enormous. We’re hiring. Whereas 40–50 years ago, developing a workforce meant having to rely on people living next door, figuratively speaking, today we can draw on specialists from anywhere to develop a workforce in any country, particularly in Kazakhstan. Another example — the more open the country, the easier the access to capital markets. The list is really long — averting climate change, distributing resources, full employment, taxation, and so on, or whatever globalisation hasn’t affected”.

Andrey Kurilin
Citibank Kazakhstan

“There were and still are problems related to managing geopolitical risk, like wars and local conflicts, and globalisation can’t change the situation. Globalisation has had a strong effect on the consistency and effectiveness of international tax systems. Today there’s a fight against offshores going on, and it’s very easy for the authorities to get information on who is resorting to these schemes”.

Rakhmet Khairullayev
ICS, KazPetroDrilling



“Globalisation has had a major effect on the creation of a skilled and educated workforce. As the scale of automation and robotics increases, a whole range of occupations could disappear globally. Unemployment is increasing and will become a very serious problem. The size of the skilled middle class is increasing.

Globalisation is hampering the prevention of system crashes. The risk of crashes will increase, and new threats will appear, but forces able to counter these threats will also appear, and protection mechanisms will improve.

It also has a strong impact on universal connectivity and global communications, because everyone is going online, and the results of this process are obvious.

Globalisation also has a major effect on keeping data protection and use standards in line with ethical standards. Today all documents are digitised, and many countries have done away with cash payments in favour of various payment systems, and this trend will gather momentum. What’s important is how much this process will conform to ethical standards, and how the confidentiality of this data will be protected.

The consistency and effectiveness of international systems will increase year after year, information exchange will increase, tax systems will be unified, and under globalisation this process will be more widespread”.

*Orazkhan Karsybekov
Kusto Group*

“With respect to averting climate change and scarcity of resources, I’m not convinced that humans have an impact on climate. Climate is cyclical: at one time there was an ice age, and then warming started.

As far as consistency and effectiveness of international tax systems goes, everything is heading toward transparency. I think this is the last generation that still understands what a ‘safe haven’ is. The government asks for disclosure of income using terrorism as an excuse, but the real reason is to charge taxes”.

*Denis Van den Weghe
Atakent*

Threats and Opportunities

Level of concern about political, social and environmental threats to your company's growth prospects

"I see the main threat in the proposed amendments to pricing regulations. We see a market slump or companies exiting the market as another danger. In the worst-case scenario, I think it's similar to the case of Azerbaijan, which hasn't been very lucky, because the market is continuing to slump for the third year in a row, making it less attractive. This could lead to imports of counterfeit drugs. I would leave regulation to market forces. We're following our competitors and not doubling prices, because no one would buy our products. Under normal competition, the margin for distributors and pharmacies is established by law, so this mechanism can work very well".

Arminas Macevicius
Takeda Kazakhstan

"Over-regulation is a real concern. So far everything is favourable for us, but there are worries about the future. Regulation often lags behind technology and starts to appear several years later, which doesn't benefit companies. Populism is a real concern. It's something we often see in our industry. The Digital Kazakhstan programme is very good

and will be beneficial if it's done the way it was initially planned and there are dedicated people behind it".

Ramil Mukhoryapov
Chocofamily Holding

"We're quite worried about the risk of social instability. It's a risk that's difficult to assess, but it's very high in developing countries. It's not always about "colour" revolutions or a change of leadership; it's more about geopolitical shocks that can lead to serious civil unrest. If there is social instability, it's extremely difficult to build a positive investment climate. People will lack confidence in tomorrow, consumption won't increase, and there won't be growing demand for our products and investment banking services. So this could have a direct impact on our business".

Arnat Abzhanov
Halyk Finance

"We're extremely concerned about geopolitical instability, because it affects everything. The conflict between Ukraine and Russia is an example.

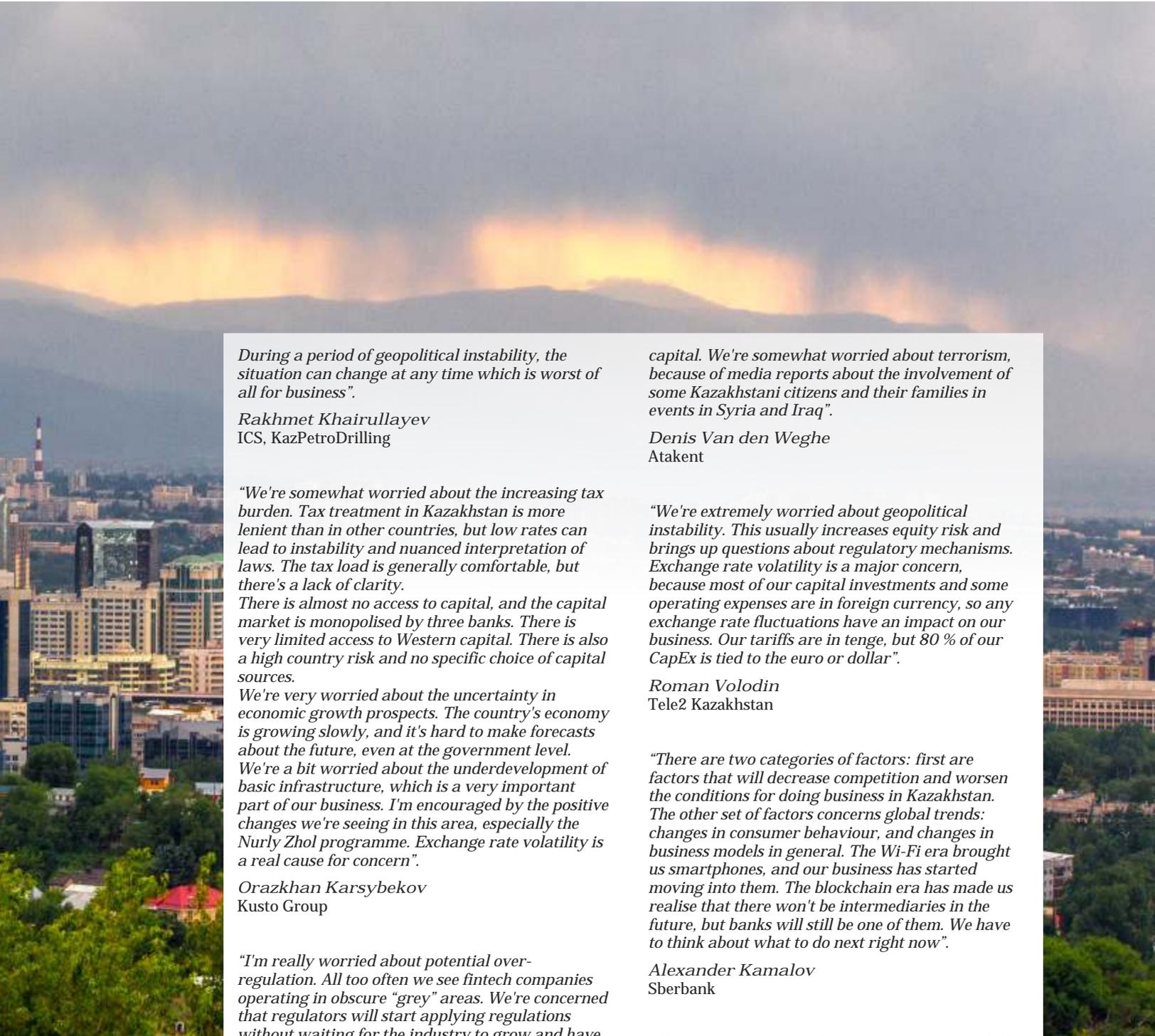


Kazakhstan



Global

	Kazakhstan	Global
Exchange rate volatility	62%	29%
Over-regulation	36%	42%
Uncertain economic growth	33%	26%
Inadequate basic infrastructure	31%	26%
Access to affordable capital	30%	18%
Geopolitical uncertainty	23%	40%
Protectionism	21%	29%
Terrorism	21%	41%
Social instability	20%	29%
Increasing tax burden	15%	36%
Populism	10%	35%
Climate change and environmental damage	5%	31%



During a period of geopolitical instability, the situation can change at any time which is worst of all for business”.

*Rakhmet Khairullayev
ICS, KazPetroDrilling*

“We’re somewhat worried about the increasing tax burden. Tax treatment in Kazakhstan is more lenient than in other countries, but low rates can lead to instability and nuanced interpretation of laws. The tax load is generally comfortable, but there’s a lack of clarity.

There is almost no access to capital, and the capital market is monopolised by three banks. There is very limited access to Western capital. There is also a high country risk and no specific choice of capital sources.

We’re very worried about the uncertainty in economic growth prospects. The country’s economy is growing slowly, and it’s hard to make forecasts about the future, even at the government level.

We’re a bit worried about the underdevelopment of basic infrastructure, which is a very important part of our business. I’m encouraged by the positive changes we’re seeing in this area, especially the Nurlı Zhol programme. Exchange rate volatility is a real cause for concern”.

*Orazkhan Karsybekov
Kusto Group*

“I’m really worried about potential over-regulation. All too often we see fintech companies operating in obscure “grey” areas. We’re concerned that regulators will start applying regulations without waiting for the industry to grow and have a positive effect on the economy, which will stifle growth and any positive effects from the expansion of fintech. Events are unfolding under this scenario in some conservative countries, including the ones where we’re present or want to be present. Two years ago, market participants in Kazakhstan organized the Fintech Association. It’s an industry association that is currently in the midst of a dialogue with the regulator and legislators about how the sector should be regulated. The association includes a lot of international companies with experience in other markets, and our association is hoping to make the regulator aware of existing best practice in countries where regulation of online lending is more advanced than here”.

*Alexey Sidorov
Silkway Ventures*

“Banks today are less interested in providing a good environment for business due to uncertainty. The government talks about supporting small and medium-sized business, but in reality this doesn’t work very well, due to difficulties in accessing

capital. We’re somewhat worried about terrorism, because of media reports about the involvement of some Kazakhstani citizens and their families in events in Syria and Iraq”.

*Denis Van den Weghe
Atakent*

“We’re extremely worried about geopolitical instability. This usually increases equity risk and brings up questions about regulatory mechanisms. Exchange rate volatility is a major concern, because most of our capital investments and some operating expenses are in foreign currency, so any exchange rate fluctuations have an impact on our business. Our tariffs are in tenge, but 80 % of our CapEx is tied to the euro or dollar”.

*Roman Volodin
Tele2 Kazakhstan*

“There are two categories of factors: first are factors that will decrease competition and worsen the conditions for doing business in Kazakhstan. The other set of factors concerns global trends: changes in consumer behaviour, and changes in business models in general. The Wi-Fi era brought us smartphones, and our business has started moving into them. The blockchain era has made us realise that there won’t be intermediaries in the future, but banks will still be one of them. We have to think about what to do next right now”.

*Alexander Kamalov
Sberbank*

“The Ministry of Agriculture’s programmes include a five-year programme for setting up 80 vegetable feedstock processing plants, 40 of which will be upgraded and 40 will be new. How can the Ministry decide how many facilities to build with how much capacity? I think this is micromanagement which undermines business and is absolutely wrong.

Social instability is appearing because the government panders to the people out fear of street protests. They throw money at the slightest problem. This is bad practice.

I see very strong protectionism in agriculture in Russia, the EU and the U.S.A. It’s hard for us to compete in high value-added products. The export structure forces us to look for foreign commodity markets, because it’s hard for us to develop our own production. We’re limited by the scale of demand”.

*Serik Tolukpayev
Aitas Group, UKPF*

"Amendments to industry-specific laws can destabilise both a little and a lot. After the global economic crisis, they really "tightened the legislative screws", but recently the National Bank has been focusing on a constructive transition to a Western regulatory model of risk-based oversight. I hope that in the near future, we'll be able to send the regulator more useful reports and a lot fewer useless ones.

As for competitors, their number has more likely decreased rather than increased in the last ten years, because after the crisis, the regulator toughened requirements for professional securities market participants. We're still a long way from realising the full potential of the domestic securities market. We often hear complaints that the securities market is underdeveloped, and it's true. If you look at market capitalisation of stocks and/or bonds on KASE compared to Kazakhstan's GDP, these figures are a lot lower than similar indicators in Eastern European countries or even Russia. I hope this situation will improve when the Astana International Financial Center (AIFC) starts up this year, where large international players are expected to operate. We might see interesting new instruments and new companies, but it's hard to predict who they will be until the AIFC becomes active".

*Arnat Abzhanov
Halyk Finance*

"I'm sure that something similar to the effect of Uber and Airbnb on their industries could happen in the pharmaceutical industry. However, our industry is quite resistant to change due to regulations. Over-regulation slows innovation. I'm a big fan of deregulation".

*Ranga Welaratne
Sanofi Kazakhstan*



Level of concern about business threats affecting their companies' growth

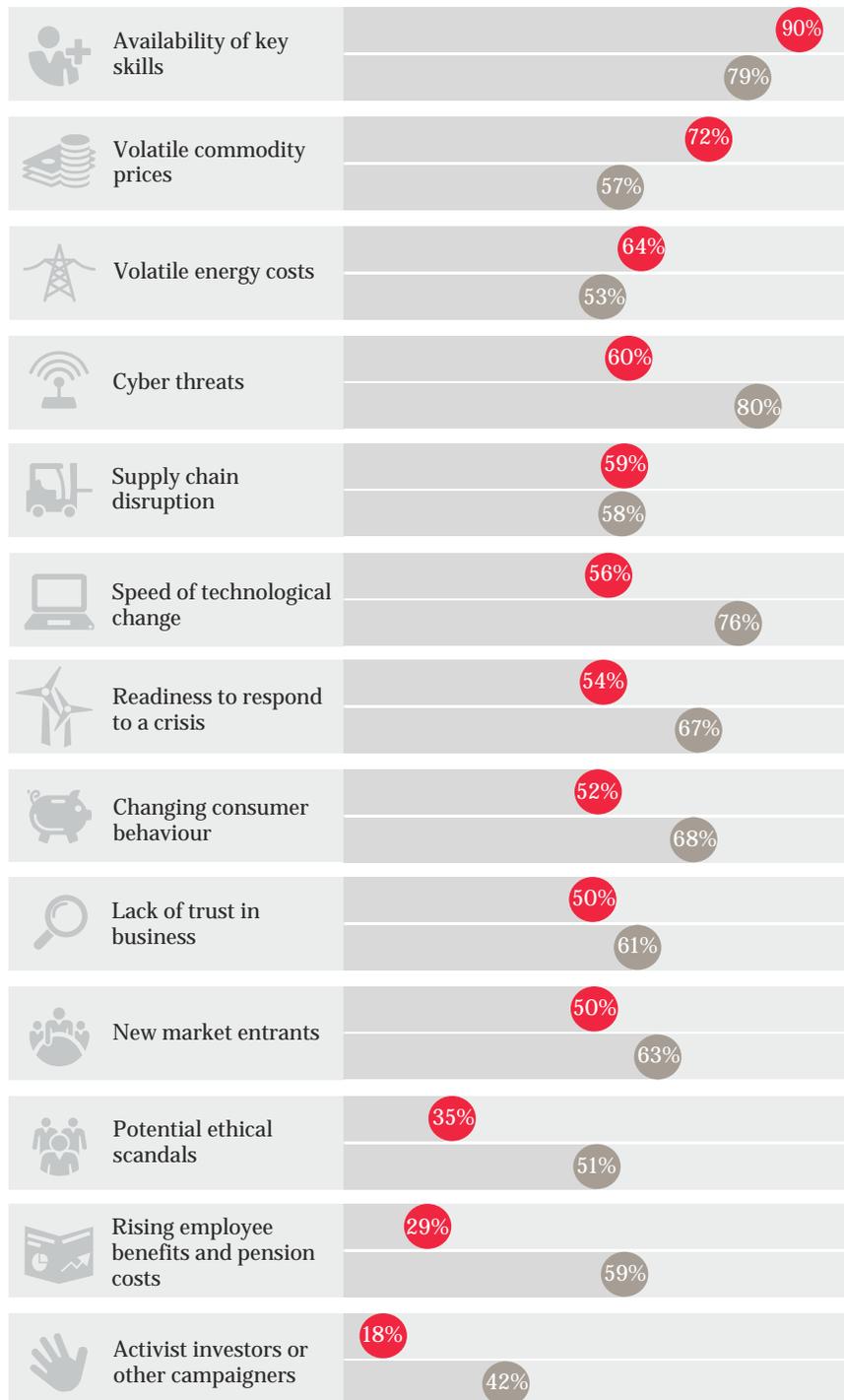
"We're extremely concerned about the shortage of skilled workers. Internet and digital technologies are in high demand and growing; there's a large shortage of workers in the IT sector. Everything connected with IT is a very sensitive issue. There are hardly any skilled specialists with work experience in Kazakhstan. As a result, we're losing development momentum and forced to hire foreign specialists, either by outsourcing or on staff. Our company hires students after graduation and trains them for a year or eighteen months, and then they become skilled specialists".

Dmitry Provkin
Arena S (Sulpak)

"We have a problem with incompetence, even among people who received a good education under the Bolashak Programme. It's as if they were raised in vitro. We've already experienced more than once that a person who isn't supervised hits the wall and can't cope with any unconventional challenges. There are no one-size-fits-all solutions in business. I think the problem is that we don't have a model for training people to be accountable, and this applies to all generations. If there's a chance to delegate responsibility to someone else, everyone takes advantage of it. I think this problem is due to educational standards. Unless we raise the level of talent culture, there's no use taking about anything else".

Stanislav Ryaskov
AltynEx Company

"The shortage of skilled workers is a real concern. In our company, we want to declare next year the year of artificial intelligence, but there just aren't any specialists in this area in Kazakhstan. Every company must have online marketing specialists, because the whole "savvy" audience is already on the Internet, but our colleges and universities still don't teach online marketing. There's no quick solution to the problem of training IT pros, but it's being solved by increasing funding for IT universities. But are they training specialists at this level? We could have a repeat of the situation in the 1990s, when universities churned out a lot of economists and lawyers with meaningless skills.



● Kazakhstan ● Global



There's a lot of concern about cyber threats, because we carry out financial operations and there are account balances. The fact that even large banks are victims of attacks is really alarming.

We're more afraid of indirect competitors. We see how fast and powerfully they work. If we don't cooperate, they'll start to run over our competitors; and if we do cooperate, there's a risk of giving away part of our margin, or even all of it".

*Ramil Mukhoryapov
Chocofamily Holding*

"The greatest challenge is keeping up with the fast pace of technological change. Along with this, we're always counting on the government to respond quickly and appropriately to macroeconomic and geopolitical changes. Kazakhstan is a major energy producer, and just as oil trends are important for the whole country, they're also important for any large business, especially a bank".

*Andrey Kurilin
Citibank Kazakhstan*

"I would say changes in consumer behaviour are among potential threats to the growth prospects of companies: how they shop and how they make decisions about choosing a particular bank. My question is how much to invest in a franchise and whether it's justified. The behaviour of Kazakhstani consumers is constantly changing. For example, the number of users of our mobile app tripled in eleven months, and this upward trend is continuing. Cyber threats are of increasing concern, with three cyberattacks on Kazakhstan's banks and payment systems detected this year. The largest occurred in several banks last November. In a way, it was a test of the security of the country's payment system".

*Magzhan Auezov
ForteBank*

"The problem of cyber threats became so acute last year that we hired a dedicated IT security specialist. Our IT department is detecting an increasing number of attacks on our servers and platform. Cyber threats are a pain, because IT systems can crash or confidential information can be stolen and then distributed. These risks are unacceptable for us, and we're making every effort to prevent them. This

problem is becoming more and more critical with each passing year".

*Arnat Abzhanov
Halyk Finance*

"The lack of trust in business is a real concern. The perception in Kazakhstan is that if a business is successful, that means it's crooked and dishonest. It's unfair, but it exists because there's no trust in business.

We're really worried about commodity price volatility. You immediately think of prices for oil and other energy sources, but this also includes the commodities we buy. Prices for these commodities in tenge are increasing due to devaluation, but we earn income in tenge".

*Rakhmet Khairullayev
ICS, KazPetroDrilling*

"We're somewhat worried about energy price volatility. Our power costs are increasing by about 7 % per year, although energy sources make up only 8 % of our product cost. There's some concern about commodity price volatility, because prices for scrap and paper are controlled by Russian and Chinese trends".

*Victoria Gorobtsova
Kagazy Recycling*

"We're improving our technology, because we know that digitisation is the next step. A month ago I was in London and New York, and I didn't see any changes in adaptability compared to five years ago. So today it's better to focus on omni-channel processes and expanding offline and online sales channels rather than digitisation. This is our priority".

*Marc Loucheux
Leroy Merlin Kazakhstan*

"Finding skilled staff in the market is a major challenge in general. If they're really good, they have their own business. Most men work in the public sector, while women mainly work in private companies".

*Denis Van den Weghe
Atakent*



"We're keeping a close eye on new competitors, but they're just decreasing right now, so we're not worried about this. Last year was a rough one, with high turnover of skilled staff. The situation has improved this year. We don't think the banking business will change radically and go completely online. Look at print media. Traditional newspapers and magazines are being scrapped, but they still exist and have their own stable, familiar niche. It's the same here. We realise that moving online will be gradual, so we're making substantial investments in IT".

*Dmitry Zabello
VTB Bank Kazakhstan*

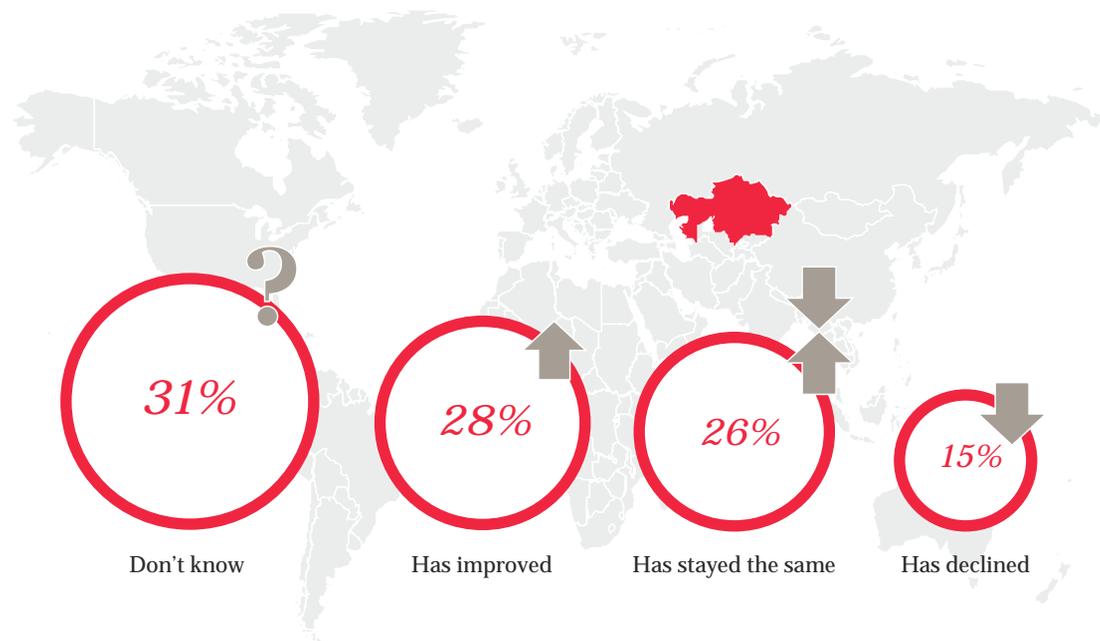
"We're a bit worried about the appearance of new market players. There are fairly high barriers to entry in our business. But we have to consider exactly what we mean by new players. If it's about new providers, we're not really worried. But if it's about a change in control, such as with Kcell, which has been put up for sale, there's good reason for concern. For example, if we consider a shareholder a potential player, a change in Kcell's shareholder composition will have a major effect on us. As for changes in consumer behaviour, it's important for us to find a balance between what consumers want and what we can give them. We have to build an effective financial structure. Energy price volatility is causing some concern, but infrastructure itself is of greater concern; we're not pegged directly to oil prices. But exchange rate volatility has a major effect on our business, so a potential wave of devaluation worries us. In principle, artificial intelligence (AI) and machine learning could change approaches to customer service. Someday we'll reach the point where AI will be able to match the rate for a subscriber with the user level. Blockchain could change the approach to interaction with a provider from the time of connection".

*Roman Volodin
Tele2 Kazakhstan*

"Changes in primary product manufacturing or service technologies (such as artificial intelligence, robotics, and blockchain) aren't really disruptive. It will just be a new kind of reality and even a growth incentive".

*Arminas Macevicius
Takeda Kazakhstan*

Investment attractiveness



"We're starting to notice more and more that investment dynamics in the consumer market have slowed, as if people are waiting for political changes in the near future and are reluctant to invest. However, we've started getting requests to invest in foreign countries through our business".

Askar Baitassov
AB Restaurants

"The investment climate has become friendlier. This hasn't really affected our business, but we can see some progress in the markets. There is a new tax code and new subsurface law that makes investment more attractive. The government is moving slowly but surely. What's most important is to deliver everything set out in writing".

Stanislav Ryaskov
AltynEx Company

"Citi regards our work environment in Kazakhstan as a market environment with real potential for business development.

You hear a lot of stories about how foreign companies have successfully set up operations here and have made Kazakhstan one of their key business areas. One of these stories is ours".

Andrey Kurilin
Citibank Kazakhstan

"There haven't been any meaningful changes aimed at improving the investment climate, either in legislation or in programmes or projects. In fact, international airlines and some financial institutions have left. Over-regulation, lobbying, a non-transparent control system in government

agencies, as well as continuing corruption and unethical court practices, are driving investors from the country".

Zhanar Kaliyeva
Kompetenz

"Kazakhstan is constantly expanding its transport infrastructure. This is important for our business and the economy in general".

Siddique Khan
Globalink Logistics

"We don't work with investors, so this hasn't affected our business. At the very least, the climate hasn't changed, it has even improved slightly. Due to devaluation, our domestic production has become more profitable to export. We have reasonably good laws for expats and a mature market for complex companies like brokerage firms and insurance companies. Our full accession to the WTO next year will be a big boost".

Eldar Sarsenov
Nurbank

"Overall, 2017 was a difficult year for Kazakhstan, as companies continued their efforts to regain stability following the drop in oil prices and the devaluation of the tenge. However, toward the end of the year, we started noticing that planned investments in the Tengiz field were starting to pay off, that the market was gradually recovering with the revival of procurement. As a company, we expect to do a lot of hiring in 2018".

Alex Hill
KIS/Orion

"The government has developed and implemented a lot of programmes to stimulate and attract investments, which is very good, but how this has been used is another story. But overall I think steps have been taken in the right direction, and the investment climate has significantly improved".

Farrukh Makhmudov
Orbis Kazakhstan

"Investment interest in the region is dropping. Business liquidity is decreasing, and it's getting harder to find investors. The cost of financing is increasing, and uncertainty is appearing".

Askar Kanafin
Ordabasy Group

"I was impressed by the level of the Economic Forum in Astana and EXPO 2017. I don't think these events have a strong effect on our business, but they attract attention and make Kazakhstan better known in the world".

Ranga Welaratne
Sanofi Kazakhstan

"There haven't been any improvements. There is still a risk of devaluation of the national currency. It's hard to recoup the costs of procuring equipment or technology from abroad".

Nurlan Saurambayev
SAT & Company

"The investment climate still hasn't improved. The interest of international financial institutions and industries is still very restrained due to the lack of transparency in the political and economic environment, as well as the lack of long-term guarantees from the government. The lack of these changes has a negative impact on our business. The country doesn't have enough financial resources of its own to expand healthcare, and international players aren't coming to this market".

Mikhail Gribov
Siemens Healthineers

"The banking sector has done a good job. This should have a positive effect on the investment climate through loans, access to capital, and so on. I think the climate has improved somewhat over 2016, because the economy has adapted and become more predictable. Our monetary and fiscal authorities understand what they need to do and how. Business knows what to expect. This year GDP growth accelerated to 3.5 %, consumers became more confident, and a fair number of jobs were created. The investment climate is the same as before without any improvement in government actions or legislative changes".

Serik Tolukpayev
Aitas Group, UKPF

"The government is actively promoting Kazakhstan as an attractive place to invest, but in fact, it passes laws that worsen the climate (new tax reforms, the problem of work visas for foreign specialists, and the lack of access to low-cost capital)".

Gulnara Danybayeva
Philips Kazakhstan



Geopolitical events affecting Kazakhstan and business in particular

“Russian influence is especially strong. I have no doubts that the current president will win the upcoming elections, which means continuation of his policy. Russia has become very resistant to sanctions, so I don't think there'll be problems with governing it”.

Ranga Welaratne
Sanofi Kazakhstan

“We're still feeling the effects of the latest devaluation and the Russian embargo on Western food products. We're continuing to grapple with the rising costs of Western products and the search for local alternatives. But local manufacturers don't always upgrade their product lines”.

Askar Baitassov
AB Restaurants

“Kyrgyzstan's accession to the EEU in 2016 was a milestone for us. As a result, business opportunities opened up for us in this country. Uzbekistan is potentially an interesting market. We've studied it carefully and considered the prospects, but differences in customs regulations are a stumbling block. As soon as these regulations are liberalised and harmonised with the current regulations in Kazakhstan, this market will open up, and we'll enter it. A market of 30 million people is very promising for us”.

Dmitry Provkin
Arena S (Sulpak)

“To understand how little Kazakhstan's potential is affected by passing events, you just have to look at its geographic location, its neighbours, what it can give economically and politically to the global community, and what it can receive from it. Kazakhstan has a long common border with the world's second largest economy, and it has another huge neighbour — Russia — which has no customs barriers. A lot of countries can only dream of being right next to major economic powers. Kazakhstan is open for investment by large companies and countries”.

Andrey Kurilin
Citibank Kazakhstan



“The sanctions against Russia, a single customs union that's a disadvantage for Kazakhstan, and uncontrolled expansion of Chinese investors have a negative effect on the country's economy, which in turn decreases its citizens' ability to pay, especially for insurance services”.

Zhanar Kaliyeva
Kompetenz

“The sanctions against Russia have had a negative effect on Kazakhstan. The opening up of Uzbekistan and changes in the country itself are having a positive effect”.

Magzhan Auezov
ForteBank

“The ongoing tension in Europe over Russia has had some impact on a number of projects and sectors in Kazakhstan”.

Bela Ferenczi
GE Central Asia & Azerbaijan

“Russia, China, the U.S.A., the EU, and the situation in Central Asian countries have affected Kazakhstan. We're still feeling an indirect effect from the sanctions against Russia. China's Belt and Road Initiative is a fairly positive development. This initiative calls for capital investments from various sources from hundreds of billions to trillions of US dollars that will be made in 60 countries, including Kazakhstan. Along with capital infusions, it will have also had a positive influence on our country's transit potential”.

As for the influence of the U.S.A. and the EU, I'm worried about escalation of the standoff between the U.S. and North Korea. This problem must be solved peacefully. Another geopolitical event with a strong direct effect on Kazakhstan is support for populist and nationalistic sentiments based on the idea of investing in your own county, not abroad, especially in Kazakhstan, which in turn will have a negative impact. We're seeing this in the U.S.A., where the whole election campaign is based on the slogan: "Make America Great Again". It's the same in a lot of EU countries, like Austria, France, Germany, the UK, and Eastern European countries".

Arnat Abzhanov
Halyk Finance

"Simplified visa rules will be the key to future business development in our segment of the hotel business".

Stephan Reiter
Hilton Astana

"The establishment of the Customs Union had a major effect on our business. The borders were opened. Russia, with its huge pulp and paper industry, started dictating pricing policy. The imposition of sanctions against Russia also had a major impact. The influence of the WTO is insignificant in this situation".

Victoria Gorobtsova
Kagazy Recycling

"I'm personally extremely worried about continuity of the government. Development of our business is very dependent on how smooth and consistent it is and whether there will still be good relations between Russia and Kazakhstan. We also have to think about what's happening in Uzbekistan. We know that this country's market is becoming more open, and we also know it has great potential. I'm not sure that opening this market will benefit Kazakhstan, because a lot of companies interested in Central Asia will rush to start operations there".

Marc Loucheux
Leroy Merlin Kazakhstan

"Of course, the sanctions against Russia have had an impact on Kazakhstan and on business in general, but there's an upside to it as well — we've diversified and become stronger".

Farrukh Makhmudov
Orbis Kazakhstan

"The sanctions against Russia, including the predictable outcome of the elections in March 2018, the "radicalisation" of American foreign policy, problems in the Eurozone, and energy price volatility make long-term planning impossible and reinforce skepticism about business initiatives and conservatism in investment and reinvestment".

Askar Kanafin
Ordabasy Group

"Political decentralisation has had an effect; for example, Brexit and the referendum in Catalonia. These are precedents, and we're seeing their effect on business. Due to the players' global nature, the migrant crisis in Europe and the situation in the Eurozone have an indirect effect on us, just like the U.S.A. election".

Dmitry Zabello
VTB Bank Kazakhstan

"Events in China are having some effect. Contrary to predictions, China's economy hasn't deteriorated. The Belt and Road initiative is starting to work quite well. The U.S.A. and Russian economies showed good dynamics (Russia is our closest neighbour and a large global market player). The opening of Uzbekistan still has hasn't had any effect, but in the long run, we think it will improve the situation in Kazakhstan".

Serik Tolukpayev
Aitas Group, UKPF

Trust and the Talent Pool

Key pressures CEOs face

“There's growing demand today to increase real-time personal accountability. Tech companies often use the Agile approach, which erases hierarchical boundaries between managers and doers. But in a growing company with a larger market share than before, personal accountability is more relevant. Our team has to build an interpersonal communication system and work on getting each manager to assume more personal accountability”.

Alexey Sidorov
Silkway Ventures

“There's a growing demand today to get business results as quickly as possible. All processes are accelerating. We're trying to accomplish goals and objectives so we don't have to start over again later”.

Dmitry Provkina
Arena S (Sulpak)

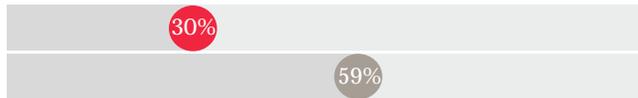
Increasing pressure for your organisation to deliver business results in shorter timelines



Increasing pressure to demand personal responsibility in real time



Increasing pressure from employees to hold executives accountable for any organisational misconduct



● Kazakhstan ● Global

Evaluating the level of trust between employees and executives, and between the company and customers

Trust is a key factor in developing and strengthening relationships both inside and outside the company, e.g. in relations with customers, suppliers, government authorities and others. 77 % of Kazakhstani CEOs said they evaluated the level of trust between employees and management on a regular basis through anonymous surveys, so they weren't concerned about this factor. 66 % of respondents said they evaluated the level of trust between the company and customers through CRM and NPS systems — surveys and other feedback sources where customers' comments are handled immediately and flagged.



“Trust between management and employees is a cornerstone of the banking business. In the last few years we've seen a steady positive trend in responses in Kazakhstan. Employees answer questions about their perception of the environment at the bank, and evaluate management, their colleagues' skills and the bonus plan. Since the survey is anonymous, concern for people and real achievements may have the most influence on responses. The employee satisfaction index is essential to evaluating management's actions at Citi.

Replacing managers, movement of employees and career growth are work-related issues that are always present in large companies. Universal application of the rules and employee accountability for their work are the keys to a company's success. Citi managers receive 360 feedbacks annually, which makes communication among colleagues more open, considered and effective, bringing us closer to success.

The topic of openness and uniform rules extends to customers' assessment of our bank's performance. Along with Voice of the Employee, we carry out an annual Voice of the Client survey of nearly all our clients, whose answers can be anonymous or not. The results of this survey are a key factor in evaluating the performance of all employees”.

Andrey Kurilin
Citibank Kazakhstan

“Since a bank is a service provider, we think our customers can't be happy if they're served by unhappy employees. There are clear methods that allow us to measure NPS, customers' willingness to recommend us to acquaintances, and employees' willingness to recommend working at the bank to their friends and acquaintances. Trust is a key factor for any service provider.

The government is our main stakeholder. Our bank is actively involved in all government programmes. We're a large international institutional investor in Kazakhstan's economy, and this mutual trust is essential for us”.

Alexander Kamalov
Sberbank

“We conduct anonymous surveys, and the results help us understand possible reasons for employees' dissatisfaction with management's actions. This mechanism operates in all of the company's divisions”.

Orazkhan Karsybekov
Kusto Group

“I don't really trust various HR surveys, because I try to talk to employees every day to find out what troubles them and their suggestions for solving a certain problem”.

Denis Van den Weghe
Atakent

“We measure NPS which shows the level of customer satisfaction. The second point is employees' compliance with the company's standards. A Mystery Shopper programme has been operating for a long time. Twice a month, a Mystery Shopper visits each store, follows a certain scenario and rates employees' actions using a special checklist. Each shopper rates the service through SMS or by phone to call centers. We study these ratings and identify the reasons for negative feedback”.

Dmitry Provkin
Arena S (Sulpak)

“We're getting both positive and negative feedback from customers almost constantly. We take negative feedback very seriously”.

Dmitry Zabello
VTB Bank Kazakhstan

Strategic initiatives to strengthen trust between employees and senior executives

“Automation and artificial intelligence are having an effect on our employees. But today everything is changing so quickly that it’s sometimes impossible to predict what will happen next week. We’re strong advocates of automation and smart mining. People aren’t very competent, so it’s more profitable for us to automate processes than leave them in their initial manual state. I think people here still don’t understand that if you don’t devote yourself to your work, it’s easy to replace you with an inanimate mechanism”.

Stanislav Ryaskov
AltynEx Company

“We’re making every effort to get across to employees that the rules are the same for everyone, everyone has the same rights and opportunities, and the response to any misconduct by a manager will be the same as to misconduct by a rank-and-file employee. This applies to our talent strategy, partnership relations and hiring for new positions. I feel a sense of comfort in knowing that everyone works according to the same rules. It’s an incentive to do more and be better”.

Andrey Kurilin
Citibank Kazakhstan

“We’re actively involved in ensuring transparency in implementing the company’s value system. Over the last five years, we’ve been working to create a corporate culture, and making sure that people understand why we need it, and why things like the company’s logo and corporate colour scheme are important. We’re in the midst of implementing a strategy to ensure transparency about the impact of

automation and artificial intelligence on employees. We have labour unions and a schedule of plans for making changes in production, so employees know ahead of time what changes they should expect. Most of all, we try to retrain employees and prepare them for new work”.

Victoria Gorobtsova
Kagazy Recycling

“We have ideas about how automation and artificial intelligence can affect the work process and the nature of employees’ work, but I wouldn’t say we’re actively discussing this issue with our employees”.

Orazkhan Karsybekov
Kusto Group

“We promote transparency of the policy of socio-cultural diversity and inclusiveness to some extent. I might hire a person with disabilities, not because I want to show support for hiring people with special needs, but because this person shares our company’s values and can perform his or her duties”.

Marc Loucheux
Leroy Merlin Kazakhstan

“We’re making efforts to ensure transparency in employees’ contribution to the company’s overall business strategy. We’ve introduced the concept of personal accounts. In them employees can view online information on their achievements and plans, right up to bonus calculations. Our task is to make employees fully aware of the provisions of



Kazakhstan



Global

	Kazakhstan	Global
Creating transparency about employees' contribution to your overall business results	98%	92%
Creating transparency about your people strategy	97%	91%
Creating transparency about your compensation and benefits strategy	94%	90%
Contributing to philanthropic activities	93%	94%
Creating transparency about your diversity and inclusion policies	87%	89%
Creating transparency about the impacts of automation and artificial intelligence on your workforce	50%	61%



our company's value system. The value system is a higher level model of our company's day-to-day life and what we profess, so it's important for everyone to know about it. If we look at any successful corporation, we see that it has an absolutely clear and simple value system”.

*Dmitry Zabello
VTB Bank Kazakhstan*

“We have a Code of Conduct that clearly states that there can be no harassment based on nationality, language, religion or sexual orientation. But we don't talk about this every day. Once a year, all of our employees must read and sign the Code of Conduct. If we discover negative incidents, we investigate them and make sure they aren't repeated. A lot depends on the behaviour of senior executives, that is the company's and the group's management. We have employees with disabilities. We don't recruit these people intentionally in order to employ them, but if a person is suited to a particular job, he or she continues to work for the company. When it comes to ensuring transparency about the impact of automation and artificial intelligence, there's nothing new about the idea that robots can replace call centre employees, for example”.

*Roman Volodin
Tele2 Kazakhstan*

*“We're currently working on moving the company to a system that has various names depending on the author. At Logan, for example, it's called a shift to the fourth level of culture *, and at others, it's a shift to a self-transforming*

mind. The point is to shift from the concept of “I'm strong” to “we're strong”. One of the elements of this shift is team members' trust in one another”.

*Serik Tolukpayev
Aitas Group, UKPF*

“We're always interested to hear from employees about changes they would like to see. We conduct an annual global satisfaction and engagement survey, and this figure is constantly growing”.

*Marc Loucheux
Leroy Merlin Kazakhstan*

*a typology of tribal cultures proposed by David Logan, described in the book “Tribal Leadership. Five Stages of Tribal Culture”.

Strategies used to increase customers' trust

"We carry out some charitable activities. We've built a football field for children and work with charitable foundations — we help children with health problems. We don't have a policy for contributing a certain percentage of income to charity. We still have some work to do here. We're making some contribution to environmental protection and fighting climate change by helping to plant trees every year. We recently launched a separate garbage collection system in offices.

We promote transparency about elements of our company's business strategy. We speak openly to both the media and our potential competitors about our plans. We're often approached by companies wanting to implement a certain project together, but if we're planning to do it ourselves, we openly inform about it".

Ramil Mukhoryapov
Chocofamily Holding

"Our mission is to promote economic growth and progress in the places where we operate.

We direct investments to cybersecurity and data protection. We're constantly thinking about the talent pool and want to open up opportunities for young people. We've made presentations at KIMEP University, Nazarbayev University and other educational institutions for this purpose".

Andrey Kurilin
Citibank Kazakhstan

"We're contributing to environmental protection through our business as processors who save hundreds of thousands of trees each year. Last December, our company received the government's Paryz award for corporate social responsibility in the "For Contribution to the Environment" category. We have a "From Recycling to Donation" programme. It's a joint campaign with large companies that deliver scrap to us. The money we pay for scrap is transferred to children's homes for children with developmental disorders.

We're currently finishing construction of new treatment facilities. The paper industry needs a lot of water. We used to discharge it to dedicated outdoor absorption fields. We're now building treatment facilities that no company in Kazakhstan is building".

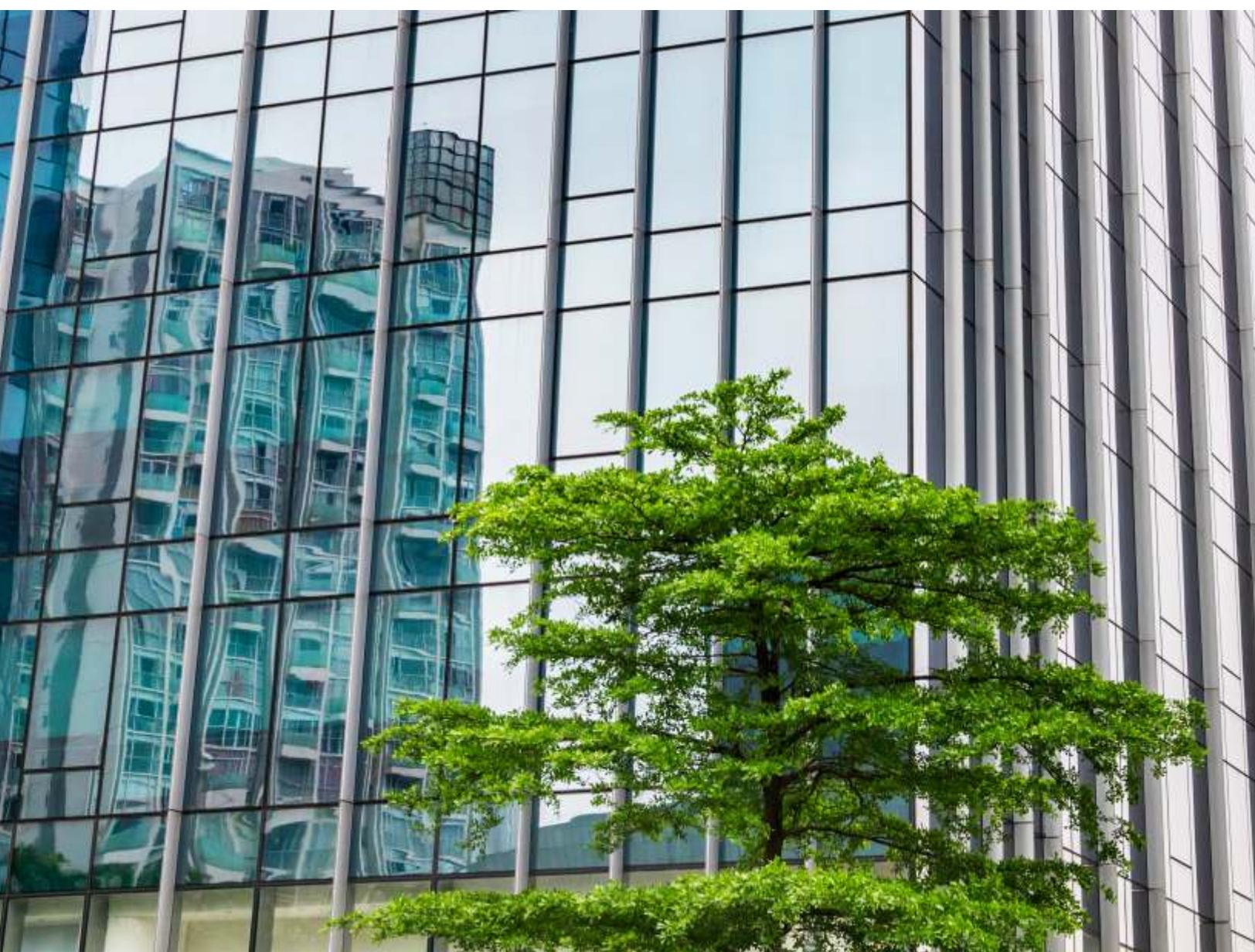
Victoria Gorobtsova
Kagazy Recycling

"We're getting actively involved in environmental protection. More specifically, we have a battery recycling system and waste treatment, and during special campaigns, employees Leroy Merlin plant trees to make a contribution to improving the environment in the cities and markets where the company operates.

We work closely with colleges and universities. Experience shows that developing partnerships between a company and educational institutions is one of the most effective recruiting tools".

Marc Loucheux
Leroy Merlin Kazakhstan

	 Kazakhstan	 Global
Creating transparency about aspects of your organisation's business strategy	95%	90%
Creating transparency in your supply chain	90%	79%
Creating transparency around the taxes you pay	89%	72%
Contributing to philanthropic activities	83%	80%
Creating transparency in the usage and storage of customer data	82%	81%
Helping to promote diversity and inclusion	81%	84%
Collaborating with educators and policy makers to improve the employability of future workers	77%	73%
Contributing to combating environmental issues such as climate change	70%	75%
Investing more heavily in cyber security protection	63%	87%



"We've been doing this right from the very start and today we're making even more efforts to build closer ties with universities. A lot of programmers took 2–3 courses as students while working for us. We're doing this even more today, because the new generation of students is the most promising demographic for us. Most employees in our technical divisions and departments where creativity and a new way of thinking are required are members of the new generation. We recently launched Talent Hunt, a 6-month paid internship programme. We're looking for the best students from technical universities and invite them to an internship in our company, with the potential for future employment. This is how we're creating a new talent pool".

Alexey Sidorov
Silkway Ventures

"We're actively involved in charitable activities and are a primary sponsor for the Reach for Change foundation, which is developing social entrepreneurship in the country. We use the strategy extensively in environmental protection. We hold an annual campaign to pick up garbage in the mountains. I don't think we can fight climate change, have any impact on currying emissions or promote the shift of heating and power plants to gas, but we work hard in areas where we can have an effect".

Roman Volodin
Tele2 Kazakhstan

Expected headcount changes

Last year only 7 % of CEOs were planning to downsize. This year 26 % are planning to downsize, and in half the cases the reason is automation and implementation of new technologies.

“There is some problem in that skilled employees working at factories and plant are getting older and gradually retiring from the company”.

Denis Van den Weghe
Atakent

“We’re experiencing a shortage of skilled local staff in many of our operating areas. We try to hire local specialists, but the question is how much time we spend in searching and how much choice we have”.

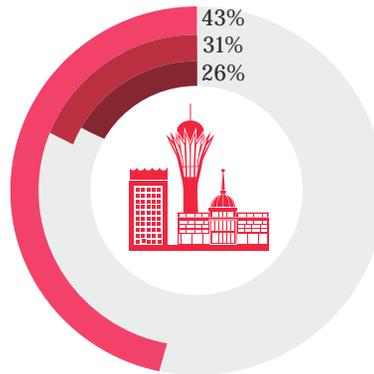
Roman Volodin
Tele2 Kazakhstan

“A number of new business areas are appearing, and in the next three years, we’re planning to launch new projects to recruit new employees. We’re planning to expand the product range in our online store, and we need human resources for this. We’re also experiencing staff shortages in our marketing and logistics divisions. The number of employees in retail is growing as we open new stores. Our company currently has about 4,500 employees”.

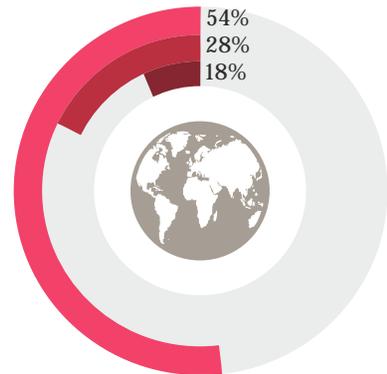
Dmitry Provkin
Arena S (Sulpak)

“We expect an increase in our staffing level in the next 12 months, but we’re not thrilled about it. At one time, we were happy when our staff increased, but today we realise that having more employees means difficulties, coordinating processes and expenses. I want to be like WhatsApp: 35 employees and worth \$20 billion”.

Ramil Mukhoryapov
Chocofamily Holding



Kazakhstan



Global

● Increase ● Stay the same ● Decrease



“Due to technological development, demand is currently growing for developers, IT analysts and business analysts. Building Big Data and customised offerings are unique new specialties that appeared five years ago and are in high demand today. There is still a demand for customer relationship and product development managers. We're automating specific processes, which in turn affects reassignment of roles”.

Alexander Kamalov
Sberbank

“We need fewer people in the Sales Department and support functions because of new technologies. There must be less and less paper, because the systems replacing it are being implemented faster than ever. Our other functions are automated enough”.

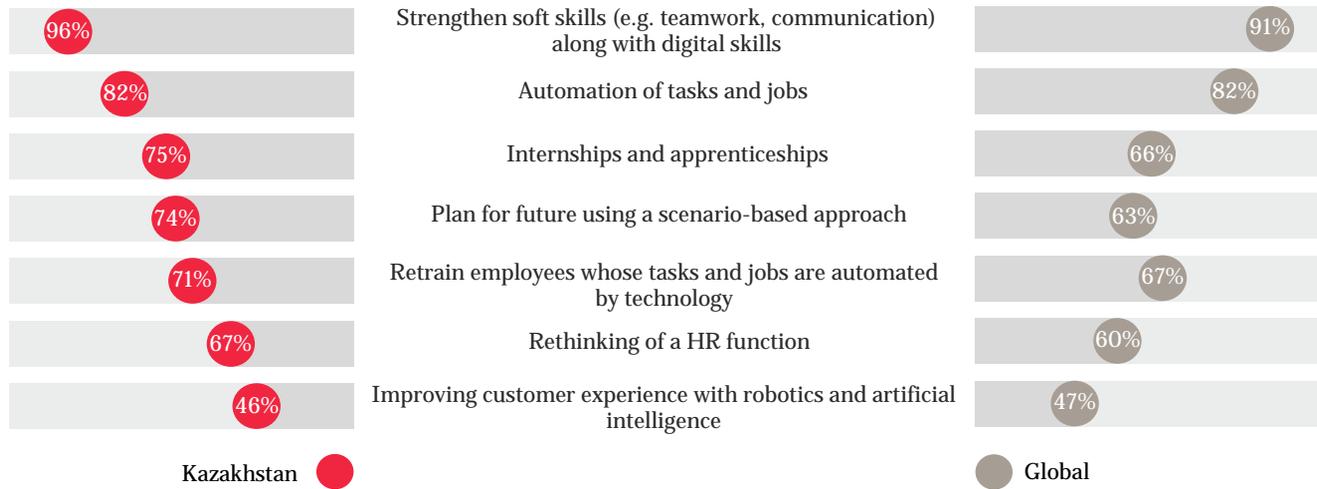
Arminas Macevicius
Takeda Kazakhstan

“We're thinking about downsizing by outsourcing. To some extent this is due to automation, but it's mainly because we think it's more practical to outsource some projects”.

Roman Volodin
Tele2 Kazakhstan



Key talent strategy in the digital age



"We organise internships and on-the-job training for employees with a view to their career advancement. This has created a number of incentives. Gold is only a metal. The most valuable resources are the people who extract this metal. If you make a contribution to work, the company will contribute to your career advancement. Your added value will increase as a result. We even do this with competitors. We send specialists to each other to share experience".

Stanislav Ryaskov
AltynEx Company

"We value our employees and train people so they can use their practical knowledge to configure and set up automated solutions that allow them to work more efficiently. The whole process is fully automated and can't be controlled by algorithms. But in order to make people's work more efficient, we're implementing IT solutions and training current employees.

Robotics and artificial intelligence can enhance the quality of customer service, above all by providing information and comparisons of specifications and data. Speed of service is a second important factor for customers. IT solutions must help us handle customer requests more quickly, and for this purpose we're developing special tailor-made projects, but it's too soon to talk about them".

Dmitry Provkin
Arena S (Sulpak)

"We have to retrain employees working in areas that will be automated. Retraining is easy, especially for young people, who make up the majority of employees in our holding".

Ramil Mukhoryapov
Chocofamily Holding

"We're constantly organising internships and on-the-job training, and send our top-level production staff to Russia,

Ukraine, China and Eastern Europe. It makes no sense to send them to Western Europe or the U.S.A., because they have a totally different technological development level. So we choose countries where manufacturing technology is similar to ours".

Victoria Gorobtsova
Kagazy Recycling



"It sometimes happens that a new employee would do better in another job, and we try to find them that job. We have a lot of examples where shortly after people were hired in the telemarketing department, they were retrained in analytics, sales specialists became project managers, and programmers and designers became sales specialists. Our team doesn't have very high employee turnover, and there have been a lot of cases where specialists who left the company returned a while later. We don't retrain people because a certain job has been automated, but because we want to find a job for each employee where they can be most effective. We're not keen on losing employees after spending a lot of time and effort in hiring and training them".

*Alexey Sidorov
Silkway Ventures*

"We have to retrain employees working in areas that will be automated. We use the principle of transformational growth without sweeping changes, so this issue isn't critical for us. We have to develop interpersonal skills along with digital skills. We live in a time when it's impossible to work outside a team, with rare exceptions. All scientific discoveries are made as a team. A striking confirmation of this is the European Organisation for Nuclear Research (CERN) which achieved its goals because its employees worked as a team. The ability to get together is the same world trend as globalisation".

*Dmitry Zabello
VTB Bank Kazakhstan*

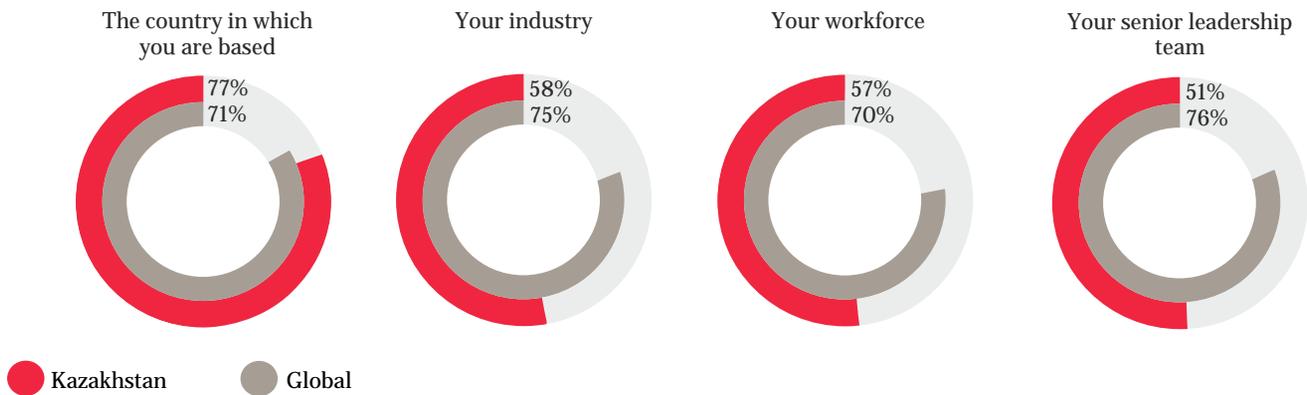
"Business will always be faced with the dilemma of whether to retrain a current employee or hire a new one. We need people who can maintain automated processes. We generally see that people are trained over a longer period but more cheaply. But if a process is going to be automated tomorrow, it's easier to replace employees, because there's no time for training.

We invest in employee training in a number of areas, starting with Basic English language training. In one of these training programmes a group of experts teach employees how to prepare business cases, make financial estimates and prepare presentations for senior executives. Not all 1,300 employees go through this programme, but the most ambitious ones get this opportunity".

*Roman Volodin
Tele2 Kazakhstan*



Concern about digital skills



"In the last 5–7 years Internet penetration has driven a rapid spread of information. Some success stories like the Facebook IPO and the sale of Instagram excite the imagination of the younger generation. There are a lot of young people eager to work in IT companies and aim for this work while they're still students.

Another trend has also appeared: older people who have worked in the banking sector, telecom and other industries have realised they will never achieve their career ambitions in large corporations. These specialists have started looking for opportunities to work in startups and IT companies".

Alexey Sidorov
Silkway Ventures

"There's some concern about the lack of digital skills in the country as a whole. Some remote communities still don't have Internet access, which is a cause for concern in the high-tech era".

Orazkhan Karsybekov
Kusto Group

"I know for a fact that Kazakhstan has a very well developed e-government portal that's better than in my native Belgium. It's quite common for developing countries to be one step ahead in transformation, including digital transformation".

Denis Van den Weghe
Atakent

"We're evolving, the banking business is at the peak of IT development, and it doesn't matter how old a specialist is — an employee won't be able to work without the relevant knowledge. Older employees may have an advantage over younger people in some areas".

Dmitry Zabello
VTB Bank Kazakhstan

"We're very concerned about the lack of digital skills in the country as a whole. There's no cause for concern about these skills in Almaty, Astana or Shymkent. However, the level of digital technology use is very low in the regions".

Roman Volodin
Tele2 Kazakhstan

"Due to the onrush of digital technology, our industry and the country as a whole are suffering from a shortage of skilled workers with state-of-the-art knowledge, and especially with proven experience. This is due to the high cost of these specialists or outsourcing these services".

Dmitry Provkin
Arena S (Sulpak)

"There's a shortage of staff and tech specialists. Our industry is having problems recruiting skilled staff, like the banking sector and Internet companies".

Rakhmet Khairullayev
ICS, KazPetroDrilling



"It's really hard for us to recruit digital technology specialists for our company. Foreign service providers are willing to show us and deliver unique digital solutions that could radically change our company's operations, but we have no specialists able to operate or maintain this equipment. We spent six months looking for these specialists, and finally continued our search in Russia".

*Orazkhan Karsybekov
Kusto Group*

"It's not easy to recruit specialists, because digital technologies are growing fast, something new is always appearing, and the labour market can't adapt quickly enough".

*Yerlan Ospanov
Verny Capital*

Strategies for attracting digital specialists and developing these skills in current employees

	 Kazakhstan	 Global
Partnering with external providers	80%	79%
Modernising the working environment (e.g. rolling out digital tools, creating collaborative physical environments)	75%	86%
Improving compensation and benefit packages	74%	79%
Outsourcing to external providers	73%	76%
Implementing continuous learning and development programmes	73%	85%
Changing brand perception through marketing and advertising	65%	75%
Working with educational institutions	65%	71%
Implementing new flexible ways of working (e.g. mobile and remote working)	60%	77%
Changing employee dress codes	55%	52%
Relocating your operations closer to available talent pools	32%	42%

"I think our core business is extracting metal. In my opinion we should hand over all non-core assets to specialists in these areas. So in this case we're taking the path of least resistance. For example, a security system, some customisations and databases are really important but don't give us any direct added value. We outsource these tools for simplifying and accelerating processes".

Stanislav Ryaskov
AltynEx Company

"We use compensation and benefits packages, and we have a progressive payroll system based on key performance indicators. IT specialists need to train and learn about new products. We're investing in these areas and regularly send people for training. We have a design system for the IT Department— it doesn't matter where or when people do their work. What's important is that we get results on time and of suitable quality".

Dmitry Provkin
Arena S (Sulpak)

"We do everything possible to be the best in our competitive market. We don't have enough of our own resources to perform some business tasks, so we regularly engage third-party providers who have extensive experience in our specific area. Since strong companies with experience in digital technologies on the stock market operate in Russia and

Ukraine, we've made recent requests for IT applications to a number of CIS countries".

Arnat Abzhanov
Halyk Finance

"We conduct regular employee training. A lot of automated and digital solutions have already been thought up by other people and have been working for some time now. We don't have to invent our own, we just need to learn, adopt practices and adapt them to our conditions. If we upgrade and digitise even when implementing someone else's practice, this will be a good option for our country".

Orazkhan Karsybekov
Kusto Group

"Recruiting is a priority for our company, because in order to grow, we need a lot of specialists in different areas. We're constantly dreaming up innovative ways to recruit employees, since 80 % of our staff is involved in digital technologies in some way. We use online ads and internships for recruitment, we take part in conferences and hackathons, and send employees to specialised conferences in Russia".

Alexey Sidorov
Silkway Ventures

Developing personal digital skills

“Today I communicate regularly with colleagues by video conferencing. This would have been a real event in 2003, but it's routine today. It saves money and allows me to get better acquainted with partners in different countries. Without video conferencing, I'd probably have to on business trips more often. Thanks to new technology I can keep in touch with my family. I try to limit my smartphone use, because it's easy to get addicted”.

Andrey Kurilin
Citibank Kazakhstan

“SMM and content marketing have become a necessity. We've recently been actively involved in building a personal brand through SMM and content marketing”.

Alexey Sidorov
Silkway Ventures



● Kazakhstan ● Global

Cooperation with the government

Priority areas for RK government focus

Assessment of the government's effectiveness in these priority areas

Interest in collaborating with the government in these priority areas

"Corruption is a big problem, but that's no secret. I hope it will be curbed. At the macro-level there should be growth in countries like Kazakhstan. The U.S.A. spends about 17–18 % of its GDP on healthcare. OECD member countries spend about 8–12 % of their GDP. Central Asian countries spend about 1–4 %. Kazakhstan spends about 4 %. So there is high growth potential in healthcare".

Ranga Welaratne
Sanofi Kazakhstan

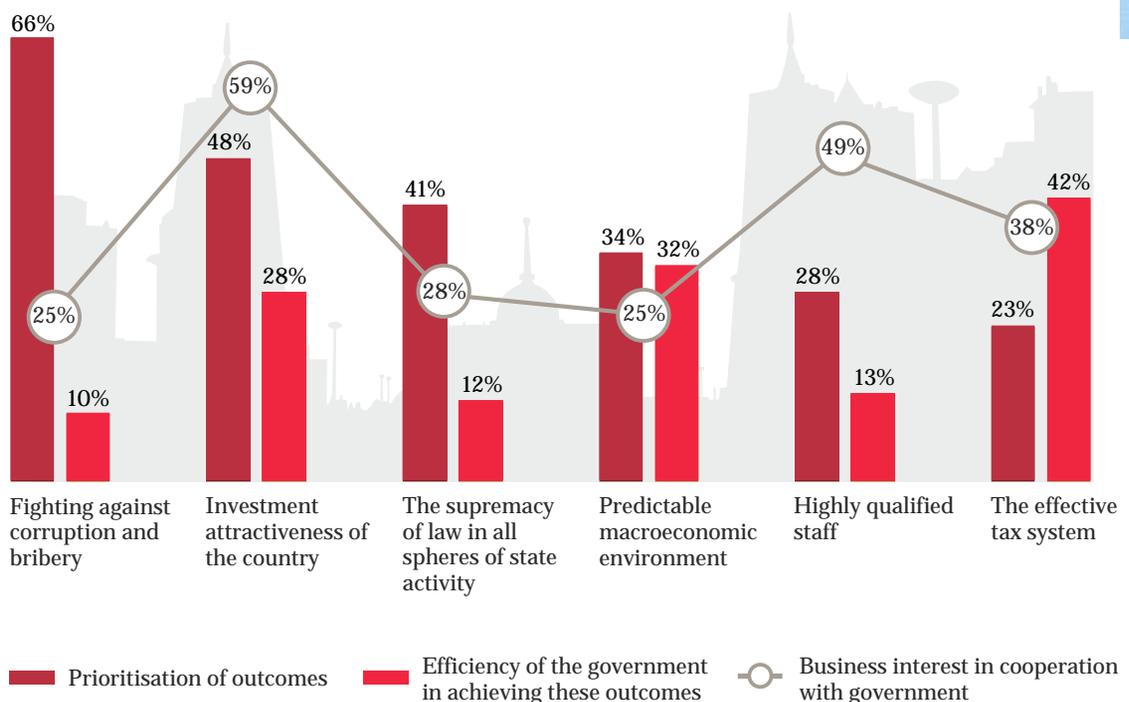
"The U.S. Government allocates grants and other financial support to tech companies. There are no such allocations in Kazakhstan, but it's impossible to create an innovation ecosystem without investing in it. We also have no special tax treatment for IT companies or companies making money from intellectual property. In my opinion it's useless to fight against corruption. It may make sense to legalise it and levy higher taxes.

The problem is that the government still isn't ready to cooperate. I'm a citizen of Kazakhstan and a Kazakhstani entrepreneur, but it's easier for me to schedule a meeting with the Mayor of Detroit than the local mayor".

Rula Raim
The Froot Company

"The government launches a lot of infrastructure development programmes, but most of them don't seem to provide any help. The procedures are too bureaucratic. Everything looks great on paper, but in fact, by the time you get something, this infrastructure is already outdated. The focus should be on developing talent, because we're going to run out of oil and other resources someday. In principle developing human intellectual property should be a priority for the government".

Stanislav Ryaskov
AltynEx Company





"A new subsurface use code is currently being enacted, and the amendments are attractive, because licence holders can count on privileges when they develop more complex fields. We're a bit worried about over-regulation in this case. The supremacy of the law in the public domain is something that is always important but is always lacking in real life. Fighting against corruption and bribery is equally important. It's important for company employees to be assured that management is making fair decisions. The country's investment attractiveness is a key factor that I think the government should focus on".

Rakhmet Khairullayev
ICS, KazPetroDrilling

"I welcome the positive changes we're seeing in basic infrastructure, especially the Nurdy Zhol programme. We need laws on private property and an overhaul of the court system. Investors will flock to our country only if Kazakhstan creates a modern, transparent court system that guarantees law enforcement and adherence to the principle of inviolability of private property. In turn, we're working with the government and have joined several task forces to discuss amendments to subsurface use laws. Our proposals have still not been accepted, but they are being discussed. More specifically, we're insisting that the so-called signature bonus be paid after exploration, when its results are known".

Orazkhan Karsybekov
Kusto Group

"We need structural reforms in the country to allow the development of small and medium-sized business".

Yerlik Balfanbayev
Alina Group

"Fighting against corruption and bribery, ensuring a predictable macroeconomic environment and making the country attractive for investment are the key areas. We're not the most attractive country for investors by any standard. The government is dragging its feet in creating an innovation ecosystem. On the one hand, they've created something that works, but it could work differently. There's a fear that a lot is being done for show. However, development of digital infrastructure is effective. We have a good mobile network, broadband Internet access and e-government. We recently contacted the Deputy Minister about training IT specialists.

We're prepared to meet with government officials to discuss training and recruiting IT specialists".

Ramil Mukhoryapov
Chocofamily Holding

"There is enormous emphasis in Kazakhstan on transport and energy infrastructure, a lot it aimed at making it comfortable for business people staying in the country. We've built a modern new city, Astana, and we're building new airports and roads".

Andrey Kurilin
Citibank Kazakhstan

"The National Bank has made real progress in creating a predictable macroeconomic environment. Thanks to inflation targeting the National Bank has been able smooth out sharp, one-time exchange rate fluctuations. Another question is how long and consistently the National Bank will adhere to a policy of "say what you do and do what you say".

Our government's unprecedented support for entire economic sectors through its timely, large-scale development programmes is obvious. Substantial government infusions have had a positive effect on our economy; for example, GDP growth in Kazakhstan was about 4 % in 2017. The government is not making much progress in providing access to low-cost capital".

Arnat Abzhanov
Halyk Finance

"We can set up a business quickly because we have a fairly transparent tax administration system with no endless audits that force business to cut back. This has developed over the last several years. In theory, the country has a fairly high digitisation level compared to neighbouring countries. The egov.kz project is a good example of digitisation".

Alexey Sidorov
Silkway Ventures

"The government has acted effectively in recovering from the economic crisis, but only because oil prices have jumped. GDP is growing due to rising prices for natural resources. I think the tax system is fairly competitive, because taxes are generally low compared to the rest of the world. The only question is where these taxes go. It's strange that there's still no air pollution monitoring in Almaty. It's about behaviour; that is, if you see that you're polluting more than others, you start doing less of it".

Arminas Macevicius
Takeda Kazakhstan

"We're discussing our possible involvement in the Digital Kazakhstan programme with the regulator and government officials. First, we have basic mobile infrastructure using advanced data transmission technologies. Second, we can bring a number of application developments to this programme. We're interested in expanding basic infrastructure and investment attractiveness. We also want international investors to have an accurate perception of Kazakhstan".

Roman Volodin
Tele2 Kazakhstan

"First, GDP growth in Kazakhstan is 4.3 % vs. 1.1 % last year. With respect to our bank: our retail loan portfolio has doubled, our corporate loan portfolio has increased by 9 %, and revenue has increased by 15 %. These figures show that you can have a successful business in Kazakhstan. We're very actively involved in all initiatives and innovations related to government programmes, especially the Nurly Zher programme. Another area of cooperation with the government that interests us is creating a digital economy and a digital space".

Alexander Kamalov
Sberbank

"We're actively cooperating with the government to develop an effective tax system, and we're working with the Supreme Court to ensure supremacy of the law in the public domain. We also belong to an Interior Ministry task force. We've been working hard on a concept for shifting to a green economy and creating an innovation ecosystem".

Victoria Gorobtsova
Kagazy Recycling

"We're discussing amendments to the retail trade law on platforms like Atameken, Tukib, AmCham and Eurobak of which we are members. I think the government listens to business and considers its recommendations".

Aytug Can
Ramstore



Best in 2017

Best CEO in Kazakhstan in 2017

Peter Foster of Air Astana and Mikhail Lomtadze of Kaspi Bank were named the leaders of the local business community in our survey.

Peter Foster was noted as a leader who is able to provide consistent, high-quality customer service.

The respondents called Mikhail Lomtadze a visionary leader, able to adapt quickly to a changing business environment, a daring CEO when it comes to implementing new technology solutions.

A lot of respondents also mentioned Umut Shayakhmetova, the CEO of Halyk Bank, for her consistent leadership of the integration process of two financial institutions — Qazkom and Halyk Bank.

Skills in demand by Kazakhstan's business leaders

Just like last year nearly half the respondents said adaptability was the most desirable quality. They also mentioned strategic vision, leadership, understanding the needs of both their customers and their employees, knowing how to negotiate, sincerity, curiosity and flexible thinking.

"I think the ability to adapt your strategy to a changing reality is an interesting quality, especially this year. It's not all that easy to plan and implement a strategy when things are quiet, but in the current situation, it becomes a real challenge".

Askar Baitassov
AB Restaurants

"A capable leader must be able to involve people in a project and a common goal, and motivate them to work toward this goal. This is impossible without leadership qualities".

Dmitry Provkin
Arena S (Sulpak)

"One quality isn't enough on its own, but hearing what people say is important. Ignoring your colleagues' suggestions, your environment and partners is like moving around in the dark. People often become leaders because they get results, but knowing how to listen and hear helps you be a successful leader".

Andrey Kurilin
Citibank Kazakhstan

"Curiosity, the urge to learn, the ability to change. Curiosity helps develop flexible thinking, but for a lot of us, this isn't enough".

Rula Raim
The Froot Company

"The world is changing faster than ever before, with all the ensuing consequences, creating a lot of uncertainty. Under these conditions, it's extremely

important for a CEO to have a clear picture of economic trends in order to adjust, control risks, and focus on the future. More importantly, a CEO must have a broad understanding of the local business environment, and set an example for his team by showing openness and commitment to fulfilling his obligations".

Bela Ferenczi
GE Central Asia & Azerbaijan

"The CEO's attitude toward the team and colleagues, understanding that a CEO's key resources are human capital, training skilled staff. So I think it's important to focus on revitalizing and developing our team, encouraging moral values and ethical principles, and making skills like analysis and thinking a habit".

Arnat Abzhanov
Halyk Finance

"I think an effective leader must be very determined, have strong communication skills, be a good listener, and work out strategies based on a broad understanding of the information available".

Alex Hill
KIS/Orion

"Curiosity, a commitment to learning new things, using new technologies and being closer to customers and employees".

Marc Loucheux
Leroy Merlin Kazakhstan



“Adaptability, ethics, strong leadership qualities, the ability to see the big picture, knowing how to create a vision for the company”.

Konstantin Kulinich
Mary Kay Kazakhstan

“Communication skills, the ability to organise a team and motivate them as effectively as possible”.

Kai-Uwe Kessel
Nostrum Oil & Gas

“Adaptability. A CEO must also be an expert in a lot of areas, not just one”.

Aytug Can
Ramstore

“You should be yourself, be sincere. It's important to have your own opinions and do what you think is right”.

Ranga Welaratne
Sanofi Kazakhstan

“Maybe this sounds trite, but I think they have to be charismatic, bold visionaries. That's right, bold! The most important thing is management. The result is a cause-and-effect relationship of consistent actions. If you manage well and respond on time, you'll reach the goals you've set”.

Arminas Macevicius
Takeda Kazakhstan

“First, to be a visionary is to foresee the future. The second is the ability to manage resources. Third — the ability to direct the team through the “certain uncertainty” stage we're in now”.

Yerlan Ospanov
Verny Capital

“We need to listen closely to customers, employees and partners. That's so we can understand what's going on and make decisions. We have to be able to read between the lines and spot signs and signals. We also have to introduce new approaches to managing and growing the company”.

Denis Van den Weghe
Atakent

“A leader must have a coherent, clear-cut value system that the people coming after him will follow. He must have a clear vision of the company's goals and know how to communicate them to the team. He also needs all the tools required to achieve these goals — both the products the company offers and employees who know how to work as a team”.

Dmitry Zabello
VTB Bank Kazakhstan

“The first quality is adaptability. The second is having your own vision that can anticipate both the current and future situation, but this isn't enough if a leader can't lead people”.

Alexander Kamalov
Sberbank

“It's really important to adapt, know how to listen and understand and know how to make decisions and take responsibility for them”.

Serik Tolukpayev
Aitas Group, UKPF

A Message from Dana Inkarbekova, Managing Partner, PwC Kazakhstan



We hope you found the Kazakhstan version of the global survey of CEOs of major international companies interesting and useful. This time more than 1,350 CEOs from 86 countries took a part in the survey, including 61 CEOs working in Kazakhstan. As an experiment, we tried to involve more representatives of small and medium-sized business in this year's survey.

Nearly two-thirds of CEOs, both in Kazakhstan and worldwide, are confidently predicting growth of the world economy. Optimism is at an all-time high in Kazakhstan this year with nine out of ten CEOs expressing confidence that their companies' revenues will increase in the next 12 months and the following three years.

Nearly 80 % of business leaders in Kazakhstan, like their colleagues elsewhere in the world, are counting on organic growth.



CEOs in Kazakhstan are typically worried most about exchange rate volatility. CEOs everywhere in the world are worried about a broader set of threats, especially over-regulation, geopolitical instability, populism and terrorism.

Technological progress and the resulting automation of work are pushing more than 70 % of CEOs toward planning retraining and reskilling their employees. Overall, more than 90 % of business leaders in Kazakhstan complain about the shortage of skilled workers. Most of Kazakhstan's business leaders are worried about the lack of digital skills in our country. However, when it comes to their own sector their own company and their own company's management, our CEOs are much more satisfied with the skill level in their companies than their global colleagues. I think this smugness could play a dirty trick on our businesses.

Our education system must equip the workforce with the skills they need for success in the modern business environment, and this is only possible with the support of private business. A partnership among the government, the business community and social groups is a key success factor for upgrading employee skills. We need to introduce new approaches to educating young people and vocational training for workers in fields that will be in demand in the high-tech world of the future. Companies today have to handle a very wide range of business challenges to avoid losing an essential asset — trust. Three-quarters of local CEOs said they made regular assessments of the level of trust between the company and customers, and between employees and management. CEOs are striving to contribute to social progress and improving their companies' performance through commitment to a

common goal and values in their organisations. Similar to last year, in mutual expectations and relationships between business and government, fighting against corruption and bribery took priority, and the top 3 also included increasing the investment attractiveness of the country and ensuring the supremacy of law in the public domain. A total of 60 % of CEOs are prepared to cooperate with the government in order to increase the country's investment attractiveness, and half are willing to cooperate in training skilled staff. More than a third of CEOs expressed willingness to cooperate in making our country's tax system more effective.

We can opt for the emerging opportunities and work together — government, business and society — to improve ourselves, our companies and the world we live in by choosing conscious growth!

Meet the CEOs



Aytug Can
Ramstore



Alexander Kamalov
Sberbank



Alexey Sidorov
Silkway Ventures



Andrey Kurilin
itibank



Arminas Macevicius
Takeda Kazakhstan



Arnat Abzhanov
Halyk Finance



Denis Van den Weghe
Atakent



Dmitry Zabello
VTB Bank Kazakhstan



Dmitry Provkin
Arena S (Sulpak)



Eldar Sarsenov
Nurbank



Farrukh Makhmudov
Orbis Kazakhstan



Galiya Khamitova
Erickson International
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Caucasus



Kseniya Kozyura
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Magzhan Auezov
ForteBank



Marc Loucheux
Leroy Merlin Kazakhstan



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Roman Volodin
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Rula Raim
The Froot Company



Serik Tolukpayev
itas Group, UKPF



Stanislav Ryaskov
AltynEx Company



Victoria Gorobtsova
Kagazy Recycling



Yerlan Ospanov
Verny Capital

Research Methodology

Sixty one CEOs took a part in the Kazakhstan survey, and about half the respondents gave us comprehensive, detailed interviews. We chose CEOs from various industries in order to form the most complete picture of the country: metallurgy, oil and gas, finance, power generation, telecommunications, the auto industry, consumer goods, building materials, transport and logistics, IT, the hotel business, retail sales, pharmaceuticals and insurance. The CEOs were asked to reply to questions about the growth prospects for the world economy, changes in business practices, and business development trends. The survey participants were also asked for their opinions about government priorities, the investment climate and geopolitical events affecting Kazakhstan and their business in particular. The interviews in Kazakhstan were held from December 2017 to mid-February 2018. All quotes of Kazakhstani CEOs in this survey were approved in advance by the respondents.

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