
**RIISING INNOVATION &
EMERGING TALENTS**

**FROM
THE
EAST**



KAZAKHSTAN
ECOSYSTEM OVERVIEW

**WRITTEN AND
PUBLISHED BY**



KAZAKHSTAN (KAZ) ECOSYSTEM OVERVIEW

KEY ATTRIBUTES OF THE STARTUP ECOSYSTEM

Geographically Kazakhstan is located at the heart of Central Asia, and is predestined to flourish along with the region. Strategically, Kazakhstan links the fast growing markets of China and South Asia with Russia and Europe. Kazakhstan is currently diversifying its heavily oil-dependent economy. A proper way for diversification could be the development of a strong startup ecosystem.

The startup ecosystems in Central Asia are now in the formation phase. So far Kazakhstan does not have startups with a billion capitalization, but a number of projects have already managed to reach success both in local and global markets.

Kazakhstan's startup ecosystem is growing at a fast pace in the last five years. This is true both in terms of the number of new companies as well as an ever-growing possibilities for funding. The Kazakh startup ecosystem is valued over USD 100 million. Startup founders in Kazakhstan are young and hungry for success. The startups are concentrated in two cities/hubs: Nur-Sultan and Almaty.

Now, a very strong limitation is the lack of venture capital supporting growth and development. Ecosystem players are committed to accomplish the desired goals and to remove obstacles.

Below, we listed relevant ecosystem actors who often interact with startups (see Figure 1.).



FIGURE 1. Key actors in the Kazakh innovation ecosystem.
 Source: TUZ Ventures–AIFC (2021)

The development of the startup ecosystem is improving year by year, but there are still challenges to be addressed:

- lack of entrepreneurial spirit and innovative attitudes, especially among the older generations due to the historical background,
- shortage of talents, the country must face brain drain,
- poor hard and smart infrastructure, low penetration of iOS devices, limited logistics and underdeveloped online payment systems,
- a school system that responds slowly to the needs of the technology sector,
- slow government decisions and interventions,
- underdeveloped investment sector.

STARTUP INCUBATORS AND ACCELERATORS IN KAZAKHSTAN

Approximately 15 business incubators and accelerators operate in Kazakhstan.

Astana Hub International Technopark of IT startups (est. 2018). It has its own accelerator, holds training and networking events. The community now has 2187 members and 270 registered companies. During its existence, the residents of the Technopark have attracted about USD 50 million in investments.

[<https://astanahub.com/>](https://astanahub.com/)

Business-incubator MOST is the first private business incubator in Kazakhstan that supports technology entrepreneurs at all stages of business development, and is a creative space where future entrepreneurs can work on their projects, exchange experiences, receive mentorship from experienced businessmen and attract funding for capitalization your business ideas. Services offered for startups: acceleration and incubation programs, corporate acceleration programs, consulting and packaging, Startup Studio, attraction of investments, advisory/mentorship.

[<http://most.com.kz/en>](http://most.com.kz/en)

Fostering Productive Innovation Project (FPIP). The Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan with the World Bank implements the Fostering Productive Innovation Project. The aim of the Project is to stimulate high-quality, nationally relevant research and commercialization

of technologies. Project has 5 components: (1) Development of the Knowledge Base for Innovation, (2) Innovation Consortia, (3) Consolidation of the Technology Commercialization Cycle, (4) Strengthening Coordination of the National Innovation System; Enhancing the Capacity of the Existing Institutional Structures and (5) Support Project Implementation.

<https://www.fpip.kz/index.php/en/about-the-project/project-components>

Joint Stock Company “Engineering and Technology Transfer Center” (QazInnovations). The main goal of the Company is to assist in ensuring the coordination of industrial and innovative development processes and providing measures of state support for industrial and innovative activities. QazInnovations was revitalized in 2020 again and has a very ambitious goal that might be useful for startups and the startup ecosystem in near future. Main activities: 1. Information and analysis services, 2. Technology project management, 3. Management of State Innovation Grants.

<https://qazinn.kz/en/4057-2/#>

NURIS Innovation Cluster of Nazarbayev University. It combines a project and commercialization office, business incubator/accelerator, technology and science parks, I2BF-ABC Seed Fund, Digital Creativity Lab, Fabrication Laboratory, Machine Shop. NURIS in figures (as of 2019): 39 startups passed business acceleration and business incubation programs, 17 events have been held since the beginning of 2018 and 70 applications were processed by the Commercialization Office.

<http://en.nuris.nu.edu.kz/>

Tech Garden. The Autonomous Cluster Fund „Park of Innovative Technologies”, operating under the brand name of Tech Garden, was established by the Government of the Republic of Kazakhstan. The main directions of Innovation Cluster development are as follows: (1) Attraction of international anchor companies (TNK) to establish Technology Development Centers, high-tech production facilities and laboratory facilities in the form of a joint venture (50% co-financing). (2) Creating a critical mass of technological companies under the international acceleration program „Startup Kazakhstan”. (3) Development and implementation of the corporate acceleration program. (4) Implementation of innovative projects at the expense of subsoil users’ obligations. (5) Create a Smart Industry Management Platform (SIMP).

https://en.techgarden.kz/about_fund

REMARKABLE STARTUPS:

Clockster is your all-in-one blue-collar management tool. The value the company provides comprises of:

- Payroll,
- Time & Attendance with Face ID,
- Time tracking,
- Task management,
- Employee on-boarding,
- Leave management,
- Flexible shift management,
- Time management statistics,
- Various types of reports,
- Full set of APIs for third-party companies.

[<https://clockster.com/en/>](https://clockster.com/en/) [<https://www.linkedin.com/company/clockster>](https://www.linkedin.com/company/clockster)

Constant-lab is a software development company helping businesses become more successful and efficient. Based in Astana, Kazakhstan, Constant-lab LLP is a process driven web services company, offering a wide range of end-to-end services in the IT industry.

[<https://www.facebook.com/Constant.kz/>](https://www.facebook.com/Constant.kz/)

EGStic is an online service, designed to make an effective management decision in crop production.

[<https://egistic.kz/>](https://egistic.kz/)

Faceplate is a software developer for industrial applications which improves overall equipment effectiveness (OEE). Faceplate is a platform designed for remote monitoring and diagnostics of industrial equipment, increasing overall production efficiency, reducing energy costs per unit of production.

[<https://faceplate.io/eng/>](https://faceplate.io/eng/)

Kaspi.kz (est. 2012) is the largest Payments, Marketplace and Fintech Ecosystem in Kazakhstan.

[<https://ir.kaspi.kz/>](https://ir.kaspi.kz/)

Singularity Lab is a full-cycle company that develops comprehensive innovative solutions using the latest technologies and advanced user experience.

<<https://singularity.kz/en/>>

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