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Potential, key trends and growth points of Kazakhstan's fashion industry

The current state of the fashion market in Kazakhstan and its development prospects were discussed by experts and analysts at the business conference of the international fashion exhibition Central Asia Fashion Spring -2025. What trends will determine the future of the Kazakh fashion industry, where are the main growth points and how can brands adapt to the changing market? These questions were at the centre of the panel discussion.

The fashion market is constantly changing as a result of time, technology and changing demand. Today's consumers are becoming more frugal, their priorities are changing and their approach to shopping is evolving. For successful development, it is important to take into account not only local realities but also global trends, as a global view helps companies to remain competitive. In this dynamic environment, companies need to adapt quickly to change and offer relevant solutions to maintain their position in the market.



The current state of the fashion industry in Kazakhstan
and its development prospects were discussed at a business conference

Speaking about the development trends of the light industry in Kazakhstan and Kazakh fashion brands, brand strategist, founder of the branding agency «Brand Forma», winner of the first gold «Pentawards» in Central Asia, Leyla Kaimoldanova noted that fashion retail in Kazakhstan is not yet developed at the level we would like, so there are not many cases with fashion brands: «The market share of Kazakh brands in the total volume of fashion retail is about 3.5%. The main trend in the Kazakhstani and international market is cultural integration, when brands find their national identity and create an original product instead of copying well-known analogues. However, in our country there are few similar examples - ADILI, QAZAQ REPUBLIC. Most brand founders still unconsciously copy the same Italy, Turkey, they cannot always present an original product, show their individuality, develop a unique selling proposition. Another trend is that

people have started to save more and look at capsule collections, so that all items in the wardrobe can be combined. There is a growing demand for high-quality, practical clothing. However, the creation of such brands requires a great deal of technical effort and work with fabrics and patterns, which makes it somewhat difficult to launch fashion projects in Kazakhstan».



About the winner of the first gold «Pentawards» in Central Asia, Leyla Kaimoldanova

«Why is it so expensive?»

Hey Baby!, a women's business clothing brand, says it is difficult to produce clothing in Kazakhstan, especially expensive clothing: *«The more affordable the product, the easier it is to sell and vice versa. We face different challenges almost every day. The biggest challenge is the issue of personnel. Unfortunately, the younger generation is not very interested in working with their hands and building a long-term career. Starting from the bottom - as an assistant to a seamstress, designer or cutter - a young professional needs a lot of time to gain experience and grow professionally. This path requires patience and dedication, unlike some other professions. Another difficulty is the competition, especially in large shopping centres where famous international brands with high marketing budgets are sold. We produce women's clothing - everyday, casual and business, including complex items such as jackets, dresses and skirts. In such conditions, it is important to be flexible, to customise the product - to change it according to the needs and wishes of a specific buyer, to study the needs of customers in depth and to offer unique things that are not available in the mass market».*

Apparel manufacturers in Kazakhstan face additional challenges. To create a product, they have to import literally everything - from threads and buttons to equipment. This significantly increases the cost of production, and the cost of rent complicates the situation, as the brand needs to have an offline outlet anyway. *«Many buyers do not understand why Kazakh garments are expensive, but the explanation is simple: we do not produce mass runs of tens of thousands of pieces, but small batches, taking into account quality and exclusivity. That is why we are looking for a balance - an optimal price that is affordable for the buyer, but at the same time justified for the company. The issue of human resources remains one of the most important. Kazakhstan has light industry, but it is not as developed as in neighbouring countries. It is difficult to find qualified specialists. Despite these challenges, we continue to develop production here in Kazakhstan because for us it is not just a business - it is a conscious choice, it is patriotism. Of course, we adjust our strategies, look for new opportunities, because external conditions require flexibility, but the main thing is not to stop, to keep moving forward, to stay afloat and not to simply switch to the format of entertainment and services,»* - says Aliya Akhmetova.



Founder and director of the business women's clothing brand «Hey Baby!» Aliya Akhmetova

Inna Apenko, founder of the Kazakh clothing brands «Mimioriki» and «Global Nomads», member of the presidium of the Association of Light, head of the fashion industry in Kazakhstan, explained additional nuances of the development of the fashion industry in Kazakhstan: *«Countries with developed garment production usually have basic competitive advantages. First of all, they have raw materials in the country. Let's take Turkey, Uzbekistan, China: you can walk around the corner and buy the buttons, zips and fabrics you need. In our case, it is always a financial transaction related to the import. In particular, the companies I represent import raw materials from 7 countries around the world. There is also a duty on imported raw materials. We haven't even started sewing and everything is already 20% more expensive than our colleagues. The next factor is the availability of cheap labour in countries with developed light industry and, in general, a large number of people interested in its development. In Kazakhstan, the labour market is different. Each of us is literally crystallising the same seamstresses, technologists or designers».*



About the founder of the Kazakhstani brands «Mimioriki» and «Global Nomads» Inna Apenko

Inna Apenko noted that Kazakh brands face unequal conditions for renting space in shopping centres. Large international anchor tenants have more favourable conditions compared to small local shops: *«Eight years ago, we even initiated a state programme to support Kazakh brands, as it turned out that it was domestic manufacturers who paid the highest rents. Large international players such as Zara, Massimo Dutti and H&M, as well as many Turkish brands, enjoy exclusive conditions because of the efforts made to attract them to the market. In addition, Turkish brands participating in the Turquality support programme can receive up to 50% of their costs from the state, which reduces their financial burden. Even with the same rent as Kazakh brands, they actually pay half as much thanks to government support. So it turns out that domestic manufacturers are at a disadvantage. It is painful for us that the consumer expects a more comfortable price from a Kazakh brand, but there is not a single component that would provide this more comfortable price. This poses a serious challenge to the development of the local fashion industry and requires further revision of strategies to support domestic business».*

Malls of the Future

Dmitry Revin, Chairman of the Union of Retail Property Developers of Kazakhstan, continued the shopping centre theme of the panel discussion. He spoke about the development of offline retail in the context of the rapid development of online retail: *«The question of the future of shopping centres has been relevant for many years. In 2018, the global research company CoreSite Research conducted a large-scale study in more than 80 countries with the key question: «Will the mall die? (Will shopping centres die?). According to the results of the study published at the time, shopping centres will not disappear; their future remained stable until at least 2023. However, the 2018 study did not take into account the events of 2020-2022 related to the pandemic, which had a significant impact on the retail and services sectors. Today, in 2025, we can compare the forecasts with reality. One of the main drivers of change has been the generational shift: the so-called «Pepsi generation» has become an active consumer with significant purchasing power. However, their spending is being redistributed: more and more money is being spent on food, entertainment and leisure outside the home. This is precisely the trend we are seeing today, which underlines the need for shopping centres to adapt to the new demands of their audiences».*



Dmitry Revin raised the question of what the malls of the future will look like

Dmitry Revin used neural networks to describe what shopping malls will look like in n years: *«We will see the mall of the future as a multifunctional space that combines innovative technologies and environmental solutions. Malls will become the centre of our lives, a symbiosis of retail, recreation, entertainment and work through the interaction of people and technology. Much attention will be paid to sustainable development - from eco-design using renewable energy sources to waste minimisation. The mall of the*

future is not just a shopping arcade, but a lifestyle hub where people come not only to shop, but also to experience, communicate and enjoy leisure. Such hubs will be located in different parts of cities so that residents do not have to travel far.»

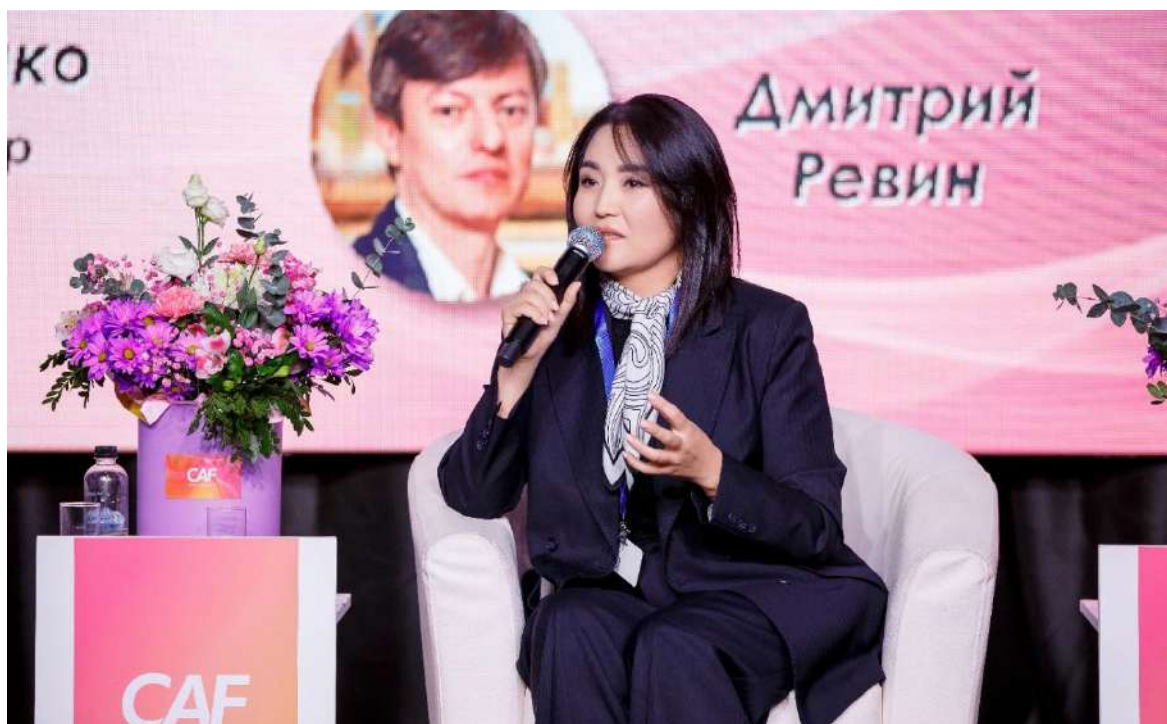
According to statistics, 60% of trade in Kazakhstan is still conducted in unorganised formats - in bazaars, markets and similar venues. Despite the development of modern retail spaces, a significant share of sales still falls to traditional forms of trade.

A positive trend is that around 4-5% of sales are gradually moving from unorganised formats to modern shopping centres each year. In 2007, 95% of Kazakhstan's retail sales came from bazaars, but this figure has fallen significantly over the past 18 years. At the same time, Kazakhstan still lags behind many countries in terms of the supply of high-quality retail space. For example, Almaty has just over 400 square metres of high-quality retail space per thousand inhabitants, compared with 650 square metres in Warsaw, 620 in Istanbul, 570 in Moscow, 750 in Krasnodar and 780 in Samara.

The main reason for the slow development of retail property in Kazakhstan is the high capital intensity of this business. Investments in shopping centres have a payback period of more than 10 years, and taking into account inflation and fluctuations in the national currency, the value of investments can decrease significantly.

Orange tree in the steppe

One of the positive trends of recent years has been localisation and authenticity. Fashion trends used to be dictated by large international brands with a global market focus. But now, all over the world, including Kazakhstan, there is a growing interest in local identity. More and more projects are using national colours to emphasise their uniqueness.



Co-founder of the ADILI brand Indira Adil

Kazakhstan has seen the emergence of many new brands inspired by national culture over the past 3-4 years. This fact raises the question: is the market growing due to increased interest in local products, or is increasing competition limiting opportunities for development?

According to Indira Adil, co-founder of the ADILI brand, which she has been developing for 15 years, the trend towards a national code is really gaining momentum: *«We once wondered why national ornaments were only used for family or national holidays and decided to adapt them for everyday wear. The brand does not simply reproduce traditional elements, but stylises them and gives them a modern meaning. This is a very good trend because it is very important for us to have a connection with our roots, it nourishes us and gives us energy. Today, young people are showing interest in this direction and are actively creating new local brands. On the one hand, this increases competition, but on the other, it creates a healthy market*

environment. The market capacity allows different players to develop, the potential is great and there is enough room for everyone».



Kazakhstani producers create unique authentic products

Inna Apenko ended the panel discussion, which is so important for the Kazakh fashion industry, on a positive note: *«The fashion industry in Kazakhstan is both a challenge and an inspiring project that is developing local brands despite the circumstances. A member of the government once compared us to an orange tree growing in the steppe: there is applause, but no belief that a whole orange garden can grow here. Nevertheless, we continue to move forward, without getting hung up on numbers and scales. Today, Kazakh brands are actively developing in the digital environment - many successful projects are implemented through Instagram and other online platforms. But offline retail also has prospects. We believe that it will remain an important part of life, because a person needs a person. Live interaction, the exchange of emotions, will never lose its value. We will create a unique, authentic, customised product - one that will not be sold on Chinese marketplaces».*

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