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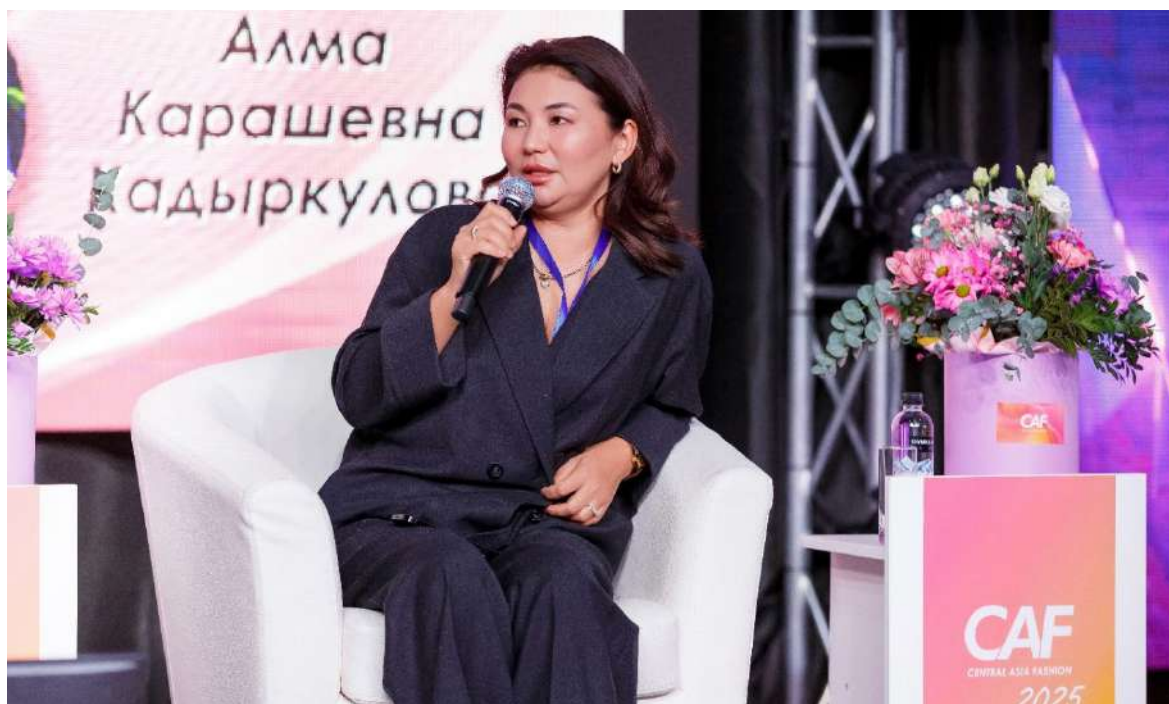
сатехро MORE THAN JUST AN EXHIBITION



## Integration processes in the fashion industry between Kazakhstan and Russia

The state and prospects of business relations between the two countries in the fashion industry were considered by the participants of the business conference of the International Fashion Exhibition Central Asia Fashion Spring-2025. Experts discussed the difficulties the industry is facing, how integration processes are developing and what will help brands build strong business ties.

Director of the Almaty branch of the National Association of Light Industry Enterprises «Qaz Textile Industry» Alma At the beginning of the business session, Kadyrkulova noted that the Kazakh fashion industry has come a long way since the country gained independence: *«We are studying the experience of not only neighbouring countries - Russia, Kyrgyzstan, Uzbekistan - but also other countries. We recently visited Azerbaijan, where we saw a successful model for supporting light industry. The state supported the industry for about 20 years, after which companies began to enter international markets on their own. A similar process is taking place in Kazakhstan. Today we are facing a shortage of labour, but this problem is being partly solved by the introduction of modern technologies. About 60% of production processes are already automated, templates and robotic systems are used, and the latest generation of cutting complexes operate on the basis of artificial intelligence. Such technologies can be seen, for example, in Almaty».*



Director of the Almaty branch of the National Association of Light Industry Enterprises «Qaz Textile Industry» Alma Kadyrkulova

She noted that Kazakhstani brands are actively represented in the Russian market: *«In recent years, there have been many examples of domestic producers successfully entering the country. The Russian market is strategically important for Kazakh producers. It is a large platform with great sales opportunities. Over the past five years, the domestic light industry has made significant progress in terms of technology and product quality. I would like to note that already in 2014, within the framework of the signed EAEU agreement, a*

*clause on production cooperation between Kazakhstan and Russia was established. This mechanism opens up opportunities for cooperation in the fashion industry. For example, it is possible to create a joint production chain: design and cutting can be done in Russia, and sewing of products can be done in Kazakhstan. Such forms of cooperation allow the efficient use of both countries' resources and contribute to the development of the industry as a whole».*

Kirill Karlov, Advisor to the Economic Department of the Trade Mission of the Russian Federation to the Republic of Kazakhstan, provided data on the turnover of light manufacturing products between the two countries in 2024 (in US dollars). It includes different categories of goods. For example, Russia imports into Kazakhstan knitted garments (300 million), other finished textile products (281.2 million), garments other than knitted (71.1 million), footwear (65.4 million), cotton, felt, felt and non-woven materials (40.2 million), impregnated, coated or laminated textile materials (38.8 million).

In turn, Kazakhstan exports to Russia knitted garments (55.9 million), garments other than knitted (27 million), cotton (16.7 million), chemical yarns (15.9 million), other finished textile products (13.5 million), cotton wool, felt, felt and non-woven materials (8.1 million).

Kirill Karlov stressed that these data reflect the active cooperation between the two countries in the field of light industry and underline the importance of trade turnover in the industry: *«There are several promising areas for further development. These include the creation of joint ventures and the expansion of sales outlets in the markets of both countries, which will not only strengthen economic ties but also increase the availability of products for consumers. Of particular importance is the supply of Russian materials for the production of special clothing used in the chemical, oil and gas, metallurgical and mining industries, as well as the provision of personnel for light industry enterprises. Cooperation will also include scientific and production cooperation in the field of deep processing of raw materials, technology transfer and technical textiles. Another important aspect is the improvement of the product labelling and tracking system, which will ensure transparency of supply and increase consumer confidence.»*



Consultant of the Economic Department of the Trade Mission of the Russian Federation in Kazakhstan Kirill Karlov

The moderator of the business session, the founder of the Kazakhstan Fashion Week KFW, the international competition for young designers «New Generation Open Way», the designer of the AlexChzhe brand Alexey Zhen asked the founder of the Kazakh brand of bags and accessories ALEX HARTUNG Alexander Ermakov a question about the development of Kazakh brands.

The businessman believes that the main reason for the insufficient development of brands in Kazakhstan and their generally limited presence on the market is the lack of financing: *«Any business, especially in light industry, needs stable sources of long-term financing. I have always said this and I will continue to say it. At the moment, my company is entirely self-funded, which makes it mobile and flexible, but limits its ability to scale. The brand is currently online only, although physical points of sale are extremely important for its products. The only offline point of sale is in the Rixos Hotel Borovoe, where a pilot project is running successfully.*



*However, expanding the offline presence without serious financial investment or with the help of borrowed funds is fraught with high risks. The problem of financing affects the entire fashion industry in Kazakhstan. Despite recognition of the problem at the state level, there are no radical solutions yet. A good analogy would be to launch a satellite into space: you can build it for billions of dollars, but without sufficient resources to launch it, it will simply «sit in the garage». In spite of these difficulties, the company is operating successfully, orders are being placed with a queue several weeks in advance, but production capacity has already been reached. The brand is currently at a turning point in its development».*

The entrepreneur usually attends international exhibitions and trade fairs at his own expense (exceptions are rare), but he firmly believes that participation is necessary: *«If you only stew in your own juice and do not see what others are doing and how you compare with them, you get a neutral impression of yourself. When we first went to the exhibition in Berlin, we seemed to be very modest. But once we got to know it, we realised that there were simply no equals in terms of quality and level. Like black sheep. So the very first exhibition immediately showed that we were perfectly all right. We started to sell our products abroad. We are not afraid to offer our products to anyone. Absolutely! This is how the impostor syndrome is eradicated.*



Founder of the Kazakhstani brand of bags and accessories ALEX HARTUNG Alexander Ermakov

Alma Kadyrkulova added that in her 20 years in the industry, she has come to believe that Kazakhstanis are very talented in terms of creativity and style: *«Kazakhstanis have a subtle sense of taste, incredible creators and are just bursting with ideas! Our entrepreneurship, our ability to analyse, adapt and create something new despite the circumstances - it's part of the mentality. The potential of the Kazakh fashion industry is huge. National identity integrated into modern design is in demand abroad, especially in Europe. There are stories of Kazakh designer items being bought on the street - they are so impressive in their style. But to realise this potential, it is important to find the right production. Cooperation between Kazakhstan and Russia can cover not only business, but also education. In recent years, we have not had enough qualified technologists and designers. There is talent, but many of them lack management skills - they do not know how to organise even a small team, which hinders development. As a result, many are leaving the industry or even leaving the country. The level of creativity is growing, but without quality production it is impossible to implement it. Manufacturers must work to improve quality and learn to listen to designers. In turn, it is not enough for a designer to simply make a sketch - he must be able to explain the processing technology, work with 3D modelling, demonstrate how the product will look in motion, because today's world is focused on digital technologies. It is also important to understand textiles. In Soviet times there were entire faculties that trained specialists in this field, but now there are very few such specialists. It is a question of shared responsibility - both those who create ideas and those who implement them».*



The status and prospects of cooperation between Kazakhstan and Russia in the fashion industry were discussed at the CAF business conference Spring-2025

Finally, Kirill Karlov gave some advice on how entrepreneurs can successfully enter the Russian market: *«If a company is just entering the market, one of the most effective ways of promotion is through marketplaces, especially considering that Russian platforms are actively developing in Kazakhstan and attracting more and more sellers. This can be the first step, allowing you to test demand and determine a strategy for further development. In addition, participation in trade fairs in Russia and Kazakhstan plays a key role in finding reliable partners and studying market conditions. This helps to understand pricing policies, consumer preferences and working within similar legislation. Given the common mentality and market needs, it is much easier for our countries to establish cooperation. An additional advantage is the possibility to settle in national currencies, which simplifies banking services for contracts. You can also take advantage of the support of state institutions involved in export promotion. Kazakhstan has its own system of support for entrepreneurs, and diplomatic channels can help to establish useful contacts. A proactive attitude and a clear understanding of objectives will enable companies to enter foreign markets successfully. Despite possible limitations in government support measures or a lack of information about them, this approach is the right one for developing exports. A good example of this is the business mission that took place in October 2024, when companies from St Petersburg specialising in upper-middle segment women's clothing visited Kazakhstan. Almost all participants either sold their products or found partners for further work. A similar scheme can work in the opposite direction: Kazakhstani companies that have presented their products at Russian exhibitions or as part of business missions, especially in border regions with active trade, are sure to find their buyers. The use of these tools has proved effective and is the way forward.»*

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