

# A wealth of opportunity

## INTERVIEW WITH SIR DAVID WOOTTON

CO-CHAIR, KAZAKH-BRITISH TRADE AND INDUSTRY COUNCIL



**SIR DAVID WOOTTON** was the 684th Lord Mayor of London. A graduate of Jesus College, Cambridge, he began his career with the law firm Allen & Overy specialising in corporate transactions and best-practice compliance. With a strong interest in the governance of the City of London he was elected to the Common Council in 2002 and in 2005 was elected an Alderman, becoming Sheriff of the City of London in 2009. He served as Lord Mayor for 2011/2012 and is now Chairman of KBTIC among other appointments.

### **Please outline the current state of the important bilateral relationship between the United Kingdom and Kazakhstan.**

The relationship between the UK and, in particular, the City of London, and Kazakhstan is a relatively recent one though there have been links since Kazakhstan's independence in 1991. The bilateral relationship has developed at a rapid rate in recent years, especially on the trade and investment side. I had the pleasure of making an official visit to the country as Lord Mayor last year and very much enjoyed my time there.

Almaty is a beautiful city with snow-capped peaks as a backdrop and a real vibrancy within the city itself. Astana, the capital city, is new and impressive with a range of iconic buildings – many designed by British architects – a sign of the strong creative relationship between the two countries.

The bilateral trade relationship has been particularly strengthened via the Kazakh-British Trade and Industry Council of which I am now the UK co-Chair. My Kazakh co-Chair is Mr Aset Isekeshiev, the Deputy Prime Minister and Minister for Innovation and New Technologies. KBTIC has a strong track record in encouraging bilateral trade and investment.

There are important existing relationships particularly

in the oil and gas and mineral sectors – for example Shell, BG and Rio Tinto have very strong positions but there are many other important opportunities in sectors such as retail, education, technology and infrastructure development. It is in these areas that British companies have a great opportunity to develop their markets. Promoting business beyond the oil and gas sector is part of our remit which mirrors the policy of diversification away from energy which is the clear economic objective of the government of Kazakhstan.

### **What is the role and scope of the Kazakh-British Trade and Industry Council (KBTIC)?**

In some ways the KBTIC is similar to the office of the Lord Mayor in that it acts as a bridge between government and the private sector. I was appointed by the British Government as the Co-Chair, taking over from Sir John Stuttard – also a former Lord Mayor – and I was delighted to do so. We keep an eye on the oil and gas and mineral sectors while promoting opportunities in other growth areas of trade and economic cooperation. We operate under an MOU that was concluded in 1994 and a number of action plans have been agreed in financial services, education, mining and minerals and the nuclear sectors. KBTIC



Modern Astana: the city provides great opportunities for British companies

is an important mechanism to develop further the bilateral relationship with Kazakhstan.

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**Are there specific trade and investment opportunities for British companies in Kazakhstan?**

There are two particular initiatives which will present significant opportunities for British companies. These are the development of the city of Astana and Expo 2017. Following my discussions with Mr Kanat Sultanbekov, the Deputy Mayor of Astana, it is clear that the further development of Astana will provide major opportunities – particularly in the areas of infrastructure development – airports, bus stations, roads, railways and forty six new hotels. The Deputy Mayor is promoting smart Astana, which he terms intelligent transport – this includes traffic lights which respond to traffic flow rather than time switches as well as CCTV, for example.

Some of these projects will be state funded and others such as the bus stations and parking lots will be operated via PPPs. There will also be management contracts available – particularly in the hospitality sector. There are also opportunities in the provision of management expertise – for example the teaching of hospitality management. Having built the hard infrastructure there will be a demand for British knowledge and human capital. There will also be opportunities in the development of hospitals, polyclinics, kindergartens and other social projects.

The other important initiative that will provide opportunities for British business is Expo 2017 which will take place in Astana. This exhibition is due to attract some five million visitors and will be held under the theme ‘Future Energy’. The development and management of this significant initiative will create a wide range of business opportunities and British companies are uniquely qualified to win contracts.

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**What in your view are the specific challenges of doing business in Kazakhstan?**

Like all fast developing markets, Kazakhstan presents challenges but these can be overcome with tenacity and intelligence. There are, of course, cultural differences in the way business is sometimes conducted. The senior Kazakh leadership in both business and government circles is of a high standard and there is a clear vision of what is required. In addition the Bolashak Scholars, all those bright youngsters, who have returned from education abroad, bring a tremendous international perspective and vibrancy to Kazakhstan. However, there are levels of management which have a more traditional style, which shows the influence of pre-independence days – people are cautious and reluctant to take risks. A patient and long-term approach is needed in this context.

The issue of corporate governance is taken seriously

in Kazakhstan – I chaired a session on corporate governance at the Astana Economic Forum in May 2013 – but there is still progress to be made. Often corporate governance programmes are viewed purely as a means of increasing economic performance rather than as a way of improving business methodology and bringing companies up to the standards required for listing on international exchanges. Kazakhstan’s possible WTO membership is also producing an incentive to raise standards and my impression is that Kazakh business leaders are rightly focused on actual performance of their businesses rather than matching up to an external benchmark.

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**What is the background to the Prime Minister’s visit to Kazakhstan and what are the objectives?**

A visit from the British Prime Minister has been very high on Kazakh priorities for many years. The Prime Minister’s official visit will certainly underline the important educational, political, cultural and business links. Kazakhstan’s leadership finds it easy to deal with UK business and everyone is very keen to use the visit as a springboard to promote the close bilateral relationship and to harness UK business interest. For its part, UK business must bid competitively for contracts – the Kazakh economy presents significant opportunities but it is also very competitive. This visit is the culmination of hard work by a number of people with an interest in UK-Kazakh relations, and we are anxious to ensure its success. It also comes after a very successful recent visit to London by Umirzak Shukeyev, Chief Executive of Samruk-Kazyna who brought a large business delegation to London in March 2013.

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Fireworks illuminate the sky over the Palace of Peace and Harmony, designed by British architect Norman Foster, during its official opening in Astana

