



# KPMG Caucasus and Central Asia Technology Survey 2024

February 2025



# Content

<b>01</b>	Introduction	3
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<b>02</b>	About the survey	4
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<b>03</b>	See the value amidst the hype	5
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<b>04</b>	Everything-as-a-Service	13
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<b>05</b>	Strategic role of information security	16
-----------	--	----

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<b>06</b>	Data and AI as a basis of digital transformation	19
-----------	--	----

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<b>07</b>	Conclusion	24
-----------	------------	----

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<b>08</b>	How can KPMG help your organization?	26
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# Introduction

In recent decades the onrushing speed of technology innovations has affected all areas. The purpose of this survey was to analyse the impact of technology innovations on key industries and identify main trends that could shape the development of companies and the entire market of Caucasus and Central Asia. In this media hype with the everyday news about breakthroughs in artificial intelligence, intelligent automation, cloud and quantum computing, it is critically important to understand how to adapt to the changes and to make the most out of them.

A key aspect of the survey was about the companies' adaptability to changing technology trends. The survey has showed that—as contrasted to the global picture—the approach to making decisions on technology investment in the Caucasus and Central Asia (CA) varies dramatically from company to company. IT executives in the region hardly realise how the investment decisions made match the business strategies of their organisations. Another tricky point for them was balancing between added value expectations from innovations and willingness to accept the respective risks.

Compared to our previous regional surveys, this time, we saw much stronger desire of the companies to invest in cloud technologies. However, the current level of cloud adoption by the market implies that there is still quite a number of barriers preventing massive penetration of different XaaS models.

The concerns around information security grew, although here, as well, we identified some differences with the global picture. In our market, cybersecurity is still often viewed as a need that can be fully addressed

through formal policy-level procedures. In our report, we present hypotheses that explain the underlying causes of this situation with IT market leaders.

Given all the fuss about artificial intelligence in the agenda of various public events and individual organisations, we expected more optimistic views of the market in this area; however, here too, the percentage of companies understanding their AI investment strategy turned to be much lower than the one on a global level.

In general, the survey results gave us the feeling that lots of interesting IT projects are in progress in the market but companies often lack a clear vision of the strategic focus in their technology investments.

>70

IT executives from different sectors of economy in the Caucasus and Central Asia



**Konstantin Aushev**

**Partner,**

Head of Technology Practice  
KPMG Caucasus and Central Asia

Konstantin is a professional in IT transformation, IT efficiency, IT risk management and information security, design and implementation of innovative IT solutions and data management.

Konstantin has 15 years of experience in IT, including experience in implementing IT-architecture development projects, vendor selection, attestation of ISMS and internal control systems, enhancing the IT sustainability.

# About the survey



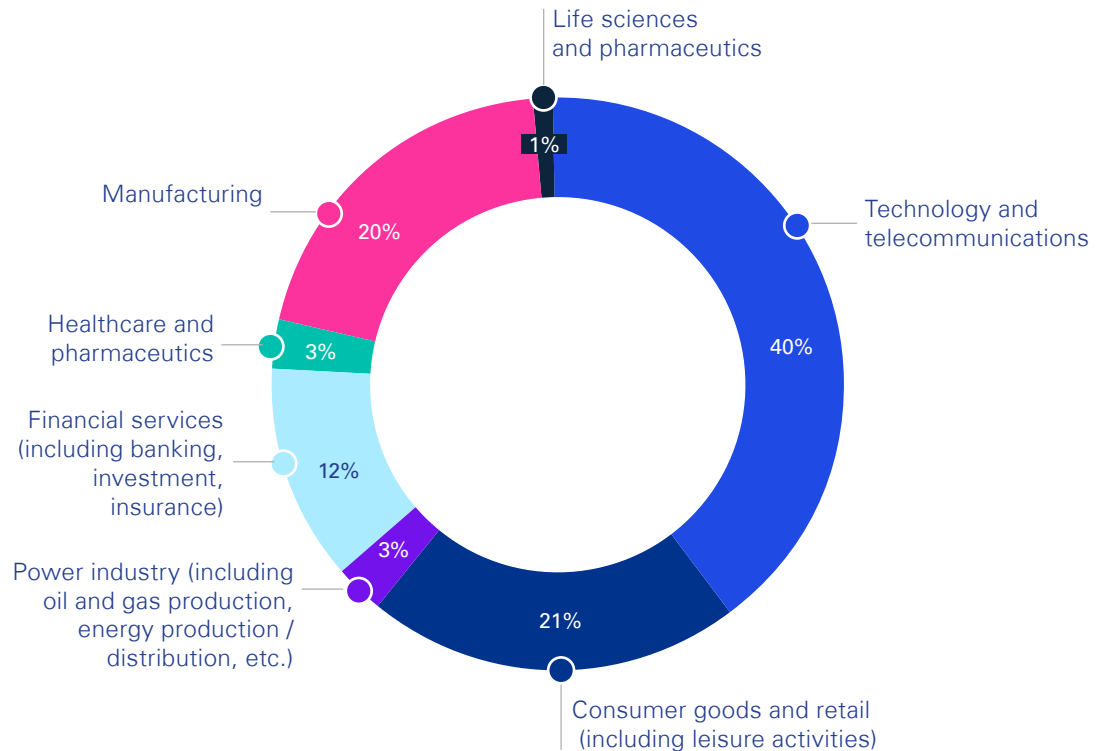
The survey is based on interviews with more **than 70 senior executives from the Caucasus and Central Asia countries**, who are responsible for implementation of the technology agenda in their organisations:

**70%** are the members of the Board of Directors or top management

**15%** hold positions equivalent to a director or senior manager

**15%** hold positions equivalent to a vice-president/ senior vice-president

Respondents from eight industries have participated in the survey: financial services, technology and telecommunications, retail and consumer goods, manufacturing, healthcare and pharmaceuticals, governmental organisations and energy companies.



*As part of the survey, we also interviewed the IT leaders in the Caucasus and Central Asia market:*

**Alexey Sharavar**  
CEO, QazCode

**Baizhan Kanafin**  
CEO, Documentolog

**Renat Tukanov**  
CTO, Freedom Holding Corp

**Valery Semchukov**  
Head of Technology Leadership Center at Freedom Holding Corp

**Vazha Mantua**  
IT and Data Director, Bank of Georgia

**Dmitriy Parshuto**  
Enterprise Sales Leader for CA, Creatio



# Identifying value amid the hype

## Hype drives a tech envy

Our global survey shows that onrushing of technology innovations over the past year has increased the **fear of missing out (FOMO)** among organisations. This has resulted in “tech envy” and pushed many organisations to adopt an “invest now and figure it out later” strategy. This approach, notwithstanding its potential benefits, may result in rash decisions and risks if not supported by ongoing monitoring of the results and forecasting long-term implications.

For example, the everyday headlines about advances in AI has stirred up global interest to it without accumulating first the proper level of work experience and technical capabilities in this area.

## A business case is crucial but one needs to be prepared to accept the risks

The survey demonstrated that during the year of 2024 more and more companies were making investment decisions based on their own data, using a variety of information sources to substantiate their strategic moves, including internal analytical reports, AI-powered forecasting and competitive researches. This approach is supported by Baizhan Kanafin, the founder and CEO of Documentolog: “Data used to make decisions should be proprietary data – you need to be confident in it, while for external sources, you can trust only if you have double-checked them.”

The CEOs of companies in our region, like their colleagues around the world, have understanding of the critical factors affecting decision-making, and they assess a business case when prioritising investments. Thus, according to the survey, 69% of the respondents in the Caucasus and Central Asia focus on **the balance between innovation and risk minimisation** when making investment decisions.

At the same time, according to KPMG global survey, in 2024, **following competitors** is still one of the main factors in decision-making; however, it has dropped to the third place behind looking to the third-party guidance (89%) and in-house trials and proof-of-concepts (PoC; 83% of the total base).

56% of the survey participants confirmed **satisfaction with the value** derived from the technology investments. For comparison, at the global level, this figure is as high as 69%.

Another notable characteristic of our region is the greater number of companies where IT leaders **do not see the needs of all stakeholders to be adequately balanced when making decisions about IT investments**, particularly those related to information security. Baizhan Kanafin, CEO of Documentolog, explains this gap by the historical perception of the IT function by many as an executor and not more than a cost centre. He adds that the way to watershed this should be two-way: “The IT executive must be ready to take responsibility for the business outcomes if he/she wants to influence business decisions.” At the same time, this gap is less noticeable in the financial and telecom sectors. Alexey Sharavar, CEO of QazCode, comments: “We are considering all decisions holistically and comprehensively. To make decisions, a data-based business case is definitely needed, but only the future will show whether the goals are achievable. Therefore, one can freely manipulate the case, however, we will continuously monitor all the metrics in course of entire project cycle.” Dmitry Parshuto, Enterprise Sales Team Leader for CA, Creatio, agrees with him: “Certainly, it is extremely important to rely on data when selecting and launching IT projects; however, to maximise efficiency, data should be supplemented by professional expertise and strategic vision.”

“

*Movement to a data-driven organisation requires that one has access to high-quality data, cutting-edge analytical tools with the employees educated to use them. One even more important thing is to embrace a culture of data-based decision-making.*”

”

### Dmitriy Parshuto

Enterprise Sales Team Leader in CA, Creatio

78%

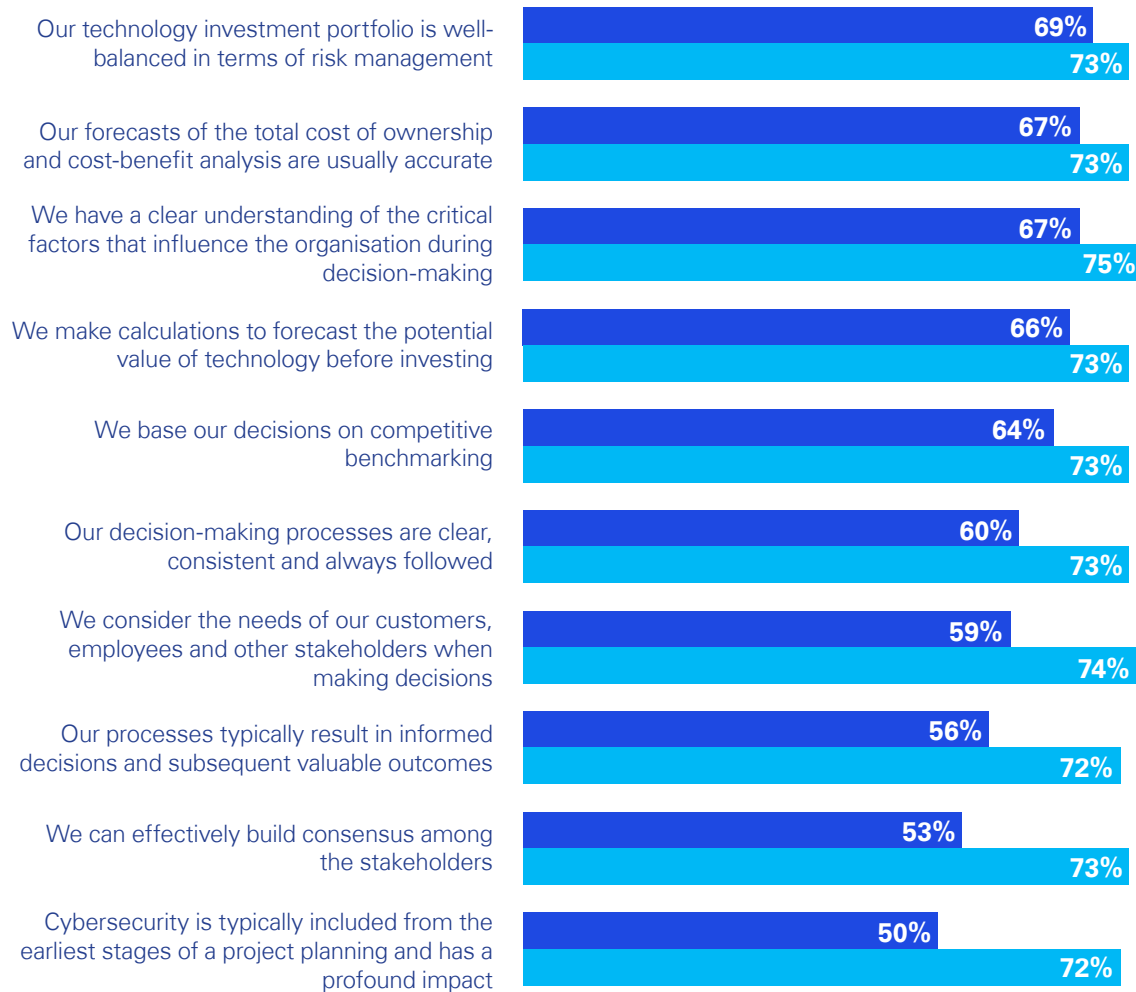
concern about the ability to keep up with rapid changes in technological innovation

80%

note that senior management’s caution about risks slows the pace of implementation of new technologies in their organisation compared to the competitors

## Companies consider risks when selecting technologies, but cybersecurity risks remain underestimated.

**Fig. 1. Which of the following statements is true about your organisation’s decision-making processes for technology investments?**



● CA and Caucasus      ● Globally

“

*Trust is a key issue of a data-driven culture. Without trust in data, even the best available tools and the best-practice processes will not bring anything new to us.*

”

**Vazha Mantua**

IT and Data Director, Bank of Georgia

“

*The level of detail required for the business case of IT projects directly depends on the level of digitalisation already achieved. If the management has deeply delved into the topic of technology, then decisions will be made quickly; if this is not a key issue for the business, then a thorough calculation of the business case will be required.*

”

**Valery Semchukov**

Head of Technology Leadership Center at Freedom Holding Corp.

## Companies are considering fewer areas for IT investments in the Caucasus and Central Asia

The survey demonstrates that IT investment portfolio of companies in the Caucasus and CA is less diversified than we saw on average worldwide. The **XaaS concept stands out among the key areas of investment for this year in the Caucasus and CA** – 93% of companies are prioritising it. This can be explained by the organisations’ aspiration to increase the flexibility of operations, reduce capital expenditures and time required for implementation of innovative solutions. The latter becomes extremely important in a dynamically changing business environment.

Other top-priority areas with **considerable investments are cybersecurity and data analytics** (70% and 63% of companies, respectively). The last two to three years appeared to turn around the regional companies’ aspiration of cyberthreats resulting in

growing attention to data protection activities. Security management systems are transforming from just a tick mark exercise to repel cyberattacks to a key element of digital transformation.

Investments in data analytics have become less prominent, yet this area has been a priority for almost all companies over the past several years. Today, companies are likely in a position to shift their focus to investing in other technologies. Nevertheless, the “digital leaders” of the market continue to actively develop data processing tools, including tools to manage data quality, work with data models, etc.

In the five-year horizon, both globally and regionally, almost all companies expect to cover all key areas of IT innovation. The share of companies planning to invest in AI, low-code automation, quantum and edge (peripheral) computing is significantly lower. The survey generally did not identify any factors that companies consistently view as clear barriers to the implementation of IT projects. However, between 50% and 67% of the

companies agreed that all of the factors considered (Fig. 5) could slow down technological transformation. The distribution of responses in Central Asia and the Caucasus was slightly less uniform – **organisations are less concerned about decreasing sales due to promotion of competition, lack of infrastructure capacity and cyberthreats.**



*To assess the effectiveness of digital transformation means to understand the impact on the organisation as a whole and all the people it serves.*



**Vazha Mantua**

IT and Data Director, Bank of Georgia

**Fig.2. In what areas are you planning significant investments in the upcoming year?**



### The biggest challenges slowing down IT transformation:

**67%**

geopolitical volatility

**64%**

economic uncertainty

**64%**

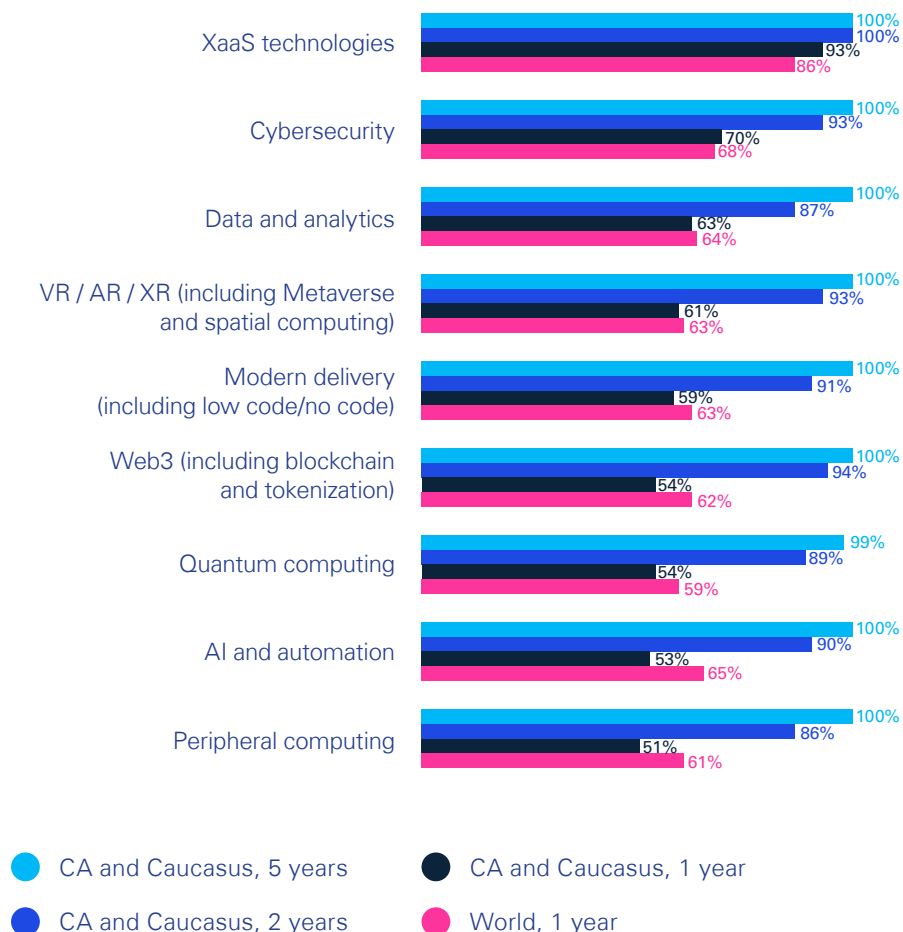
complex regulatory developments



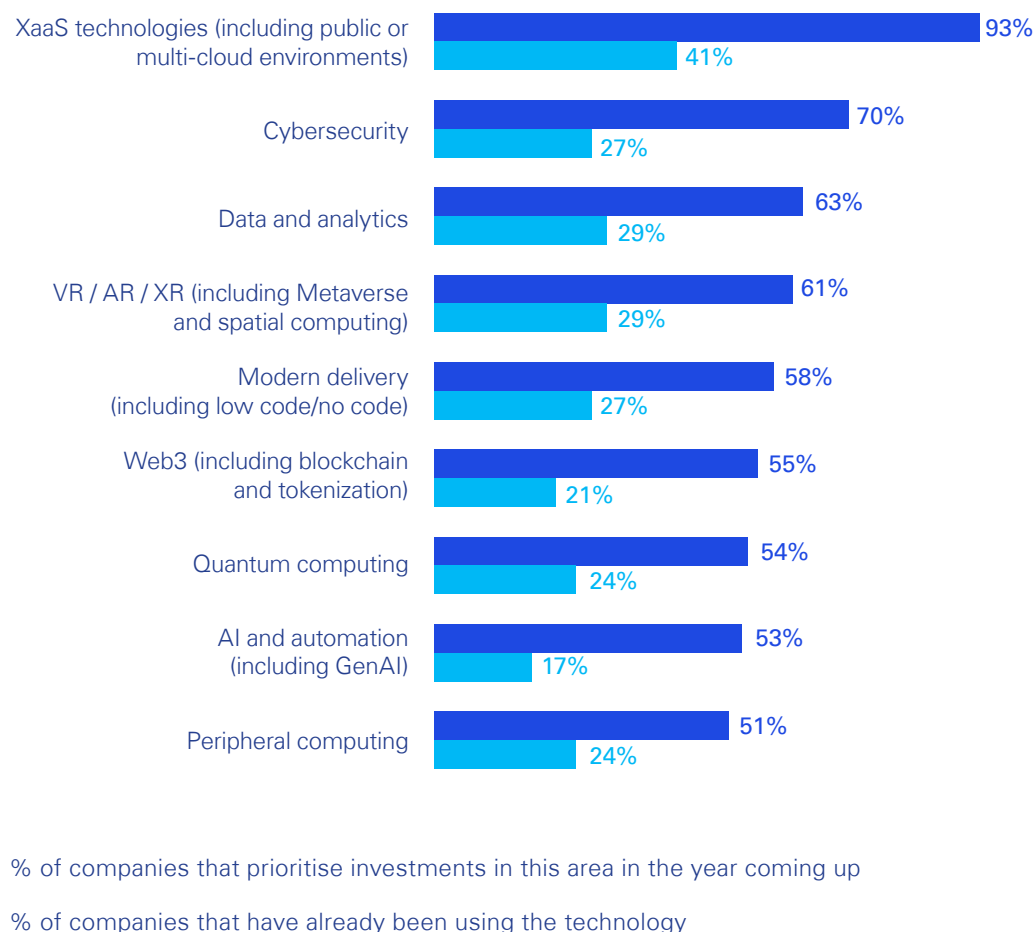
# Technology priorities for business: Investments in XaaS, cybersecurity and data analytics

**Fig. 3. Which of the following technologies are a priority for your organisation currently, and which ones are you investing in to realise your ambitions?**

*(The percentage indicates the proportion of respondents who selected this investment area)*



**Fig.4. The level of technology deployment and investment plans**



## The challenge of innovation amid geopolitical, economic and regulatory uncertainty

When asked about the key barriers affecting their innovation initiatives, the companies pointed to a broad range of market challenges with a relatively even distribution. However, **the most frequently cited obstacles with the greatest impact on innovation were complex and unpredictable regulatory changes (37%), economic uncertainty (33%) and geopolitical instability (30%).**

It is evident that all these factors slow down innovation processes within organisations. Geopolitical instability and economic uncertainty, in particular, have raised such significant concerns among CEOs and business owners that they are forced to postpone or cancel complex, long-term projects. In 2024, companies from Central Asia and the Caucasus, as well as from most other regions, reported similar concerns. Organisations are being compelled to reallocate resources to address immediate challenges, which, in turn, slows down the adoption of new technologies.

Complex regulatory changes hinder adaptation to new requirements, necessitating additional investments in legal support and adjustments to business processes. This places an extra burden on budgets and limits opportunities for innovation. Once again, the relevance of this barrier is evident both regionally and globally.

Cybersecurity threats have been recognised by most companies in our region as a significant barrier to innovation. However, compared to global survey results, the share of IT executives in Central Asia and the Caucasus who do not perceive such threats as a risk to their innovation projects remains high.

A particularly striking difference between regional and global observations emerged regarding market

competitiveness and the availability of infrastructure capacity.

It appeared that companies in Central Asia and the Caucasus are less concerned about competitor activity, the emergence of new companies in the market, and the potential lack of access to infrastructure needed for implementing innovative projects.

### Value must be measurable and comparable to make an objective assessment of investments

Many IT projects have a delayed and indirect effect on a company's financial performance. As a result, stakeholders typically need to focus on financial benefits when making investment decisions. In our survey, IT executives outlined three key approaches to measure value used in their organisations:

- business growth metrics, such as the number of new products launched,
- financial metrics (costs and revenue),
- customer-centric metrics (customer satisfaction, customer base growth).

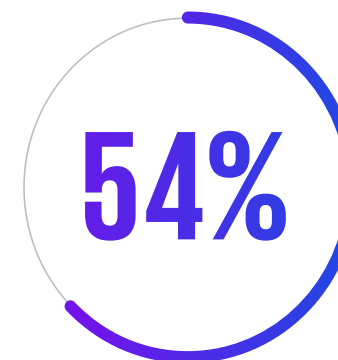
**Only 43% of the respondents expressed confidence in their ability to adequately assess customer satisfaction level**, with an even lower percentage (32%) for internal customers. 63% of the companies had confidence in their ability to measure financial benefits (71% globally). Notably, a low percentage of companies, both relative to the global data (down 14%) and totally (just 36%), feel that their IT portfolio is regularly re-evaluated to ensure alignment with the company's long-term goals. Moreover, 57% of the respondents make clear that they do not have long-term benefits in mind, favouring "quick wins" (22% globally). The experts we interviewed echoed these concerns:



*As a state we need a clear strategy for the development of the IT industry, as the market share in the economy remains very low, and in the absence of a clear-cut state position, the market operates chaotically, being driven by annual procurement cycles, with no signs of long-term planning.*



**Baizhan Kanafin**  
CEO, Documentolog



of the respondents say that weaknesses in their core corporate information systems regularly cause disruptions to day-to-day operations

In addition to the financial benefits, companies in our region frequently highlighted the importance of prioritizing business continuity when making IT investment decisions. They noted that an excessive focus on new technologies could divert attention from addressing technical debt in existing systems, potentially hindering progress in digital transformation.



*Today, having functional software is not enough – companies need a secure and resilient infrastructure, which requires significant investment. These costs can be particularly high for individual companies, whereas cloud providers can distribute them across multiple clients.*



**Baizhan Kanafin**  
CEO, Documentolog

### Caution, legacy systems and lack of funding slow down digital transformation

#### Technical debt in legacy systems remains a serious obstacle to sustainable growth for the region.

54% of the respondents report that vulnerabilities in their core corporate information systems regularly cause disruptions to day-to-day operations. These incidents slow down operational processes, increase IT maintenance costs, and reduce overall productivity. Organisations that fail to address the technical debt issues encounter difficulties in adapting quickly to market changes, which leaves them at a competitive disadvantage. Furthermore, legacy systems tend to be less resilient to modern cyberthreats.

Regardless, nearly twice as many respondents in Central Asia and the Caucasus reported that their organisations prioritise retaining existing technologies over adopting new ones. Neglecting the problems within legacy systems can significantly hinder successful

digital transformation. Therefore, organizations must strike a balance between investing in new technologies and addressing ongoing system needs. Sustainability should be a key factor in IT investment decisions, as emphasized by companies both globally and regionally. However, it's worth noting that while sustainability and social responsibility are increasingly linked to IT investments worldwide, the percentage of organizations making this direct connection is still much lower in our region compared to the global trend.

Despite the wide range of barriers and challenges, organizations in the region share common strategies for addressing these issues. IT executives identified the following priority strategies as key to maximizing returns on technology investments:

**46%** address key service deficiencies flagged by clients and employees,

**40%** constant knowledge sharing between teams,

**36%** assess regularly the current IT status to optimise processes and development plans,

**33%** engage external experts to speed up results and enhance the organisation's capabilities.



*The pace of market change today is so rapid that companies must be willing to take risks – overanalysing a case can make development impossible.*



**Alexei Sharavar**  
CEO, QazCode

## The key barriers to innovative technology adoption:

# 63%

of companies adopt new technologies more slowly due to risk avoidance, which may weaken their competitive position

# 57%

of companies reported budget shortfalls

# 56%

of companies experience difficulties in communication between teams, which slows down adaptation processes

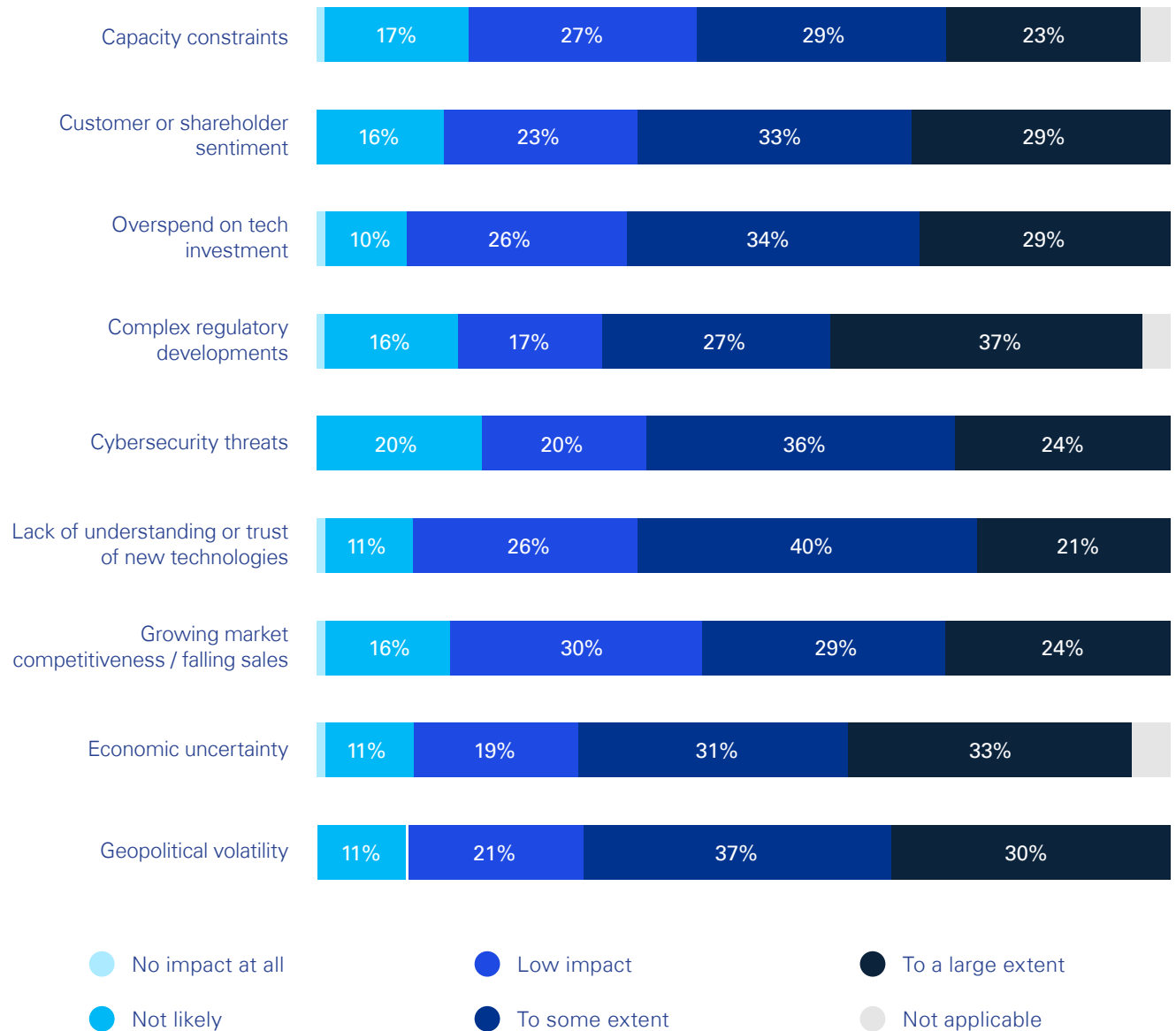
When it comes to satisfaction with innovation and the overall progress of digital development, we noted three key differences in the Central Asia and Caucasus region compared to other countries - e.g., there are one and a half times as many companies in Central Asia and the Caucasus that:

- 40%** are not satisfied with the value received from technology investments
- 37%** do not perceive employees' interest in using innovations
- 36%** do not seek to develop the ecosystem and establish new partnerships

These disproportionate challenges are further exacerbated by the significant percentage of respondents (57%) who perceive a lack of funding for IT projects. In particular, Dmitry Parshuto drew attention to the danger of excessive caution in decision-making by the Central Asian and Caucasian CEOs: "Across all continents, companies are facing similar challenges - from lack of qualified personnel to regulatory constraints. In the Central Asian and Caucasus markets, the primary factors slowing progress are limited funding for technology projects and a reluctance to embrace change due to established practices."

Although these factors may seem challenging, our survey also shows that many organizations are making strong progress in their digital initiatives, particularly in areas such as XaaS, cybersecurity, data, and artificial intelligence, which we explored further with additional questions.

**Fig. 5. To what extent are the following barriers likely to affect your organisation's plans for innovation?**



# Everything-as-a-Service

A man with a beard and glasses, wearing a blue shirt, is looking intently at a large screen displaying a complex network diagram. The background is a server room with blue and orange lighting. The text "Everything-as-a-Service" is overlaid in white on the left side of the image.

## Cloud computing as the highest priority technology in the region

As previously mentioned, it is crucial for businesses to strike a balance between investing in new technologies and modernizing existing solutions, while considering factors such as speed, efficiency, and reliability. IT executives see high potential in accelerating development of XaaS platforms which by replacing outdated systems and centralising functions are able to reduce IT infrastructure complexity and eliminate hardware redundancy.

### Globally, 57% of IT executives reported a strong return on investments in XaaS technology.

In contrast, among companies in Central Asia and the Caucasus using cloud computing, only 33% experienced a reduction in total technology ownership costs, 19% saw a decrease in technical debt, and 23% reported faster implementation or scaling of advanced tools. In comparison, the global averages for these outcomes are 28%, 30%, and 34%, respectively.

On the upside, the entities felt the significant benefits of cloud computing for data management and integration processes. Such effect was noted by 42% respondents

in the region. A similar trend is evident globally as well, where 37% of the survey participants **mentioned increased efficiency of data management and integration processes as a key benefit of XaaS implementation.** It is clear that cloud solutions enable centralized data storage, enhancing process transparency, streamlining access to data, and improving the analysis of key metrics. As a result, companies are able to accelerate the implementation of analytics tools and scale their IT resources to better adapt to changing market conditions.

The next most frequently achieved effects of cloud computing are **increased protection and compliance with regulatory information security requirements.** Such effects were mentioned by 35% of companies in the region and 36% of companies in the world.

### Enhanced reliability and guaranteed high-availability services continue to be key benefits.

By migrating critical systems to cloud platforms, organizations can access better tools to prevent potential failures and minimize unexpected downtime. Data backup and recovery are significantly faster and easier with XaaS compared to traditional storage systems.

Globally, it has been observed that using public cloud platforms has significantly accelerated the implementation of new services and products, streamlined scaling, and improved computing power and storage. This is made possible by the flexible and adaptive XaaS infrastructure, which enables companies to quickly respond to changing customer demands and test new services and products without requiring substantial investment.



*Naturally, everyone is focused on the cloud, including us, as it is clear that advanced technologies are emerging in this space. In fact, today, the majority of our internal and external services are provided either from private or public cloud. The challenge for the market is that only large organisations can afford creation of robust private clouds.*



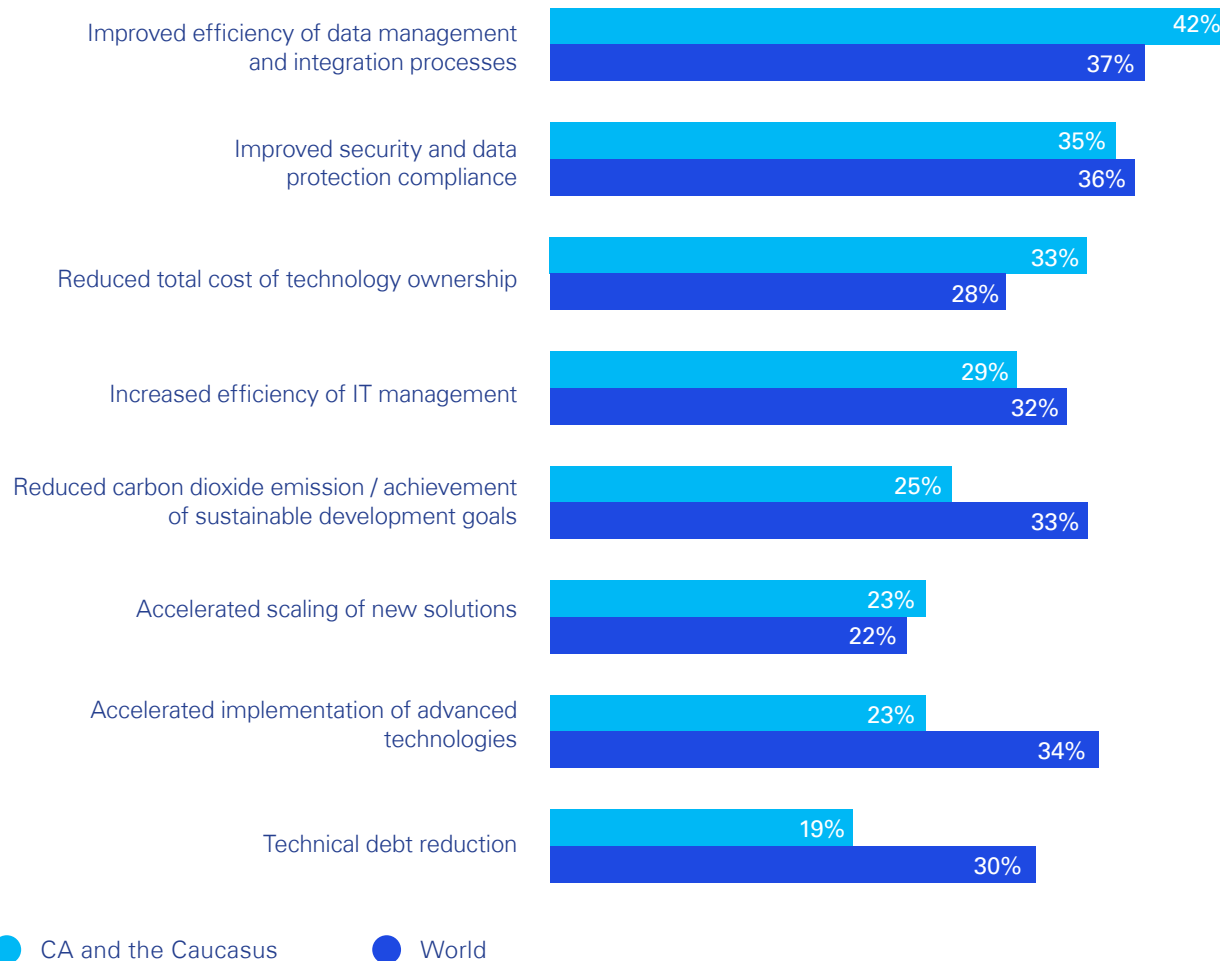
**Renat Tukanov**

CTO Freedom Holding Corp.



## Cloud computing as the highest priority technology in the region

**Fig. 6. What are the main benefits your company has gained from the use of public cloud computing platforms/XaaS technologies over the last 12 months?**



# 67%

of companies are planning to start investing in XaaS in coming 6 months due to the need to adapt to market changes and the increased demand for infrastructure flexibility

# 57%

a proven return on investment is mentioned most frequently among key benefits of XaaS

# Strategic role of information security





## Cyber threats continue to hinder digital transformation and require proactive risk management at the strategic planning stage

Recent surveys over the past few years consistently show a growing awareness among top management that, to successfully implement continuous innovations, businesses must prioritize security. This includes support for a stable pace of technology implementation and ability to demonstrate its value to stakeholders. The survey participants note that a key criteria for the assessment of technologies are **risks and cybersecurity**, including decreased incidents, increased compliance and reduced failures. On this topic, Dmitry Parshuto says that “cybersecurity clearly takes one of the key positions in implementation of IT projects as digitalisation is accompanied by an increase in cyber threats. Primarily, businesses have to focus on protecting against phishing attacks, data leakage and breach of customer confidentiality in compliance with current regulatory requirements”.

### Information security is becoming a critical component of strategic development of organisations in a digital environment.

However, the survey shows that the approach to cybersecurity in many companies is still not mature enough. 36% of respondents view information security as a formal process for monitoring employee actions, rather than a strategic initiative. Companies underestimate comprehensive data protection measures and focus only on the basic personnel training procedures which may result in having critical vulnerabilities in the security systems.

30% of respondents highlighted communication issues between teams during periods of heavy workload.

These challenges, in the context of information security, also raise the risk of data leaks, access management errors, and inconsistencies in applying security measures, which can significantly increase the vulnerability of IT infrastructure during busy periods.

To improve cyber resilience and strengthen positions in the digitalised market, businesses need to revise their approaches to information security. Implementation of comprehensive protective measures, strategic investments in the development of the information security function, enhanced flexibility and ability to adapt to changes are crucial for creating competitive advantage. However, **94% of IT executives in Central Asia and the Caucasus admit that their companies do not regard the issues of cybersecurity and personal data protection as strategic priorities when considering new IT projects**, while globally, 72% of companies invite information security teams to discuss, arrange and select IT projects at very early stages.

“

*The importance of cybersecurity has significantly increased, and we now consider it in all IT projects from the outset. However, this approach is primarily seen in larger companies, while smaller organizations typically only implement basic security measures.*”

”

**Renat Tukanov**  
CTO Freedom Holding Corp.

70%

of companies give priority to cybersecurity of which

27%

are actively promoting strategy in this area

## Cyber threats continue to hinder digital transformation and require proactive risk management at the strategic planning stage

**Fig. 7. How often do the following situations happen in your company?**

*(The percentage of respondents who said that the relevant situation happens often).*



# 59%

of the respondents consider cybersecurity a formal requirement, thus impairing its effectiveness

A person in silhouette is standing in the foreground, holding a tablet. They are facing a large digital display that shows a world map and various data visualizations, including charts and graphs. The background is filled with a grid of glowing blue and red lights, suggesting a high-tech or data-driven environment. The overall color palette is dominated by blues and reds, with a dark background.

# Data and AI as the foundation of digital transformation

## Data management as a driver of growth and competitive advantage

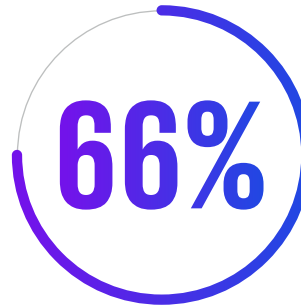
Data is the main driver of digital transformation, underpinning and advancing its progress. Data systems that demonstrate a high level of maturity, robust security, and effective manageability form the basis for fostering innovation, improving customer service quality, and increasing competitiveness. At the same time, solutions that are inadequately protected or poorly managed can significantly increase the risk of data leakage and reduced operational efficiency, which in turn erodes the business value and customer trust.

To attain an advanced level of data management, entities focus on providing secure data, managing it effectively, and maintaining its availability. This is achieved by complying with regulatory requirements, establishing robust data management processes, and clearly defining areas of responsibility and accountability.

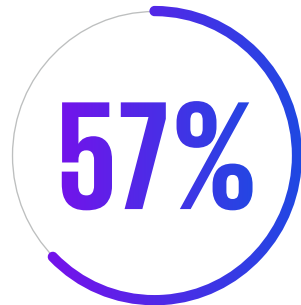
In today's digital era, data has emerged as a key strategic asset that determines a company's competitive edge. However, to fully leverage the data and get the most out of it, organisations must develop effective systems for data processing, management and analysis. Companies that excel at collecting, processing, and analyzing large volumes of data unlock opportunities to improve operational efficiency, predict trends, and extract actionable insights.

Most organizations recognize the critical importance of data analytics and data management, but they also face challenges with the quality of source data. According to the survey, the key achievement in this area is the ability to extract valuable insights and manage data effectively, with both aspects receiving 66% positive responses in the market. At the same time, investment in data remains relatively low, making up only 49%. Globally, however, data accessibility and investment are prioritized, highlighting their strategic importance in achieving technological leadership.

The survey shows that unlocking the hidden potential of data and using it as a tool for organizational development requires more than just technological equipment. Equally essential are fostering a data-driven culture, strategic planning, and investing in a workforce with the right skills. This requires a complete and integrated approach to data management, from refining the data collection and cleaning processes to implementing cutting-edge analytical tools and building the infrastructure to ensure efficient access to and sharing of information across the company.



of the companies conduct regular audits of their systems to maintain data integrity and establish clear lines of responsibility.



of the companies provide employees with access to the necessary data to support the introduction of new technologies.

# 46%

of the respondents believe that equipping users with the data required for their tasks, enabling the adoption of new technologies and fostering a strong partner ecosystem make a cornerstone component of the company's business strategy.

“

*Creating a data-driven organisation involves more than simply implementing tools or collecting data. It's about developing a culture that makes data integral to every decision.*

”

**Vazha Mantua**

IT Director/Core IT & Data, Bank of Georgia

**Fig.8. Do you believe the following activities are generally undertaken and considered critical for implementing strategic plans?**



● CA & Caucasus    ● Global

### Improving data access and security:

40%

of the companies are planning to improve data availability

30%

will focus on enhancing security measures

### Data management and advanced analytics

27%

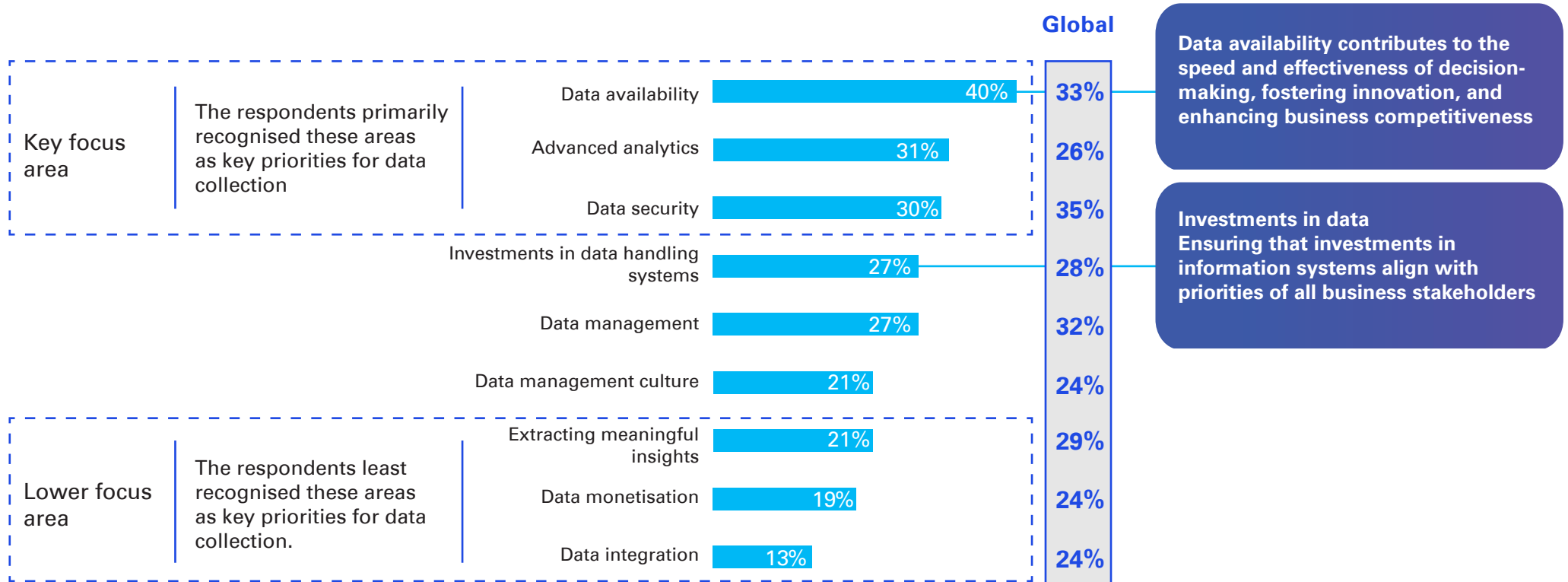
of the companies are set to address data integrity issues

31%

of the companies are planning to leverage predictive analytics to improve business performance

## Organisations place a high priority on data availability, data security, and advanced analytics

**Fig.8. Which data management areas will your organisation prioritise for improvement over the next 12 months?**



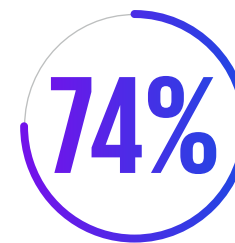
**Artificial Intelligence (AI): a trending technology in the region, though not currently a top priority.**

AI for most companies in the Caucasus and Central Asia region is not a top priority technology for the near future – **only 17% of the companies actively use AI, while 29% of the companies encounter lack of support leadership’s lack and investment constraints**, which is holding back the introduction of AI. Baizhan Kanafin identifies significant economic costs as a key reason for the delays in the rollout of AI technologies in the region. “Artificial intelligence can be effectively implemented in environments that possess substantial amounts of data, and preparing data for AI processing requires significant effort and financial investment. Only very sustainable organisations that consistently engage in R&D can keep pace with this progress”.

However, among companies in the Caucasus and Central Asia region that are using AI, **some have already assessed its practical impact, and the results have not been promising in terms of return on investment.** “There’s been a lot of hype around AI, and it didn’t fade. But we now treat AI with greater

caution – we have experimented with GPT and Copilot and subsequently abandoned part of the projects. Regrettably, it appears that costs associated with the implementation and support of any new technologies do not align with the expenses incurred when producing things manually,” Renat Tukanov notes.

The respondents emphasized the critical importance of regularly updating the AI governance policy to ensure that artificial intelligence is utilised in an ethical and responsible manner, in accordance with relevant regulations. The growing interest in AI may lead organizations to make hasty or impulsive decisions. Effective implementation of AI necessitates a holistic approach, coordination of activities and a shared understanding of AI’s role in the business strategy. Organizations recognized as technology leaders emphasize that their approach to AI development starts with creating a comprehensive AI strategy, rather than focusing solely on implementing isolated pilot projects. “We recognise that formulating an AI strategy is essential for making informed decisions regarding investments in complex AI projects”, Alexey Sharavar comments.



of the companies worldwide report that artificial intelligence has been already enhancing employee productivity and improving overall organisational efficiency



*We recognise significant potential in leveraging AI to automate routine tasks, enhance the accuracy of forecasting, and personalise customer experience, and substantially expedite business processes.*



**Dmitriy Parshuto**  
Enterprise Sales Team Leader in CA, Creatio



of the companies in CA and the Caucasus intend to leverage AI technology to reduce expenses associated with routine tasks and improve employee productivity.



of the respondents are committed to leveraging AI to develop innovative products and services, thereby strengthening their competitive advantages.

# Conclusion





# Conclusion and recommendations

Companies in the Caucasus and Central Asia region are demonstrating strong interest in investing in cloud technologies and analytics. However, they are encountering significant challenges, including constrained budgets, cybersecurity threats, the effects of complex regulatory changes, geopolitical instability, and economic uncertainty. These factors undermine their commitment to long-term investment in innovation. According to the respondents, a key factor hindering digital transformation is a risk-averse culture, which is marked by a slow pace in adopting changes and adapting to new environments.

## 01

### **Don't let the Fear of Missing Out (FOMO) overwhelm you**

Ensure that your decisions are aligned with your organisation's strategic priorities, driven by measurable indicators and objective data

## 02

### **Ground your decisions and value assessments in factual evidence and data analysis**

Ensure the stakeholder engagement to establish a comprehensive understanding of the success criteria defined by specific and measurable indicators

## 03

### **Reduce technical debt**

Implement a well-structured strategy to effectively manage technical debt, creating targeted plans for its reduction to enhance the efficiency and resilience of IT systems

## 04

### **Develop partnerships**

Develop new collaborative partnership models focused on joint investment and effective risk management, with the goal of integrating advanced technologies and innovations.

## 05

### **Focus on security**

Design and implement advanced technologies while upholding ethical standards and principles of responsibility. This approach gives the organisation confidence in improving its operational efficiency and achieving strategic objectives

The image features a blue-tinted office environment. In the background, three silhouettes of people are visible, standing and talking. In the foreground, a desk is covered with documents, a pen, and a pair of glasses. The overall atmosphere is professional and focused.

**How can KPMG help  
your organization?**

We are a recognized leader in the IT and information security consulting market, with deep expertise in developing digital and IT strategies, conducting IT and information security audits, identifying key threats and risks, and ensuring business resilience.

We offer a wide range of technical services related to strategy, cybersecurity, data, artificial intelligence, cloud technologies, and risk management, so we can help you achieve significant results.

01

## Artificial Intelligence

KPMG's extensive industry experience and advanced technical tools help business

leaders leverage the potential of artificial intelligence to accelerate the process of guaranteed value creation—from developing an AI strategy to implementing AI tools in day-to-day operations

02

## Cybersecurity and data protection

We understand the exceptional importance of an effective cybersecurity strategy for ensuring

compliance, increasing resilience, and building trust in your business. Our technology alliances enable the swift implementation of the most reliable cyber solutions on the market

03

## Cloud solutions

Smart use of cloud technologies enhances business value, however, the cloud can also become a source of unforeseen costs. Our expertise,

experience, and technology partnerships will help you transition to the cloud in the most efficient way

04

## Data and Analytics

In the digital world, data is the key to business success and, therefore, holds significant value.

Our frameworks, expertise, and technical capabilities enable us to manage, store, enrich, and analyze data using a diverse technology stack



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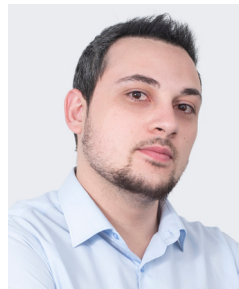
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