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Kazakhstan

Insight Israeli businesspeople speak out on doing business in Kazakhstan

Technology ▶

■ Tuvia Marmarelli, **Comverse** Technology's Senior Vice-President and General Manager for Eastern Europe, with responsibility for Kazakhstan

Comverse has been in Kazakhstan six years, and is one of the country's leading telecommunications software providers. The company maintains a staff of only two in Kazakhstan. Technical support is provided by the company's 60-strong team in Russia, with additional backing from Israel. He describes the Kazakh telecom industry as highly advanced and the country as modern. **Comverse** hasn't encountered special problems there.

What accounts for the company's success in Kazakhstan? A technological edge?

Actually, he says, sometimes relations with people are more important than the level of technology. 'People trust people, not companies'—though that applies to other countries as well, he concedes.

As to contracts in Kazakhstan, he says, 'Every contract is a relation with an individual. They're only important when problems arise.' **Comverse** hasn't experienced any in the country, but he says, as a matter of policy, the company avoids taking clients to court.

Regarding the language issue, he says it's extremely important that people on the ground, those doing the hands-on work, speak Russian. But at the upper echelons, senior managements in Kazakhstan prefer dealing with non-Russian speakers.

Who's the competition?

'Lots of Russian companies. They were there first; and they're cheaper.'

And what's the attitude of Kazakhs towards Israel?

'Highly favorable. They have a great deal of respect for Israel.' Though he can't verify it, he suspects it has something to do with the military ties between the two countries. 'They hold Israel in high regard and behave accordingly.'

Tips: Link up with a good local agent.

■ Reuven Elazar, Sales Director, Nice Systems

Nice hasn't closed any deals in Kazakhstan to date, but Reuven Elazar, a native Russian speaker, spent two and a half years in the country for **Comverse**, mainly providing services for KazakhTelecom.

Regarding contracts: 'They're no problem. These are very serious people. They're no different from Europeans in finalizing contracts.'

As to why Kazakhs seem so interested in establishing business ties with Israel, he says they view Israel as a 'global brand.'

■ Henri Inzelberg, Vice President, Sales and Contracts, IDE Technologies

IDE, a world leader in water technologies and a Delek Group subsidiary, recently finished construction on a desalination plant on the Caspian coast for the electric utility, MAEC-Kazatomform. The facility will provide the power plant with 12,000 cubic meters of water a day, part of which will be used in generating steam for the plant's turbines, but most will flow to the city of Aktau to be used as drinking water. IDE provided the equipment and supervises the running of the facility.

Despite the utility being government-owned, Henri Inzelberg indicates the contract for the project wasn't overly complex. IDE got a letter of credit from a local bank backed by a consortium of foreign banks. He calls the venture 'highly successful,' and to date hasn't experienced problems in the country, where IDE has had operations since 2000.

Making it sound simple, he says, 'All you have to do is know what they want of you, and behave accordingly.'



■ Klara Oren, CEO, LN Green Technological Incubator

Klara Oren, founder of the incubator 18 years ago, was invited by the Kazakhstan government to speak at the Economic Forum in Astana that took place in early July. About 3,000 businesspeople, scientists and political leaders attended from 70 countries.

'Kazakhstan is investing with the aim of becoming an advanced country,' she says, 'and they have everything they need to succeed.'

With the world intrigued by Israel's startup culture, she spoke at the innovation symposium on the incubator concept, and was taken aback by the level of interest shown by Kazakhs.

But what struck her almost more was the impression she got that 'they love us there.' (By 'us' she means Jews/Israelis.) Born in the Ukraine and widely travelled, Klara says she's never experienced anything like it—the respect shown to Jews in the country. And the hotel staff—they were all impressed that she came from Israel.

In her prepared remarks at the symposium, Klara presented one of her portfolio companies, TransBiodiesel, founded by Israeli Arab Dr. Basheer Sobhi, who's already had a successful exit with Enzymotec Ltd. His new company creates biodiesel fuel utilizing a method that manages to sidestep a major manufacturing pitfall in biodiesel production—the use of a chemical process that generates pollutants.

At this point, Michael Weinstein's alternative-energy bent came to mind, and the scribbler of these lines asked whether Klara was familiar with the European Bank of Reconstruction and Development.

No, she wasn't.

A problem easily remedied.

To date, she's spoken with the EBRD banker by phone and exchanged a couple of emails.

A start; nothing more. But Michael Weinstein may end up getting his first request for a loan from an Israeli firm.