



EY Survey - Assessment of Trends and Prospects for the Development of the Pharmaceutical and Medical Products Markets of the Republic of Kazakhstan

Short version

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Introduction

The pharmaceutical industry in **Kazakhstan** is actively developing. Market growth is driven by many factors, including government programs and initiatives, demographic shifts (aging population, increasing proportion of patients with chronic diseases), and a **moderate increase** in personal income.

In **2025**, **EY** launched its first Pharmaceutical Market Research of the Republic of Kazakhstan. As part of the research, we gathered information about major players in the **pharmaceutical market**, analyzed how pharmaceutical companies work with distributors, how government regulation affects the companies' operations, what trends influence the market, and what pharmaceutical companies expect from the market in **2026**.

The research involved the largest **international and Kazakh pharmaceutical companies**.

The research was conducted in October-November **2025** by way of an online survey and sample interviews.

About the research

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- The research involved **19 pharmaceutical companies** with diverse portfolios of medicinal products (MP).
- **35% of the respondent companies** are headquartered in Eastern Europe, and 23% of the companies surveyed are based in Western Europe. **74% of the survey participants** are registered in Kazakhstan as Limited Liability Partnerships (LLP).
- Product portfolios of **33% of the surveyed companies** comprise more than **50% of innovative MPs**. **28% of respondents** stated that their portfolio is mixed, while for **28% of those surveyed**, OTC drugs predominate in their portfolio.
- Cardiology and neurology products are leading in product portfolios of **50% of the surveyed companies**. **39% of respondents** noted that their company's portfolio includes MPs from more than 5 therapeutic areas.
- Most respondents are importers of MPs and local distributors, and also provide marketing, advertising, promotion, and other similar services to the parent company or group companies.
- **59% of respondents** also serve other CIS markets, including Azerbaijan, Armenia, Georgia, Kyrgyzstan, and Uzbekistan.

Disclaimer

The survey was conducted by means of anonymous questionnaires, and the Research represents the aggregation of the respondents' answers and their analysis. This material should not be considered a consolidated position of market participants. Changes in the Research parameters or participants may affect its results.



Key findings

How does the market assess the attractiveness of Kazakhstan?

drivers and barriers for localization

54% of respondents consider guaranteed procurement volumes to be the main **advantage** of localizing drug production in Kazakhstan.

85% of respondents believe that the relatively small sales market in Kazakhstan is a **limiting** factor when deciding to localize.

Inconsistent drug pricing regulation policy is a barrier to **localization**.

92% expect that the introduction of VAT on medicines will lead to price increases. Most respondents believe that the current state price regulation policy for medicines reduces their affordability for patients. The main barrier is the **unpredictability** of the regulatory environment. There are additional risks, such as national currency volatility and economic instability.

Respondents primarily register medicines and medical devices in accordance with EAEU regulations.

market expectations and growth opportunities

36% of respondents consider Kazakhstan as a jurisdiction for a regional trade and logistics hub.

1-2 yrs It is expected that the market will grow due to the retail segment, online trade, and digital sales channels. It is worth noting that **79% of respondents** forecast market growth, primarily by 5-10%.

83% of respondents believe state healthcare policy will focus on developing cardiology, and more than half of the surveyed participants highlight oncology, rheumatology, and preventive vaccination as key areas for development.

According to the majority of survey participants, the main expected future trend will be the reduction/optimization of companies' medicines portfolios due to changes in state price regulation and economic factors.

Survey results

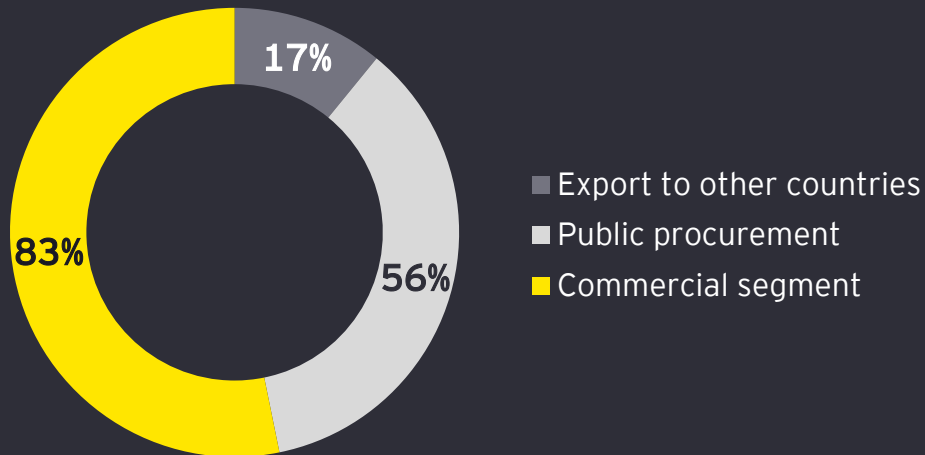


Medicine sales channels and distributor services

Main sales channels in Kazakhstan

- 83% of the surveyed companies treat the commercial segment of the pharmaceutical market as a priority.
- 56% of respondents sell their products through state-owned channels.

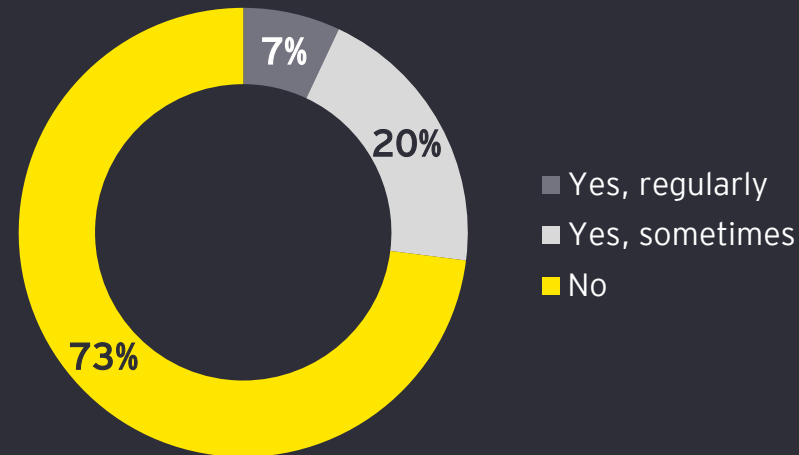
What are the main channels for your company's product sales in Kazakhstan?*



Additional distributor services

- Only 27% of the survey participants receive additional services from distributors, including product promotion, marketing, market access, and others.

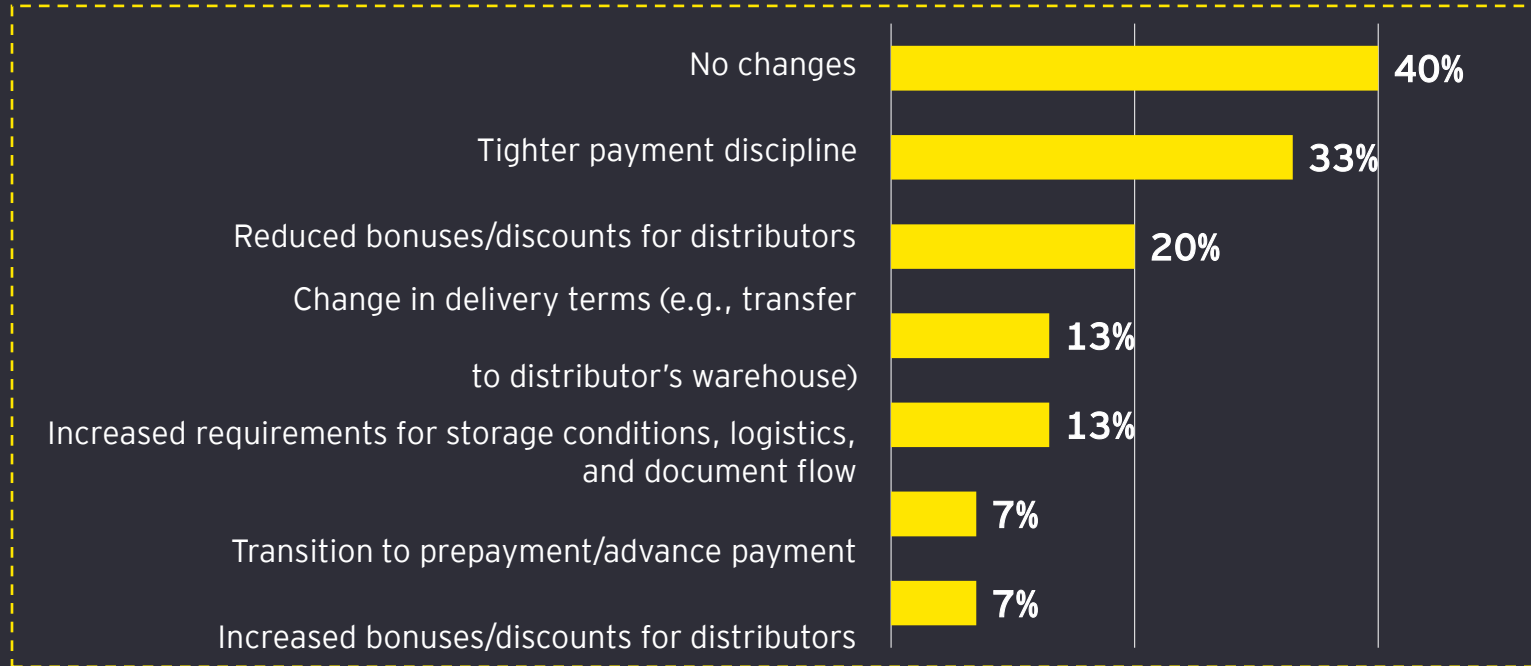
Do distributors provide additional services for your company in Kazakhstan?



* Respondents could select multiple options.

Changes in terms of cooperation with distributors

How have the terms of cooperation with Kazakhstani distributors changed for your company during 2024-2025?*



40% of the survey participants indicated that they had not changed their terms of cooperation with distributors in 2024-2025.

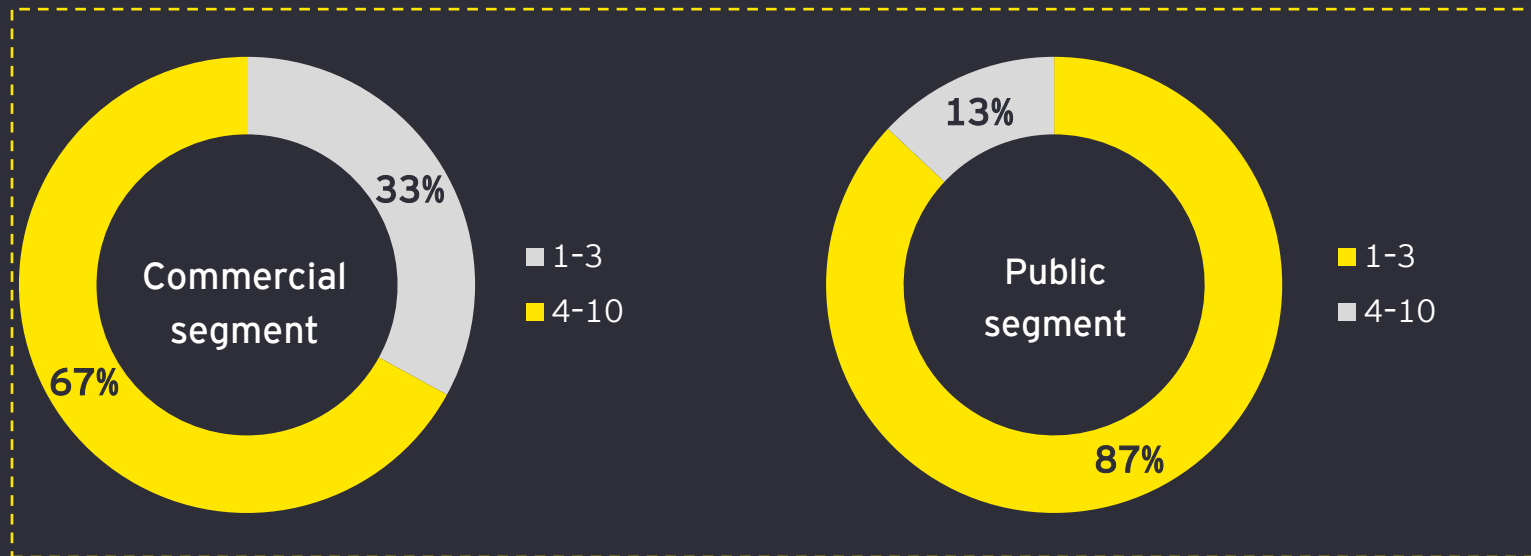
33% of respondents noted a tightening of payment discipline for distributors.

20% of the respondents noted that they had reduced bonuses/discounts for distributors.

* Respondents could select multiple options.

Number of interactions with distributors

How many distributors does your company work with?



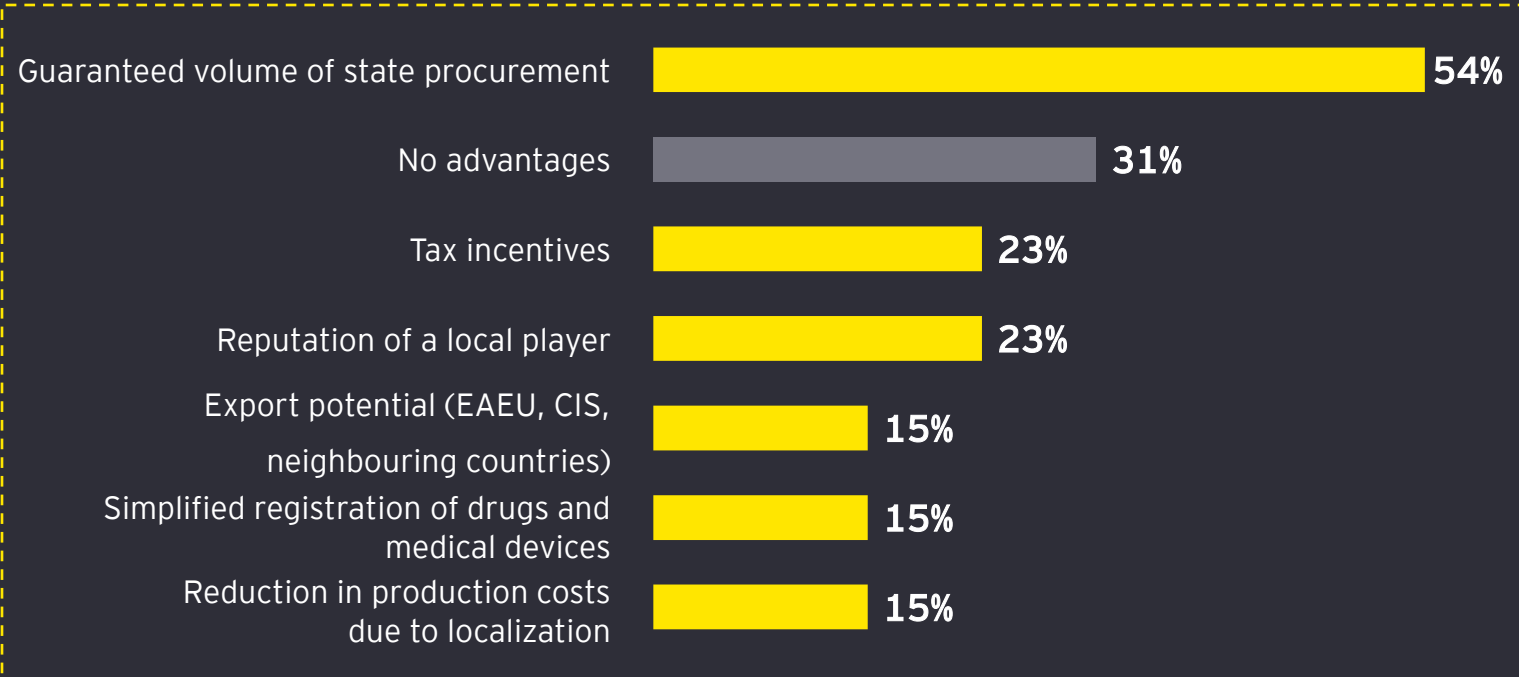
67% of the survey participants in the commercial market segment interact with 4-10 distributors.

In the public market segment, the majority of respondents (87%) work with 1-3 distributors.

The respondents neither in the commercial nor the public market segments interact with a large number of distributors (more than 11).

Localization of drug production in Kazakhstan: advantages

Indicate the advantages of production localization for your company in Kazakhstan*



31% of respondents believe there are no advantages to localizing production in Kazakhstan.

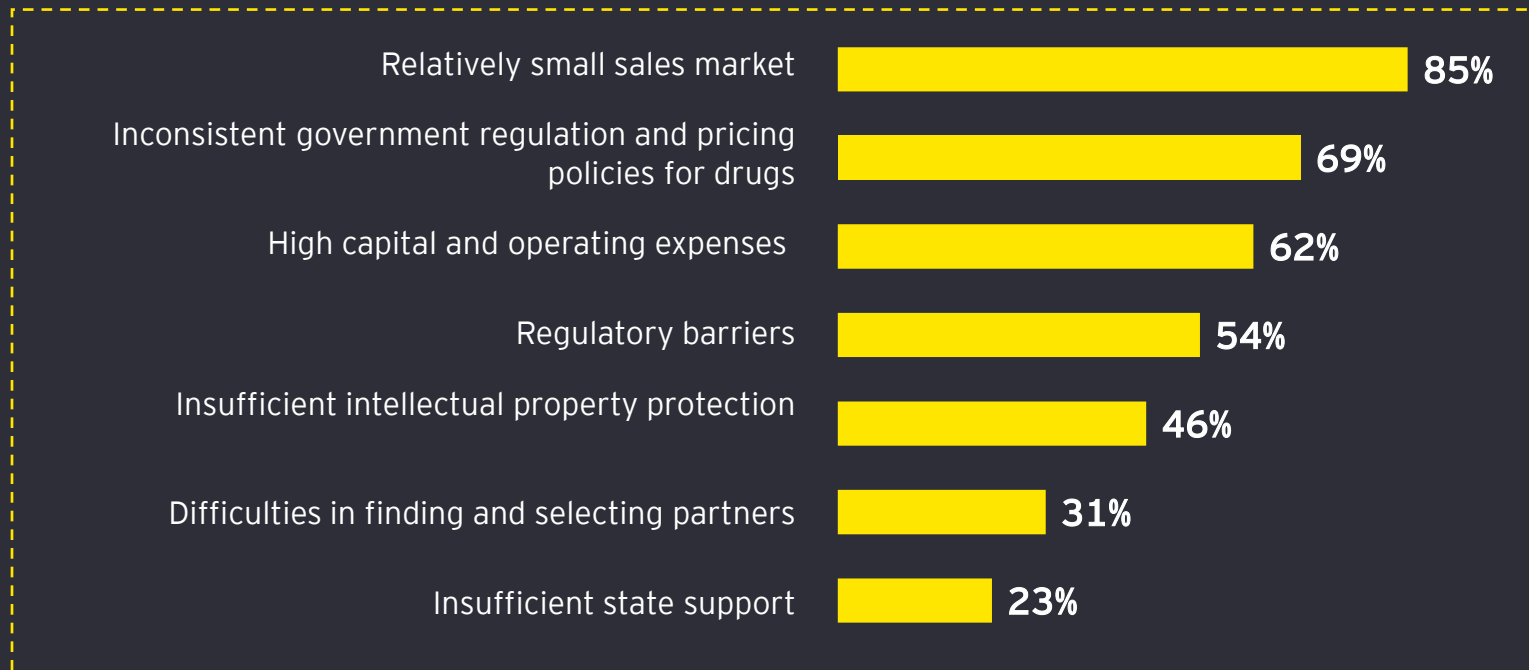
54% of respondents noted guaranteed procurement volumes as the main advantage of localization in Kazakhstan.

Tax incentives and the reputation of a local player were of interest to 23% of respondents.

* Respondents could select multiple options.

Localization of drug production in Kazakhstan: challenges

Indicate the main challenges of production localization for your company in Kazakhstan*



85% of respondents believe that the relatively small sales market in Kazakhstan is a limiting factor when deciding to localize.

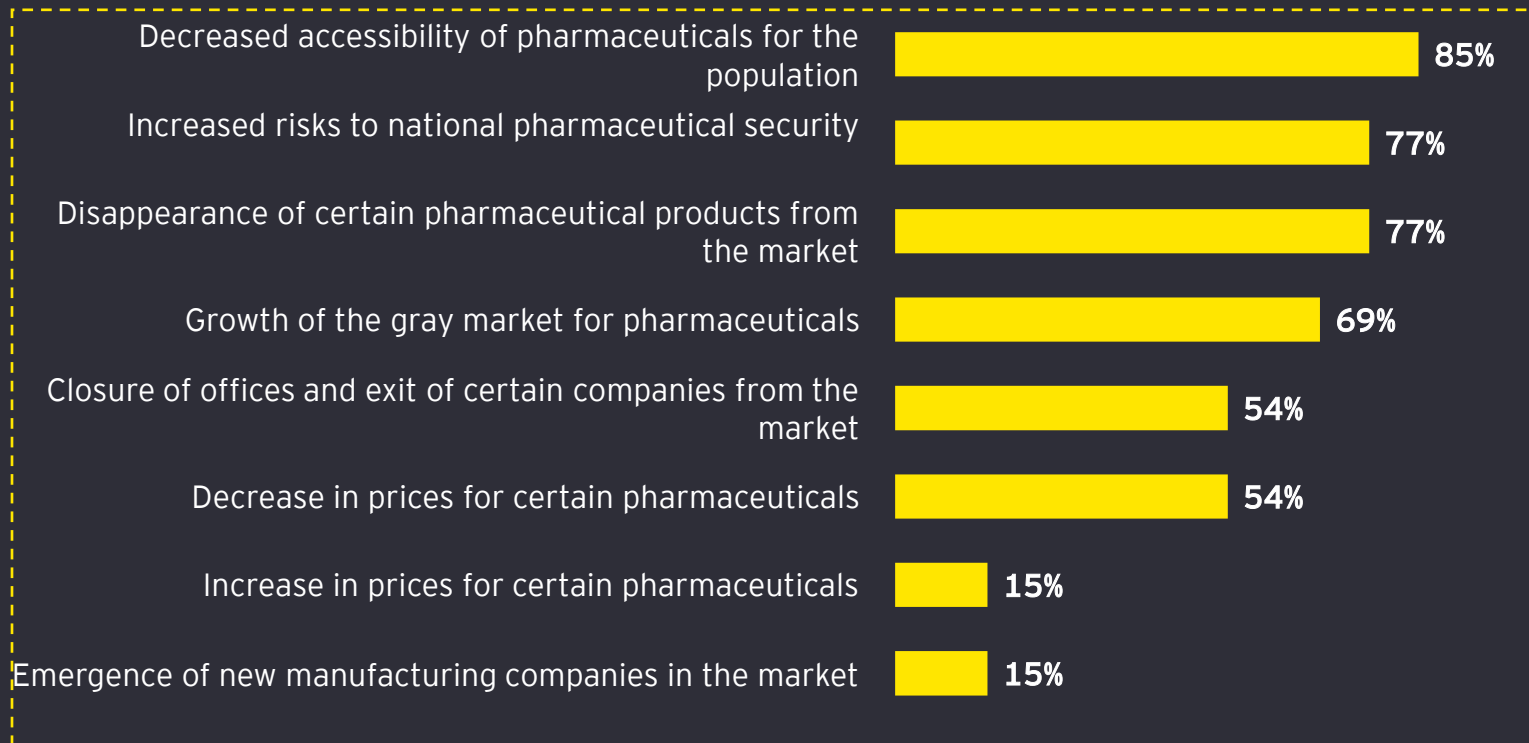
According to 69% of respondents, inconsistent government regulation and pricing policies for drugs are a barrier to localization.

Respondents also noted limited human resources.

* Respondents could select multiple options.

Price regulation

What do you believe will be the impact of the changes in government regulations regarding the establishment of maximum prices and markups on pharmaceuticals implemented in 2025?*



* Respondents could select multiple options.

The majority of survey participants (85%) believe that the existing government price regulation policy will result in reduced accessibility of pharmaceuticals for the country's population.

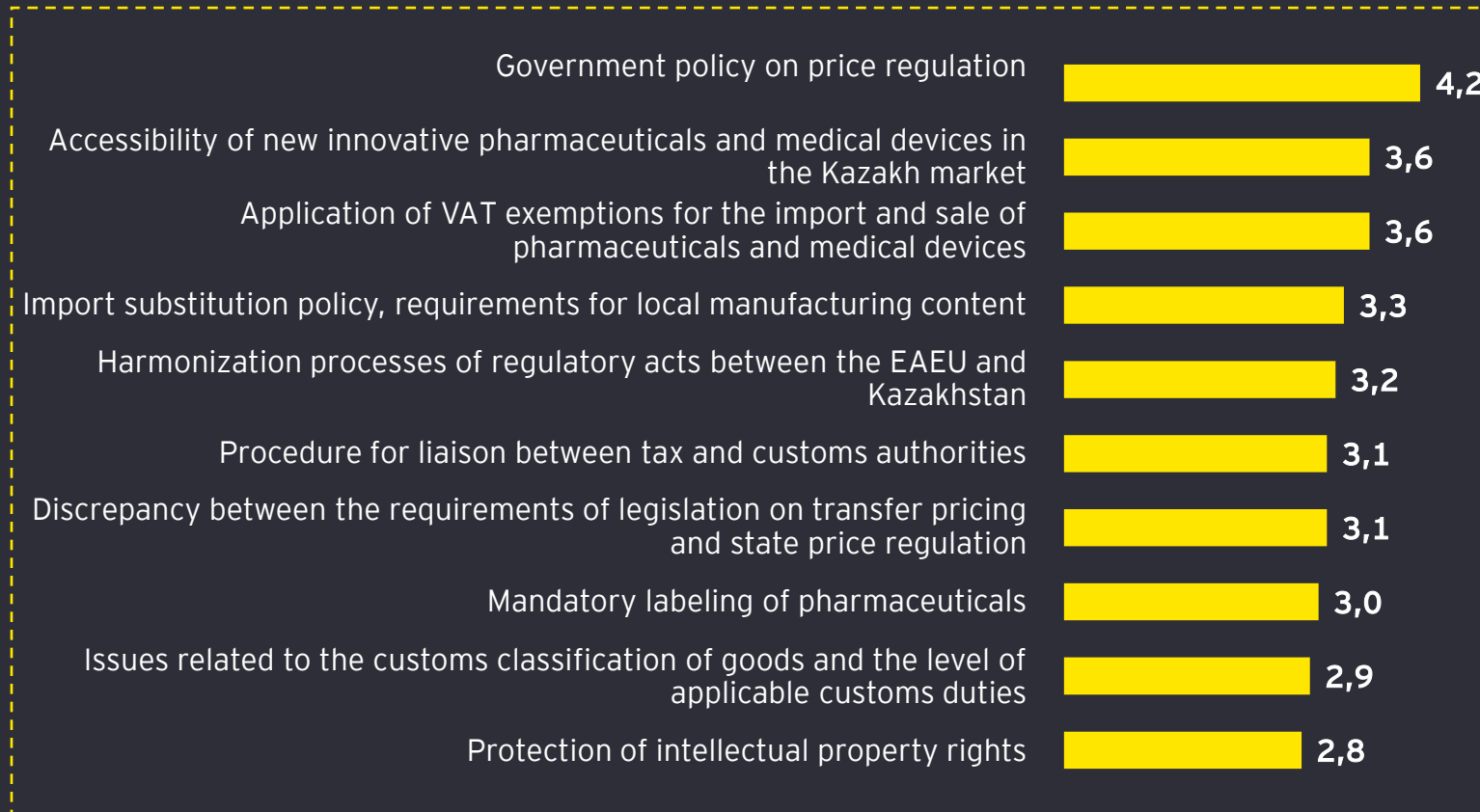
According to 77% of respondents, the existing pricing policy will result in:

- Increased risks to national pharmaceutical security;
- Disappearance of certain products from the market.

69% of respondents believe that a rise in the gray market for pharmaceuticals is expected.

Issues in the Pharmaceutical industry

Please indicate which regulatory, tax, and customs aspects in Kazakhstan cause the greatest concern for your company.*



* Respondents could select multiple options.

Responses were ranked based on a relevance scale from 1 to 5, where 1 is the lowest score and 5 is the highest value.

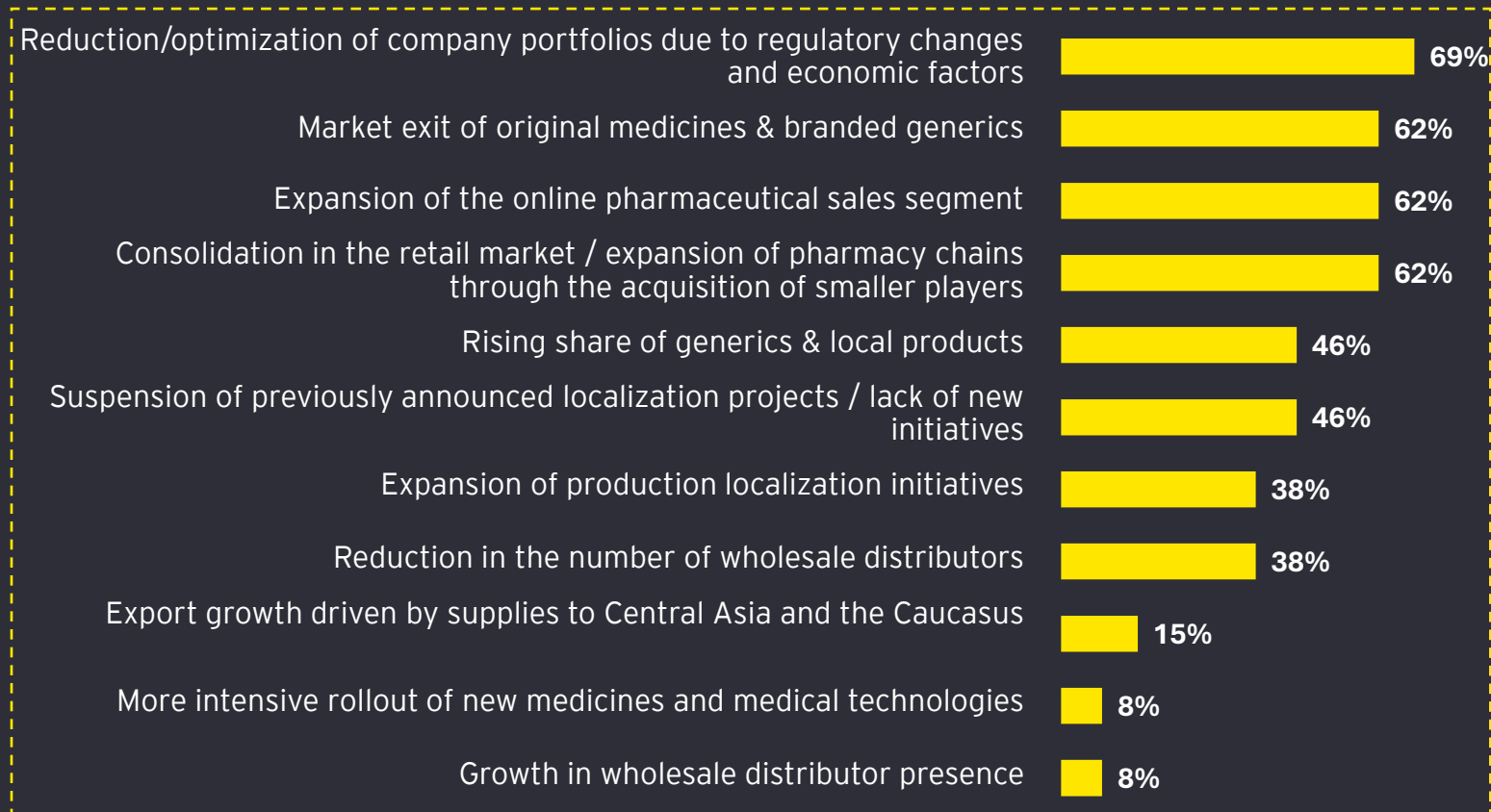
The majority of survey participants associate industry problems with government price regulation policy.

Respondents are also concerned about the accessibility of new drugs and medical devices in the market, as well as the application of VAT exemptions for the import and sale of pharmaceuticals and medical devices.

The least concern among respondents was related to issues of intellectual property rights protection in Kazakhstan.

Pharmaceutical Market Trends for 2025-2026

What major trends do you forecast for Kazakhstan's pharmaceutical market in 2025-2026?*



* Respondents could select multiple options.

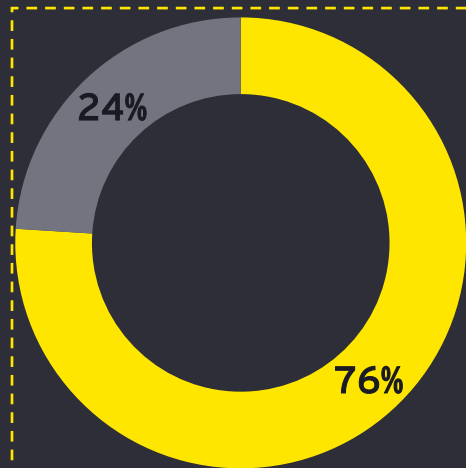
Most respondents (**69%**) expect the main trend to be portfolio reduction/optimization driven by evolving regulatory requirements and economic conditions.

According to **62%** of respondents, the leading trends for 2025-2026 include:

- Consolidation in the retail market / expansion of pharmacy chains through the acquisition of smaller players;
- Expansion of the online pharmaceutical sales segment;
- Market exit of original medicines & branded generics.

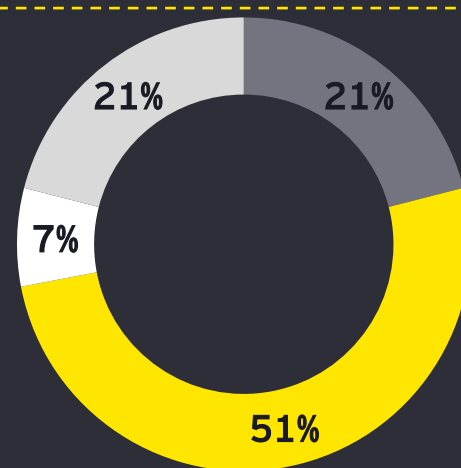
Growth Outlook for Kazakhstan's Pharmaceutical Market

In your view, which segment will drive the growth of the pharmaceuticals and medical devices market in the coming 1-2 years?



■ Retail segment
■ Public segment

How do you assess the market's growth prospects over the next 1-2 years?*



■ Growth by 1-5%
■ Growth by 5-10%
■ Growth by over 10%
■ Stagnation or negative market growth

According to the majority of respondents (76%), Kazakhstan's pharmaceutical market will grow primarily through the retail segment over the next 1-2 years.

51% of respondents believe the pharmaceutical market of Kazakhstan is likely to grow by 5-10%.

21% of respondents are less optimistic and expect growth of 1-5%.

Meanwhile, 21% anticipate either market stagnation or a decline.

* Respondents could select multiple options.

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