



# CITIC TELECOM CPC

## Digital Silk Road: opportunities for business growth in Kazakhstan

30<sup>th</sup> May 2019

**Ljubica Draskic**  
VP Europe Sales

Your trusted ICT solution partner



**CITIC TELECOM CPC**

A member of  
CITIC TELECOM INTERNATIONAL



- **Who we are ?**
- CPC in Asia Pacific
- CPC in Europe
- BRI & Digital Silk road
- Digital Transformation



# Our parent company – the CITIC Group

**CITIC Group ranks 149 in 2018 Fortune Global 500**

- Revenue of US\$61.4 Billion
- Profits US\$3.2 Billion



# Telecoms in the CITIC Group

Innovation  
Never Stops

100%



## 中国国际信托投资公司

CHINA INTERNATIONAL TRUST AND INVESTMENT CORPORATION

**CITIC Networks**  
*China Express Fibre No. 1*



(China fibre network)

58%



## 中信 CITIC

37%



58%



## 中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

99%



100%



## 中信國際電訊

CITIC TELECOM INTERNATIONAL

100%



## CITIC TELECOM CPC

(Full service in Macau)

(Wholesale Voice/SMS)

(ICT Services)



## CITIC TELECOM CPC



# Introducing CITIC Telecom CPC

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<b>Established</b>	<b>CITIC Group acquired PSINet HK and created CPCNet in 2001</b>
<b>Ownership</b>	<b>100% owned by CITIC Telecom International Holdings Limited</b>
<b>No of Employees</b>	<b>~ 1,000</b>
<b>No of Offices</b>	<ul style="list-style-type: none"> <li>※ <b>China</b>                      <b>11</b></li> <li>※ <b>Asia Pacific</b>              <b>7</b></li> <li>※ <b>Europe</b>                      <b>8</b></li> <li>※ <b>North America</b>          <b>1</b></li> </ul>
<b>Network Footprint</b>	※ <b>Asia-Pacific</b> ※ <b>Europe</b> ※ <b>North America</b>
<b>International Certifications</b>	<ul style="list-style-type: none"> <li>※ <b>TL9000</b>      Quality Management for Suppliers to the Telecoms Sector</li> <li>※ <b>ISO9001</b>      Quality Management</li> <li>※ <b>ISO20000</b>    Information Technology Service Management</li> <li>※ <b>ISO27001</b>    Information Security Management</li> <li>※ <b>ISO14001</b>    Environmental Management System</li> <li>※ <b>ISO27017</b>    Information Security Controls for Cloud Services</li> </ul>



**CITIC TELECOM CPC**

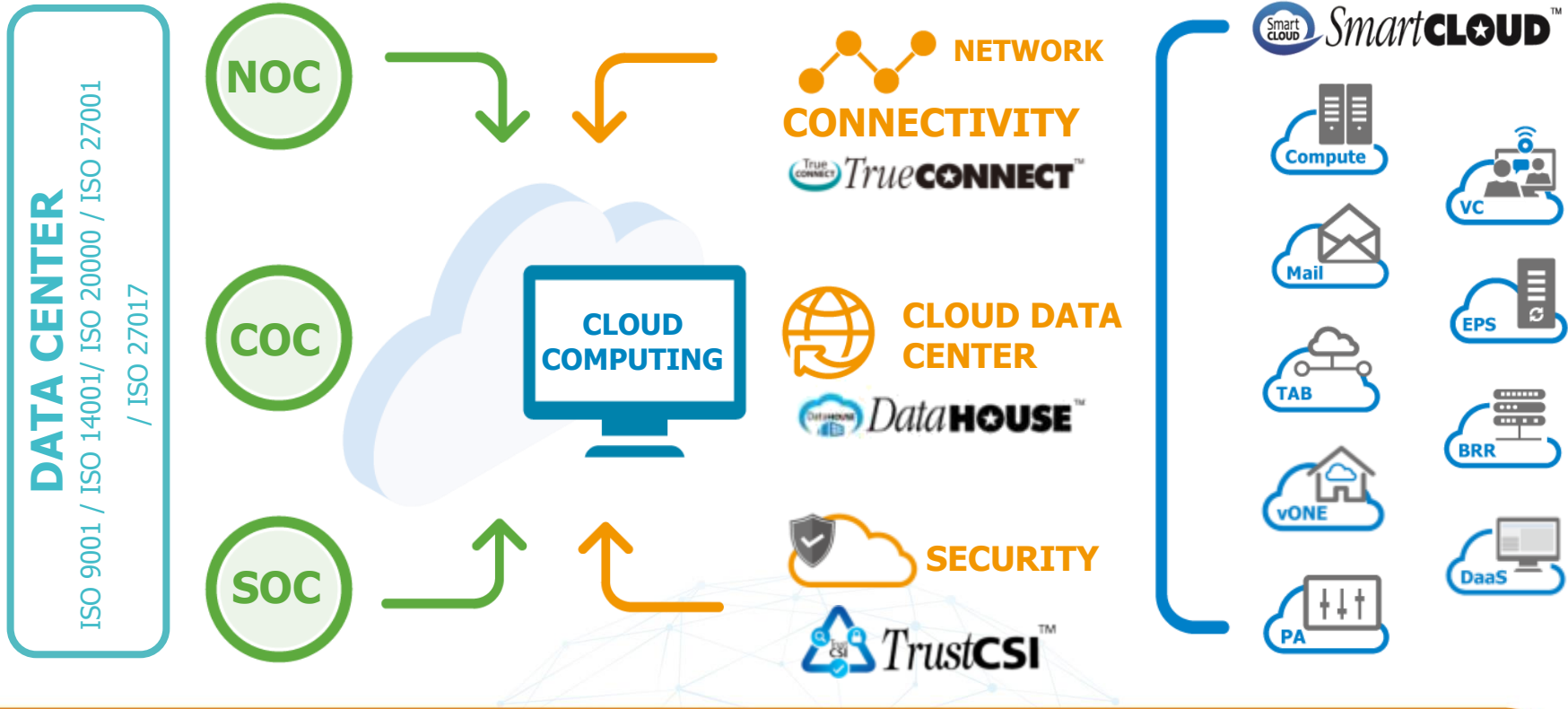




**A trusted ICT Services partner, with a unique network footprint and a comprehensive ICT solutions suite**



# One-stop Shop ICT services model



# CPC global connectivity

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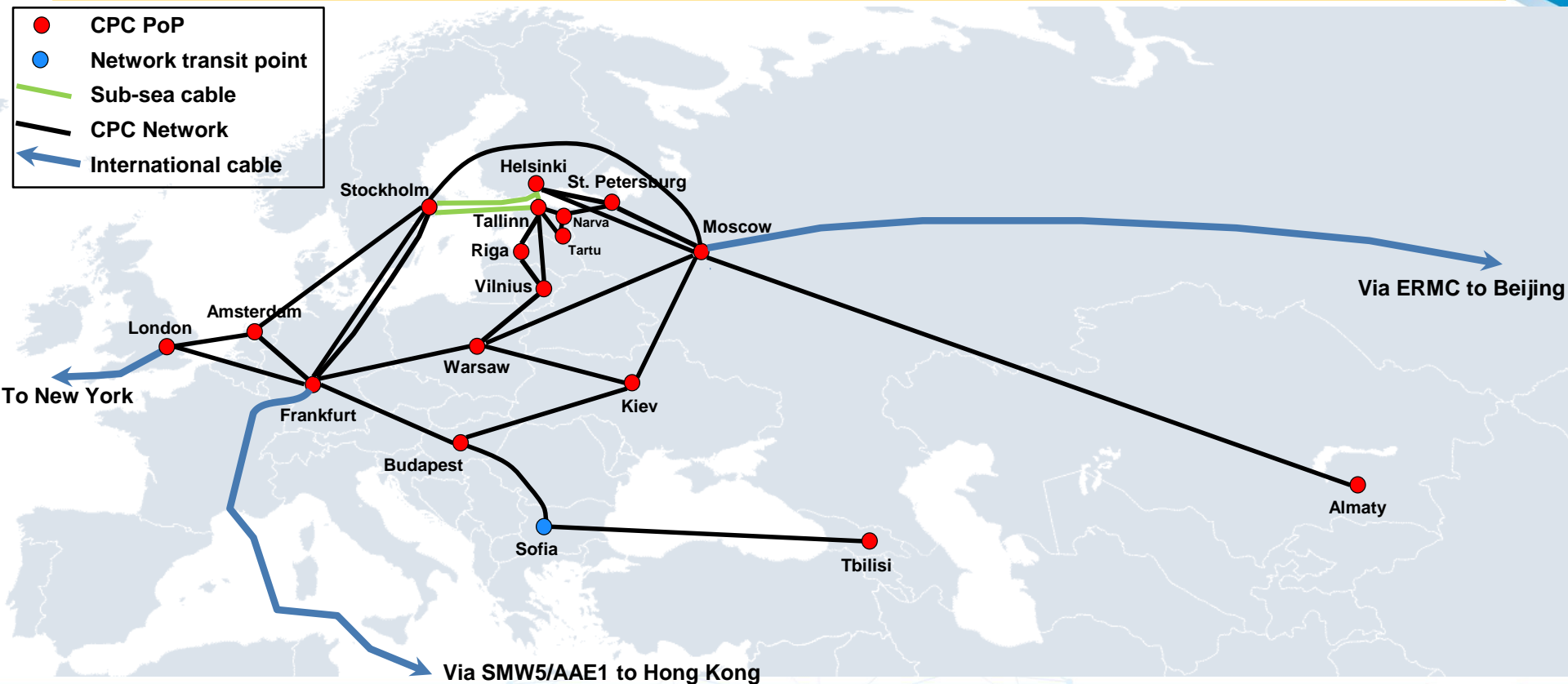


- Who we are ?
- **CPC in Europe**
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# CPC European Network

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# CPC Network in CIS countries

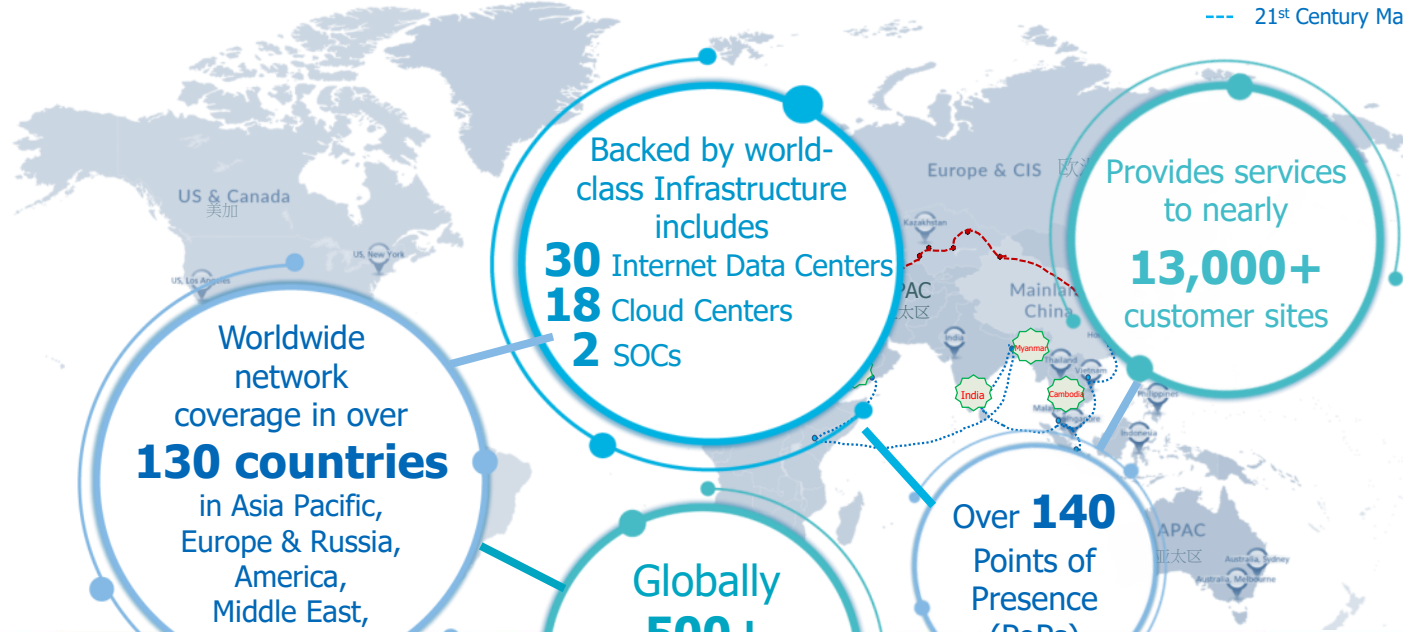


1. Circuit from Almaty direct to China under planning
2. Connections can be made to other 'Stan' countries from Almaty

# Connecting the World to Digital Silk Road

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--- Silk Road Economic Belt  
 --- 21st Century Maritime Silk Road



US & Canada	S. America	Africa	Europe & CIS	Mainland China	APAC	
<ul style="list-style-type: none"> <li>• US - Los Angeles - New York</li> </ul>	<ul style="list-style-type: none"> <li>• Chile - Santiago</li> <li>• Colombia - Bogota</li> <li>• Venezuela - Caracas</li> </ul>	<ul style="list-style-type: none"> <li>• South Africa - Cape Town</li> </ul>	<ul style="list-style-type: none"> <li>• Azerbaijan - Baku</li> <li>• Estonia - Tallinn - Narva - Tartu</li> <li>• Finland - Helsinki</li> <li>• Georgia - Tbilisi</li> <li>• Germany - Frankfurt</li> <li>• Hungary - Budapest</li> <li>• Kazakhstan - Almaty</li> <li>• Latvia - Riga</li> <li>• Lithuania - Vilnius</li> </ul>	<ul style="list-style-type: none"> <li>• Netherlands - Amsterdam</li> <li>• Poland - Warsaw</li> <li>• Russia - Moscow - St. Petersburg</li> <li>• Sweden - Stockholm</li> </ul>	<ul style="list-style-type: none"> <li>• Beijing</li> <li>• Chengde</li> <li>• Chongqing</li> <li>• Guiyang</li> <li>• Harbin</li> <li>• Hohhot</li> <li>• Hui Zhou</li> <li>• Jilin</li> <li>• Jiaxing</li> <li>• Kunming</li> <li>• Lanzhou</li> <li>• Luoyang</li> <li>• Nanchang</li> <li>• Nanjing</li> <li>• Nanning</li> <li>• Nantong</li> <li>• Ningbo</li> <li>• Qingdao</li> <li>• Jinan</li> <li>• Fuzhou</li> <li>• Guangzhou</li> <li>• Shanghai</li> <li>• Lanzhou</li> <li>• Shantou</li> <li>• Shenyang</li> <li>• Shenzhen</li> <li>• Shijiazhuang</li> <li>• Suzhou</li> <li>• Taiyuan</li> <li>• Tangshan</li> <li>• Tianjin</li> <li>• Urumqi</li> <li>• Weifang</li> <li>• Wenzhou</li> <li>• Wuhan</li> <li>• Wuhu</li> <li>• Xi'an</li> <li>• Xiamen</li> <li>• Xian</li> <li>• Yangzhou</li> <li>• Yantai</li> <li>• Zhanjiang</li> <li>• Zhengzhou</li> <li>• Zhongshan</li> <li>• Zhoushan</li> <li>• Zhuhai</li> </ul>	<ul style="list-style-type: none"> <li>• Australia - Melbourne - Sydney</li> <li>• Hong Kong</li> <li>• India - Mumbai</li> <li>• Indonesia - Jakarta</li> <li>• Japan - Tokyo</li> <li>• South Korea - Seoul</li> <li>• Malaysia - Kuala Lumpur</li> <li>• Philippines - Manila</li> <li>• Singapore</li> <li>• Taiwan - Taipei - Taichung</li> <li>• Thailand - Bangkok</li> <li>• Vietnam - Ho Chi Minh - Hanoi</li> </ul>

- Who we are ?
- CPC in Europe
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# CPC PoPs in China

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- Beijing
- Changchun
- Changsha
- Changshu
- Changzhou
- Chengdu
- Chongqing
- Dalian
- Dongguan
- Foshan
- Fuzhou
- Guangzhou
- Guiyang
- Haiku
- Hangzhou
- Harbin
- Hefei
- Hohot
- Huizhou
- Jiangmen
- Jiaxing
- Jinan
- Kunming
- Kunshan
- Langfang
- Lanzhou
- Luoyang
- Nanchang
- Nanjing
- Nanning
- Nantong
- Ningbo
- Qingdao
- Qinhuangdao
- Sanya
- Shanghai
- Shantou
- Shengyang
- Shenzhen
- Shijiazhuang
- Suzhou
- Taiyuan
- Tangshan
- Tianjin
- Urumqi
- Urumqi
- Weifang
- Wenzhou
- Wuhan
- Wuhu
- Wuxi
- Xiamen
- Xian
- Yangzhou
- Yantai
- Zhanjiang
- Zhengzhou
- Zhongshan
- Zhoushan
- Zhuhai

Kazakhstan

Mongolia

Kyrgyzstan

Tajikistan

Pakistan

Nepal

India

Myanmar

Vietnam

Korea

Japan

Taiwan

> 80 PoPs in total, new POP cities added every year



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# CPC core network supported by CITIC Networks

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- Formerly known as the China Express No. 1 Network
- Self-owned **national backbone network**
- The only **Basic Network Element** licensed in **China** other than the incumbents

Kazakhstan

Mongolia

Harbin

Urumqi

Kyrgyzstan

Beijing

Tajikistan

Korea

Japan

Pakistan

Shanghai

Nepal

India

Taiwan

Myanmar

Vietnam

Hong Kong

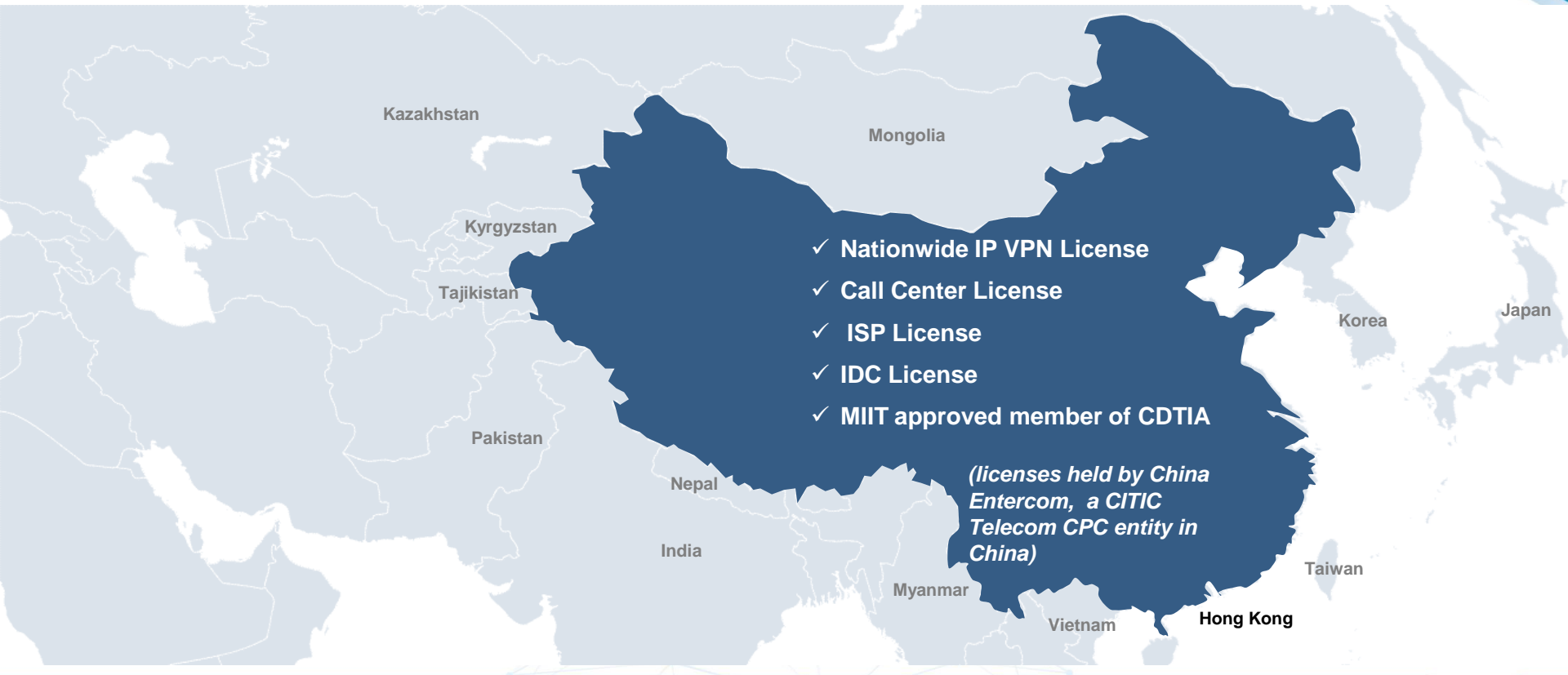


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# CPC Licenses in China

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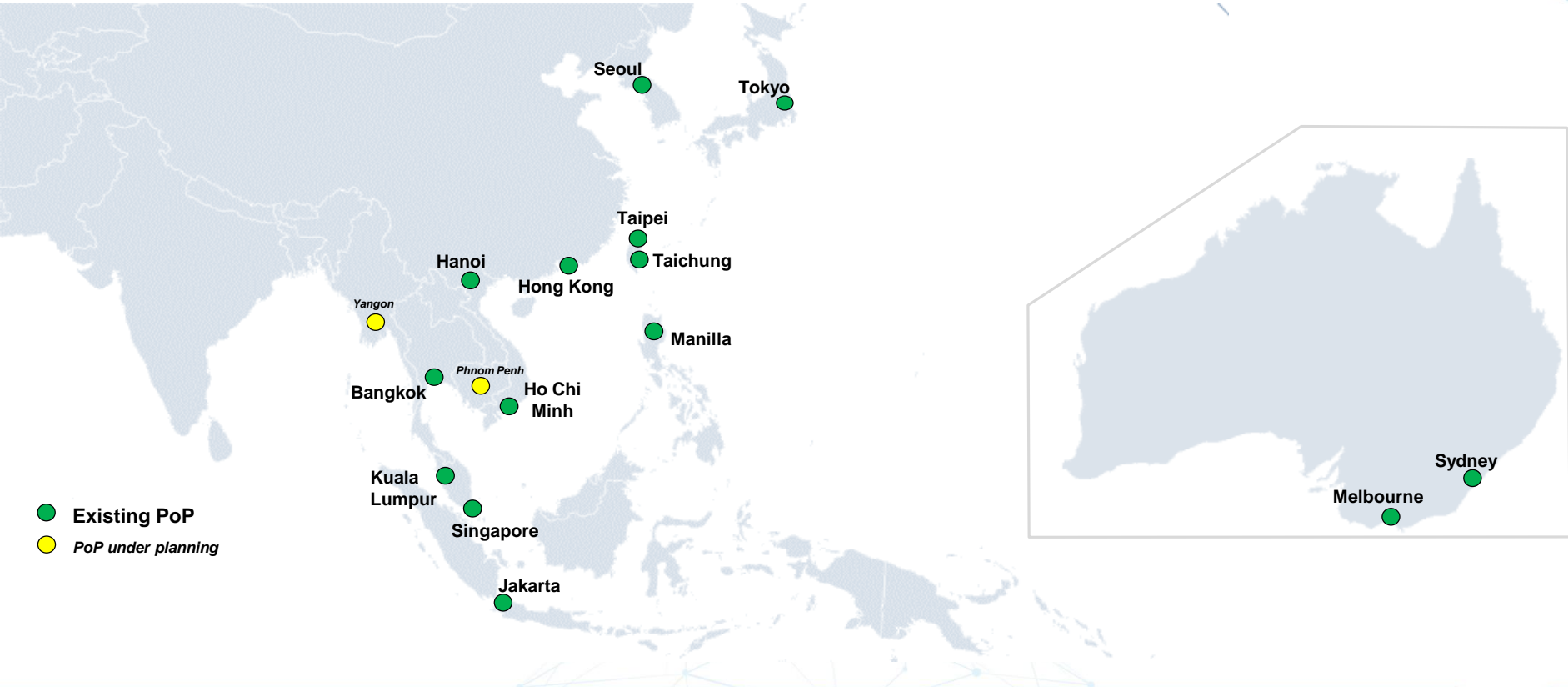


- ✓ Nationwide IP VPN License
- ✓ Call Center License
- ✓ ISP License
- ✓ IDC License
- ✓ MIIT approved member of CDTIA

*(licenses held by China Entercom, a CITIC Telecom CPC entity in China)*



# Other CPC PoPs in Asia Pacific



- Existing PoP
- PoP under planning

- Who we are ?
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# BRI- Bilateral agreements PRC- 90 Countries

1900 Projects

Impact on 4.9 B people ,65% of Global GDP

**2013**

PRC President Xi Jinping launched The Silk road economic belt and the 21st-century Maritime Silk road OBOR later BRI



**2018**

Chinese companies' non-financial direct investment in **56 countries** participating in the initiative stood at **US\$15.65bn in 2018.**



**2017**

Jyrki Katainen, Vice Pres EU Commission redefined the goal: improving connectivity by infrastructural investment agreements in Euarasia



**2019**

Italy has become the first G7 economy to sign up to China's global investment program



# Kazakhstan & "BRI"



## Kazakhstan and its strategic location for "BRI"

- BRI as trigger for European interest in Asia
- Countries along BRI have common interests in developing their economies



# BRI – Key Areas of Cooperation

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## Infrastructure Connectivity

### Physical & Digital

Build extensive networks of sea and land transportation, ICT facilities, pipelines, power grids, etc., to drive economic growth in the region

## Trade and Investment Enhancement

E-commerce and other forms of investment that could take advantage of infrastructure and ICT connectivity are encouraged.

## Financial Integration

strengthen financial and economic linkages amongst Eurasian countries.

## People-to-People Bond

Revive the ancient Silk Road Spirit of “peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit” through cultural and academic exchanges, tourism, sharing of information and cooperation in science and technology



# Industry sector opportunities with BRI



ICT Technology



Consumer & Retail



Financial Institutes



Mining & Infrastructure



Manufacturing &  
Transport



# Some CIS Belt & Road Projects

1. Khorgos-Aktau railway 2. Central Asia Gas Pipeline 3. China – Kazakhstan Oil Pipeline 4. Asia-Iran-Turkey HS Rail



# Current BRI projects in Kazakhstan

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**Khorghos: a key logistics hub for BRI routes to Europe**

**Almaty to Moscow railway: upgrades under consideration**



# Current BRI projects: Khorgos “dry port”



**An enormous development project on both sides of the border**



**International Centre for Boundary Cooperation (free trade zone)**



**Railway interchange for China – KZ trains (different track gauges)**



# Potential BRI project: Almaty to Moscow rail upgrade

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**01** Proposals to upgrade speed and capacity under consideration

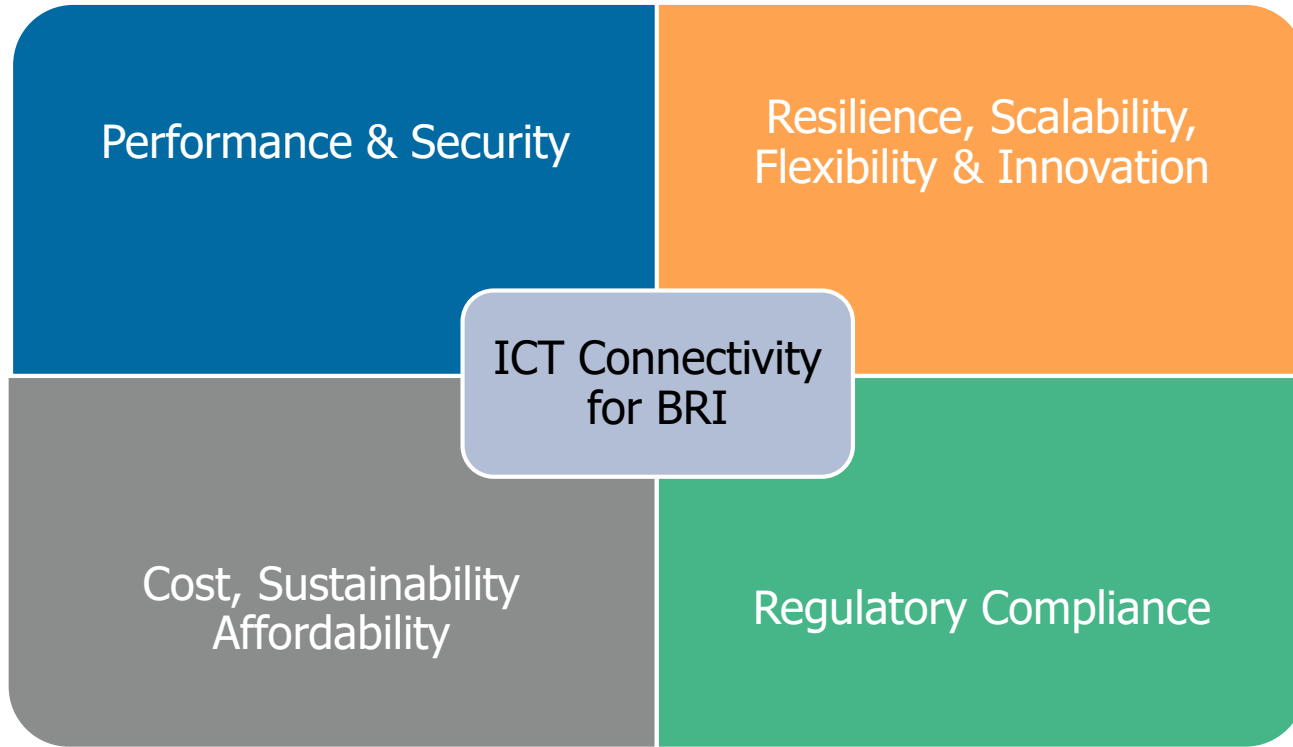
**02** A possible option: double-stack the container trains (as in India)

**03** Significant investment required in rolling stock, bridges, tunnels etc.



# ICT & Belt and Road Initiative

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# ICT Project for BRI – Digital Kazakhstan 2020

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## 5 DIRECTIONS



**Diversification of economic sectors**



**Transition to digital state**



**Implementation of Digital Silk Way**



**Development of human capital**



**Creation of innovative ecosystem**

## 17 INITIATIVES

- 1 Digitalization **of industry and electrical power industry**
- 2 Digitalization **of transport and logistics**
- 3 Digitalization **of agriculture**
- 4 Development **of e-commerce**
- 5 Development **of financial technologies and non-cash payments**
- 6 **State for citizens**
- 7 **State for business**
- 8 Digitalization **of internal activities of governmental agencies**
- 9 **Smart Cities**
- 10 Expanding **the coverage of communication network and ICT infrastructure**
- 11 Provision **of information security in the ICT field**
- 12 Increasing digital literacy **at the secondary, technical and vocational, higher education levels**
- 13 Improving the digital literacy of the population **(training, retraining)**
- 14 Support **for innovative development platforms**
- 15 Development **of technology entrepreneurship, startup culture and R&D**
- 16 Attracting **venture financing**
- 17 Building **demand for innovation**



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# ICT Project for BRI – Broadband connectivity

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According to the historical data and estimates by Terabit Consulting, international bandwidth demand is expected to grow exponentially, which underlines the urgent need for building broadband connectivity along the 6 corridors.

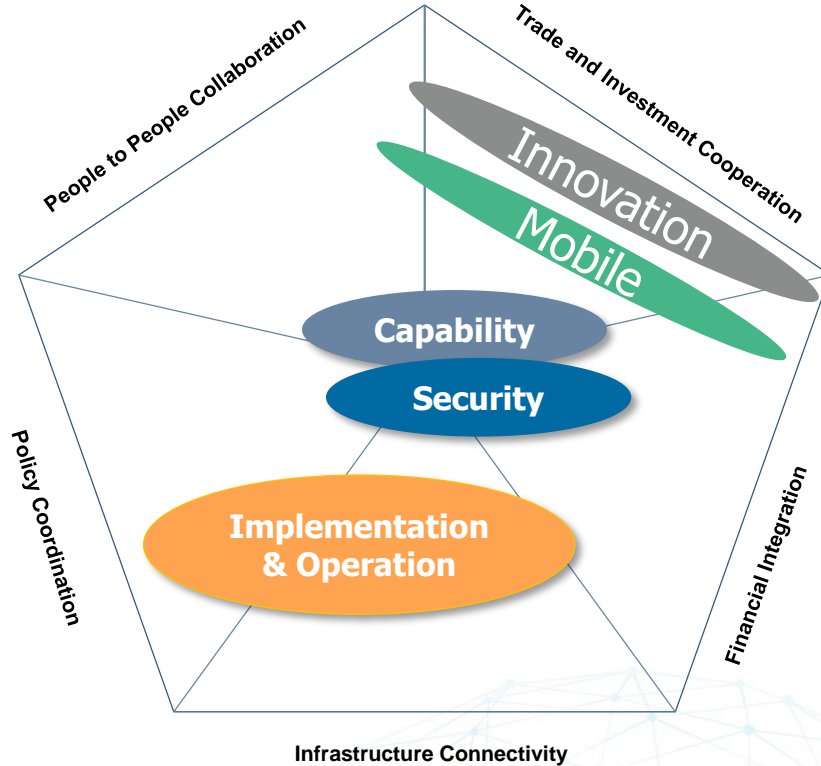
1. China Mongolia Russia Corridor
2. New Eurasia Land Bridge Corridor
3. China-Central West-Asia Corridor
4. China Pakistan Corridor
5. Bangladesh China-India Myanmar Corridor
6. China Indonesia Corridor

**Broadband connectivity is a critical component for integration into the digital government, global value chain and online trade among other economic activities.**



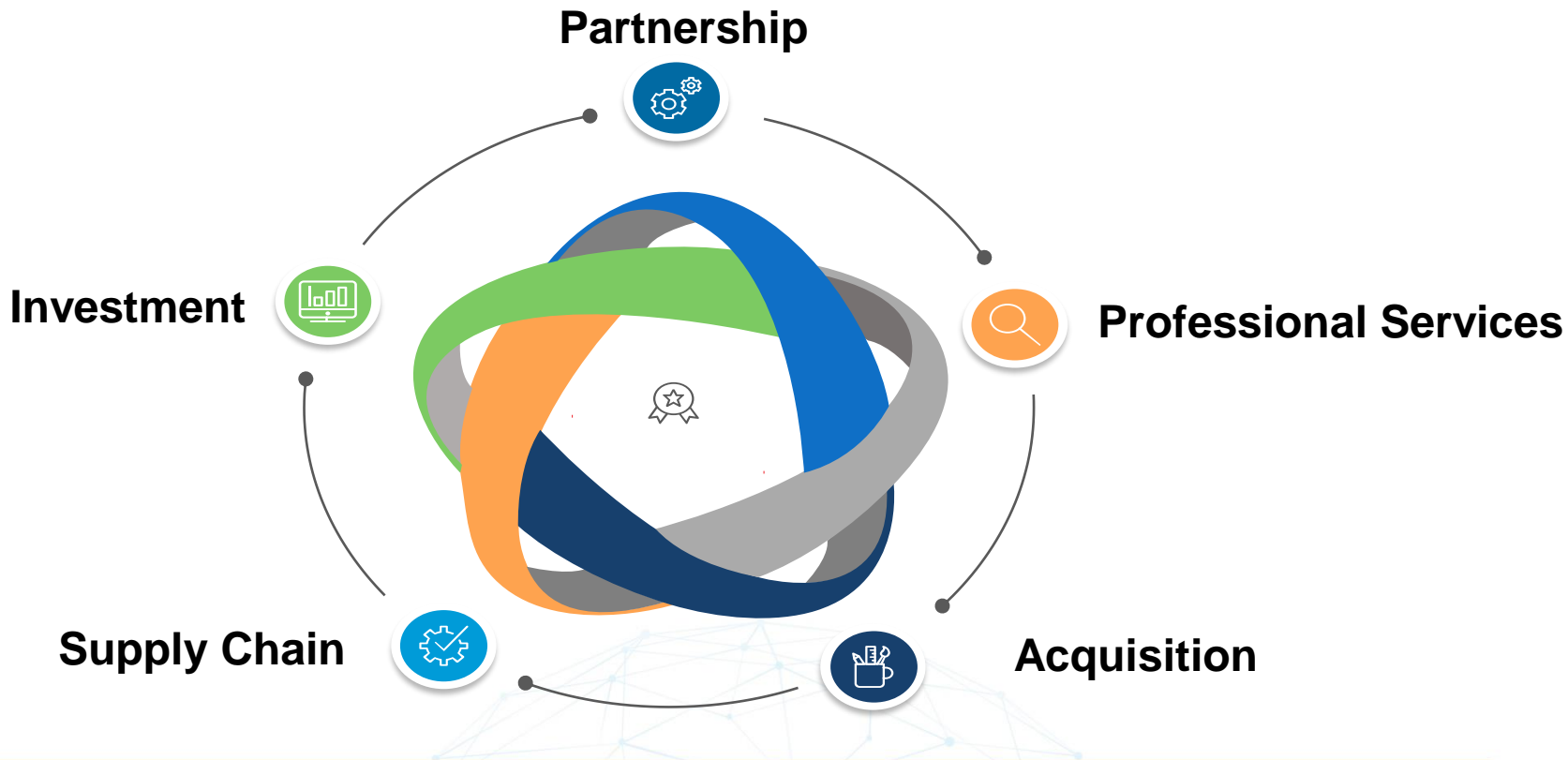
# Relationship Between BRI & ICT areas

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# BRI, Digital Silk Road & Opportunities for Enterprises

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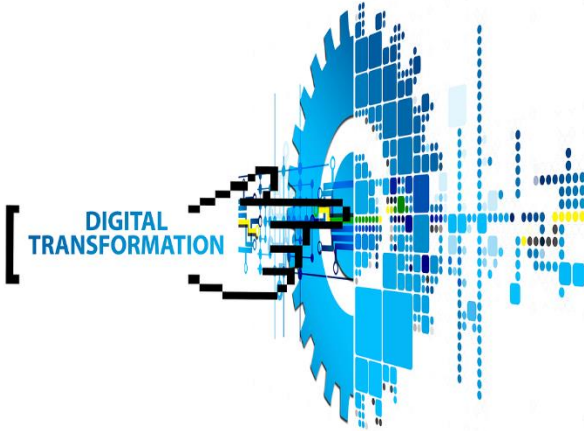
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# Digital Silk Road & Need for Digital Transformation

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Strengthen connectivity & advance integration of people

Advance application of digital technology

Build innovation chain and make progress in fostering innovation capacity

Strengthen policy alignment and progress in digital economy

Enhance exchange, cooperation & progress in governance system.



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# Top 3 Challenges for Digital Transformation

01 Stringent security and compliance regulation

02 Legacy IT infrastructure and lack of cybersecurity

03 Complexity in selection & Procurement



# Digital Transformation – Trends 2019

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**Strong Enterprise Data Foundation**



**Reduce Technical debt**



**Cloud Strategy**



**Analytics**



**Emerging Technology**



**Customer Experience**



**CEO**

**Leading Digital Transformation**



**Digital Technology skills**



**GDPR Regulation**



**Leadership communication**



**Integration of digital initiatives**



**Scaling digital change sustainability**

**Data Foundation**

**Digital Systems**

**Open Digital Ecosystem**

**Digital Change Agents**

**Staff**

**Leadership**



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# Thank You for your attention!

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