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## REVISTA DE PRENSA

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### Kazajstán



#### **Dubai for enhancing trade and investment ties with Kazakhstan**

On January 28, Consul General of the Republic of Kazakhstan in Dubai and the Northern Emirates Arman Issagaliyev met with the Deputy Ruler of Dubai - Minister of Finance and Industry of the Emirate Sheikh Hamdan bin Rashid Al Maktoum.

Sheikh Hamdan commended the level of cooperation between Kazakhstan and the United Arab Emirates and emphasized the need to further strengthen trade and investment collaboration between Dubai and Kazakhstan. "These areas should be the foundation of our fruitful cooperation," said the Deputy Ruler of Dubai.

During the meeting, the Consul General underlined that within the new economic policy "Nurly Zhol", declared by the Head of the State, Kazakhstan was carrying out major investment projects aimed at the development of infrastructure. He invited Dubai's investors to actively participate in these projects, noting the favorable investment climate and significant benefits for foreign investors in Kazakhstan.

The parties discussed the perspective directions of cooperation in the framework of the international exhibition "Expo-2017" in Astana and "EXPO-2020" in Dubai. In this respect, they emphasized the fruitful cooperation between the National Company "EXPO-2017" and the Higher Committee "DUBAI WORLD EXPO-2020". Sheikh Hamdan confirmed the readiness of the United Arab Emirates to participate in the Kazakhstan exhibition at the highest level. The parties also examined prospects of cooperation between the two cities, Almaty and Dubai. They stressed the positive results of the visit of mayor of an UAE's megalopolis Hussain Nasser Lootah to the southern capital of Kazakhstan at the end of the last year, and prospects of a reciprocal visit of akim (mayor) of Almaty Akhmetzhan Esimov to Dubai this year.

Fuente: AKIpress



### **Kazakhstan's environmental standards for TPP three times behind Europe**

The environmental requirements for thermal power plants in Kazakhstan are two or three times lower than in Europe, Tengrinews reports citing the Executive Director of KazEnergy Ramazan Zhampiesov.

Kazakhstani thermal power plants, according to Zhampiesov, for the most part work on coal. "It has to do with environment and emissions. Certainly, there are technologies that help reduce the pollution. But the standards established by our legislation are the problem. These environmental standards do not reflect the reality. Being too low, they don't stimulate any significant improvements in the local environment protection. We have conducted a comparative analysis and found that our environmental requirements are 2 or 3 times lower than those applied in European Union countries. We must take adequate measures to lower our emissions. State officials are working on it, but it not being done fast enough. At the same time these requirements should not be increased sharply, because this would strongly affect the rates, citizens and social sphere," the Executive Director explained.

Another problem that hinders progress in protection of the environment from harmful emissions of coal-fuelled power plants is the advanced stage of tear and wear that the Kazakhstani plants are at. The extent of tear and wear is 70% which makes any kind of modernization a very complicated effort. "Rate setting is the key to the solution of this issue. But we have to take care not only about the thermal power plants, but also the distribution infrastructure, the transportation network (...). All of these are in need of modernization, but it will never become possible unless the tariff rates are high enough to ensure return on investments," Zhampiesov said.

In addition to modernization of thermal power plants, Kazakhstan plans to avail of renewable power sources. The Kazakh government expects to get three percent of the total consumed energy from renewable power sources by 2020. According to Zhampiesov, there are many companies willing to enter the market and construct green energy plants, but this point such power plants are not feasible. Hence, thermal power plants fuelled by coal will remain the main energy sources in Kazakhstan in the forcible future.

Fuente: Tengrinews

### **It will take 5-6 years for Kazakhstanis to stop quoting domestic prices in the US Dollar**

It will take 6 years to have Kazakhstanis quote all prices in the tenge, Kazakhstan's national currency, Olzhas Khudaibergenov, Director of the Center for Macroeconomic Research, believes. Yesterday in Astana he ran a briefing on how to reduce the excessive dollarization of the country's economy, a Tengrinews.kz journalist reports.

"It will take 5-6 years for Kazakhstanis to stop quoting domestic prices in the US Dollar. However, it might happen faster. Holders of sizeable deposits kept with the country's banking system would want the Government to grant them a guarantee to compensate for any currency exchange difference in case of currency devaluation. Should there be such a guarantee in place, they would be ready to keep all their money in the national currency. Once they opt for the tenge, it would be a sign for smaller depositors down from the middle-sized to minor depositors [to do the same]. When minor depositors see their bigger peers shifting to the tenge, there will be an



effective mechanism to ensure much wider reliance on the tenge. If the guarantee is offered, it will take a year or two to see drastic changes”, he said.

“There is one administrative instrument to trigger the changes (...) a legal norm prescribing to make all major purchases – such as purchasing a car or a piece of real estate – cashless would be a barrier to US Dollar-denominated transactions. Dollar notes in this case would not be eligible”, he said.

According to Mr. Khudaibergenov, dollarization was significantly on the rise back in 2000-2007. “Back then Kazakhstan heavily relied on external borrowings, coupled with currency flows of petrodollars. When borrowing from abroad, local banks provided US Dollar-denominated bank loans locally. Prior to the currency devaluation in 2009 the share of USDollar-denominated loans stood at 52% (...) and only in February 2011 did the Government prohibit banks from pegging their bank loans to the US Dollar or any other foreign currencies. At the moment the share of USDollar-denominated loans has fallen down to 30%. It is a rather high indicator; at best it shouldn't exceed 5-10%”, he elaborated.

Earlier the country's media reported that in an interview Mr. Khudaibergenov stated there would be no drastic changes of the tenge exchange rate in 2015. According to him, the conclusion rests on the joint statement of the Government and the National Bank December 24, 2014.

Tulpar-Talgo passenger cars will become more comfortable as they become large, Tengrinews reports citing the press service of Kazakhstan Temir Zholy, Kazakhstan's national railway company.

Astana-based Tulpar-Talgo plant owned by a joint Kazakhstan-Spanish company Tulpar-Talgo has mastered the final stage of production of rail passenger cars using the technology of the Spanish company Patentes Talgo SLU.

“This year we plan to launch a project that is aimed at producing around 600 rail cars with a wide body that will create more comfort for passengers. The plant has been producing passenger cars with a body width of 2.95 m. Now the newly manufactured railroad cars will have the body width of 3.2 m. 21 trains (603 carriages) with wide body are expected to be assembled in 2016 to 2019,” the company's statement said.

Apart from being comfortable, Tulpar-Talgo trains are much environmentally friendlier than the trains that have been used in the country since the Soviet era. They are heated by the power generated from its own power station wagon, which significantly reduces emissions of harmful substances into the atmosphere.

This year the plant is expected to reach its full capacity and to produce 153 passenger cars.

Every year Tulpar-Talgo high-speed trains are becoming more popular in Kazakhstan because of their convenience and speed. According to Passazhirskiye Perevozki company, a passenger transportation branch of Kazakhstan Temir Zholy national railway company of Kazakhstan, more than one million Kazakhstanis travelled by Tulpar-Talgo trains in 2014.

These modern trains cover Almaty to Petropavlovsk, Atyray, Aktobe and Ust-Kamenogorsk and Astana to Aktobe, Atyrau, Ust-Kamenogorsk and Kyzylorda routes. It is planned to increase the number of trains on the routes of Astana-Kyzylorda, Almaty-Aktobe, Almaty-Ust-Kamenogorsk and Astana-Ust-Kamenogorsk this year.



The joint Kazakh-Spanish plant Tulpar-Talgo that manufactures high-speed trains (up to 200 km/h) was established in 2010 by an agreement between Kazakhstan Temir Zholy and Spanish Patentes Talgo S.L. The facility is located in the special economic zone "Astana - New City" near Astana.

Tulpar-Talgo plant was constructed in compliance with international standards in terms of quality, cost-effectiveness and efficiency of production processes. Technical personnel of the plant was trained in Spain.

Kazakh content in the project is expected to reach 56 percent by the end of this year.

However, the purpose of this plant is not only to meet the needs of the Kazakhstan market by providing it with high-speed comfortable rail passenger cars, but also to export its produce to the neighbouring countries and further abroad. Kazakhstan has the exclusive right to sell the cars in CIS countries.

Fuente: Tengrinews

### **Kazakhstan: Refineries shut down, mulls construction of nuclear power plants**

As the price of oil drops and Kazakh government revenues shrink, the government has begun a more stringent evaluation of its energy sector. It was announced yesterday that oil treatment facilities and refineries that work with Russian gasoline suppliers will need to be closed due to low or even negative profit margins. Kazakhstan's Energy Minister Vladimir Shkolnik additionally reiterated another problem inherent in Kazakhstan's energy market, namely that it lacks sufficient refining capacity to process its own crude oil to produce gasoline, instead needing to import these products from Russia for further reprocessing. Shkolnik also commented on his son Igor's sale of his stake in the Orsk Refinery, under the management of Russian Rosneft.

Despite the cost strictures, to meet domestic demand, Shkolnik said he is considering the construction of two nuclear power plants, likely with aid from Russia. The two physical sites will be located at Kurchatov and Balkash, and the technology used to construct these will be from the Western nuclear power equipment supplier Westinghouse. The cost of each of these nuclear reactors will be roughly \$3-4 billion. Today, Kazakhstan imports some 644 GWh, and most domestic electricity generation comes from coal fire plants (73%) and gas, wind, and renewable covered the rest.

Fuente: steppedispatches

### **Astana senior officials review investment attractiveness of Kazakh capital city**

The mayor's office in Astana hosted a meeting on further cooperation with the Ministry of Investments and Development of Kazakhstan, Astana.gov.kz reports.

During the meeting, implementation of the forced industrial and innovative development program in Astana, innovations, SEZ and industrial zones, investment attraction, tourism and transport infrastructure development issues were discussed.

Astana has implemented 22 projects worth 167.8 billion KZT within the Industrialization Map, the meeting noted. In 2014, the volume of produced outputs on the commissioned projects within Industrialization Map



exceeded 90 bln. KZT with an increase of 1.6 times compared to 2013. In manufacturing industries, output worth 270.8 bln. KZT was produced, i.e. an increase by 41.5 bln. KZT compared to 2013).

Results of the first Five-Year Plan implementation of 2010-2014 Forced Industrial-Innovative Development State Program were generally favorable for Astana. However, according to Dzhaksybekov, today it is necessary to take into account the current economic situation in the world and to be guided by NURLY ZHOL presidential address: first of all, it is necessary to focus on investments attraction, including foreign ones.

At present, the city government is considering the possibility of implementing joint projects with foreign investors that are being implemented in the Industrial Park.

"Now all our plans will be adjusted towards less public investment and more aimed at attracting private investments, which will allow stabilizing the economic situation in the capital in the future. And I hope that in this direction we will feel the full support of the Ministry of Investments and Development," Dzhaksybekov.

In his turn, Asset Issekeshv has expressed interest in strengthening the collaboration of the Ministry of Investments and Development with Akimat of the capital; in particular, he focused on implementation of joint projects aimed at the tourist attractiveness of Astana. The Minister stressed out that joint activity will build the work within projects implementation of industrial-innovative direction with higher quality.

Following the meeting, Dzhaksybekov and Issekeshv identified ways of further cooperation and agreed to develop a joint action plan aimed at improving the socio-economic welfare of residents of the capital.

Fuente: AKIpress

### **Kazakhstan intends to establish specialized investment court – judge**

Specialized investment court will be established in Kazakhstan, judge of the Supreme Court of Kazakhstan Nurzhan Kaiypzhan said today at CCS media briefing.

The country's Supreme Court has initiated the creation of the court for protection of rights of legal entities, including foreign investors.

Speaking at the media briefing, judge of the Supreme Court Moryak Shegenov said the number of public complaints against the judges has decreased by 5% last year. "Systematic and planned work carried out by the Supreme and local courts of the country, resulted the reducing the number of public complaints against judges by 5% in 2014," he said, reports Strategy2050.kz.

He noted that the amendments to some laws of Kazakhstan on further simplification of the administration of justice, reducing bureaucratic procedures were adopted in 2014. "In 2014 the Supreme Court has developed the conceptual basis of departmental personnel policy, the qualitative selection and promotion of the most decent shots were oriented, the conditions for the integrated workforce planning were created," he added.

The law aims at the improving the efficiency and convenience of court cases for trial participants, and also increasing the use of modern information technology.



"Based on the results of last year, 43,878 cases, 93.3% of which is completed by the courts of our country," the judge added.

Shegenov also noted the last year the district and equated courts of the country received 1,221,011 applications and cases, 761,533 of them were civilians, 415,600-administrative and 43,878- criminal.

Shegenov noted the positive trend in number of convicted juveniles. The number of juvenile convicts decreased by 36% in 2014.

However, according to the judge, the number of both of convicted and acquitted persons decreased. The figures of 2014 as follows: 25 079 –convicted, 458 - acquitted. By the way 38.6 % of the total number convicted to imprisonment.

"The justice administration quality has improved. It is documented by the decrease in the absolute and relative performance in comparison to last year," the judge of the Supreme Court assured.

Fuente: AKIpress

### **KAZ Minerals produces 83.5K tons of copper in 2014**

Copper miner Kaz Minerals, formerly known as Kazakhmys, hit its production target for last year and made its first shipment of concentrate from its new copper and gold mine at Bozymchak in December, it said on Thursday.

Like its peers, the Kazakh miner, is under pressure from a steep fall in the price of copper, which is hovering near a six-year low.

It said it produced 83,500 tonnes of copper cathode last year, including a small contribution from its new Bozymchak mine, in line with its target of 80,000-85,000 tonnes.

The London-listed company produced 294,000 tonnes of copper cathode equivalent in 2013. After the completion of a restructuring last year it has become a smaller but lower cost producer.

Under the reorganisation, Kaz hived off some of its oldest and less profitable assets to a private company owned by two of its shareholders to focus on lower cost, open-pit mines and growth projects.

It now aims to increase output again to about 300,000 tonnes of copper equivalent by 2018 and around 350,000 a couple of years after through development its Bozshakol, Aktogay and Koksay copper projects.

Fuente: AKIpress





### Over 20 Kazakh-Chinese investment projects planned – Minister

Kazakhstan and China will implement about 20 joint projects in Kazakhstan's mining industry, said the Minister on Investments and Development of Kazakhstan.

The projects in the manufacturing industry aimed at production of finished products or products with higher added value are planned, said Asset Issekeshov speaking at the Kazakhstan-China Investment Forum in Astana on January 29. "We plan some more projects with China."

The Minister noted that the agreements on these projects will be signed in March and said all the joint projects will be implemented in the priority sectors identified by the program of second five-year plan of industrialization.

According to the organizers of the investment forum, more than 100 business initiatives were suggested. Five specialized areas for cooperation have been identified: the projects in the mining and metallurgical sector; energy and oil refining; mechanical engineering; the construction and chemical industry; transport and logistics; food and light industries.

Fuente: AKIpress

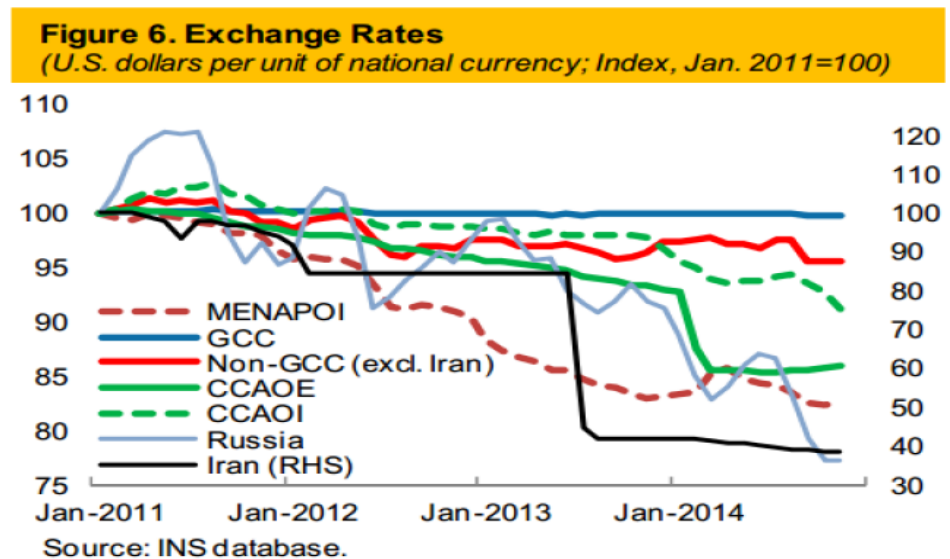
### Projections of Kazakhstan's economic growth in 2015 drop precipitously

Kazakhstan will avoid recession in 2015, but its economic growth rate will be the lowest since the 1.2 percent it posted during the financial-crisis year of 2009, three of the world's most prestigious development banks have forecast.

Kazakhstan will avoid recession in 2015, but its economic growth rate will be the lowest since the 1.2 percent it posted during the financial-crisis year of 2009, three of the world's most prestigious development banks have forecast. Just a few weeks ago, the Nazarbayev administration was predicting 4.8 percent growth in 2015.

Since then, the price of oil has continued a steep decline that started in late 2013, and Kazakhstan's economy has suffered more fallout from Russia's economic troubles, particularly a drop in the ruble.

That has prompted the European Bank for Reconstruction and Development to cut its forecast for Kazakhstan's growth in 2015 to 1.5 percent, the World Bank to reduce its forecast to 1.8 percent and the





International Monetary Fund to predict 2.3 percent growth.

The same financial institutions, and many other international economic experts, see Russia going into recession. Some forecasts are for the Russian economy to shrink as much as 5 percent.

That would be bad news for Kazakhstan, which has already suffered a multi-billion-dollar drop in exports to Russia because of the ruble's decline.

The Nazarbayev administration made a good move when it announced in November of 2014 that it would pour an additional \$10 billion into public-works projects between 2015 and 2018 to stimulate the economy, the International Monetary Fund suggested this week. In its latest world economic report it encouraged Central Asian governments to continue funding infrastructure projects to increase economic growth over the mid-term.

The money for what President Nursultan Nazarbayev called the Nurly Zhol stimulus program was to come from the National Fund, which Kazakhstan established expressly for times of economic travail.

A week ago the president did an about-face on stimulus spending. He said a deteriorating national budget situation required the government to postpone many infrastructure projects. Only projects that have already been started, but need to be completed, should be funded, he said.

In announcing the stimulus scale-back, the president was reading the same economic tea leaves that the development banks were, according to Kazakhstan economic experts. They expect the government to revise its 4.8 percent growth forecast for 2015 to as low as 1.5 percent soon.

Here are other findings in the development banks' reports that have implications for Kazakhstan:

The European Bank for Reconstruction and Development, or EBRD, has increased its forecast for an economic contraction in Russia during 2015 from 0.2 of a percent in September of 2014 to 5 percent. That would mean that instead of having a flat economy, Russia would be deep in recession.

Kazakhstan officials forecast that the country's growth would be 7 percent in 2014. The actual figure was 4.3 percent because of a drop in the price of oil and Russia's economic troubles.



The 5 percent contraction in Russia's economy that the EBRD is expecting in 2015 is a key reason for the lower growth projections in Kazakhstan.





The world as a whole will enjoy economic growth in 2015, the IMF predicts, but it will be lower than what it predicted in the fall of 2014 – 3.5 percent instead of the 3.8 percent it first envisioned.

**Table 1. Real GDP Growth, 2014 and 2015**

						
	World	U.S.	Euro Area	Emerging Markets	China	Russia
2014	3.3	2.4	0.9	4.4	7.4	0.6
2015	3.5	3.6	1.2	4.3	6.8	-3.0
2015 Revision from Oct. 2014 WEO	-0.3	0.5	-0.2	-0.6	-0.3	-3.5

Unlike the world as a whole, the economies of the 30 countries in Central Asia and the other regions the EBRD serves will suffer a collective contraction of 0.3 of a percent in 2015, the bank said. In September of 2014 it forecast that growth in its coverage area would be 1.7 percent in 2015.

“Even this (minus 0.3 of a percent) forecast is subject to considerable risks,” said Hans Peter Lankes, the bank’s acting chief economist. An additional drop in oil prices, an escalation of the Ukraine crisis or a deterioration in the Eurozone’s fragile economic situation could make the recession in the EBRD area worse, he said.

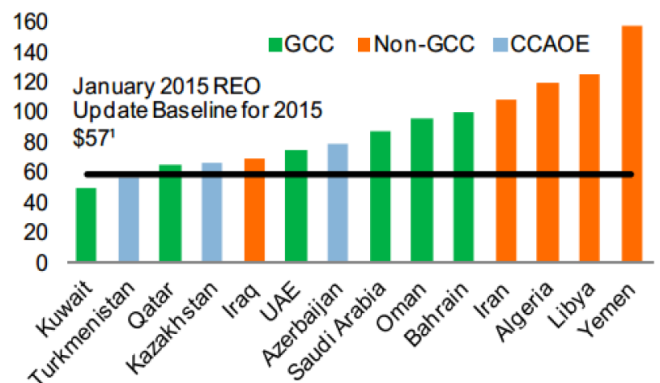
In addition to Central Asia, the EBRD serves Russia, other countries in the former Soviet Union, Eastern Europe and nations in the Southern and Eastern Mediterranean.

China’s economic growth is expected to be 6.8 percent in 2015, the IMF said, down from the 7.1 percent it forecast a few months ago.

The fact that China’s growth rate will remain one of the highest in the world is good news for Kazakhstan because of its expanding trade with its big eastern neighbor. Increased export revenue from China will help Kazakhstan offset the drop in income it’s expecting from lower trade with Russia this year.

The price of oil will average \$57 a barrel in 2015, the IMF report said. Kazakhstan would need about \$62 a barrel to cover its government spending, it said.

**Figure 12. Fiscal Breakeven Prices, 2015**  
(U.S. dollars per barrel)



Sources: National authorities; and IMF staff calculations.  
¹APSP oil prices.



It is revising its revenue forecast from \$80-a-barrel oil to \$50, Economics Minister Yerbolat Dosaev said last week.

Kazakhstan and other Central Asian countries should heed the latest lesson in the cyclical nature of oil and gas prices by accelerating their efforts to diversify their economies, the IMF said.

“In all oil-exporting countries, deepening economic reforms aimed at diversifying economies away from oil, and encouraging growth and job creation,” would be a smart move, it said.

Natural gas prices, unlike oil prices, are expected to remain steady over the next few years, the IMF said.

An obvious implication is that Kazakhstan, which is rich in both oil and gas, should consider increasing its gas production.

The IMF expects global metals prices to decline 13 percent more between 2015 and 2019 than it forecast in October 2014. That’s bad news for Kazakhstan because the second largest chunk of its gross domestic product, behind oil and gas, is metals.

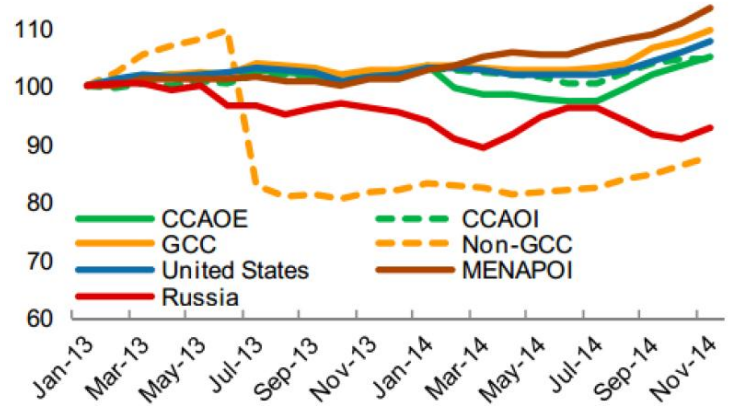
Credit will continue to be tight in Kazakhstan, the EBRD predicted. It pointed out that Kazakhstan’s bad-loan rate continues to be higher than 30 percent of all loans.

That means that in 2015 Kazakh banks will be unable to increase their lending to a level that could rev up the economy.

An expected increase in U.S. interest rates will add to the tight credit situation in Kazakhstan and the rest of Central Asia in 2015, the IMF said. That’s because Central Asian banks will have to pay more for loans from American financial institutions.

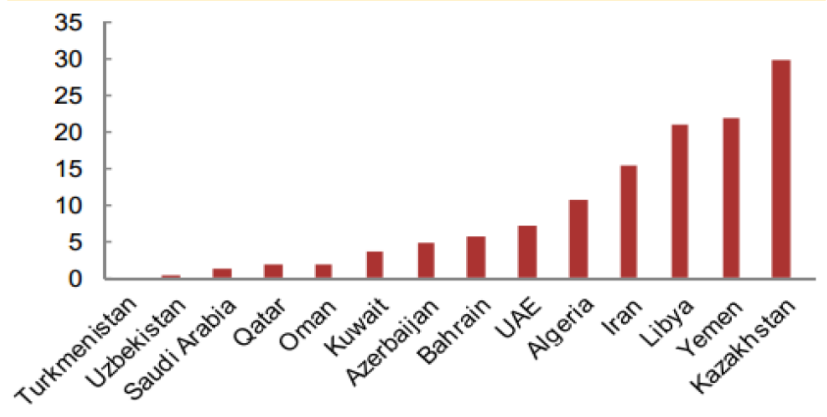
The negative impact that Russia’s economic deterioration has had on its Central Asian and Caucasus neighbors suggests a “need for greater exchange-rate flexibility” in those countries, the IMF said.

**Figure 7. Real Effective Exchange Rates**  
(Index, Jan 2011=100)



Source: INS database.

**Figure 9. Non-Performing Loans**  
(Percent of Total Loans; Latest Available Data)





That statement seemed to be an IMF call for devaluation of Central Asian currencies when necessary.

Many Kazakhs suffered from the surprise 19 percent devaluation in the tenge in February of 2014, and are afraid another is coming.

To try to calm the public, the National Bank of Kazakhstan has said that a new devaluation is not in the cards. But lots of Kazakhs are skeptical of that claim, particularly since many international financial experts are predicting another one.

Worries about a new devaluation have prompted thousands of Kazakhs to shift their tenge accounts to dollar accounts to hedge against a drop in the value of the tenge.

A slice of good economic news for Kazakhstan in the IMF report was a prediction that the country's inflation rate will be a manageable 6.8 percent in 2015, the same as in 2014.

Inflation rates in other Central Asian countries are expected to rise in 2015, with the worst forecast a 13.8 percent rate in Tajikistan. That would be more than double Tajikistan's 2014 rate of 6.1 percent.

Over-all, the development bank reports paint a grim picture of Kazakhstan's prospects in 2015.

The hope inside and outside the country is that the tension over the Ukraine conflict won't worsen to the point that Kazakhstan and its Central Asian neighbors are unable to avoid the recession that Russia will be experiencing.

Fuente: Tengrinews

### **Kazakhstan intends to intensify economic cooperation with Tatarstan**

The first meeting of the Kazakhstan-Tatarstan working group on trade and economic cooperation has been held in Astana.

"Kazakhstan and Russia are strategic partners and historical allies. We have continuous and fruitful trade and economic relations. Kazakhstan has established relations with almost every federal subject of Russia, while cooperation with Tatarstan plays a special role," Kazakhstan's Minister of National Economy Yerbolat Dossayev said, opening the meeting.

The minister said that the trade turnover between Kazakhstan and Tatarstan accounts for only 3-4 percent of the volume of trade with Russia, adding that it is necessary to increase this share. "The conditions of the current global crisis require us to expand cooperation, especially in the sphere of investments, agriculture, science and technology," Dossayev believes.



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He said the operation of the "KAMAZ-Engineering" joint venture is an example of successful cooperation. "KAMAZ-Engineering" has been engaged in assembling trucks, dump trucks, crew buses and special equipment since 2005.

"Intensification of mutual integration processes between Kazakhstan and Russia significantly expands Kazakhstan-Tatarstan relations. We should use these opportunities for the development of trade and economic cooperation between Kazakhstan and Tatarstan," Dossayev said.

Tatarstan's Deputy Prime Minister and Minister of Industry and Trade Ravil Zaripov said that Tatarstan is interested in intensifying trade and economic relations in the sphere of mechanical engineering, the fuel and energy complex, transport and urban water supplies, Trend reports.

Fuente: vestnikkavkaza

### **Most popular money transfer systems announced in Kazakhstan**

Around 53 percent of the country's all remittances account for Golden Crown and Western Union money transfer systems in Kazakhstan, Ranking.kz. analytical service said.

Around 89 percent of money transfers account for TOP 5 systems.

There are 14 money transfer systems on the market. Around 276 billion tenge were transferred abroad via money transfer systems during a year.

As of 2014, Kazakhstan's Faster money transfer system was among the five largest money transfer systems - 28 billion (10 percent of the market).

Faster system showed the maximum share increase on the market - from 4 to 10 percent compared to the first quarter of 2014. Golden Crown is a leader on the market. It reduced the share from 32 to 28 percent during this period. Around 1.8 million remittances were conducted abroad during the year. The average money transfer check on the market is 150,400 tenge, Golden Crown - 129,300, Western Union - 201,600, Faster - 131,000 tenge.

Fuente: trend



## Kirguistán



### **World Bank supports energy sector development in Kyrgyzstan**

BISHKEK (TCA) — The World Bank's Board of Executive Directors yesterday approved a US \$24 million Energy Sector Development Policy Operation for the Kyrgyz Republic. The operation will support the country's reforms aimed at long-term energy supply reliability, through a single tranche of a highly concessional credit of \$13.2 million and a grant of \$10.8 million to be paid directly to the Kyrgyz budget, the Bank said.

Despite its vast hydropower resources, the energy sector in Kyrgyzstan, which accounts for about four percent of GDP and 16 percent of the industrial production, suffers from deeply rooted structural issues. The country has the lowest electricity tariffs in the Europe and Central Asia region, which contributes to the inefficient use of energy, severe under-spending on maintenance and new investments, and resulting poor supply reliability and quality. The patchwork regulatory framework and insufficient transparency and accountability result in operational inefficiencies and undermine public trust in the sector.

These underlying weaknesses of the sector, when coupled with cycles of poor hydrology, lead to recurrent winter energy shortages with serious repercussions for the population and the economy. The 2014-2015 winter situation has been particularly alarming because of the significantly reduced water inflows in the Toktogul reservoir caused by insufficient precipitation and glacier melting, low levels of coal and fuel oil reserves due to the dire financial condition of the energy sector, and significant growth of power demand in recent years.

The Energy Sector Development Policy Operation has been designed to support select reforms of the Kyrgyz Government's Energy Sector Action Plan for 2013-2014, with a focus on three policy areas: (1) improving financial viability of the energy sector through tariff reforms; (2) strengthening energy sector governance,



transparency, and accountability through establishment of an economic regulator, adoption of a clearly defined tariff setting methodology, implementation of a performance reporting and monitoring framework, as well as public outreach and communication; and (3) managing the impact of power shortages on the poor regions through preparation and implementation of power supply management plans for the regions based on the principles of transparency, equitability, predictability, and preservation of essential services.

“The reforms supported by this operation will contribute to both economic growth and poverty reduction in the Kyrgyz Republic. The improved reliability of power supply and the increased financial sustainability of the energy sector are critical for improving the competitiveness of businesses, and will help to improve the quality of life for Kyrgyz people,” said Jean-Michel Happi, World Bank Country Manager in the Kyrgyz Republic. “It is important that these reforms are accompanied with improvement of the social protection system in order to better target the poor and ensure that access to electricity and heating remains affordable for low-income households.”

Fuente: Timesca

### **ADB \$22 million grants continue support for education improvements**

Bishkek, January 29 / Kabar /. The Asian Development Bank (ADB) is providing grant assistance of \$22 million to help the Government of the Kyrgyz Republic address major gaps in the quality and relevance of the country's education system, which are undermining its drive for better living standards and a more competitive economy. Two separate grant agreements linked to the Strengthening Education System Sector Development Program were signed in Bishkek today by Olga Lavrova, Minister of Finance of the Kyrgyz Republic and Rie Hiraoka, ADB Country Director.

“ADB has been supporting the Kyrgyz Republic in improving its education system for many years, and plans to continue doing so,” said Rie Hiraoka. “Much has been done in recent years, but more efforts and reform actions are needed to improve students' learning outcomes.”

The ADB-assisted Strengthening Education System Sector Development Program will support ongoing policy reforms and other sector actions under the government's Education Development Strategy for 2012 to 2020. This is in line with the National Strategy for Sustainable Development 2013–2017.

The program will help the government complete its introduction of new curricula, including for mathematics and sciences; revise guidelines for textbook development, publishing and distribution; and establish a textbook rental scheme to provide free rentals to a number of poor and vulnerable students. It will also help implement a national teacher development program; introduce a teacher ranking and progression system with salaries linked to professional standards; and develop and roll out a training plan for school principals, teacher training staff and others, which will include e-learning. The skills of 10,000 teachers will be upgraded under an in-service training plan.

Creating schools responsive to the needs of a modern economy is a government goal, and the program will also support the development of up to 30 schools as innovative learning centers for mathematics, science and technology, and as cluster centers for teacher training, which can potentially be replicated. The schools will get





financial support for science laboratories and information and communications technology, including software. The target schools have yet to be selected but will be in poor and remote locations.

The program builds on and complements previous ADB support for the sector which began in 1997 with the Education Sector Development Program.

ADB's assistance from its concessional Asian Development Fund will include both policy and project grants of \$12 million and \$10 million respectively, which will be disbursed in two tranches. The government will provide counterpart support equivalent to \$2.12 million. The new program will run for about 6 years, with an estimated completion date of August 2021.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region.

Fuente: Kabar

### **Investors ready to build industrial parks in Kyrgyzstan – deputy PM**

BISHKEK (TCA) — Kyrgyzstan is receiving proposals from investors ready to build industrial parks and invest in idle production facilities in the country, Kyrgyzstan Deputy Prime Minister Valery Dill said yesterday at the meeting in the Economy Ministry, the governmental press service reported.

In his words, it is necessary to give preferences to investors willing to restore idle enterprises. There are many large state-owned industrial enterprises that are standing idle in Kyrgyzstan. Investors are ready to invest, but they want to know what they will receive.

“Provision of preferences for creation of industrial parks is very important, especially as Kyrgyzstan is joining the Eurasian Economic Union,” the deputy prime minister said.

The meeting included a presentation of the Development Strategy of the Investment Attraction Agency for the period from 2015 until 2017. The agency was established by the Economy Ministry in 2014 with the purpose to attract and support investors in Kyrgyzstan, provide incentives to investors, prepare a database of potential investment projects, and implement projects within public-private partnership.

The deputy premier emphasized the necessity of improving the legislation and ensuring the protection of investments. “Investors need to see that they are protected. First of all, foreign investors want to know about protection of their capital and potential risks. The legislation must therefore correspond to the pace of economic development, as any slight delay or lagging behind would seriously affect the mood of investors,” he said.

The KyrTAG information agency quoted Deputy Premier Dill as saying that Kyrgyzstan should attract billions of dollars of investments. “According to preliminary estimates Kyrgyzstan attracted \$620 million last year. We are not satisfied with this figure. Our goal is to attract billions [of dollars] of investments,” the deputy premier said.



### **Director General of Gazprom Promgaz presents general scheme of gas supply and gasification of Kyrgyzstan until 2030**

Bishkek, January 30 / Kabar /. The general scheme of gas supply and gasification of Kyrgyzstan until 2030 will be presented in Bishkek.

Today at a governmental meeting with the participation of Prime Minister Joomart Otorbaev Director General of Gazprom Promgas OJSC Yuri Spector has presented this scheme.

The action plan included to identify the needs of the republic in the natural gas, potential gas consumers, as well as development of the republican gas supply system to provide prospective customers.

In addition, Y. Spector said that it is necessary to evaluate the need for material and financial resources for the development of gas supply system. Ensure the effective development of gas supply system.

He also expressed his gratitude to the Kyrgyz side for assistance in development of the general scheme.

Fuente: Kabar

### **Cereal production may increase in Kyrgyzstan, Tajikistan in 2015**

BISHKEK (TCA) — The Central Asia region experienced favorable weather during the winter cereal crop planting season, and early indications point to stable or increased production levels in 2015. But both Kyrgyzstan and Tajikistan are heavily dependent on cereal imports, which are also forecasted to increase this year, according to Food and Agriculture Organization of the United Nations (FAO) latest forecasts for the leading crops in Kyrgyzstan and Tajikistan.

Cereal production declined sharply in Kyrgyzstan last year, where below-average rainfall during the growing season led to an 18 percent decrease in wheat, maize and barley yields. Tajikistan fared better, despite some irrigation shortages, with cereal production in 2014 remaining largely steady near the five-year average for 2009-2013.

Wheat flour prices reached record or near-record levels in December due to currency depreciation in late 2014 as well as high domestic fuel and transport costs. The price of potatoes, another important staple in the regional diet, also increased in both countries. In Tajikistan, potato prices rose more than one third in just a year.



Households in both countries often feel the impact of fluctuations in crop yields and prices. Approximately 35 percent of each population lives below the poverty line, and families spend around 60 percent of their budget on food.

Cereal imports in 2014/15 marketing year (July/June) are forecast to increase in Kyrgyzstan. The country depends heavily on cereal imports, mainly wheat, which accounts for about 98 percent of the total cereal import requirements. As a result of the decrease in 2014 wheat production, wheat imports in the 2014/15 marketing year (July/June) are forecast to increase to 600 000 tons, up 11 percent from last year's high level. In average, the country imports about 40 percent of its wheat consumption requirements, mainly from Kazakhstan.

Fuente: Timesca

### **Djoomart Otorbaev: "We are interested in cooperation with the IMF "**

Bishkek, January 29 / Kabar /. Prime Minister of Kyrgyzstan Djoomart Otorbaev today held a meeting with Head of the Mission of the International Monetary Fund (IMF) Edward Gemayel to discuss new three-year cooperation program with the IMF. The Kyrgyz Government's press service reports.

Opening the meeting, the Prime Minister said that Kyrgyzstan appreciates the work with the IMF.

During the meeting the sides discussed the results of the negotiations of the IMF delegation with heads of state bodies, in particular on fiscal consolidation, maintaining debt at sustainable levels, monetary policy, public administration reform, anti-corruption, development of the financial market and improve the investment climate.

Otorbaev noted that the IMF and government of the Kyrgyz Republic reached understanding on many ways of the new program, but it is necessary to reconcile some positions and continue the negotiation process on them. "We are interested in cooperation with the IMF, but taking into consideration our proposals," Otorbaev.

Fuente: Kabar

### **Parliament will consider in February the Kumtor project for a final decision**

Bishkek, January 29 / Kabar /. The Kyrgyz Parliament will consider in February the Kumtor project for a final decision. Speaker Asylbek Jeenbekov said today at a meeting of the Jogorku Kenesh.

The Speaker said that, the Parliament will address this issue, despite the fact whether the government is ready or not.

He also said the Parliament is always ready to address this issue, even today.

In addition, Jeenbekov said that the next month the Parliament will address issues relating to the State Directorate for Reconstruction of Osh and Jalal-Abad.



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Fuente: Kabar

### **Kyrgyz Republic State of the Environment website to be released**

Bishkek, January 28 / Kabar /. A half-a-day meeting will be organized by the Regional Environmental Centre for Central Asia (CAREC) in Bishkek on January 29th, 2015, to present the webpage of the State of the Environment Report of the Kyrgyz Republic.

UNECE has developed a set of recommendations to develop State of the Environment Reports and make them available to the public. The Kyrgyz Republic is engaged in applying these recommendations and within the framework of the MONECA component of the EU FLERMONECA project (Forest and Biodiversity Governance, including Environmental Monitoring) it was developed an online version of the State of the Environment Report. This web-page is available on the website of the State Agency for Environmental Protection and Forestry at the following link <http://nd.nature.gov.kg/>. It displays in a user friendly format environmental information in different sectors such as water and air quality, biodiversity, etc. In these three chapters, readers can find general information and analysis on the indicators reported, tables and graphs presenting the trend of these indicators since 2000. In addition, all data can be freely downloaded in excel format to be further used by specialists or students. This website will be updated on a regular basis and provide up-to-date information to all stakeholders interested in environmental issues in the Kyrgyz Republic.

The meeting will include presentations from the State Agency for Environmental Protection and Forestry, the project team and national consultants. The web development company who created the webpage will explain how data and indicators will be uploaded online by governmental specialists on a regular basis. Participants will be from the State Agency for Environmental Protection and Forestry, the National Statistic Committee, the Hydrometeorology institute, the NGO community and media.

CAREC and the Austrian Environmental Agency (Umweltbundesamt) are implementing partners for the MONECA component of the EU FLERMONECA project.

Fuente: Kabar



## Tayikistán



### **The somoni continues to depreciate against the dollar**

DUSHANBE, January 26, 2015, Asia-Plus -- The value of the Tajik national currency, the somoni (TJS), has continued to depreciate against the U.S. dollar, registering an average market purchase rate of the dollar against the somoni 1:5.66 on January 23, up from 1:5.635 on January 16.

Tajik central bank notes that on January 23 the highest market purchase rate between USD and TJS was reported in Qurghon Teppa – 1:567

In Dushanbe, the market exchange rate between USD and TJS rose from 1:5.64 on January 16 to 1:5.66 on January 23.

In Khujand, the capital of Sughd province, the market exchange rate between USD and TJS rose from 1:5.65 on January 16 to 1:5.66 on January 23.

In Qurghon Teppa, the capital of Khatlon province, the market exchange rate between USD and TJS rose from 1:5.65 on January 16 to 1:5.67 on January 23.



In Kulob (Khatlon province), the market exchange rate between USD and TJS rose from 1:5.60 on January 16 to 1:5.65 on January 23.

In Khorog, the capital of the Gorno-Badakhshan Autonomous Region (GBO), the market exchange rate between USD and TJS rose from 1:5.40 on January 16 to 1:5.45 on January 23.

Meanwhile, an official exchange rate between USD and TJS set by the National Bank of Tajikistan rose from 1:5.3367 on January 16 to 1:5.3770 on January 23.

An official source at the National Bank of Tajikistan (NBT) says the national currency, the somoni (TJS), lost more than 10.7 percent of its value against the dollar (USD) in 2014, down from 4.93:1 on January 1 to 5.46:1 on December 31.

Fuente: Asia Plus

### **Retail prices for liquefied gas fall nearly 45 percent in Tajikistan**

DUSHANBE, January 22, 2015, Asia-Plus -- Retail prices for liquefied gas have fallen nearly 45 percent, the head of the Antimonopoly Agency under the Government of Tajikistan Abdusamad Rajabzoda announced at a news conference in Dushanbe on January 22.

The price of one liter of liquefied gas in Dushanbe has reportedly fallen from 3.50 somoni in December to 2.00 somoni.

“There are no dominant companies in Tajikistan’s fuel market, and therefore, the Antimonopoly Agency has no right to interfere in the pricing process in this market,” Rajabzoda noted.

Tajikistan receives deliveries of liquefied gas by road and rail.

According to data of the Ministry of Economic Development and Trade (MEDT), Tajikistan last year imported 295,000 tons of liquefied gas, which was 13 percent more than in 2013. In 2014, Tajikistan imported liquefied gas mostly from of Kazakhstan, Turkmenistan and Russia.





More than 49 percent of the country's motor vehicles use liquefied gas as fuel because of the high price of gasoline.

The Antimonopoly Agency says the main suppliers of liquefied gas last year were: OJSC Alfa Gaz – 10.3 percent of the overall volume; OJSC Gazpromneft-Tajikistan – 9.6 percent; and CJSC Faroz – 8.2 percent.

Fuente: Asia Plus

### **US government supports water users associations in Tajikistan**

DUSHANBE (TCA) — US Ambassador to Tajikistan, Susan Elliott, and representatives of USAID, along with Governor of Tajikistan's Khatlon Province Davlatsho Gulmahmadzoda, yesterday participated in ceremonies to hand over irrigation machinery to communities in Khatlon Province.

The Jilikul Federation of Water Users Association received an excavator valued at \$112,000 and Nahri Qumsangir Federation of Water Users Association received a tractor/backhoe valued at \$44,900, the US Embassy said. USAID donated the machinery to support implementation of irrigation water sector reform in Tajikistan.

Ambassador Elliott also presided over the inauguration of the Obrason-K Water Users Association's new office building. The water user associations (WUAs) were formed through an open and participatory process involving small-scale and commercial farmers, community leaders, and government officials.

The U.S. Government's Feed the Future (FTF) initiative aims to increase food security and incomes while reducing undernutrition through improved agricultural sector growth and improved nutrition. To further this goal, USAID helps Tajik farmers to improve critical irrigation water management practices. The provision of heavy equipment and the construction of the office building through the USAID Family Farming Program will increase the productivity of farm lands and facilitate steady access to irrigation water for over 226,400 residents of Vakhsh, J. Rumi, Jilikul and Qumsangir districts.

Ambassador Elliott recognized that associations like this one are best placed to manage the local irrigation system and to ensure fair and consistent water delivery. She noted that they are one of the keys to improving incomes and well-being for millions of Tajik citizens, as well as increasing overall economic growth in the country.

The USAID Family Farming Program is one of several Feed the Future projects implemented in Tajikistan by USAID on behalf of the American people. Since October 2010, FFP has established and supported 60 WUAs and



four Federations of WUAs in Khatlon Province, providing efficient and equitable irrigation water supply to 122,653 hectares of land and more than 825,300 people.

Since 1992, the US has provided over \$1 billion in programs and humanitarian aid that support Tajikistan's democratic institutions, health care, education and economic growth.

Fuente: Timesca

### **Approximately €158 million needed for full rehabilitation of the Qairoqqum power plant**

DUSHANBE, January 29, 2015, Asia-Plus -- According to Barqi Tojik (a state-owned power utility company), approximately 158 million Euros are needed for full rehabilitation of the Qairoqqum hydroelectric power plant, which is the only large power generating facility in the northern Sughd province.

An official source at Barqi Tojik say they plan to replace the hydro-mechanical and electrical equipment. "We plan to replace all six turbines and generators, transformers and plant's management system as well as to modernize the dam," the source said.

According to him, after modernization the power plant's generating capacity will increase by 48-50 MW.

We will recall that in its largest project in Tajikistan to date, and one of the largest in the country's energy sector, the European Bank for Reconstruction and Development (EBRD) last year provided a US\$50 million loan to fund the first phase of the modernization of the Qairoqqum hydropower plant.

Built in 1957, the plant is the only electricity generating facility in northern Tajikistan and supplies energy to over 500,000 homes in the Sughd region.

The total cost of the EBRD-supported project is approximately US\$ 75.7 million. The EBRD loan will be complemented by US\$ 21 million in donor funds – a US\$ 10 million loan and a US\$ 11 million grant – from the Pilot Program for Climate Resilience (PPCR) under the Climate Investment Funds (CIF). The remaining US\$ 4.7 million includes additional donor financing provided by the governments of Austria and the United Kingdom, and the EBRD's Shareholder Special Fund for consultancy services.

The EBRD Dushanbe Resident Office notes that the first phase of the upgrade program will increase the plant's current capacity from 126MW to 142MW with the installation of two new and larger turbines. This will prevent wasteful water spills and generate more electricity with the same flow of water, increasing the plant's efficiency. The investment will also finance the installation of upgraded equipment that will raise safety levels and strengthen the plant's resilience against the impacts of climate change.



In addition, financing will be used for the ongoing restructuring of Barqi Tojik. The funds will help to improve the operational and financial performance of the company.

Fuente: Asia Plus

### **Tajik foreign minister, OSCE Office head discuss cooperation issues**

DUSHANBE, January 30, 2015, Asia-Plus – Tajik Foreign Minister Sirojiddin Aslov yesterday received Ambassador Markus Muller, Head of the OSCE Office in Tajikistan.

According to the Tajik MFA information department, the two exchanged views on cooperation between Tajikistan and the Organization for Security and Cooperation in Europe and discussed a number of international issues being of mutual interest.

Aslov and Muller also discussed implementation of the UN resolution on the International Decade for Action: Water for Life 2015-2015, which had been adopted on the initiative of Tajikistan, and further efforts to provide sustainable development of water resources, the source said.

The OSCE Office in Tajikistan, which is one of the largest OSCE field operations, is tasked with assisting Tajikistan in its efforts to tackle security problems and threats, prevent conflicts and work on crisis management in such areas as policing, border management, and anti-trafficking. Other tasks include the improvement of business contacts; the development of energy, transport, investment, and scientific and technical exchange; the protection of the environment; good governance; and the development of a legal framework and democratic political institutions and processes, including the respect for human rights.

The Office in Tajikistan is based in Dushanbe, with field offices in Gharm, Khujand, Kulob, Qurghon Teppa, and Shahritous. It is led by Ambassador Markus Muller from Switzerland and has a staff of 28 internationals and 132 local personnel.

Fuente: Asia Plus

### **Tajikistan to increase aluminum production**

DUSHANBE (TCA) – Tajikistan plans to produce around 190 thousand tons of aluminum this year, compared to 121 thousand tons in 2014, Avesta news agency reported citing Tajikistan's Minister of Economic Development and Trade, Sharif Rakhimzoda.

Last year the average price of aluminum was \$1,870 per ton.



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According to the minister, early in 2014 the ministry forecasted aluminum production at 150 thousand tons, but last year's decline in the output was caused by lowering aluminum prices in the international market. "Tajikistan Aluminum Company (TALCO) is currently cooperating with the Norwegian company Hydro, and this cooperation will help increase TALCO's production and sales of aluminum," he said.

TALCO is the largest state-owned enterprise in Tajikistan with the designed capacity of 500,000 tons of aluminum per year. The company accounts for 45 percent of Tajikistan's GDP and 90 percent of the foreign exchange earnings. It is one of the largest taxpayers and plays a pivotal role in the national economy.

In 2014, Tajikistan exported 125 thousand tons of aluminum for a total of \$234 million.

On January 14, the Tajik parliament ratified the agreement between the Tajik Government and the Export-Import Bank of China on a concessional loan for construction of a cryolite plant, an aluminum fluoride plant, and a sulphuric acid plant as part of reconstruction and modernization of TALCO.

The total cost of the project is \$125.5 million, \$38 million of which will be provided by TALCO and the remaining amount will be provided by China's Eximbank.

Fuente: Timesca