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Kazajstán



Kazakhstan GDP grew by 2.5% in Jan-Feb – statistics

ASTANA. March 10 (Interfax-Kazakhstan) – In January-February 2015, Kazakhstan's GDP grew by 2.5%, according to estimates, the statistics committee of the ministry of national economy said in a statement.

In 2014, the Kazakh economy expanded by 4.3%. This year GDP growth is projected to rise by 1.5%.

Fuente: Interfax Kazakhstan

EEC approved the draft Concept of a common EEU power market

ASTANA. March 11, 2015. BNews.kz

At the meeting the Board of the Eurasian Economic Commission considered the issues on trade, energy and infrastructure field on March 10. In particular, the draft Concept of a common power market (CPM) of the Eurasian Economic Union (EEU), developed by the EEC and ministries and agencies of the Union was approved, BNews.kz reports.

According to the press service of the EEC, an agreement was reached with the heads of energy ministries of Armenia, Belarus, Kazakhstan and Russia, as well as the Advisory Committee on electric power at the EEC.

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According to the EEU Treaty, a common power market will be created by 2019. The main goals and objectives of its formation, functional structure, the direction of interactions between the subjects and participants of the CPM Union, as well as the stages of its creation were defined in the concept.

In addition, the EEC Board members approved a program of gradual liberalization of carrier performance registered in the territory of one of the Member States of the Union, road transport of the goods between two points located in the territory of another Member State of the Union, for the period from 2016 to 2025. We are talking about cabotage cargo. The program defined sequence of actions of the Member States of the EEU aimed at the gradual withdrawal of the restrictions from 1 January 2016 that apply to coastal road haulage throughout the Union regardless the place (state) of the carrier registration. The documents will be submitted for consideration of the EEC Board.

Fuente: Bnews.kz

Final agreement on Caspian Sea legal status 'near' — official

BAKU (TCA) — An agreement has been reached on the legal status of the surface waters of the Caspian Sea but the littoral states still could not agree on the legal status of the seabed, Azerbaijan's Deputy Foreign Minister Khalaf Khalafov said at the 39th meeting of the Ad Hoc Working Group to determine the legal status of the Caspian Sea held in Baku last week.

In addition, neither the littoral states nor the international lawyers could agree on whether the Caspian Sea is a lake or sea, both legally and geographically.

"However the negotiations for details are ongoing," Khalafov said.

Issues of security, shipping, conservation of biological resources, emergencies and hydrometeorology have been resolved between the Caspian littoral states — Russia, Kazakhstan, Turkmenistan, Azerbaijan, and Iran, the Azeri official said, adding that the first step of the final agreement has been reached.

"More than 80 percent of the final agreement has been settled," the deputy foreign minister said, adding, "We believe the Astana summit will be the last meeting to reach a final agreement."

Khalafov said that the presidential summit in Astana in Kazakhstan, where negotiations on the final agreement will be held, will take place in 2016, and the next Ad Hoc Working Group meeting will be held in Tehran.

Turkey is also interested in the negotiations, since a possible agreement may open doors for natural gas supplies to Europe from the Caspian region via Turkey, the Journal of Turkish Weekly reported.

Turkmenistan and Kazakhstan are considering the delivery of natural gas to the west through the proposed Trans Caspian Gas Pipeline, a planned project which would run under the Caspian Sea to reach Azerbaijan, Georgia, and finally connect with the Trans Anatolian Natural Gas Pipeline, TANAP.



Through TANAP, Turkmen and Kazakh gas would reach European markets circumventing Russia and Iran.

Fuente: Timesca

Roxi on track for BNG asset in Kazakhstan

Roxi, the Central Asian oil and gas company with a focus on Kazakhstan, has unveiled plans for the next stage of its flagship BNG asset.

The BNG Contract Area is located in the west of Kazakhstan, near Tengiz on the edge of the Mangistau Oblast. Roxi has a 58.4% stake.

Since an operational update on 13 February 2015, the final 164 feet of coil tubing and drilling fluids have been successfully cleared from Deep Well A5.

The well remains blocked by a drill bit dropped during the clean up operation.

Work continues to remove the drill bit to allow testing. Based on progress to date, Roxi's management still expects the well to be clear and testing to have commenced by the end of March.

Despite the blockage small quantities of oil of a high quality continue to flow to the surface under its own pressure.

Deep Well 801, which was spudded on December 15, is to be drilled to a total depth of 16,240ft. The well is being drilled by Sinopec, the Chinese multinational, for a fixed cost of £7.3million.

Roxi said drilling at Deep Well 801 had reached the salt layer at 11,680ft without incident. As planned, drilling has now paused to allow casing to be set.

The final 1,017ft to be drilled to a Total Depth of 16,240ft is expected to be less difficult to drill.

Roxi expects the well to reach total depth by mid April.

Chairman Clive Carver said: "Operationally things are going well. The work to clean up Deep Well A5 continues as planned and to date drilling Deep Well 801 has been a far smoother experience than our first deep well A5.

"We are also particularly pleased that our extended swabbing activities at Well 143 have been rewarded with what appears to be commercial rates of production of naturally flowing oil."

Fuente:Energy voice



Kazakhstan budget may forfeit from \$5 billion in revenues

By Sara Rajabova

Central Asia's biggest economy, Kazakhstan may lose about \$5.1 billion in revenues if global oil prices stay at \$50 per barrel.

The state budget revenues of Kazakhstan will be nearly one trillion tenge short of target in 2015 if oil prices remain at \$50 per barrel, warned country's national economy minister.

Yerbolat Dossayev spoke about the baseline scenario for global oil prices of \$50 per barrel in 2015-2017 and \$60 per barrel in 2018-2019, Tengrinews reported.

"Amid the lowered forecasts on GDP and imports, and with the oil prices at \$50 per barrel in 2015, the state budget revenues (excluding transfers from the National Fund) are expected to be at 3.2 trillion tenge (\$17.4 billion), which is 939.6 billion tenge (\$5.1 billion) short of the approved target amount," he said.

Kazakh government is grappling with economic difficulties due to the dramatic fall in global oil prices and hard economic situation in Russia, its biggest trade partner.

Since mid-2014, oil prices drastically dropped from \$100 per barrel to about \$50 per barrel. Oil prices started to fall after supplies increased from certain countries such as Saudi Arabia, the largest producer in the Organization of the Petroleum Exporting Countries.

The sharp drop in global oil prices further complicated Kazakhstan's economic situation as it is heavily dependent on oil revenues. Kazakh economy suffered greatly from falling oil prices since 2014.

Dossayev said the GDP growth in 2015 is expected to stand at 1.5 percent (down from November's forecast of 3.3 percent), 2.2 percent in 2016 (down by 3.1 percentage points), 3.3 percent in 2017 (down by 3.4 percentage points), 3.6 percent in 2018 (down by 2.2 percentage points), and 4.1 percent in 2019 (down by 2.4 percentage points).

"Based on this, the nominal GDP in 2015 is expected to reach 41.3 trillion tenge (\$223.08 billion), which is 2.4 trillion tenge (\$13 billion) below November's adjustment, with a gradual increase to 59.9 trillion tenge (\$323.3 billion) in 2019. The GDP per capita will increase from \$12,800 in 2015 to \$17,600 in 2019," he said.

Dossayev also added that the industry would shrink by 0.3 percent in 2015. As a result of lower production and industrial exports and slowing investments, growth in the service sector will be reduced to 2.2 percent in 2015, he further noted.

The National Bank forecasts showed that in 2015 the volume of Kazakhstan's exports will fall by 44.7 percent - to \$43.6 billion and imports will fall by 21.8 percent - to \$34.7 billion. The inflation rate will be kept at bay however, staying within range - between 6 and 8 percent.

Fuente:AzerNews



Kazakhstan's Only Tire Recycling Plant Reopens in Astana

Production at Kazakhstan's only tire recycling plant has begun rolling again after being shut down for two years.

The German equipment and technologies used at the plant allow up to 32,000 tons of raw material to be processed annually. While the plant was offline, Kazakhstan's environmental regulations underwent considerable changes. This simplified the plant's operations because before that it was easier to burn used tires than recycle them.

Because the plant was out of commission for two years, the company could not pay its debts. In order to actualise the project, a loan of more than \$6.5 million from the Development Bank of Kazakhstan was taken. The Baiterek Holding and the National Chamber of Entrepreneurs decided to write off 330 million tenge (US\$1.78 million) of the plant's debt as part of the restructuring programme.

In processing used tires, the plant produces three products: rubber crumbs, high-alloy steel and rayon. The rubber crumbs are used to cover playgrounds and sports fields, stadiums and artificial turf. They are also used in the production of railroad crossing plates, manhole covers, pavement and more. The company currently employs 25 people. The plant is looking to expand its staff to 90 employees.

According to recent statistics, around 300,000 tires are disposed of in Kazakhstan every year. Experts say that the launch of such plants has positive environmental impact. A single tire needs 150 years to decompose; the recycling process reduces man's effect on nature. Also, with the number of cars in the country increasing every day, the plant's reopening means that the country will be unlikely to see a raw material shortage.

Fuente: The Astana times

In 2015 state subsidies in the agricultural sector of Kazakhstan to be 157.3 billion tenge - Ministry of Agriculture

In 2015, the amount of subsidies in the agriculture will be 157.3 billion tenge, which is 1.8 times more than the index of 2013, according to the Ministry of Agriculture.

"In 2015, the amount of subsidies in the agricultural sector amounted to 157.3 billion tenge, which is almost 1.8 times more than the index of 2013," the report says.

According to the Ministry of Agriculture, the volume of the gross agricultural output in 2014 amounted to 2.5 trillion tenge, which exceeded the index of previous year by 0.8%, PM's official website reported.

"Despite the difficult weather conditions, the growth in crop production amounted to 98.4%, in livestock - 3.8%. There was 2.9% increase in the food production," the agency informs.



In 2014, the introduction of the investment subsidy increased the investment in fixed capital in agriculture by 14.4%, it was 166.4 billion tenge. Investment in food production increased by 16.5% and amounted to 40.8 billion tenge.

According to the Ministry of Agriculture, last year was a turning point for the growth of exports of meat and meat products. Thus, according to the agency, in 2014 Kazakhstan exported 12.3 thousand tons of meat and meat products. The export of "red meat" was 7.5 thousand tons, beef - 6.3 thousand tons. The import of agricultural products decreased by 4.1%.

Fuente: Bnews.kz

Industrial park worth KZT 10.3 billion planned in Kostanai

As reported on 10 March 2015, Kostanai administration announces plans to set up an industrial zone in the region, operating as a warehousing and distribution centre. The industrial zone will apply a cluster approach to increase the gross regional product, and cut down the unemployment rate.

Fuente: Interfax.kz

National Bank of Kazakhstan readies de-dollarization plan

The National Bank of Kazakhstan has developed a plan to reduce the level of dollarization of the economy, Tengrinews reports citing the press release of the financial regulator published on March 4.

The plan for 2015-2016 has been developed together with the government and approved at the government meeting on February 17, 2015. In addition, the plan was approved at the meeting of the Board of the National Bank on February 25, 2015.

The plan includes three primary strategic directions: ensuring macroeconomic stability of Kazakhstan, developing non-cash payments and reducing the shadow turnover, and prioritizing the national currency (the tenge) over foreign currencies.

The first direction will be realized by diversifying the Kazakh economy and increasing Kazakhstani content in goods and services.

The second line has not been elaborated upon by the regulator yet.



The third direction will be fulfilled by increasing the size of guaranteed tenge deposits (guaranteed refund from government cash stocks in case of bank failures) from 5 million tenge to 10 million tenge and reducing interest rates on deposits in foreign currency down to 3% per annum. Additionally, the National Bank will provide liquidity to banks and aim at improving the banking sector. Moreover, a ban on indicating prices in foreign currency (including in arbitrary units, i.e. dollars and euros) will be put in place in Kazakhstan.

According to the National Bank, “reducing the level of dollarization of the economy is a long process possible only through constant and systematic work using a set of interrelated measures and joint efforts not only of the Government and the National Bank, but also of all economic players.”

Earlier, two Kazakh financial experts Olzhas Khudaibergenov and Anuar Ushbayev argued for a much broader and more comprehensive plan on de-dollarizing the Kazakh economy and gradual tenge exchange rate correction. They proposed their strategy to the government, but few to none of their proposals found their way into the tentative preview of the new plan released by the regulator. The details are yet to be made public.

Fuente:Tengriz News

Oil Slump, Russian Revanchism Put the Squeeze on Kazakhstan

By Casey Michel, March 9, 2015, Briefing

A little over a year ago, Kazakhstan’s president, Nursultan Nazarbayev, weighed in on the most pressing political challenge facing Astana at the time: whether or not to change the country’s name. Before any consensus could be reached, however, unidentified men cropped up in Ukraine’s Crimean Peninsula, saying little and admitting less. Twelve months later, after Russia’s annexation of Crimea and amid an intermittent war in eastern Ukraine between Russian-backed separatists and the central government in Kiev, it’s clear that the status quo ante will not return. In just a year, Kazakhstan’s geopolitical environs have shifted more rapidly than at any point in its 23 years of independence since the fall of the Soviet Union. With Nazarbayev’s suddenly brittle regime facing a dire economic outlook and heightened security concerns, Kazakhstan has entered 2015 facing far more significant questions than what to call itself.

Interlocking economic and political factors have driven the upsurge in Kazakhstan’s sudden crisis. First, the commodities drop that has affected hydrocarbon exporters across the world hit the country hard. Kazakhstan has always relied heavily on its oil extraction, with hydrocarbons accounting for over 60 percent of its exports. Much like Russia and Azerbaijan, swollen oil prices over the past decade have allowed Kazakhstan to invest in buttressing state structures, reflected most visibly, and ostentatiously, in the rapid rise of futuristic architectural developments in the new capital, Astana. Indeed, Kazakhstan’s coffers over the past decade have swollen to such a degree that the Economist Intelligence Unit noted that Astana is projected to boast a higher GDP per capita than Russia during 2015.



But the costs of over-reliance on the buoyancy of oil prices is rapidly becoming apparent. With oil prices leveling out at approximately half of their 2014 high, Kazakhstan is facing a budget crunch similar to Russia and Azerbaijan. When viewed in conjunction with the bungled Kashagan super-giant oil field project—over a decade behind schedule and more than \$50 billion over budget, with no signs of coming online anytime soon—Astana’s fiscal outlook has taken a severe hit over the past year.

While the country is not yet sinking into recession, its projected outlook of 1.5 percent GDP growth in 2015 stands as the lowest rate since 2009, with its lowest projected industrial output in nearly 20 years. The country’s currency, the tenge, meanwhile, appears overdue for a second significant devaluation in as many years. The currency has been propped up by an unidentified fund or individual, but for how much longer remains to be seen. Astana recently pledged a fiscal stimulus package, but that seems too little, too late.

Of course, all this doesn’t come in a vacuum. Kazakhstan’s trade with Russia and Belarus, the two other founding members of the Eurasian Economic Union (EEU), built out of the prior Customs Union, has collapsed some 20 percent over the past year. Moreover, Kazakhstan’s involvement in the EEU, an idea originally floated by Nazarbayev in the early 1990s, has thus far come across as a net negative for Astana. Thanks to the ruble’s slump, Kazakhstan’s domestic manufacturing sector has suffered under the current customs regime. Local industry struggled enough that Astana has mooted reinstalling customs checkpoints along the Russian border—effectively nullifying the entire point of a customs union.

The Eurasian Union’s initial failures point to another reason behind Kazakhstan’s slump. As his adventure in Ukraine has shown, Russian President Vladimir Putin’s respect for post-Soviet border demarcations is highly situational. Between the shotgun referendum in Crimea, the funneling of support and materiel to separatists in eastern Ukraine and the expansion of ties with breakaway regions in Georgia, the Kremlin has displayed a willingness to disregard the sanctity of those borders when it suits Russia’s interests. And while it is unlikely that little green men may soon pop up across Kazakhstan, events over the past year illustrate why that scenario is no longer unthinkable.

Kazakhstan, after all, posts a population that is approximately 20 percent ethnic Russian. This population remains confined largely to the country’s north and northeastern reaches, along the border with Russia. A year ago, the notion of Russia infiltrating and annexing northern Kazakhstan—a region that luminaries such as Alexander Solzhenitsyn considered part of Russia proper—would have seemed laughable. But in his speech calling for reunification with Crimea, Putin justified such action by noting that the Kremlin retained the right to protect ethnic Russians and “compatriots” wherever they may be. Then, in late August, while attending a youth forum, Putin was asked about the potential for a perceived surge in anti-Russian sentiments in Kazakhstan to damage ties with Moscow, and the possibility of “a Ukrainian scenario upon Nazarbayev’s departure.” Putin didn’t push back. Instead, he pointed out that Kazakhs had never enjoyed statehood prior to 1991 and had never had anyone but Nazarbayev at the helm.



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Astana's response came swiftly. It announced preparations for the 550th anniversary of Kazakh statehood and made repeated pronouncements that Kazakhstan reserved the right to leave the Eurasian Union whenever it chooses.

This spat, combined with the economic fallout of Russia's meddling in Ukraine, has dragged Russia-Kazakhstan relations down to a level not seen in the post-Soviet period. As Russian-backed separatists push further into eastern Ukraine, it's clear that relations will not see any improvement for some time. In addition to international isolation and Western sanctions, Putin's intervention in Ukraine has unexpectedly frayed ties with some of Russia's closest neighbors—just look at Belarus.

Astana will attempt to mitigate some of the potential domestic costs by moving up the country's presidential election, scheduled for late 2016, to this April. But while that may help squelch potential momentum for an already meager opposition, it will do little to stay the fallout for the country's fiscal plummet. Nazarbayev, meanwhile, only grows older, with a succession process still unclear. Between looming economic decay and Russia's revisionism, Nazarbayev's regime appears as brittle as it's ever been since independence, with little potential reprieve on the horizon.

Fuente: World Politics Review

OSCE promoting energy efficiency in Kazakhstan

ASTANA (TCA) — The first in a series of OSCE-supported educational events for schoolchildren on energy efficiency and the rational use of natural resources was launched last week at School No. 47 in the Kazakh capital Astana.

The lesson was organized by the OSCE Programme Office in Astana, the non-governmental organization "Human Health Institute", and the administration of the secondary school, the OSCE Office reported.

During the session some 30 schoolchildren learnt about environmental challenges and threats, in particular climate change, and the ways to address them through a more sustainable use of natural resources and renewable sources of energy. Through hands-on exhibits they experimented by generating electricity and energy with various methods to develop their research skills while learning about the use of potatoes and lemons to power small devices.

The session aims to raise schoolchildren's awareness about the need to conserve natural resources and use energy-saving and energy-efficient measures at schools and in households.

Similar lessons will be held in three more schools in Astana over the course of March for a total of 160 students. Topics will include energy-saving practices in households, global environmental problems, climate change and alternative sources of energy.



The events are part of the OSCE Office's awareness-raising activities on sustainable development among youth in Kazakhstan.

In recent years Kazakhstan has been taking efforts aimed at promoting sustainable development and strengthening its environmental security. The OSCE welcomes Kazakhstan's decision to voluntarily reduce greenhouse gas emissions and its transition to the principles of green growth and stands ready to assist the country in this process.

Fuente: Timesca

Putin wants currency union with Belarus and Kazakhstan

Putin wants currency union with Belarus and Kazakhstan.

The president of Russia has ordered the Central Bank of Russia and the government to address the issue of expediency of a currency union in the framework of the Eurasian Economic Union.

"The Bank of Russia together with the government of the Russian Federation in cooperation with central (national) banks of the member states of the Eurasian Economic Union should outline the main directions of integration in monetary and financial spheres in the framework of the Eurasian Economic Union, and address the issue of expediency and possibility of creation of a currency union in the long view," the instruction of Vladimir Putin published on the official website of the Kremlin reads.

The head of the government Dmitry Medvedev and the head of the Central Bank Elvira Nabiullina are to report about implementation of the instruction before September 1, 2015.

The instruction was given following the results of the consultations with members of the government, which was held on February 18, 2015, Interfax reports.

The government, in cooperation with partners in the EAEU and the Eurasian Economic Commission is also told to provide full participation of Russian ministries and agencies in forming of single markets of goods and services in the framework of the EAEU, as well as implementation of the concerted policies envisaged by the Treaty on the EAEU.

Dmitry Medvedev is to report about fulfillment of this instruction to the leader of the state before July 1, 2015, and to continue reports once in half a year after that.

Fuente:Charter 97



Estonia Considering Shipping Goods Between Europe and China via Kazakhstan

cASTANA – Estonia is the latest country to publicly mull using Kazakhstan’s transit infrastructure to ship goods between China and Europe.

“We’re considering the shipment of merchandise between Europe and Asia through the port of Tallinn on the Baltic Sea and the port of Lianyungang on the Yellow Sea,” CEO of Estonia’s Port of Tallinn Ain Kaljurand said on March 2, as reported by Spanish international service EFE. He elaborated that the idea is “feasible” given that Kazakhstan’s national railway company, Kazakhstan Temir Zholy, is building its own terminal at Lianyungang.

Tallinn, which Kaljurand called one of the most important ports on the Baltic Sea, is operating far below capacity, the CEO said, noting that the transport of Kazakhstan’s exports through the ports has declined in recent years. Kazakhstan has traditionally shipped cereals, coal and oil products through Estonia.

“In December of last year, the transport of coal from Kazakhstan through the port of Tallinn was 40,000 to 50,000 tons, while seven years ago, this quantity was five times greater. The handling of grain was 1.5 million tons, but today it’s zero,” Kaljurand said, according to EFE’s report.

Kazakhstan is in the midst of major transit development, as it aims to capture a greater share of goods shipped from China to Europe. In 2012, a cargo train between Chongqing in southwest China to Duisburg was launched, cutting transit times from months to 15 days as well as cutting costs. In January, Kazakhstan Temir Zholy announced the launch of a pilot “Rail-Air” programme, taking cargo by rail from Chongqing through the Dostyk entry point and to Almaty, then loading it onto flights at Almaty airport, and in February a cargo train travelling from Yiwu, China to Madrid, Spain, via the world’s longest railway line, completed its maiden journey of 16,156 miles, crossing Kazakhstan on its way.

A Kazakh parliamentary delegation visited Tallinn in November of last year, with the development of trade and economic relationships high on the agenda. An Estonian business delegation headed by former Estonian President Arnold Rüütel visited Astana in late February, when the need to develop cooperation in agriculture and transit were discussed, along with Estonia’s potential as a bridge between Kazakhstan and Europe.

Fuente:The Astana Times



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Los olvidados de Karagandá documentary won Gold Award in Jakarta Film Festival

Astana. March 10 (Interfax-Kazakhstan) - Los olvidados de Karagandá (The Forsaken in Karaganda) received Gold Award in the Documentary & Short International Movie Award in Jakarta, the press service Kazakhstan's Foreign Ministry said on Saturday.

In January 2015, Los olvidados de Karagandá (The Forsaken in Karaganda) won Diamond Award at the 2014 California Film Awards for Best Documentary.

During 2014, Nexos was shooting a full-length 50-minute documentary about Spanish prisoners in KarLag. The starting point for the film was the archive documents, 152 files about Spanish prisoners at Karaganda labor camp.

The documentary features testimonies of eyewitnesses and explains circumstances which brought Spanish citizens to Karlag.

Fuente:Interfax Kazakhstan



Kirguistán



Astana to allocate \$100 million in aid to Bishkek

By Sara Rajabova

Kazakhstan will allocate \$100 million worth of financial aid to its Central Asian neighbor Kyrgyzstan. The Kyrgyz government has approved a draft agreement between the governments of Kyrgyzstan and Kazakhstan on the development of economic cooperation under the Eurasian Economic Union, AKIpress news agency reported.

A decree to that effect was signed by Kyrgyz Prime Minister Joomart Otorbayev on March 2. Under the agreement, Kazakhstan will give Kyrgyzstan \$100 million in financial aid in order to facilitate the process of country's joining in the Eurasian Economic Union.

The Eurasian Customs Union has been formed by Russia, Belarus and Kazakhstan in 2010. The transition of the ECU into an EEU began in January 2015. On January 1, the treaty between the presidents of Russia, Kazakhstan and Belarus authorizing the EEU went into effect. The EEU aims at free movement of goods, capital, and people between all member states.

Kyrgyzstan has signed an accession agreement to join the Russian-led Eurasia EEU last December, in view of joining the organization in May 2015.

The aid agreement and mechanisms of implementation of such aid fall under a separated protocol. The agreement will enter into force when both sides complete internal procedures ahead of the ratification of the document.



The agreement will be terminated when all obligations under this agreement, as well as the protocol of this agreement will be met.

Kazakhstan is the largest source of foreign direct investment in Kyrgyzstan, with many joint ventures in Kyrgyzstan in such sectors as banking, construction, and energy. Kazakhstan is the fourth largest investor in Kyrgyzstan with a 7.7 percent share. China, Canada and the UK remain top three investors in Kyrgyzstan. Kazakh officials have confirmed that since its independence, Kazakh businesses have invested \$1 billion in the Kyrgyz's economy.

Fuente: Azernews

Kyrgyz National Bank proposes to limit dollars loans

By Sara Rajabova

Kyrgyzstan's National Bank has proposed to limit its lending in dollars to individuals.

"We plan to bring to the discussion a bill that would limit the issuance of loans to individuals in dollars. If the bill is passed, citizens will be able to get a loan in dollars, on the condition they issue inquiry on receiving incomes in dollars," said Tolkunbek Abdygulov, Kyrgyzstan's National Bank chairman.

He added that in order to stabilize the financial situation in the country the ministry of economy is developing a medium-term monetary plan, whereby the National Bank regulates the interest rate and the rate of mandatory reserve requirements for commercial banks.

The dollarization is also one of the biggest problems for Kyrgyzstan's economy. This occurrence is quite common among emerging nations, where the dollar is more stable in its value than the domestic currencies.

Kyrgyz chief banker also said at a press conference on March 10 that the market rate of Kyrgyzstan's national currency, the som, had been determined against the dollar.

Abdygulov said six foreign exchange interventions had to take place to the value of \$108 million since the beginning of the year. As of February 4, the som's rate exchange against the dollar has been set.

He added Kyrgyzstan's international reserves amount to \$ 1.8 billion.

"Now, there is no demand for the dollar in Kyrgyzstan. One indicator of excessive demand for any currency is a large margin between buying and selling. At present, it is minimal," Abdygulov said.

However, he also noted that from the beginning of the year the som's exchange rate value fell for 4.5 percent. "A stronger dollar is a global trend, this year it rose by 4.5 percent or 58.89 to 61.55som," Abdygulov said.

Recently, Abdygulov told EurasiaNet.org that the fallout from Russia's economic downturn has forced Kyrgyzstan to spend its limited reserves to fend off speculators and ease pressure on its currency.



Abdygulov said banks had to increase their som capitalization. He also added that he would like to close thousands of poorly regulated currency exchange shops, which he accused of sustaining the shadow economy and spreading panic monetary speculation.

As other Russian-related economies, Kyrgyzstan is also suffering from the economic slowdown in Russia, intensified by European sanctions.

“This slowdown will particularly affect the country in terms of transfers from Kyrgyz expatriates in Russia, which account for the equivalent of 30 percent of Kyrgyz GDP. Their reduction will have a knock-on effect on household spending and will push down demand,” according to the economic study by the COFACE organization.

Moreover, studies also predicted a slight growth in 2015, in comparison to 2014 year.

Fuente: Azernews

Russian President orders to sign protocols on Kyrgyzstan's accession to Treaty on Eurasian Economic Union

Russian President ordered to sign the protocols on Kyrgyzstan's on Kyrgyzstan's to the Treaty on the EAEC, the press service of the Kremlin reported.

Vladimir Putin signed a decree on signing the Protocol of December 23, 2014 Treaty on the accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union.

It is noted that the draft protocols to the treaty determine the specific terms of accession of the Republic in Eurasian Economic Union, including trade in services, including financial, regulation of natural monopolies, transport policy, rules of industrial subsidies.

Agreements also include "withdrawal" of customs tariff regulation from the general rules, application of sanitary, veterinary and sanitary and phytosanitary quarantine measures, as well as transition period in terms of technical regulation, competition, natural monopolies, energy, public procurement.

Russia, Belarus and Kazakhstan signed the Eurasian Economic Union Treaty in Astana in May 2014. The document came into force on January 1, 2015. Armenia joined it on January 2. Previously was stated that the establishment of the Eurasian Economic Union leads the participating countries of the former Customs Union, whose total GDP was 85 percent of the gross domestic product of the CIS, to a higher level of integration. Now the formation of the largest common market in the CIS, which will be a new powerful center of economic development, is being completed.

Fuente: 24.kg news agency



Kyrgyzstan seeks to boost winter tourism trade

Scores of locals and tourists head for ski slopes in Kyrgyzstan amid hopes of tourism boom

Scores of people have been enjoying winter sports near to Kyrgyzstan's capital. The resort is just 20 miles from Bishkek and attracts a range of skiers, snowboarders and sledgers.

Bishkek resident: "I came here with my grandchildren and got interested in sledging myself."

The former Soviet state's mountainous scenery and winter sports are also a draw for tourists.

Animes Hazhur, Indian student: "We love this skating and all everything. Every Sunday we are planning to come to this place, because we love it. And actually, this is an awesome place. We, all Indians, we love this place. We love Kyrgyzstan."

Three years ago, Kyrgyzstan extended their no visa regime to an extra 44 countries, which is credited with boosting visitor numbers.

Esen Dzhumanov, Bishkek business director: "All in all, we see are seeing the tendency increasing (of the number of tourists). The introduction of a visa-free regime, that happened in 2012, three years ago gave a very big prompt. And actually a large number of tourists come to Kyrgyzstan thanks to this."

There are reportedly 23 ski facilities across Kyrgyzstan and politicians hope tourism can become a key part of the country's economy.

Aynura Temirbekova, Kyrgyz deputy tourism minister: "The time has come for Kyrgyzstan to find and to put emphasis on real sources of income, and the big number of our ski bases gives us hope that in future tourism will become the locomotive of our economy."

Kyrgyzstan is a member of the Russian-led Eurasian Economic Union. The Central Asian state is relatively poor compared to other members of the free trade group, with average salaries of just USD 1,000 per year.

Fuente: Uatoday.tv/

Elvira Sarieva: About 9 bln soms needed on increasing teachers' salaries in 2016

About 9 billion soms needed on increasing teachers' salaries in 2016, the Minister of Education and Science of Elvira Sarieva said today at the briefing.



According to her, the agency aims to raise the status of teachers in 2015. "This is a difficult and complex issue. Given that the lion's share of educational institutions located in the countryside, we are counting on the support of local authorities," the minister said.

She also gave an explanation on salaries increase to school teachers. "Our calculations suggest additional funding of \$3 billion soms in 2015 and about 9 billion - in the next. This is a very large sum, which means that the revenue part of the budget should grow. The problem is complex, the Ministry of Finance will examine this question. I think we will come to a consensus. Teacher salaries should be decent and stimulating," Elvira Sarieva added.

Earlier it was reported that it is planned to increase teachers' salaries from September 1, 2015.

Fuente: 24.kg news agency

Dollar rate in Bishkek approaching 62 soms

Dollar rate in Bishkek approaching 62 soms. Over the weekend, the US currency has risen by 20 tyiyn.

Today exchangers of the capital sell dollar at 61.55 soms (an increase of 10 tyiyn), buy - at 61.7 soms (an increase of 20 tyiyn). Recall, the exchange rate began to rise last week.

Meanwhile, the National Bank hasn't hold interventions at the foreign exchange market for more than a month.

Fuente: 24.kg news agency

Dollar in Kyrgyzstan rises in price by 20 tyiyn

Dollar in Kyrgyzstan has risen by 20 tyiyn per day.

Today exchangers of the capital buy US currency at 61.65 soms, sell - at 61.85. A new round of growth of the dollar in Kyrgyzstan is observed from last week. However, the National Bank hasn't make interventions on the foreign exchange market yet.

Yesterday at the press conference, the Chairman of the National Bank of the Kyrgyz Republic Tolkunbek Abdygulov said that there is no excessive demand for foreign currency in the country.

Fuente: 24.kg news agency



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Kyrgyz Parliamentary Committee Approves 'Foreign Agent' Law «Radio Free Europe»

A parliamentary committee in Kyrgyzstan has approved a controversial bill that would impose "foreign agent" status on nongovernmental organizations that receive funding from abroad.

Lawmaker Shyryn Aitmatova (eds: a woman) told RFE/RL that the legislative committee approved the bill on March 10 and sent it for further discussions in other committees.

The bill was initiated by a group of lawmakers in November, but the Justice Ministry issued a statement at the time saying there was no need for such a law as existing legislation was sufficient to protect national security.

Many in Kyrgyzstan have criticized the proposal, calling it an attempt to copy Russia, where a "foreign agent" law adopted in 2012 has been criticized by civil society groups and Western governments.

On March 6, the Russian head of a regional security alliance said in Bishkek that Kyrgyzstan should impose strict control over NGOs with foreign funding.

Collective Security Treaty Organization chief Nikolai Bordyuzha said such NGOs are used by foreign countries "to impose threat to a country's sovereignty and territorial integrity."

Fuente: 24.kg news agency

Prime Minister speaks about forming of ratings for efficiency and quality of respond of government agencies to publication

Prime Minister Dzhoomart Otorbaev discussed with Mayor Kubanychbek Kulmatov development indicators of Bishkek for 2014 and outlined plans for 2015, the press service of the Cabinet reported.

According to it, the Prime Minister recalled the recent visit of delegation from Tatarstan to the Kyrgyz Republic, which shared the successful experience of interaction with the citizens, in particular, the introduction of "People's control", allowing to keep in touch and to respond to the comments of residents.

"This is a very convenient system. Citizen captures any violations or deficiencies in the work of municipal services or government agencies, and sends these materials to online publications, and municipal and state authorities immediately react to these publications. We also asked popular publications to make separate headings, where citizens could share photos and videos on the traffic situation, the safety, work of municipal services. State agencies tasked with timely and accurately respond to these publications. In the near future we



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and interested publications will create appropriate ratings for efficiency and quality of responses that will motivate state authorities to maintain a dialogue with the population," Dzhoomart Otorbaev said.

He noted that the main criterion of the government is to increase public confidence.

Fuente: 24.kg news agency



Tayikistán



Russian Army Attracts Tajikistan's Unemployed

As of this year, there's an army that's ready to give a paying job to a few members of Tajikistan's legion of unemployed men—Russia's.

The 201st Russian Military Base in Tajikistan has long employed local soldiers. But they were prohibited from fighting under the Russian flag abroad. Now, a law signed by President Vladimir Putin on January 2 allows foreign citizens to fight for Mother Russia anywhere in the world.

The timing appears connected to Moscow's standoff with the West, and the Ukrainian crisis, in which Kremlin-backed separatists are fighting against the Ukrainian army and pro-Kyiv militia units. There have been unconfirmed reports recently that several thousand of the 7,000-strong contingent stationed at Russia's 201st base in Tajikistan have been transferred to the Ukrainian border. Russian military spokespeople deny that – and deny that Russian troops are engaged in hostilities anywhere. But in any case, the new legislation would allow Russia to fill positions at its Tajik base with local troops.

The idea has been on the table since 2003, but only received Putin's support recently, according to Yaroslav Roshchupkin, a Yekaterinburg-based spokesman for Russia's Central Military District. The Central Military District is responsible for administering the 201st base in Tajikistan, Russia's largest military outpost abroad.

Roshchupkin paints the initiative largely as an economic gift for the impoverished Central Asian nation, noting that Tajik soldiers are eligible for the same benefits as any Russian citizen, plus are able to obtain fast-tracked Russian citizenship.



“First, it is not the Russian army that needs recruits from Tajikistan. But we provide them this opportunity because many wish to get Russian citizenship. Contract soldiers get Russian citizenship through a simplified procedure and they can get a [low-interest] mortgage through the military,” Roshchupkin told EurasiaNet.org. He added that the number of Tajiks who have joined the Russian military is a secret.

Roshchupkin said monthly salaries for soldiers at the base range from 17,000 rubles (\$273) to 70,000 rubles (\$1,125). Tajikistan has the lowest average monthly salary in the former Soviet Union, about \$180, according to the CIS Interstate Statistics Committee.

There are no reliable statistics on unemployment in Tajikistan, but over a million people – about half the working-age male population – are believed to spend at least part of the year working as laborers in Russia. They often perform the lowest-paying and most dangerous jobs, such as sweeping streets and working on construction sites. Their remittances account for the equivalent of almost half of Tajikistan’s GDP.

This year, new Russian legislation has made labor migrants’ lives a lot more difficult by demanding expensive tests and work permits. Russian citizenship would provide a way to circumvent those hassles.

Roshchupkin said the 201st base is not equipped to accept applications and added that Tajiks, for now, must travel to Russia (as many already do to search for work) to enlist at a recruitment office there. Priority is given to those who speak Russian and have military training.

Until this month, enlisting could have violated Tajik law, which under a bill passed last year, mandates 12-20 years in prison for citizens who take part in hostilities abroad on behalf of a foreign army or armed group. But this month Dushanbe made an exception for men fighting in the Russian military. Nasrullo Makhmudov, who was a member of the Tajik parliament’s Committee on Legislation and Human Rights until this month, said anyone fighting for the Russian army won’t be prosecuted in Tajikistan. He added that the law only applies to so-called “illegal formations”—such as militant groups in places like Syria.

“I think that Tajik citizens must serve in the official Tajik army. However, there are times when a person has left the country and cannot serve. [...] It is up to them. If they want, they can serve in the Russian army,” Makhmudov told EurasiaNet.org.

A Tajik contract soldier serving Russia at the 201st base, who joined the Russian army in 2014, said he chose to serve in Dushanbe. He cannot be identified because Russian legislation prohibits soldiers from giving interviews to the press.

“Here I am quite close to my family and parents. I have received Russian citizenship already. In a short time, when I sign the extension of my contract, I will be able to get a [low-interest] military mortgage,” he told EurasiaNet.org.



He says that when he signed his contract, he clearly understood that he is obligated to fight for Russia, should Russia demand it. He counts himself lucky for being based near home, and understands he could be sent anywhere at any time.

The cousin of another Dushanbe man was transferred from the 201st base to Crimea early this year. “We call each other. He says he does not like Crimea and that everything is very expensive there, but he has to stay there. By the end of this year he is promised an apartment and he will be able to take his family there,” the Dushanbe man said, speaking on condition of anonymity so as not to jeopardize his cousin’s career.

Could the Russian recruitment hurt the notoriously understaffed Tajik military? Tajik Ministry of Defense Spokesperson Faridun Makhmadaliev says no, because Tajiks are patriots. “They will never refuse their poor mother in favor of a rich one,” he said.

“People stand in line to serve in the army,” Makhmadaliev told EurasiaNet.org. “We can even choose the best candidates for the Tajik army.”

That assertion contradicts widespread reports of poor conditions and hazing in the ranks, as well as well-documented press-gangings during the annual draft.

Dushanbe-based security expert Sulton Khamad said that the option of Tajik citizens serving in the Russian army might benefit the country. He reasoned that it could make the Tajik army an attractive training ground for soldiers seeking to join the Russian army. And, more prosaically, Tajikistan needs the jobs. “This could help us address the unemployment problem in our country,” Khamad said.

Fuente: eurasianet

China to construct oil refinery in Tajikistan

By Sara Rajabova

Chinese investors will begin direct construction of enterprises for oil refining in the free economic zone in the south of the Tajikistan in the coming days.

China’s Dong Ying Heli Investment and Development Co. Ltd will start construction of an oil refinery in the Danghara free economic zone, Avesta news agency reported.

Safarali Taifurov, deputy director of the Danghara FEZ said the Chinese side have completed design and excavation works and fenced the territory of the future refinery.

The investor has purchased German, Italian, and Chinese equipment worth \$25 million, and is working on its delivery to Tajikistan.



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The first production unit of the refinery is expected to be commissioned by late 2015. Tajikistan currently relies on imports, mainly from Russia, to meet domestic need for fuel.

Last October, Tajikistan's parliament ratified an investment agreement between Tajikistan and Dong Ying Heli Investment and Development Co. Ltd on the construction of an oil refinery in the Danghara FEZ. The State Committee of Investment and State Property Management of Tajikistan said the Chinese company will construct the refinery producing the Euro-3 standard gasoline and diesel fuel.

The project consists of two stages. In the first stage, worth over \$160 million, the refinery's capacity will be 500 thousand tons of crude oil per year and in the second stage, worth over \$300 million, it will reach 1.2 million tons.

The Chinese company already signed contracts with partners in Afghanistan, Kazakhstan and Russia on the delivery of crude oil to the Danghara oil refinery. Construction is expected to be completed by the end of 2018. Currently, there are four free economic zones in Tajikistan — Sughd, Panj, Danghara, and Ishkoshim, which provide preferential terms for economic, financial, trade, information, and other activities for investors. The FEZs offer incentives to investors, including preferences on taxation and customs procedures.

Fuente: azernews