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REVISTA DE PRENSA

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Kazajistán



Inflation expected below 10% in Kazakhstan in 2016

Inflation in Kazakhstan is expected to be below 10%, Sberbank Investment Research, a business unit of Sberbank CIB, has said in a report.

The overall inflation rate is to be below 10% in 2016, according to the Sberbank CIB experts.

The report forecasts a tendency for rising prices in Kazakhstan and a possibility of the further tenge devaluation due to the falling oil prices but the effect of these factors on inflation is likely to be limited in 2016.

Last year inflation in Kazakhstan rose to 13.6% and the National Bank forecasts this year's inflation rate at 8%.

WB explains Kazakhstan's GDP growth in 2017 and 2018 with resumption of oil production in the Kashagan field and the improvement of the Russian economy.

Kazakhstan's real GDP growth was 0.9 percent in 2015 (4.4 percent - in 2014, six percent - in 2013).

Fuente: Sberbank CIB

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From Ukraine to Kazakhstan, Avoiding Russia

Ukraine has been one of Kazakhstan's top five import partners fairly consistently over the past decade. That trade, however, has been increasingly imperiled by tensions between Europe and Russia, with Ukraine as the crux. Kazakhstan continues to be put in an awkward position between its wider economic interests, its close relationship with Russia, and the (perhaps unintended) consequences of Russia's trade tussles with Europe.

Russia decided to respond to Ukraine's entry into an association agreement with the European Union—which includes a free-trade agreement—by revoking Ukraine's place in the Commonwealth of Independent States free-trade agreement. Further, as I noted last week, Russia said that as a result, all trade from Ukraine to Kazakhstan transiting via Russia must first pass through checkpoints in Belarus.

Ukrainian President Petro Poroshenko spoke via phone to his Kazakh counterpart, Nursultan Nazarbayev recently. According to the Ukrainian readout of the conversation the two discussed the the implementation of agreements signed in October, when Poroshenko visited Astana, and the impact of Russia's embargo. The summary says that Nazarbayev "confirmed willingness to fulfill the effective bilateral and multilateral agreements with Ukraine in order to prevent any discrimination in Ukrainian-Kazakh trade."

In October, after the Poroshenko visit, I commented that Kazakhstan's ambition to be an international player is, in part, predicated on acting independently. "Nazarbayev's repeated position on the Ukraine-Russia debacle is that the Minsk agreements — which call for a ceasefire, deescalation, and an exit of armed groups from the areas in conflict among other things — should be implemented. Rooting for a peaceful, negotiated settlement is not a controversial position in either Kiev or Moscow. As long as Nazarbayev keeps away from specifics he's safe — and both Putin and Poroshenko seem happy to let Nazarbayev play the role of intermediary."

The present issue moves closer to the specifics I said Nazarbayev would stay away from. But the Ukrainian readout does not attribute any potentially inflammatory remarks to Nazarbayev. The closest it comes is this:

Petro Poroshenko emphasized that Russian actions violate the Vienna Convention on the Law of Treaties and respective rules and regulations of the World Trade Organization. In this regard, the Presidents discussed the opportunity of establishing transit of Ukrainian goods in order to prevent Russian adverse effect on the trade turnover between Ukraine and Kazakhstan, as well as the Asian countries.

Notice, Nazarbayev is not linked to comments on the illegality under WTO rules of Russia's action (Poroshenko emphasized that). An Interfax report carries the title "Kazakhstan president says any trade



discrimination towards Ukraine unacceptable," but such a comment is not clear from the Ukrainian summary of the conversation nor the details of the Interfax article.

According to an RFE/RL report the Ukrainian Minister of Infrastructure said that the country would be making "experimental" deliveries to Kazakhstan via Georgia and Azerbaijan beginning on January 15: *"This Silk Road will not only give Ukrainian goods alternative access to markets in which we have historically been very strong, but also create a new [trade] route between Asia and Western Europe," Pyvovarskiy said in televised remarks during a meeting with Prime Minister Arseniy Yatsenyuk.*

Time will tell whether such a route is economically viable but it has to be more expensive than transporting goods via trucks or rail to Kazakhstan. Getting goods from Ukraine to Kazakhstan transiting just Georgia and Azerbaijan also includes crossing two seas—the Black Sea and the Caspian Sea. That can't be cheap.

Fuente: www.thediplomat.com

Nazarbayev sends condolences to Turkey on Istanbul bomb attack

Kazakh President Nursultan Nazarbayev has sent a telegram to Turkish President Recep Tayyip Erdogan to offer his condolences on Tuesday's terrorist attack in Istanbul, the presidential press office reported on Wednesday.

The Kazakh leader said he was deeply saddened to learn about the bomb attack. *"Terrorism poses a great threat to all of humankind today. This evil can be defeated only through consolidating efforts. Kazakhstan is willing to continue close interaction with Turkey in fighting modern threats, in order to ensure peaceful life and security in our countries,"* it said.

Nazarbayev offered his condolences to the relatives of the dead and wished the soonest possible recovery to the survivors on his own behalf and on behalf of the people of Kazakhstan.

It was reported earlier that ten people were killed and fifteen others injured in a bomb attack in Sultanahmet Square in central Istanbul on Tuesday. Turkish authorities have identified the perpetrator as a Syrian man born in 1988.

Fuente: www.interfax.kz

Kazakh president to consider cons and pros, make decision about snap Majilis election

Kazakh President Nursultan Nazarbayev will make a decision about snap parliamentary elections only after having conducted a thorough analysis of this matter, presidential press secretary Dauren Abayev said on Wednesday.



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"Indeed, the president is already aware of the deputies' initiative to dissolve the Majilis and to hold early elections. A decision regarding this matter has yet to be made because it requires a thorough analysis. I think that Nursultan Abishevich will first consider all cons and pros, with due account of public sentiments and the situation in the country," Abayev wrote on Facebook on Wednesday.

"Also, as this is required by the constitution, the head of state will hold consultations with the speakers of both parliament chambers and the prime minister. We will learn the final decision only after that," he said.

Representatives of all the three parliamentary factions in the Majilis - Nur Otan, Ak Zhol and the Communist People's Party of Kazakhstan - initiated the early dissolution of the Majilis earlier on Wednesday.

The members of the Majilis (103 out of 103 present) unanimously supported the initiative at a plenary meeting and submitted their appeal to the head of state.

Fuente: www.interfax.kz

Deputy chairman's posts at Kazakhstan's State Fund Samruk-Kazyna abolished

The deputy chairman's posts have been axed in the National Welfare Fund Samruk-Kazyna in Kazakhstan, the press office of the state fund has said in a statement.

As part of the in-house shake-up Deputy Chairperson Yelena Bakhmutova was appointed managing director for finances and operations. Deputy Chairman Dauren Erdebay was relieved of his post, according to the statement.

On the orders of Chairman of Fund Samruk-Kazyna Umirzak Shukeyev Baljeet Kaur was hired as managing director and she will oversee strategy and portfolio investments at Samruk-Kazyna. Ms Kaur has had 14 years of international experience in senior management positions in the banking and financial companies, she worked in Asian Development Bank (ADB), Kuwait Investment Authority and Kuwait Finance House, ABN AMRO Bank, Maybank Malaysia, Deutsche Bank. Berik Beisengaliyev was transferred to the position of managing director for asset optimization, he used to be managing director for business development.

Adamas Ilkyavichyus became managing director for transformation and specific projects, he used to be senior director for business transformation. Darkhan Kaletayev was appointed managing director for liaising with the government and the press, he used to be managing director for public relations. Ulan Tazhibayev was appointed managing director for human resources management, who used to work as head of the administrative office. Erzhan Tutkushev was appointed co-managing director for new industries development, he used to be business development deputy director.

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It was reported earlier that Kazakh President Nursultan Nazarabayev delivering his address to the nation in December 2015, instructed that the state-run holdings - State Fund Samruk-Kazyna, Baiterek and KazAgro - be optimized with a view to reducing administrative costs. The president even urged their full liquidation in case these entities would have nothing else to do.

JSC National Welfare Fund Samruk-Kazyna was created in 2008 through the merger of JSC Sustainable Development Fund Kazyna and Kazakhstan Holding for Management of State Assets Samruk. The fund controls Kazakhstan's major strategic companies, including Air Astana, Kazakhtelecom, Kazatomprom, KazMunaiGas, Kazpost.

Fuente: www.interfax.kz

East Kazakhstan region to increase meat production 1.5% in 2016

UST-KAMENOGORSK. Jan 13 (Interfax-Kazakhstan) - The East Kazakhstan region plans to increase meat output by 1.5% to 246,000 tonnes this year.

"Meat output in 2016 is expected to increase by 1.5% from a year earlier to make 246,000 tonnes," Yerbol Kuanyshhev, head of the Agriculture Department at the East Kazakhstan region administration, told Interfax-Kazakhstan.

Last year, the region produced 242,000 tonnes of meat products. The population of the East Kazakhstan region is about 1.4 million people.

Fuente: www.interfax.kz

US increases Kazakhstan's oil production forecast

The US Energy Information Administration (EIA) has increased the forecast of oil production in Kazakhstan for 2016, according to the short-term January forecast of the EIA.

Oil production in Kazakhstan in 2016 is forecasted at 1.72 million barrels per day. Previously, the EIA predicted oil production in Kazakhstan at 1.71 million barrels per day in 2016.

In accordance with the new forecast, in the first and second quarter of 2016, oil production in Kazakhstan will amount to 1.71 million barrels per day, in the third - 1.72 million barrels per day, in the fourth - 1.75 million barrels per day.

In 2017, the EIA predicts oil production growth in Kazakhstan to 1.75 million barrels per day. Quarterly production in 2017 is expected to be 1.76, 1.75, 1.74 and 1.73 million barrels per day, respectively.



In 2015, oil production in Kazakhstan was 1.72 million barrels per day, according to the EIA. BP's statistical review indicates that Kazakhstan's proven oil reserves as of early 2015 stood at 30 billion barrels.

Kazakhstan's largest oil fields are Tengiz, Karachaganak and Kashagan. Tengiz is one of the largest fields in the world. It is being developed by the Tengizchevroil consortium. The project's license area includes the Tengiz field and the Korolevskoye field, which is smaller, but has significant reserves. Recoverable reserves of the Tengiz and Korolevskoye fields are estimated between 750 million to 1.1 billion tons of oil. The total explored reserves in the drilled and non-drilled sites at the Tengiz field's reservoir stand at 3.1 billion tons, or 26 billion barrels.

Karachaganak is also one of the world's largest fields. Its oil and condensate reserves stand at 1.2 billion tons, and gas reserves exceed 1.35 trillion cubic meters.

Almost 45 percent of gas and 16 percent of oil produced in Kazakhstan are being extracted from this field. Kashagan is a large oil and gas field in Kazakhstan, located in the north of the Caspian Sea. The geological reserves of Kashagan are estimated at 4.8 billion metric tons of oil. The total oil reserves amount to 38 billion barrels; some 10 billion out of them are recoverable reserves.

There are large natural gas reserves at the Kashagan field - over one trillion cubic meters. The production at the Kashagan field started September 2013, but in October, it was ceased after a gas leak in one of the main pipelines. The analysis revealed numerous cracks in the pipeline, which needed to be completely replaced.

The project's operator, the North Caspian Operating Co. (NCOC) confirmed the need for a complete replacement of the gas and oil pipelines, which have a total length of about 200 kilometers. The production at the Kashagan is expected to resume in late 2016.

Fuente: www.trend.az

Airport for Tourists Flying to Alakol Lake to Be Built in Usharal

The Kazakh government plans to build an airport in the town of Usharal in the Alakol District of the Almaty Region in south-eastern Kazakhstan to accommodate tourists flying to the shores of Alakol Lake, Akim (Governor) of the Almaty region Amandyk Batalov said recently.

"According to instructions from the head of state, we are planning to build an airport in the Usharal town to bring our tourists and campers from there to the shore of Alakol Lake. Three hectares of land have already



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been allocated for it," Batalov said at a briefing in the Central Communications Service under the President of Kazakhstan. He added that the launching of an Almaty – Usharal air service is being planned as well.

The airport will be built over the next few years to increase the tourist flow, Vlast Internet magazine wrote. In the meantime, the akim said the number of campers vacationing on the shores of Balkhash and Alakol lakes has increased to 138,000 people this year, according to the website. The magazine said the increased number of vacationers is the result of improved logistics.

"The Almaty region is a tourism area. We began to work actively on the shores of Balkhash and Alakol lakes in the field of tourism. We have helped big investors in Alakol Lake by providing land and all the necessary infrastructure," Batalov said.

According to the akim, two five-star hotels will open soon. One is nearly completed and the other is under construction, other news agencies reported. Ninety-four kilometres of power lines have also been connected to the recreational areas around Balkhash and Alakol lakes, roads are being repaired and an Almaty – Dostyk rail service is being established, the post said.

"Given the fact that a new road from Taldykorgan to Ust-Kamenogorsk will be built, we also want to build an offshoot at 141 kilometres to the coast of the Balkhash Lake. As of today, design and estimate documentation is being developed," Batalov said, according to the Kazinform information agency. *"Railway communication has been established. We started out with five carriages and today 11 are circulating. This rail route was in great demand among Almaty residents in summer."*

Fuente: www.astanatimes.com



Kazakhstan prepares for early parliamentary elections

Kazakh parliamentarians at the plenary session on January 13 have approved an appeal to President Nursultan Nazarbayev on holding of early parliamentary elections.

They explained the proposal with "the aggravated economic situation in the country."

Under the country's legislation, the president can make a decision on dissolving the Parliament after consultations with the chairs of the both parliamentary chambers and the prime minister. Meanwhile, new elections will be appointed by the head of the state on early termination of the parliament's powers.

The elections will be held within two months after making the decision. The term of the current parliament is to complete this fall.

"Do not expect significant changes in the Kazakh Parliament in case of early elections," said researcher at the Center for International Studies in Barcelona (CIDOB), an expert on Central Asia Nicolas de Pedro.

The parliament consists of 107 members, 98 of them were elected at the early elections on January 15, 2012. Then, the Nur Otan Party received 83 mandates, Ak Zhol 8 mandates, the Communist People's Party of Kazakhstan 7 mandates. Nine more seats were given to delegates from the People's Assembly of Kazakhstan on January 16, 2012.

Fuente: www.azernews.az

Centers of government services open "one-window" service for investors

The centers of government services for Kazakh citizens launched a "one-window" service for investors to be able to obtain all required permits and documents.

"Last year we tested the "one-window" service for investors at our ministry for priority projects. (...) Starting from January 1 our ministry provides the "one window" services to all investors: foreign, Kazakh, large, small," Minister of Investment and Development Aset Isekeshev said during the opening ceremony at one of the centers of government services in Astana.

"From now on, any investor will be able to obtain 350 government services at one place---a center of government services--without having to deal with the government agencies and bodies directly. Such services will include the issue of labor permits, all licenses, permits for land use, construction and others," the minister said.

Fuente: www.interfax.kz



Kazakh NGOs Support Initiative to Dissolve Mazhilis, Hold Early Election

The Jan. 13 initiative of the deputies of the Mazhilis (lower chamber of Parliament) to ask President Nursultan Nazarbayev to dissolve the chamber and set early parliament election was supported by the National Consumers League (NCL), the Assembly of People of Kazakhstan (APK), the Youth Congress, Association of the Deputies of Maslikhats, representatives of the national movement Kazakhstan 2050 and the Civil Alliance of Kazakhstan, vlast.kz reported on the same day. Also, they supported an idea to hold early election for maslikhats (local assemblies) of all levels.

"We state that holding early parliament elections is a correct and timely decision at the start of a new anti-crisis program. The current composition of the Mazhilis of Parliament did a lot for the development of the country and society. However, early election will mobilize our society and will allow the beginning of crisis management and protection measures for our economy and the country as a whole," the national movement Kazakhstan 2050 stated.

The Association of the Deputies of Maslikhats also supports and shares the initiative to hold early Mazhilis election in Kazakhstan, as well as elections for maslikhats of all levels.

"Today, in circumstances of the global economic crisis affecting the economies of many countries, there is a need to immediately start implementing the reforms of the President concretized in the Nation Plan '100 concrete steps' devoted to overcoming the crisis," the association said in its statement.

The NCL of Kazakhstan in an address noted that holding early parliament election is an extremely timely decision, which meets the spirit of the time. The league also expressed confidence that the election will demonstrate the unity of the people and their support for the anti-crisis policy of the country.

In turn, the APK believes that the fifth convocation of the Mazhilis played its historical role in making changes in the country's national legislation. However, the lawmaking body needs to update its mandate for further effective implementation of fundamental reforms, ensuring the rule of law, formation of an open government, as well as ensuring the country's constant economic growth in difficult conditions.

"This step is a logical decision on the threshold of big reforms on the implementation of anti-crisis measures. It will update the mandate of the deputies, as well as attract new force into the main legislative body," the Youth Congress of Kazakhstan noted in a statement.

The Civil Alliance of Kazakhstan, bringing together the largest network of non-governmental organizations in the country, also expressed support for the initiative of the deputies of the Mazhilis of Parliament to hold early parliament elections for maslikhats of all levels. In their opinion, it will provide new opportunities for political parties to increase their participation in the implementation of reforms and overcome the consequences of the global crisis.



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The decision on whether to bring forward the election from November 2016 now rests with the President who needs to consult the chairmen of both chambers of Parliament and the prime minister before making it. The previous parliamentary election in January 2012 led to the three-party Mazhilis with the ruling Nur Otan party holding the overwhelming majority out of 107 seats.

Fuente: www.astanatimes.com

“National Champions” to provide increase in investment to 750 mn dollars by 2019

"The company, presenting the "National champions" project, will be provided increase in investment to 750 mn dollars already by 2019, said Alima Auanasova, Professor, Doctor of historical sciences during the scientific and practical conference dedicated to the 25th anniversary of Independence of Kazakhstan, BNews.kz reports.

"The first year of national Plan work has become institutional and legislative. These analyzes suggest that the impact of new legislation will have an effect in short and medium term. For example, new legal regulations in the field of agriculture allow a maximum of 224 thousand subjects of agrarian and industrial complex to purchase private property totaling 97,4 mn hectares of land for rent," said A.Auanasova. She also praised the new mechanism for a comprehensive plan of privatization.

"The competitive environment derives 65 largest state-owned companies for 2016-2020," added A.Auanasova. *"In addition, 32 companies are focused on import substitution. The companies, working by the "national champions" program, will provide growth of domestic direct investment up to 750 mn dollars by 2019, ie, it gives an opportunity to create more than 15 thousand jobs. Thus productivity will rise to 30-50%, while growth in non-oil sector will amount to 260 mn dollars. At present, 26 contracts with multinational companies have been signed; they should increase innovation activity of business by 20% in two years,"* said A.Auanasova.

Fuente: www.bnews.kz

Mazhilis approved a draft law on precious metals and stones

The deputies of Mazhilis of the Parliament of RK approved in the second reading the draft Law «On Precious Metals and Precious Stones». The purpose of the Law is to create a common legal basis for regulating social

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relations that arise in the production and circulation of precious metals and stones, the state regulation and control over operations with precious metals and precious stones, harmonization of national legislation and the creation of conditions for the development of jewelry industry in Kazakhstan. During consideration of the Law, deputies applied amendments, relating to the implementation of state control over the import and export of precious stones, as the amendments prescribing clarification of the concept of precious stones, jewelry made of precious stones.

The draft law prescribes determining the competence of the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and the authorized body in the field of circulation of precious metals and precious stones, as well as the establishment of responsibility for violation of legislation of the Republic of Kazakhstan in this sphere.

It is also prescribed the priority right of the government to enter into transactions involving the acquisition of refined gold, with subjects of precious metals and those that have become owners as a result of processing, to replenish assets of the National Bank of the Republic of Kazakhstan in the precious metals.

The work group has received more than 100 proposals that were considered during twelve meeting of the work group and two extended meetings of the Committee with participation of representatives of relevant ministries and agencies as well as nongovernmental organizations.

According to the legislative process, the documents are sent to the Senate of the Parliament for consideration.

Fuente: www.mid.gov.kz



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Kyrgyzstan's GDP growth slows to 3.5 pct in 2015

BISHKEK - Kyrgyzstan's gross domestic product growth slowed to 3.5 percent in 2015 from 4.0 percent a year earlier, partly due to lower output at the large Kumtor gold field, the state statistics committee said on Thursday.

Gold production at Kumtor, operated by Canada's Centerra Gold, fell 8.2 percent last year, it said. The field, which is a subject of dispute between the government and Centerra over profit sharing, accounted for 7.4 percent of Kyrgyzstan's GDP in 2014.

The Central Asian country's industrial output fell 4.4 percent last year after shrinking 1.6 percent in 2014. Inflation slowed to 3.4 percent from 10.5 percent. (Reporting by Olga Dzyubenko; Writing by Olzhas Auyezov; Editing by Alison Williams)

Fuente: reuters.com

National Bank of Kyrgyzstan supports national currency for 6th time in a month

Bishkek – Tatyana KUDRYAVTSEVA

National Bank of Kyrgyzstan supported national currency for the 6th time in a month, selling more than \$ 8 million. Website of the bank reported.

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It is noted that the sales totaled to \$ 4.15 million with the calculations on the date of the transaction and to \$ 4.50 million - with calculations, other than the date of the transaction. Thus, from the beginning of the year, the National Bank has sold \$36,120 million to support the national currency.

Therewith, interventions have no influence on the real dollar exchange rate. Exchange offices of the capital and the commercial banks buy currency for 75.9 soms and sell -for 76.3 som. The nominal exchange rate is set at around 75.8982 soms.

Exchange rates of the Russian ruble and Kazakh tenge still remain low - 0.97-0.98 som and 0.21-0.22 som respectively.

The National Bank has repeatedly stated that there is no shortage of dollars in monetary system of the Kyrgyz Republic. But the regulator conducts interventions every working day.

Fuente: eng.24.kg

Kyrgyz government to return to removal of veterinary posts on border with Kazakhstan in beginning of 2016

Bishkek – by Tatyana KUDRYAVTSEVA

The Kyrgyz government plans to return to the issue of removal of veterinary posts on the border with Kazakhstan in the beginning of 2016. Deputy Prime Minister of Kyrgyzstan Oleg Pankratov said on the results of a meeting of the Supreme Eurasian Economic Council in Moscow.

According to him, for declaring the Kyrgyz veterinary control system equivalent to the standards of EEU, Kyrgyzstan has to perform 23 provisions of the Roadmap. Most of them are implemented. At least four provisions are being executed. As soon as the process is completed, it will be possible to return to the issue of withdrawal of veterinary posts on the Kyrgyz-Kazakh border.

"Measures on identification of cattle, zoning and creation of an information system are in the process of execution. All these measures require serious funding. So, their implementation depends not only on us but also on partners who provide funding. We hope that before the end of 2015 we will complete all the procedures, and at the beginning of 2016 we will repeatedly submit the question of withdrawal of veterinary posts to the partners for consideration," Oleg Pankratov told.

Exactly recognition of the Kyrgyz veterinary control system was the main reason for the postponement of signing of an agreement on Kyrgyzstan's accession to EEU. As a result, Kyrgyzstan became a full member of the Union only on August 12, 2015, not in May as it was planned. However, phytosanitary and veterinary posts remained closed after removal of the customs control. Sanitary and phytosanitary control on the border with Kazakhstan



was removed only on November 20, 2015.

Fuente: eng.24.kg

New Hydropower Project Partners Needed in Kyrgyzstan

It looks like Moscow can't afford the projects and Bishkek will be looking for new partners.

By Catherine Putz

Kyrgyzstan may be looking for new partners to finance the construction of two major hydropower projects in the wake of years of delays and Russia's declining economy.

Kyrgyz President Almazbek Atambayev, according to 24.kg, said during his year-end press conference on December 24, "I don't like uncompleted construction projects, one should be realistic. We all see the state of the Russian economy, it is, shall we say, not on the rise, and for objective reasons, these agreements (on the construction of hydropower plants) can't be implemented by the Russian party."

Russian President Vladimir Putin's press secretary, Dmitry Peskov, said that while there were difficulties with the projects different options were being considered. The Russian ambassador to Kyrgyzstan was similarly cautious, urging patience for an official statement from Putin and saying that the matter was not closed.

The two projects — the massive Kambarata-1 dam and the Upper Naryn cascade (comprising four smaller dams) — have been in various stages of progress for years. *Eurasianet* has followed the tangles, reporting in June 2014 that "Kambar-Ata 1 still appears to be in the dream stage." In February 2015, *Eurasianet* reported comments from the Kyrgyz energy minister appearing in the Kyrgyz press that pointed to a lack of visible progress on both projects. "With Kyrgyzstan providing no cash or capital for either project," Chris Rickleton wrote at the time, "it would not be a surprise if they are low on the Kremlin's to-do list right now."

In March, the Russian government approved the creation of a Russian-Kyrgyz development fund worth \$1 billion. *The Moscow Times* wrote in March, "According to the draft bill, \$500 million of capital for the fund will go straight from Russia's strained federal budget to the fund's account in the National Bank of Kyrgyzstan." This infusion of capital was viewed as enticement for Bishkek to complete the accession process and join the Eurasian Economic Union — which it did, after several delays — in August.

Part of the current problems surrounding the two hydropower projects, however, seems to be the Russian-Kyrgyz development fund. Atambayev implied in his remarks that the Russians were hesitant to disburse funds because of worries of corruption in Bishkek.

"They thought that someone will steal money here. Apparently, they judged by the old standards. I explained that we have a different situation, and said: God forbid, you fought with corruption as we do. And we found mutual understanding," he said, according to 24.kg. Atambayev noted that there were misunderstandings on



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both sides and even placed some of the fault on Kyrgyzstan for not seizing previous opportunities to make progress: “We have delayed allocation of land, didn’t use chance when there were money, when the Russian economy was booming.”

Days after Atambayev’s remarks, the development fund’s chairwoman, Nursulu Akhmetova, told a press conference that the fund plans to approve 26 large projects and 78 small- and medium-sized business projects in 2016. The few details reported pointed to “economy” housing construction and the importance of small- and medium-sized business.

The projects, worth over \$3.2 billion, are a key part of Kyrgyzstan’s larger economic plan, which sees the small mountainous state exporting electricity to South Asia, in particular. Like Tajikistan, Kyrgyzstan’s various hydropower projects are a bone of contention with Uzbekistan, which lies downstream and relies on water coming down from the mountains to sustain its massive cotton industry.

Fuente: thediplomat.com



Tayikistán



Draconian Rules in Tajikistan Fail to Stem Currency Slide

January 6, 2016

Despite all the desperate and draconian measures being adopted by authorities in Tajikistan, the national currency has continued its downward trajectory.

The somoni officially closed 2015 at 6.99 against the dollar, but that slipped to 7.19 on January 6 — a more than 2.5 percent slide in under a week. (It has been a steady drop — although vastly less steep than Kazakhstan — since the start of 2015, when the official rate was 5.3 somoni to the dollar.)

And if at the end of the year, the dollar was selling in the banks at 7.45 somoni, banks' websites are now showing 7.7 somoni. Meanwhile, banks are buying dollars at 7.4 somoni.

A \$400 daily limit has also been placed on how many dollars account-holders can draw on their cards.

In December, the central bank suspected operations at all money exchanges points, citing speculation, leaving only banks the right to perform the transaction. Anybody carrying out unauthorized currency exchanges could face stiff penalties, the central bank said.

All the while, authorities assured people that there was enough foreign currency to go around. Indeed, the central bank warned authorized credit organizations that failure to provide exchange service on more than two reported occasions could lead to penalties up to and including license revocation.



The warnings have had little effect. EurasiaNet.org visited several banks around the capital, Dushanbe on January 6 and found that banks authorized (obliged even) to sell dollars were unable (or unwilling) to do so. Banks will buy dollars, but refuse to sell it.

“If you want yuan, if you want Russian (rubles), you can have it, but we cannot sell you dollars. We are forbidden from selling it,” said a teller at one bank in Dushanbe.

Meanwhile, the black market is flourishing.

Money exchangers with a familiar client base are taking the risk of criminal sanctions to sell and buy dollars, albeit at the more exorbitant rates of 7.8-7.9.

There are reports that the rate in the northern city of Khujand, in the Sughd province, has hit 8 somoni to the dollar.

Experts warn that even 8 to the dollar is far from the bottom and even believe the rate could slip to 10 some time this year.

Remittances from Russia in January-September in 2015 dropped by 65.1 percent to \$1.54 billion compared to the same period the previous year, when the figure stood at \$3.16 billion.

Fuente: eurasianet.org

TALCO seeks partner for implementation of the Konchoch gold deposit development project

Payrav Chorshanbiyev. DUSHANBE, January 8, 2016, Asia-Plus

The Tajik Aluminum Company (TALCO) is seeking partner for joint financing of the Konchoch gold deposit development project, according to the TALCO press center. We will recall that TALCO plans to process up to 900,000 tons of ore at the Konchoch gold deposit per year.

According to a business-plan developed by TALCO, they will organize a stable functioning of an enterprise that will be established on the basis of explored possible reserves of the Konchoch deposit.

“This will allow bringing the enterprise’s annual capacity to up to 900,000 tons of ore with production of a complex concentrate (gold, silver, mercury, antimony, etc) at the dressing works,” the TALCO business-plan says.

The company plans to build a dressing works and a metallurgical plant at the Konchoch deposit.



TALCO was granted licenses in late November last year to develop Konchoch and Chulobi gold deposits located in the Ayni district, Sughd province.

TALCO has the right to use these deposits during twenty-five years, an official source at TALCO said.

The Konchoch deposit contains antimony, mercury, gold, and silver; previously, Konchoch was considered to be purely a mercury deposit.

The Konchoch deposit reportedly has possible gold reserves of 55 tons, possible silver reserves of 44 tons, possible antimony reserves of antimony, possible mercury reserves of 268 tons and possible fluorite reserves of 205 tons.

The Tajik Aluminum Company (TALCO) is one of the ten largest aluminum smelters in the world and provides up to 70% of the country's foreign currency earnings, consuming 40% of the country's electrical power. TALCO is wholly owned by the Tajik government. Tajikistan does not mine alumina but imports the raw material through tolling arrangements.

Construction of the Tajik aluminum plant (TadAZ) began in 1972, and the first pouring of aluminum took place on March 31, 1975. On April 3, 2007, TadAZ was officially renamed to TALCO – Tajik Aluminum Company. The Tajik aluminum smelter had the capacity to produce 517,000 metric tons per year.

Fuente: asiaplus.tj

UNECE signs United Nations Development Assistance Framework with Tajikistan for 2016-2020

DUSHANBE, January 11, 2016, Asia-Plus

UNECE Weekly # 650 (January 4-8, 2016) reports that UNECE will strengthen its support to Tajikistan development efforts through the implementation of United Nations Development Assistance Framework (UNDAF) for the period of 2016-2020, which was officially launched in Dushanbe last month.

In the next five years, UNECE will provide technical assistance to Tajikistan in a variety of areas including the follow up to the Global Assessment of National System of Official Statistics, the Innovation Performance Review and the Study on Regulatory and Procedural Barriers to Trade and its Aid-for-Trade Action Matrix. UNECE will also provide technical assistance in the area of Public-Private Partnerships, renewable energy and energy efficiency.

UNECE Environmental Subprogram will continue its support through the National Policy Dialogues on international water management, promotion of accession to the Protocol on Strategic Environmental Assessment, providing capacity building related to air pollution and development of emission inventories,



as well as support the strengthening of cooperation on hydrology and environment between Tajikistan and Afghanistan.

More specifically, UNECE will be contributed to achieving the following UNDAF outcomes: people in Tajikistan have their rights protected and benefit from improved access to justice and quality services delivered by accountable, transparent, and gender responsive legislative, executive and judicial institutions at all levels; people in Tajikistan benefit from equitable and sustainable economic growth through decent and productive employment, stable energy supply, improved access to specialized knowledge and innovation and a more favorable business environment, especially for entrepreneurs and farmers; and people in Tajikistan are more resilient to natural and man-made disasters and benefit from improved policy and operational frameworks for environmental protection and management of natural resources.

UNECE financial commitment for UNDAF 2016-2020 is 930,000 U.S. dollars.

Established in 1947, the United Nations Economic Commission for Europe (UNECE) is one of five regional commissions under the administrative direction of United Nations headquarters. It was established to encourage economic cooperation among its member states. UNECE has 56 member states, and reports to the UN Economic and Social Council (ECOSOC). Besides countries in Europe, it also includes Canada, the Central Asian republics, Israel and the United States of America. The UNECE secretariat headquarters is in Geneva, Switzerland, and has an approximate budget of US\$50 million.

Fuente: asiaplus.tj

EBRD investment in Tajikistan reaches €166 million in 2015

DUSHANBE, January 14, 2016, Asia-Plus – The European Bank for Reconstruction and Development (EBRD) reportedly invests record amounts in Kazakhstan, Mongolia and Tajikistan, keeps up speed in the Kyrgyzstan and Turkmenistan. Total EBRD financing in the region reaches over €10 billion.

The Bank invested a record amount in the Central Asian region in 2015. Press release issue by the EBRD on January 13 notes that last year's total investment rose 75 per cent to €1.402 billion from €803 million, in 82 different transactions following 71 projects in 2014. This brings the total EBRD financing in Central Asia to just over €10 billion.

Kazakhstan reported the largest total volumes; Tajikistan and Mongolia tripled and quadrupled investment compared with the previous year; and the Kyrgyz Republic and Turkmenistan kept up pace with 2014. Within the region, the largest EBRD investment was reportedly made in Kazakhstan with €708.6 million in 2015, compared to €567.5 million in 2014, which was the previous record.

Investment in Mongolia increased more than four times year-on-year, to €467.3 million in 2015 compared with €117 million in 2014.



Tajikistan was another record breaker with investments of €166 million in 2015 – close to three times the 2014 record of €62 million, which in turn was an increase of over four times on 2013's investment of €14 million.

Richard Jones, EBRD Head in Tajikistan, said: “The Bank invested in a record 15 projects across all sectors. Landmark transactions included an equity investment into Auchan's first hypermarket in Central Asia, financing of Coca Cola's new plant, and a loan to the state energy utility Barqi Tojik for upgrades necessary for the CASA 1000 electricity transmission project. The EBRD also provided investment and advisory support to the financial sector, local enterprises and municipal infrastructure, and will build further on this during 2016.”

In the Kyrgyzstan the EBRD invested €48.6 million in 2015 (€34.8 million in 2014), while in Turkmenistan the Bank provided €11.9 million in 2015 (the same amount as in 2014).

Masaru Honma, EBRD Director for Central Asia, added: “The external environment facing Central Asia remains very challenging. Remittances have fallen sharply in Tajikistan and Kyrgyzstan, while exports are down in Kazakhstan, Turkmenistan and Mongolia. In these circumstances, EBRD financing will continue to play an important role in the region in 2016.”

The EBRD responded to another challenging year for financing in 2015 by delivering huge impact on the ground in over 30 countries where it operates through record investments of €9.4 billion.

The rise in investment from €8.9 billion in 2014 came as emerging markets worldwide witnessed the worst year for capital inflows since the start of the global financial crisis in 2008 and as banks continued to reduce their exposure to a number of EBRD economies.

The Bank financed 381 individual projects in some three dozen countries stretching from Estonia to Egypt and Morocco to Mongolia in 2015.

Economic conditions are expected to remain challenging in 2016 with global forecasts revised down at the start of the year and the continuing weakness in commodity and energy prices likely to carry on putting pressure on some of the larger resource-dependent EBRD countries.

However, the EBRD has begun its 25th anniversary year with a very strong pipeline of projects and the Bank will complement a continued high level of financial engagement with an increase in support for policy reform that helps to improve the overall investment climate.

Fuente: asiaplus.tj